Board of Directors Regular Meeting  
2000 E. Horsetooth Road, Fort Collins, CO 80525  
Thursday, February 28, 2019, 9:00 a.m.

Call to Order

1) Consent Agenda
   Motion to Approve
   a. Minutes of the Regular Meeting of December 6, 2018
   b. Minutes of the Special Meeting of January 31, 2019
   c. Incorporation into the Record of Resolution 22-18; 2019 Regular Meeting Schedule
   d. Transfer of 2018 Capital Budget Carryover to 2019 Budget

Public Comment

Annual Meeting

2) Platte River Power Authority Annual Meeting
   Resolution 01-19
   a. Annual Election of Officers
   b. Annual Retirement Committee Appointments
   c. 2018 Platte River Review
   Resolution 02-19

Management Presentations

3) Organic Contract
4) Rates Framework
5) HQ Campus Update

Monthly Informational Reports

6) Legal & Governmental Affairs Report
7) January 2019 Operating Report
9) General Management Report

Strategic Discussions

Adjournment
# 2019 BOARD MEETING PLANNING CALENDAR

## March 28, 2019

<table>
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<tr>
<th>Board Action Items</th>
<th>Management Presentations</th>
<th>Management Reports</th>
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<tbody>
<tr>
<td>Retirement Committee Report</td>
<td>HQ Campus</td>
<td>Safety Program Review</td>
<td>Legal &amp; Governmental Affairs Report</td>
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<tr>
<td>GM/GC Annual Review</td>
<td>Wholesale Rate Projections</td>
<td>Water Policy and Windy Gap Firming Project Recap</td>
<td>February 2019 Operating Report</td>
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<td>February 2019 Financial Report</td>
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## April 25, 2019

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<tr>
<td>2018 BKD Audit Report</td>
<td>HQ Campus</td>
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<td>March 2019 Operating Report</td>
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<td>2020 Rate Projections</td>
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<td>General Management Report</td>
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## May 30, 2019

### Retirement Committee Meeting

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<tr>
<td>Revision to TARIFF—SCHEDULE 4: Wholesale Transmission Service</td>
<td>Synopsis of State Legislation of Interest</td>
<td></td>
<td>Legal &amp; Governmental Affairs Report</td>
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<td>2020 Rate Tariffs</td>
<td>HQ Campus</td>
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<td>April 2019 Operating Report</td>
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<td>General Management Report</td>
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### June 7-12, 2019

**APPA National Conference**  
**Austin, Texas**

### July 25, 2019

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<td>Legal &amp; Governmental Affairs Report</td>
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<td>May and June 2019 Operating Report – Mid-Year Review</td>
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<td>Cyber Security Review</td>
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<td>May and June 2019 Financial Report – Mid-Year Review</td>
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<td>Energy Efficiency Programs Update</td>
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<td>General Management Report</td>
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### August 29, 2019

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<td>Legal &amp; Governmental Affairs Report</td>
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<td>Energy Efficiency Programs Update</td>
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<td>July 2019 Operating Report</td>
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<td>HQ Campus</td>
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### September 26, 2019

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<tr>
<td>Retirement Committee Report</td>
<td>2020 Proposed Annual Budget Work Session</td>
<td>Demand Response Pilot Update</td>
<td>Legal &amp; Governmental Affairs Report</td>
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<td>HQ Campus</td>
<td>Staffing Update (MEMO only)</td>
<td>August 2019 Operating Report</td>
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<td>August 2019 Financial Report</td>
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### October 31, 2019

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<tr>
<td>2019 BKD Audit Plan</td>
<td>2020 Proposed Annual Budget Update – Public Hearing</td>
<td>Workforce Updates</td>
<td>Legal &amp; Governmental Affairs Report</td>
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<td>HQ Campus</td>
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<td>September 2019 Operating Report</td>
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<td>General Management Report</td>
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November, 2019
Retirement Committee Meeting

No Board of Directors Meeting

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<tr>
<th>December 5, 2019</th>
<th>Board Action Items</th>
<th>Management Presentations</th>
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<tbody>
<tr>
<td>Retirement Committee Report</td>
<td>2020 Annual Budget Update and Review</td>
<td></td>
<td>Legal &amp; Governmental Affairs Report</td>
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<tr>
<td>2020 Annual Budget Adoption</td>
<td>HQ Campus</td>
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<td>October 2019 Operating Report (November 2019 Report, if available)</td>
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<tr>
<td>2020 Proposed Board of Directors Regular Meeting Schedule</td>
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Topics to be scheduled:
- Debt financing update

* This calendar is for planning purposes only and may change at management’s discretion *
## 2019 BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th>Owner communities</th>
<th>Term expiration</th>
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<tbody>
<tr>
<td><strong>Town of Estes Park</strong></td>
<td></td>
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<tr>
<td>P.O. Box 1200, Estes Park, Colorado 80517</td>
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<tr>
<td>Mayor Todd Jirsa—Chairman, Board of Directors</td>
<td>April 2020</td>
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<tr>
<td>Reuben Bergsten—Vice Chair, Board of Directors</td>
<td>December 2019</td>
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<tr>
<td><strong>City of Fort Collins</strong></td>
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<tr>
<td>P.O. Box 580, Fort Collins, Colorado 80522</td>
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<tr>
<td>Mayor Wade Troxell</td>
<td>April 2019</td>
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<tr>
<td>Mayor Pro Tem Gerry Horak</td>
<td>December 2020</td>
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<tr>
<td><strong>City of Longmont</strong></td>
<td></td>
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<tr>
<td>350 Kimbark Street, Longmont, Colorado 80501</td>
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<tr>
<td>Mayor Brian Bagley</td>
<td>November 2019</td>
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<tr>
<td>Susan Wisecup</td>
<td>October 2019</td>
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<tr>
<td><strong>City of Loveland</strong></td>
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<tr>
<td>500 East Third Street, Suite 330, Loveland, Colorado 80537</td>
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<tr>
<td>Mayor Jacki Marsh</td>
<td>November 2019</td>
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<tr>
<td>Joseph Bernosky</td>
<td>December 2022</td>
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ATTENDANCE

Board Members
Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten
Representing Fort Collins: Mayor Wade Troxell and Mayor Pro Tem Gerry Horak
Representing Longmont: Mayor Brian Bagley and Susan Wisecup
Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

Platte River Staff
Jason Frisbie (General Manager/CEO)
Joe Wilson (General Counsel)
Dave Smalley (Chief Financial Officer and Deputy GM)
Andy Butcher (Chief Operating Officer)
Alyssa Clemson Roberts (Chief Strategy Officer)
Angela Walsh (Executive Assistant/Board Secretary)
Steve Roalstad (Communications and Marketing Manager)
Craig Johnson (Deputy General Counsel)
Wade Hancock (Financial Planning Manager)
Pat Connors (Vice President of Power Supply)
Heather Banks (Fuels and Water Manager)
Shelley Nywall (Controller)
Caroline Schmiedt (Deputy General Counsel)
Paul Crosby (Manager of Operations Technology & CIP)
Brad Decker (Resource Planning Manager)
Jeff Menard (HQ Campus Project Manager)
Kaleb Brimhall (Assistant General Counsel)

Guests
Joe Mancinelli (NewGen)
Tim McCollough (City of Fort Collins)
Kevin Jones (Fort Collins Chamber of Commerce)
Matt Scheppers (Longmont Power and Communications)
Ken Reggelson (Boulder resident)
Gordan MacAlphine (Estes Park resident)
Alan Braslau (Fort Collins resident)
Karen Dike (Longmont resident)
Marcia Martin (Longmont resident)
Jane Clevenger (Loveland resident)
Dick Mallot (Loveland resident)
Kevin Cross (Fort Collins resident)
Larry Roos
Julia Rentsch
Carrie Bellamy
CALL TO ORDER

Chairman Jirsa called the meeting to order at 9:00 a.m. A quorum of board members was present and the meeting, having been duly convened, was ready to proceed with business. Director Wisecup introduced Matt Scheppers, Longmont Power and Communications’ Director of Operations. Joe Wilson, general counsel, introduced Caroline Schmiedt, deputy general counsel, and Kaleb Brimhall, assistant general counsel. Alyssa Clemsen Roberts, chief strategy officer, previewed the year-end gift that Platte River personnel and board members received this year. Jason Frisbie, general manager, discussed the handout showing corrected information on the last page of the operating report, and noted a correction to the October board meeting minutes.

ACTION ITEMS

(1) Consent Agenda
   a. Approval of the Regular Meeting Minutes of October 26, 2018
   b. 2019 Proposed Board of Directors Regular Meeting Schedule: Resolution 22-18

Mr. Frisbie noted a change to the October board meeting minutes to a guest’s residency and Director Wisecup added a member to the guest list. Director Troxell moved to approve the Consent Agenda as presented. Director Bagley seconded, and the motion carried 8-0.

PUBLIC COMMENT

Four members of the public addressed the board regarding renewable energy and support for the resource diversification policy.

COMMITTEE REPORTS

(2) Retirement Committee Report (presenter: Gerry Horak)

Committee Chair Horak provided a summary from the November 16 retirement committee meeting noting that the Plan’s investment consultant, Innovest, reported on the Plan’s performance through September and the review of external benchmarking on advisor fees. The committee reviewed and approved changes to the investment policy statement, which included asset allocation adjustments and other minor changes. The next retirement committee meeting is scheduled for February.

BOARD ACTION ITEMS

(3) 2018 Board Contingency Appropriation Transfer – Capital Additions (presenter: Shelley Nywall)

Shelley Nywall, controller, reviewed the board contingency fund that can be used for unforeseen expenses at the end of the year and the history of usage on page 29 of the board packet. Ms. Nywall described the internal process for managing projects and noted the major projects from 2018 that require contingency transfer allocations. The amount of the proposed transfer is in a “not to exceed” amount of $1.9 million. Staff recommended approval for the contingency transfer.
Director Troxell asked if Platte River has a policy written to accommodate the transfer process and implementation. Ms. Nywall noted that budget law allows the organization to conduct contingency transfers and noted that Platte River doesn’t have a specific policy, but there is an established procedure staff follows. Dave Smalley, chief financial officer and deputy general manager, noted the budget document mentions the contingency transfer process and review. Director Horak appreciated the history provided within the memo and asked what processes are implemented to review capital projects to avoid contingency transfers. Ms. Nywall responded that staff has tracked the capital projects and expected expenses through project management tools in the last couple of years.

Director Bagley moved to approve Resolution 23-18: 2018 Board Contingency Appropriation Transfer – Capital Additions as presented. Director Bergsten seconded, and the motion carried 8-0.

(4) 2019 Annual Budget Review and Adoption (presenter: Shelley Nywall)

Ms. Nywall provided a brief overview of the 2019 Proposed Annual Budget results and noted that there were no changes made since the October meeting. Director Horak suggested changing the letter at the front of the document to be a message to the public, not to the board of directors. He suggested the public is the more appropriate audience after approval of the budget.

Chair Jirsa announced that the 2019 Proposed Annual Budget for Platte River Power Authority had been delivered to the Board of Directors in accordance with applicable law. Legal notices have been published announcing that the proposed budget had been made available to the public for inspection and a public hearing was held on October 25.

Director Bagley moved to approve Resolution 24-18; 2019 Annual Budget Review and Adoption as presented. Director Bernosky seconded. Director Horak requested the inclusion of a reference to the Resource Diversification Policy within the Budget at a Glance document. Discussion ensued among Directors and staff on how to include verbiage from the Resource Diversification Policy on the two-page document. The motion carried 8-0.

(5) Retirement Plan Update (presenter: Caroline Schmiedt)

Ms. Schmiedt provided the background on the two pension plans and reviewed the modifications recommended to the plans and documents. These changes were suggested by legal counsel Davis Grahams and Stubbs. Ms. Schmiedt thanked staff for the work on the review, specifically Julie Depperman, director of treasury services. Staff recommended approval of both plan modifications.

a. Defined Benefit Approval Resolution 25-18

Director Bagley moved to approve Resolution 25-18; DB Plan Approval as presented. Director Troxell seconded, and the motion carried 8-0.

b. Defined Contribution Approval Resolution 26-18

Director Bagley moved to approve Resolution 26-18; DC Plan Approval as presented. Director Bergsten seconded, and the motion carried 8-0.
(6) Fiber Management IGA (presenter: Joe Wilson)

Mr. Wilson reminded the board of the four resolutions adopted in September that addressed transferring the local loops to the individual owner communities. The resolution before the board approves the Fiber Management IGA resulted from negotiations among Platte River staff and city staffs concerning the operations and maintenance of the fiber. Once adopted by the Platte River board, the IGA will be adopted by city councils and assets will be transferred. Staff recommends approval of the IGA. Director Bernosky added that the City of Loveland will be taking the IGA to the Loveland Utilities Commission and then to the Loveland City Council meeting in February.

Director Wisecup moved to approve Resolution 27-18; Fiber Management IGA as presented. Director Bagley seconded, and the motion carried 8-0.

(7) Resource Diversification Policy (presenter: Alyssa Clemsen Roberts)

Ms. Clemsen Roberts provided a brief summary of the process utilized in creating the policy and discussions that have taken place between Platte River staff and the board.

Director Bagley moved to approve Resolution 28-18; Resource Diversification Policy as presented. Director Wisecup seconded. Director Bergsten complimented staff on their work to bring this to the board and to clearly define the three pillars for Platte River within the policy. Director Horak mentioned suggested changes he will be providing to the staff following the meeting. Director Troxell requested innovation to be a part of the policy, not just technology. Director Bergsten clarified if Director Troxell wanted a change made to the verbiage. Director Troxell said no changes are recommended, just to note it, and mentioned that he will bring up a similar topic later into the agenda. Discussion ensued among the directors on innovation integration into the communities, social costs of changing to renewable energy and Platte River’s three pillars.

The motion carried 8-0.

MANAGEMENT PRESENTATIONS

(8) Rates Framework Update (presenter: Wade Hancock)

Wade Hancock, financial planning manager, provided an update on the rate strategies and rate design studies during the initial phases of this project and reminded the board that no decision will be requested from the board at the December board meeting. Mr. Hancock introduced Joe Mancinelli with NewGen Strategies and Solutions to review the rate structure study results to date.

Mr. Mancinelli reviewed the rate setting philosophies that were incorporated when evaluating the restructuring process. Director Troxell commented on the validity of assumptions focusing on actions within the distribution system regarding consumers being possible contributors to the system. Discussion ensued among directors and Mr. Mancinelli on assumptions and future uses within the system, philosophy used for rating alternatives and values for capacity. Mr. Frisbie commented that the presentation is the first look at what the rates could be after the restructure and the presentation will show how it affects the owner communities at a wholesale level. Director Horak asked if the city staff reviewed the strategies. Director Bergsten responded that there have been several rate personnel meetings where they have been discussed. Discussion
ensued among directors, staff and Mr. Mancinelli regarding the attributes and their ratings.

Director Bagley asked if changing the rates allocation method will change the rates charged to the owner communities and if rates are changing how that will come across politically after the resource diversification policy approval. Mr. Smalley clarified that Platte River’s revenues collected will not change, it’s how the rates distributed amongst the four owner communities might change. Mr. Hancock added that the color yellow on the attribute “ratings” reflect a neutral standing.

Mr. Mancinelli previewed the possible rate changes for the owner communities. Director Bagley asked about the rationale for determining reallocations for costs. Mr. Smalley added that the genesis wasn’t to determine how to split up the costs, it is to restructure rates to include 100 percent renewable energy and provide adaptable rate signals for including more renewables. Discussion ensued among directors and staff regarding rates and the availability to provide options for the cities to pass onto their customers. Director Wisecup added that the current wholesale rates provide incorrect signals and it’s not benefiting the system, and she fully supports the rate restructure.

Mr. Hancock presented the first look at how the rate structure could affect each owner community and previewed the timeline for the project schedule and next steps with the board. Director Bagley commented that many people don’t know where their energy comes from and all customers will hear is that there’s an increase in rates. Ms. Clemsen Roberts discussed options in messaging through the cities to their customers on the rate restructure as an attempt at making the system better thus benefiting Platte River and the owner communities. After much discussion, Mr. Frisbie acknowledged that Platte River will structure their new rates towards a future that better facilitates integrated system assumptions.

Director Bernosky complimented Platte River staffs’ involvement with city rate making staffs and supports underlying principles to the initial rate structure results, however, has concerns on the delta of costs between the four communities. Director Wisecup also thanked Platte River’s rate staff and believes the list of assumptions behind the rate restructure will be very helpful to understanding what’s behind the costs. Director Horak supports the objective to have a methodology the board agrees on. Mr. Frisbie stated that no one owner community will see more than a two percent rate impact during the initial transition to the new structure and proper price signals will allow the communities to respond in a manner that limits future impacts.

10:48 – 11:02: Break

(9) 75 MW Wind Option Status  (presenter: Pat Connors)

Pat Connors, vice president of power supply, provided an overview of the 75 MW wind and purchasing transmission line options Platte River staff has been working on with NextEra. Mr. Connors noted the main topics of negotiations are on transmission line standards and exercising a portion of the 75 MW option while extending the expiration date for Platte River to continue evaluating adding additional wind. Director Horak commented being in favor of owning the transmission line and noted the value of the City of Fort Collins granting an easement for the line through their property.

Mr. Connors concluded by assuring the board that staff is working to get the negotiations finalized soon. Mr. Frisbie noted that buying a portion of the wind now in order to extend the deadline will be valuable in determining how much more megawatts of wind could be added to
the system. Director Bagley asked about considering an option to sell Craig capacity to someone else or to test Rawhide for minimal output. Mr. Frisbie and Andy Butcher, chief operating officer, clarified that the ownership to the Craig Units wouldn’t be sold, but a portion of energy around the clock would be sold for a period of time. Director Troxell asked if the transmission lines were being designed for double circuits for additional capacity in the future. Mr. Connors responded that it would add additional costs to the transmission line to add more capacity however, a double circuit could be added from Rawhide. Mr. Butcher continued by adding that if the transmission lines are built to Platte River’s standard it could be added later in the future.

Director Horak commented on the city’s work session regarding the transmission line easement and the city council will consider the approval at the January 15 session. Mr. Frisbie thanked Director Horak’s for his work in supporting the transmission line easement approval process through various city staff and the city council.

All board members were in agreement for staff pursuing negotiations to extending the 75 MW deadline via the methods presented to the board.

(10) Organic Contract/Power Supply Agreement Renewal Process

(presenter: Joe Wilson)

Mr. Wilson reviewed the proposed changes to the organic contract and the power supply agreements among the four owner communities and Platte River.

Director Bagley commented on not changing the organic contract regarding whom is appointed to serve on the Platte River Power Authority Board of Directors. Mr. Wilson clarified language currently in the organic contract for board representatives. Director Wisecup asked about adding verbiage into the power supply agreements regarding routine meetings with various city staff groups to discuss changing landscapes in the industry. Mr. Wilson and Mr. Frisbie responded that adding it creates a mechanism for regular meetings to touch base on next extensions and changing technologies in the industry. Mr. Frisbie added that it’s a way to be more proactive than waiting every ten years for the contact extensions. Director Bagley asked when these extensions will come back to the board for a formal vote. Mr. Wilson responded that it won’t come back to the board because the Organic Contract is an agreement among the four owner communities and the Power Supply Agreements will not need board approval for execution, but the board will be kept informed as the process moves forward. Director Troxell expressed two concerns; adding verbiage within the agreement on conducting meetings and maintaining the minimum self-generation limit of one percent. Mr. Wilson responded by clarifying the one percent is directed towards generation owned and operated by the municipality and noted that the one percent hasn’t been taken advantage of to date by Fort Collins. Discussion ensued among directors and staff regarding the one percent self-generation limitation, and the possible issues with bond counsel and future bonds.

(11) IRP Update

(presenter: Brad Decker/Alyssa Clemsen Roberts)

Brad Decker, resource planning manager, provided an update on the current integrated resource plan (IRP) efforts to date and reviewed the timeline for the remainder of the planning process and the supporting studies.

Ms. Clemsen Roberts summarized the attendance and results from the community listening sessions conducted in the four owner communities and the third-party survey results from Estes
Park and Longmont (Loveland and Fort Collins was not complete at the time of the board meeting). Ms. Clemsen Roberts noted that when the surveys are complete, summaries will be distributed to the owner communities for their review. Director Troxell asked if the survey inquired about capacity out in the communities, using waste as a resource and how consumers would feel if resources were spread out within our communities and if distributed technologies are being evaluated in the studies. Mr. Decker responded that there is a lot of evaluating in all the areas the director mentioned and some of the resources currently being evaluated includes biomass and waste technologies. Discussion ensued among directors and staff regarding distributed generation resources being addressed within the studies.

(12) HQ Campus Update (presenter: Jeff Menard/Will Welch)

Mr. Smalley introduced Will Welch, Platte River’s owner representative for the HQ campus, to give an overview of the construction progress and budget status for the new headquarters project to date. Director Bagley asked about the percentage costs and contingency funds spent. Mr. Welch responded that 31 percent of the budget has been spent to date and there is no need for a contingency expansion. Director Troxell asked about the transition from the old building to the new building and if there will be a lapse of meeting locations for the board meetings. Mr. Frisbie responded that one month the meeting will be in the old building and the next month will be in the new building; proposed for a December 2019 move in date.

Mr. Welch complimented Jeff Menard, HQ campus project manager, for doing a great job balancing project management, the senior leadership team, various stakeholders and the public.

EXECUTIVE SESSION

(13) Executive Session

Director Bergsten moved that the Board of Directors go into executive session for the purposes of discussing a personnel matter related to the retirement of the general counsel, the timing of such retirement, and any interim/internal replacement. The general counsel advised that an executive session is authorized in this instance pursuant to Colorado Revised Statutes, Section 24-6-402, subsection (4)(e); provided that no formal action is taken during the executive session.

Director Wisecup seconded, and the motion carried 8-0.

(14) Reconvene Regular Session

No action was taken by the board.

MONTHLY INFORMATIONAL REPORTS

(15) Legal & Governmental Affairs Report (presenter: Joe Wilson)

Mr. Wilson offered to answer any questions the board may have. No questions were raised.

(16) October Operating Report (presenter: Andy Butcher)

Mr. Butcher highlighted a few operational results for the month of October and noted that the surplus sales number looks large only because there were no sales planned during the major
outage. Mr. Butcher noted that surplus sales due to expectations of higher prices have already been negotiated for January. Director Bagley asked why the prices are increasing. Mr. Butcher responded that there are a few issues including delivery of natural gas in certain areas, colder weather in the region and unexplainable market conditions. Discussion ensued among directors and staff regarding use of the CT units. Director Horak asked about budgeted solar generation and how staff plans for that generation. Mr. Butcher responded that the owner of the solar facility provides forecasts that are used to compare to internal forecasts and as more data is collected, the lower the variance of solar generation shows on the reports. Director Troxell asked about an outage that occurred in west Fort Collins. Mr. Butcher explained the IGA between Platte River and the owner communities provides emergency assistance and this incident was related to testing to meet a deadline, and Platte River will continue to help the city’s staff in evaluating the occurrence. Discussion ensued among directors and staff regarding purchase power during the Rawhide planned outage and intermittent resources.

(17) October Financial Report  (presenter: Dave Smalley)

Chair Jirsa asked the board if there were any questions or comments regarding the September financial report contained within the board materials. No questions were raised.

(18) General Management Report  (presenter: Jason Frisbie)

Mr. Frisbie highlighted board follow up items from the past board meetings written within the general management report noting that staff will clean up the language within the vision, mission and value statements to reflect the three pillars of Platte River and the board will see revisions early in 2019. Mr. Frisbie thanked the board for their support and engagement throughout the year.

Director Horak suggested adding a historical table for the Energy Efficiency savings and funding in the management report and supports another look at the vision, mission and values statements.

Mr. Frisbie noted an internal reorganization and the general management report will reflect the changes in 2019.

Roundtable and Strategic Discussion Topics

Board members shared the latest news from the owner communities and discussion topics for future meetings.

ADJOURNMENT

With no further business, the meeting adjourned at 12:51 p.m. The next regular board meeting is scheduled for Thursday, February 28, at 9:00 a.m. at the Platte River Power Authority, 2000 E. Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this ______ day of___________________, 2018.

________________________
Secretary
ATTENDANCE

Board Members
Representing Estes Park: Mayor Todd Jirsa and Reuben Bergsten
Representing Fort Collins: Mayor Wade Troxell and Mayor Pro Tem Gerry Horak
Representing Longmont: Mayor Brian Bagley and Susan Wisecup
Representing Loveland: Mayor Jacki Marsh and Joe Bernosky

Platte River Staff
Jason Frisbie (General Manager/CEO)
Joe Wilson (General Counsel)
Alyssa Clemsen Roberts (Chief Strategy Officer)
Angela Walsh (Executive Assistant/Board Secretary)

Guests
Tim McCollough (City of Fort Collins)
Lanie Mycoff (Mycoff, Fry and Prouse)
Joyce Gallo (Mycoff, Fry and Prouse)

CALL TO ORDER

Chairman Jirsa called the meeting to order at 9:02 a.m. A quorum of board members was present attending via conference call or in person and the meeting, having been duly convened, was ready to proceed with business. The chairman reminded the board of the purpose for the special board meeting: retaining a new general counsel due to retirement. The board of directors retained a search firm, Mycoff, Fry and Prouse, to assist the board and staff in searching for a new general counsel.

Because members of the board were attending via conference call, Chair Jirsa called for a roll call; all board members were accounted for. Chair Jirsa requested that any board member attending the meeting via conference call to state their name before commenting or asking a question to better identify the director within the meeting minutes.

PUBLIC COMMENT

None.

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1 Attended via conference call.
2 Attended via conference call.
3 Attended via conference call.
4 Attended via conference call.
5 Attended via conference call.
(1) Introduction

Joe Wilson, general counsel, expressed plans to completing the Organic Contract and Power Supply Agreements extension and modifications prior to departure and outlined his retirement plans for mid-year 2019 pending the search results for a new general counsel. Mr. Wilson stated his desire to help in the transition and onboarding for the new general counsel and will report to the board on an exact date well in advance of departure.

PROCESS OVERVIEW

(2) Lanie Mycoff – Mycoff, Fry and Prouse

Lanie Mycoff, Mycoff, Fry and Prouse, provided a brief overview of Mycoff, Fry and Prouse and explained that the main focus of their recruitment firm is for the utility industry within public power. Ms. Mycoff introduced Joyce Gallo, also with Mycoff, Fry and Prouse, and mentioned that they have assisted Platte River in numerous recruitments within the last ten years. Ms. Mycoff offered to answer any questions the board had. Director Troxell asked where the firm was located and how many are on staff. Ms. Mycoff responded there are currently seven members of staff that are spread out in different locations throughout Colorado.

Ms. Mycoff outlined the timeline for the recruitment process, screening committee activities and full board involvement. Ms. Mycoff described the type of search they conduct, how they will advertise the position and outreach Ms. Mycoff and Ms. Gallo will do. Ms. Mycoff's goal is to have a list of candidates for consideration by the February board meeting and have a short list in order for the board subcommittee to conduct phone interviews in early March. The full board interviews are proposed to take place on or around March 28 and recommended a full day to conduct interviews.

Director Troxell asked if Ms. Mycoff will develop an online profile to attract possible candidates. Ms. Mycoff responded that the profile will be prepared once the job description is approved and stated that the networking process will begin prior to having the profile complete due to the short timeframe. Director Troxell asked how the recruitment firm will consider candidates without licenses to practice law in Colorado and timing to taking the state Bar exam. Ms. Mycoff stated that they did research on states that have reciprocity, 23 states have reciprocity, and would state in the profile to either have the license to practice law in Colorado or interested in obtaining the license in a timely manner.

Director Bagley commented on hiring attorneys prior to passing the Colorado Bar and suggested that the recruitment firm and the board subcommittee still consider good candidates even if they are not from a state that has reciprocity. Director Bagley asked if, within the process, staff or board members are able to make a list of known people within the industry to reach out to. Ms. Mycoff stated that they did research on states that have reciprocity, 23 states have reciprocity, and would state in the profile to either have the license to practice law in Colorado or interested in obtaining the license in a timely manner.

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Director Bernosky asked how many candidates will be on the long list. Ms. Mycoff responded that she wants to have about 12 candidates if possible for the subcommittee to evaluate and consider before making a short list for the entire board to interview. Director Bernosky requested that the days for interviews be sent out as soon as possible.
Director Troxell commented on the job description and requested market experience be added into the requirements. Chair Jirsa asked to hold off with job description discussion until the current discussion was complete. No further questions or comments were brought up by the board.

**BOARD ACTION ITEMS**

(3) Selection of screening committee  
(presenter: Joe Wilson)

Mr. Wilson provided a quick review of the board governance policy specific to appointing an ad hoc committee. If board members are a part of the ad hoc committee, the board members need to take action through a motion and receive a second to form the screening committee.

Chair Jirsa requested that one board member from each municipality serve on the general counsel screening committee, including the general manager to serve, and opened the floor for volunteers to serve on the committee. Director Horak offered to serve; Director Bernosky offered to serve; Director Wisecup offered to serve and added a disclosure of a past working history with Craig Johnson, deputy general counsel and potential candidate; Director Bagley offered to serve if required; and Chairman Jirsa offered to serve.

Director Troxell asked if there will be a rubric provided to use during the phone interview process. Ms. Mycoff discussed what her normal practice is, and offered to put together a rubric if that would be helpful to the committee and explained how she provides the information along with the resumés. Director Troxell clarified that he is interested in seeing why certain candidates are being considered after the phone interviews and others are not being considered and asked when the whole board will see the applicants asking for full transparency from the subcommittee on candidates. Discussion ensued among the directors and Ms. Mycoff providing information to the board about why each applicant does not make the cut.

Chair Jirsa confirmed the volunteers willing to serve on the committee; Director Horak, Director Bernosky, Chairman Jirsa, Director Bagley and Director Wisecup. Director Wisecup offered to not serve. Director Bagley offered his availability and experience for the committee.

Chairman Jirsa requested a motion and a second to approve the screening committee. Director Troxell moved to approve the screening committee members as provided. Mr. Wilson suggested including the general manager on the committee. Director Horak commented on Mr. Frisbie’s involvement on the screening committee and reminded the board that the general counsel serves directly for the board. Director Bergsten commented on having a separate auditing lawyer that reports to the board. Director Bagley commented on agreeing with Director Horak on explaining a delineation of the board, however, suggested having the general manager on the screening committee to make sure the candidates will be a good fit for Platte River. Director Marsh supported Mr. Frisbie sitting on the selection committee. Director Bernosky concurred with Director Bagley. Mr. Wilson commented that the board approved the dual-reporting structure and reminded the board that the selection committee is only going to narrow down the applicants and the entire board will act when selecting the final candidate. Director Troxell supported having Mr. Frisbie on the selection committee since the board is the final hiring authority for the general counsel position.

Director Troxell amended his previous motion to approve the selection of the screening committee and Mr. Frisbie. Director Bernosky seconded, and the motion carried 8-0 with a roll
call vote. Director Horak requested that a panel of the senior leadership staff also conduct interviews with the final candidates. Ms. Mycoff committed to adding senior staff interviews into the process. Mr. Frisbie added that it is common practice at Platte River with high level jobs for the entire senior leadership team to interview the final candidates. Director Horak also requested that an interview panel consisting of the four city attorneys would also be added to the process interviewing the final candidates. Director Troxell asked that interviews and board deliberations are on different days. Director Marsh asked Mr. Wilson how important it is for the city attorneys are included into the interviewing process. Mr. Wilson agreed that it was a great idea and the general counsel tends to work closely with the city attorneys often. Director Troxell agreed that it was be a good practice to get another opinion from other working groups.

Discussion ensued among directors, staff and Ms. Mycoff on scheduling the candidates and interview panels.

(4) General Counsel job description (presenter: Lanie Mycoff/Libby Clark)

Ms. Mycoff addressed Director Troxell’s suggested additions to the job description and explained her supporting a “less than approach” within the job description to give more flexibility in the selection process, however, suggested adding detailed items to the firm’s search process. Libby Clark, director of human resources, agreed that the job description should only outline the essential job functions needed thus enlarging a broader pool of candidates to select from. Director Troxell asked if the search firm’s profile is narrow or broad. Ms. Mycoff responded that it usually is broader because it’s more of a marketing piece and not a legally binding document.

Discussions ensued among directors and staff regarding the package of information advertising Platte River, how to recruit for candidates, and any candidate nominations the board could provide.

Director Bergsten commented on adding a focus on having market experience as part of the description or suggested a possibility in hiring a legal consulting firm to assist with Platte River moving into a regional market. Ms. Mycoff commented on having a concern with searching for someone who already has a Colorado license and having market experience given that Colorado does not have a regionally organized market in place. Mr. Wilson commented on states with reciprocity are currently within markets or have experience in markets and suggested not discounting attorneys not currently in an organized market if they were involved with local market development efforts.

Director Horak asked about the time requirement of having ten years of experience and it’s importance for the position. Ms. Gallo shared her concerns with requiring a minimum of ten years’ experience and the salary range currently provided. Director Bernosky suggested making it a five-year experience requirement and adding a ten-year preferred experience. Director Bagley supported the five-year requirement and the ten-years preferred verbiage change in the job description. Ms. Clark asked the board for feedback on having five years preferred on leadership experience. Discussion ensued regarding the language in the job description regarding the five-years preferred on leadership experience and leaving the language as it currently stands with adding “and/or” to the sentence.

Director Troxell inquired about diversity and sharing our values within the marketing package. Ms. Mycoff responded that the profile will include diversity information during the recruitment process. Ms. Clark recommended adding the equal opportunity statement to the profile and advertising within the recruitment package. Ms. Mycoff outlined the process of active recruitment and what’s included in the marketing materials for recruitment and searching for candidates. Director Troxell asked if the tight timeframe is limiting the applicant pool. Ms. Mycoff
responded that we are not unless we wait a couple more weeks to start.

Chair Jirsa reiterated the changes to the job description; five years required and ten years preferred in experience and the “and/or” addition to the leadership preference. Director Bernosky moved to approve the general counsel job description as presented. Director Bagley seconded. The motion carried 8-0 with a roll call vote.

(5) Salary Range (presenter: Lanie Mycoff/Libby Clark)

Ms. Mycoff commented on the offered salary range with a starting mid-point of $230,000 being too low for attracting good candidates and suggested the range be elevated to $250,000 to $300,000, adding that recent general counsel searches haven’t produced anyone acceptable under $250,000. Director Bagley asked how much the general counsel position is paid currently. Mr. Frisbie responded that Mr. Wilson currently makes $223,392. Director Marsh commented on the data that was provided for suggested salary ranges and the use of outdated data. Mr. Frisbie clarified how the numbers were derived and explained the salary range to consider for 2019. Ms. Clark commented on the three-year review process for salary ranges, the process agreed to by the board for the annual review process, and offered to do more research for more updated information. Discussion ensued among staff, board and Ms. Mycoff on the salary range concerns.

Director Horak asked about Ms. Mycoff’s experience in hiring general counsels for and suggested that the size of the organization must be considered. Ms. Mycoff discussed a recent search and hire for Long Island Power Authority. Discussion ensued on the specifics of the Long Island Power Authority position. Director Horak suggested focusing the search in the Rocky Mountain region. Ms. Mycoff discussed specific positions in the region and salary examples within the Rocky Mountain region. Discussion ensued among directors, Ms. Mycoff and staff regarding the market and compensation information considered during the 2017 annual review for the general counsel, the board adopted process used when evaluating salary increases and the salary range being offered for this recruiting process.

Director Troxell asked about total compensation and how it is presented during the recruitment process. Ms. Mycoff commented that she’s unaware of what people are actually offered but knows Platte River’s benefits, total compensation, and cost of living considerations are well received. Ms. Clemsen Roberts commented about Platte River missing an executive bonus structure and internal staff are currently in discussions on how to improve that area.

Director Bergsten reiterated hiring specialized consulting firms to cover any area candidates might not have experience in. Mr. Frisbie assured the board that great candidates will come forward because of Platte River’s reputation within the industry and the current legal team Mr. Wilson has implemented over the years can help cover any areas that may be lacking in a candidate.

Director Bagley moved to approve the salary range of $240,000-290,000 as discussed and presented. Director Marsh seconded. Director Horak disagreed with advertising a range that isn’t used now. Ms. Mycoff suggested using the established range used in March adding the three percent cost of living to the range. Director Bagley amended the motion to use the updated 2019 proposed numbers adding the three percent cost of living adjustment and advertise from mid-point to the high-point of $284,669. Director Marsh re-seconded the amended motion. Director Horak clarified the proposed salary range. The motion carried 8-0 with roll call vote.
DISCUSSION

(6) Issues associated with general counsel dual-reporting structure
    (presenter: Joe Wilson)

Chair Jirsa reminded the board of the dual-reporting structure adopted by Resolution 06-14 and 03-17 and the materials provided within the packet will be used for the boards’ consideration for future discussions. Mr. Wilson offered information gathered from other Large Public Power Council’s general counsel reporting structures and Platte River’s internal reorganization may require updates to the resolutions and the reporting structures for future board discussions. No decisions are requested today.

Director Horak supports the general manager offering feedback to the board regarding the general counsel, however expressed concerns with the general manager setting the general counsel’s salary. Directors concurred with Director Horak and the discussion will be added to a future board meeting after retainment of a new general counsel.

ADJOURNMENT

With no further business, the meeting adjourned at 10:34 a.m. The next regular board meeting is scheduled for Thursday, February 28, at 9:00 a.m. at the Platte River Power Authority, 2000 E. Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this _____ day of ________________, 2019.

__________________________
Secretary
Memorandum

Date: 2/20/2019

To: Board of Directors

From: Jason Frisbie, General Manager and Chief Executive Officer
       Joseph B. Wilson, General Counsel

Subject: Incorporation into Record of Resolution No. 22-18

Colorado law, CRS § 24-6-402(2)(c), specifically requires that the place for the posting of meeting notices be established each year during the first meeting of the governing body. It is the practice of the Platte River Power Authority Board of Directors to approve the regular meeting schedule for the upcoming year and the place for the posting of notices at the last meeting of the then-current year and to include the following provision in such resolution (see attached Resolution No. 22-18, approved by the board on December 6, 2018):

For purposes of CRS § 24-6-402(2)(c), this action shall be deemed to have occurred at the first regular meeting of the board of directors in calendar year 2019 and shall be incorporated into the records of this meeting.

The purpose of this consent agenda item is simply to comply with the language of the above-quoted resolution by incorporating the regular meeting schedule of the board of directors for 2019 and the location for the posting of notices of meetings into the record of the first regular meeting of 2019.

Attachment
RESOLUTION NO. 22-18

BE IT RESOLVED by the Board of Directors of Platte River Power Authority that:

(1) Unless otherwise directed by the Board, the Annual Meeting and Regular Meetings of the Platte River Power Authority Board of Directors during calendar year 2019 shall be held at 9:00 a.m. local time in Platte River’s Board Room, 2000 East Horsetooth Road, Fort Collins, Colorado, according to the following schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting Type</th>
</tr>
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<tbody>
<tr>
<td>February 28</td>
<td>Annual Meeting</td>
</tr>
<tr>
<td>March 28</td>
<td></td>
</tr>
<tr>
<td>April 25</td>
<td></td>
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<tr>
<td>May 30</td>
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<tr>
<td>July 25</td>
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<tr>
<td>August 29</td>
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<tr>
<td>September 26</td>
<td></td>
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<tr>
<td>October 31</td>
<td></td>
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<tr>
<td>December 5</td>
<td></td>
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</tbody>
</table>

(2) Meetings of the Platte River Power Authority Board of Directors are open to the public. The Secretary is authorized and directed to post at the place designated below and to publish in newspapers of general circulation in Estes Park, Fort Collins, Longmont, and Loveland full and timely notice of this meeting schedule.

(3) The designated place for posting of notices of meetings of the Platte River Power Authority Board of Directors shall be the main lobby, Platte River Power Authority headquarters, 2000 East Horsetooth Road, Fort Collins, Colorado. For purposes of C.R.S. §24-6-402(2)(c), this action shall be deemed to have occurred at the first Regular Meeting of the Board of Directors in calendar year 2019 and shall be incorporated into the record of that meeting.

AS WITNESS, I have executed my name as Secretary and have affixed the corporate seal of the Platte River Power Authority this 6 day of December, 2018.

[Signature]
Secretary
Adopted: December 6, 2018
Vote: 8-0
Memorandum

Date: 2/20/2019
To: Board of Directors
From: Jason Frisbie, General Manager and Chief Executive Officer
Dave Smalley, Chief Financial Officer and Deputy General Manager
Shelley Nywall, Director of Finance

Subject: Transfer of 2018 Capital Budget Carryover to 2019 Budget

During 2018, capital expenditures ended the year $9.1 million under budget. Throughout the year, staff provides to the board monthly reports on anticipated budget variances, potential contingency requests and expected amounts to be carried over into the following year.

Carryover of unspent budget funds is provided for under state budget law. Although changes in spending for some projects can be determined early enough in the year to allow for re-budgeting in the subsequent year, staff prefers the carryover process. The points below explain how the carryover process provides better project accountability and transparency, as well as how it supports consistent budget reporting and processes.

- Funds have been appropriated for the project and will remain with the project until complete. This does not free up funds for over-budget or unplanned projects. Over-budget and unplanned projects go through an approval process and may require a transfer of contingency funds. Both carryover funds and contingency transfer requests are reported to and approved by the board.
- When projects go through the carryover process, it provides greater transparency for project planning evaluation and requires project managers to provide justification and accountability.
- In most cases, actual amounts that need to be carried over to start or complete a project are not known until late in the year. This makes it unfeasible to re-budget as there is not enough time to capture the amount in the next year’s budget.
- Projects often cannot be planned and executed in a single budget year and are planned far in advance due to the annual budget process. Further, large multi-year projects have variability from year-to-year so will oftentimes require carryover funds.
• The carryover process also makes a clear distinction between canceled projects versus projects that still require funds but are delayed, which is important for cash flow planning.

While project managers provide revisions throughout the year on projected carryovers, the year-end process includes the project manager providing justification for the carryover funds, approval by the division manager and general manager, and final approval by the board. During this process, projects are evaluated in conjunction with the current year’s budgeted projects to re-evaluate priorities and feasibility of all planned projects.

Since project management became an organizational initiative in 2015, Platte River has consistently made progress in planning and executing projects. While there is still progress to be made, successes can be seen in an overall change in mindset towards project planning, greater use of resource allocation tools by project managers to more accurately determine project requests, the addition of a devoted project coordinator to support engineers in managing projects, and better communication and coordination overall.

Resolution No. 24-18 (adoption of the 2019 Annual Budget) authorizes the unexpended balance of funds for 2018 capital additions to be carried over to the 2019 Annual Budget. Staff is requesting a carryover amount of $8,916,198. Several of the projects requesting carryover were very close to completion by year end and are now in final stages. Three large multi-year projects with timing uncertainty represent approximately 71 percent of the amount requested. Other projects were slated for carryover during the year as staff reevaluated resource availability, priority shifts and changes in overall project schedules for various reasons. The majority of the projects, along with brief descriptions of delays and carryover justifications, are detailed beginning on page 4 of the December financial report. A complete list of the projects and amounts requiring carryover to 2019 is attached and categorized by the general reason for carryover.

The final capital budget for 2019 is as follows.

$45,804,283  Original 2019 capital budget
-8,916,198   Capital carryover requests
$54,720,481  Final 2019 capital budget

Staff will be available to answer questions at the board meeting.

Attachment
<table>
<thead>
<tr>
<th>MULTI-YEAR PROJECTS WITH TIMING UNCERTAINTY</th>
<th>CARRYOVER AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiber optic route to Estes Park*</td>
<td>$7,351,110</td>
</tr>
<tr>
<td>Bottom ash and reclaim pond CCR compliance (outage)*</td>
<td>3,012,377</td>
</tr>
<tr>
<td>Windy Gap Firming Project*</td>
<td>2,667,323</td>
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<tr>
<td>Protective relay replacement - Combustion Turbine Unit F</td>
<td>622,129</td>
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<tr>
<td>Engine 12 replacement</td>
<td>251,047</td>
</tr>
<tr>
<td>Soldier Canyon 10 inch water line reroute - CR 70 &amp; 17 bridge</td>
<td>223,500</td>
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<tr>
<td>Headquarters campus</td>
<td>213,869</td>
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<tr>
<td>Protective relay replacement - Combustion Turbine Unit D</td>
<td>160,431</td>
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<tr>
<td>Fiber replacement - Namaqua Road (Loveland)</td>
<td>88,697</td>
</tr>
<tr>
<td>Controls upgrade to Ovation distributed control system - Combustion Turbine Unit D</td>
<td>84,704</td>
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<tr>
<td><strong>RESOURCE EVALUATION/PRIORITY SHIFTS</strong></td>
<td>$936,556</td>
</tr>
<tr>
<td>Rotary car dumper drive conversion to variable frequency drives</td>
<td>513,890</td>
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<tr>
<td>Transmission line vault upgrades - Rogers Road Substation</td>
<td>175,000</td>
</tr>
<tr>
<td>Circuit switcher (T1) (T3) addition, breaker replacement, relay upgrade - Harmony Substation</td>
<td>77,139</td>
</tr>
<tr>
<td>LED lighting</td>
<td>66,556</td>
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<tr>
<td>Switchgear replacement - Rawhide pump station</td>
<td>50,459</td>
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<tr>
<td>Transmission line vault upgrades - Crossroads Substation</td>
<td>28,829</td>
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<tr>
<td>Digital cross connect equipment replace</td>
<td>20,000</td>
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<tr>
<td>Loop iNET management software</td>
<td>4,683</td>
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<tr>
<td><strong>CRAIG UNITS 1 AND 2 PROJECTS</strong></td>
<td>$451,225</td>
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<tr>
<td>Craig Units 1 and 2 projects</td>
<td>451,225</td>
</tr>
<tr>
<td><strong>SUBSTANTIALLY COMPLETE - FINAL COSTS</strong></td>
<td>$177,307</td>
</tr>
<tr>
<td>High voltage motor control center switchgear replacements (outage)</td>
<td>75,000</td>
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<tr>
<td>Air heater basket replacement</td>
<td>20,000</td>
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<tr>
<td>Evergreen controls hardware upgrade - Rawhide Unit 1 (outage)</td>
<td>20,000</td>
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<td>Feedwater heater 102 replacement - Rawhide Unit 1 (outage)</td>
<td>19,061</td>
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<tr>
<td>Voltage regulator upgrade (outage)</td>
<td>10,526</td>
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<td>Circuit switcher (T1,T2) addition - Richard Lake Substation</td>
<td>10,000</td>
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<td>Wireless equipment replacement</td>
<td>8,920</td>
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<tr>
<td>Generator rotor replacement - Rawhide Unit 1 (outage)</td>
<td>5,000</td>
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<tr>
<td>Generator stator rewind - Rawhide Unit 1 (outage)</td>
<td>5,000</td>
</tr>
<tr>
<td>Inerting steam drain line addition - Rawhide Unit 1</td>
<td>3,800</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>$8,916,198</td>
</tr>
</tbody>
</table>

* These projects comprise 71% of the total carryover amount.
Memorandum

Date: 2/20/2019
To: Board of Directors
From: Jason Frisbie, General Manager and Chief Executive Officer
Joseph B. Wilson, General Counsel

Subject: Platte River Power Authority Annual Meeting

Item 2 on the agenda is the annual meeting of Platte River Power Authority. Sections 2.3.7 and 2.4.1 of the ORGANIC CONTRACT ESTABLISHING PLATTE RIVER require that an annual meeting of the board of directors be held within the first 120 days in each year to elect officers, to pass on reports for the preceding fiscal year, and to transact such other business as may come before the meeting. The first order of business under agenda item 2 is the election of officers to serve until the next annual meeting. For ease of reference, the current officers are listed:

2018 Platte River Officers

Elected Officers:  
Mayor Todd Jirsa, Chair  
Reuben Bergsten, Vice Chair  
Angela Walsh, Secretary  
David Smalley, Treasurer  
Jason Frisbie, General Manager/CEO

Authorized Assistant Officers:  
Joe Wilson, Assistant Secretary

The Organic Contract requires that the chair and vice chair be members of the board. These are the two positions for which nominations are received. The Board Meeting Governance process document adopted by the board through Resolution No. 07-17 makes provision for a leadership team composed of the chair and vice-chair. Within the discussion of the function of the leadership team the governance document states “it is the general intent and past practice of the board to appoint members to these positions in a manner that provides an opportunity for representatives of each of the member municipalities to serve in a leadership capacity for roughly equivalent periods.”
The officer positions that are filled by management staff are traditionally retained and reaffirmed solely for the purpose of meeting the requirements of the Organic Contract.

Officers are appointed through the attached resolution and the board chair will open the floor for nominations.

The second order of business is the appointment of directors and members of management to serve on Platte River’s Retirement Committee. For ease of reference, the current directors and management members are listed below. No changes are proposed for the 2019 management members.

2018 Retirement Committee Members

Director Members:     Management Members:
        Brian Bagley        Jason Frisbie
        Todd Jirsa         David Smalley
        Gerry Horak
        Joe Bernosky

Again, the Retirement Committee members are appointed by the attached resolution and the board chair will entertain nominations.

The last order of business under agenda item 2 is the “2018 Platte River Review.” The senior management team will present accomplishments for 2018. The 2018 Year-End Operating and Financial reports are attached.

Attachments
WHEREAS, Section 2.4.1 of the AMENDED AND RESTATED ORGANIC CONTRACT
ESTABLISHING PLATTE RIVER POWER AUTHORITY requires that the officers of Platte River Power
Authority (Platte River) be elected annually by the board of directors at the annual meeting.

NOW, THEREFORE, BE IT RESOLVED by the board of directors of Platte River that:

(1) _______________ be, and hereby is, elected chair of the Platte River Power
Authority;

(2) _______________ be, and hereby is, elected vice chair of the Platte River Power
Authority;

(3) David Smalley be, and hereby is, elected treasurer of the Platte River Power Authority;

and

(4) Angela Walsh, be, and hereby is, elected secretary of the Platte River Power Authority,

with Joe Wilson hereby appointed as assistant secretary; and

(5) Jason Frisbie be, and hereby is, elected general manager and chief executive officer

of the Platte River Power Authority.

The terms of all officers elected and appointed to office hereby shall commence
immediately upon passage of this resolution and shall remain in force until the next annual
meeting of the board of directors or until terminated by action of the board.

The secretary is delegated the authority to authenticate the documents of Platte River.

AS WITNESS, I have executed my name as secretary and have affixed the corporate seal of
the Platte River Power Authority this __________ day of ____________________, 2019.

________________________________________
Secretary
RESOLUTION NO. __-19

WHEREAS, the board of directors of Platte River Power Authority has established a Retirement Committee under the Platte River Defined Benefit (DB) Plan, consisting of four (4) directors and two (2) members of management to administer the Platte River Defined Benefit Plan; and

WHEREAS, the director members of the Retirement Committee are appointed each year at the annual meeting.

NOW, THEREFORE, BE IT RESOLVED by the board of directors of Platte River that the following directors are hereby appointed to serve on the Retirement Committee:

__________________
__________________
__________________
__________________

AND IT IS ACKNOWLEDGED by the board of directors that the following members of management have been selected to serve on the Retirement Committee until the next annual meeting:

Jason Frisbie
David Smalley

AS WITNESS, I have executed my name as secretary and have affixed the corporate seal of the Platte River Power Authority this _________ day of ____________________, 2019.

__________________
Secretary
2018 operating report

Annual review
Executive summary

In 2018, a total of 15 units of Windy Gap water assets were sold and water was pumped and delivered from the Windy Gap project for the first time in five years. The sale of Platte River’s Silver Sage wind was executed, a final power purchase agreement (PPA) was executed to purchase 150 MW of new wind power capacity, and PPA negotiations began for a new 20 MW solar and 2 MWh storage project. The Craig units were moved into Joint Dispatch which created more savings for Platte River than in previous years. The 2020 Integrated Resource Plan (IRP) was kicked off, with several stakeholder outreach efforts conducted in the four owner communities. On July 10, 2018, at hour ending 1800, Platte River reached an all-time municipal demand of 686 megawatts. Rawhide completed several upgrades and repairs to the CT units, throughout the year, and successfully completed its major scheduled outage on Unit 1 in the fall. Several facilities and maintenance projects were completed which included relay upgrades at the Longs Peak Substation, the expansion at the Boyd Substation, having moved all fiber optic cables into the new fiber building, and airflow spoiler installations on two of the Rawhide 230 kV lines.

Municipal demand and energy came in near budget for the year. Baseload generation was well below budget, primarily due to purchases made through Joint Dispatch, along with a few unplanned outages and several curtailments throughout the year. The wind farms came in below budget for the year, mainly due to milder weather during certain months and a few unplanned outages, while solar generation came in near budget. Surplus sales volume came in below budget as the result of mild weather, unplanned outages on baseload units and the extension of the Rawhide major outage. Surplus sales pricing came in well above budget due to a surge in surplus sales pricing during the summer and late winter months. While the majority of resources were at or near budget for the year, overall dispatch costs came in below budget as they were offset by JDA purchases which came in significantly below other resource costs.

<table>
<thead>
<tr>
<th>Category</th>
<th>December variance</th>
<th>YTD variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal demand</td>
<td>(7.1%)</td>
<td>0.8%</td>
</tr>
<tr>
<td>Municipal energy</td>
<td>(4.2%)</td>
<td>(1.1%)</td>
</tr>
<tr>
<td>Baseload generation</td>
<td>(7.7%)</td>
<td>(15.6%)</td>
</tr>
<tr>
<td>Wind generation</td>
<td>5.1%</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>Solar generation</td>
<td>3.1%</td>
<td>(0.8%)</td>
</tr>
<tr>
<td>Surplus sales volume</td>
<td>11.3%</td>
<td>(5.1%)</td>
</tr>
<tr>
<td>Surplus sales price</td>
<td>15.1%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Dispatch cost</td>
<td>(12.5%)</td>
<td>(2.3%)</td>
</tr>
</tbody>
</table>

**Variance key**: Favorable: ● >2% | Near budget: ◆ +/- 2% | Unfavorable: ■ <-2%
Operational overview

System disturbances.

On Dec. 18, Platte River personnel caused a loss of load at the Richard Lake Substation. No other disturbances occurred in 2018.

<table>
<thead>
<tr>
<th>2018 goal</th>
<th>December actual</th>
<th>YTD total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Peak day obligation

**December:** Peak demand for the month was 471 megawatts which occurred on Dec. 31, 2018, at hour ending 18:00 and was 36 megawatts below budget. Platte River's obligation at the time of the peak totaled 548 megawatts.

**2018.** On July 10, 2018, at hour ending 1800, Platte River hit a new all-time municipal demand of 686 megawatts which was 28 megawatts above budget. Platte River’s system peak, which includes losses and station service, was 697 megawatts. During the peak hour, Platte River saw an instantaneous reading where the system hit 700 megawatts.

Peak day obligation: Dec. 31, 2018

*Silver Sage RECs and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.*
## Municipal loads

Municipal demand and energy came in near budget for the year.

<table>
<thead>
<tr>
<th></th>
<th>YTD budget</th>
<th>YTD actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total coincident demand (MW)</strong></td>
<td>6,183</td>
<td>6,234</td>
<td>0.8%</td>
</tr>
<tr>
<td>Estes Park</td>
<td>221</td>
<td>224</td>
<td>1.3%</td>
</tr>
<tr>
<td>Fort Collins</td>
<td>2,919</td>
<td>2,922</td>
<td>0.1%</td>
</tr>
<tr>
<td>Longmont</td>
<td>1,593</td>
<td>1,610</td>
<td>1.1%</td>
</tr>
<tr>
<td>Loveland</td>
<td>1,449</td>
<td>1,479</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

| **Total energy sales (MWh)** | 3,263,076 | 3,228,540 | (1.1%) |
| Estes Park               | 133,025   | 132,722   | (0.2%) |
| Fort Collins             | 1,562,183 | 1,545,583 | (1.1%) |
| Longmont                 | 822,828   | 807,218   | (1.9%) |
| Loveland                 | 745,040   | 743,016   | (0.3%) |

Variance key: Favorable: ● >2% | Near budget: ◆ +/- 2% | Unfavorable: ▼ < -2%

**Actual YTD coincident demand** = 6,234 MW

**Actual YTD energy sales** = 3,228,540 MWh
Source of supply variance

Resources came in near budget for the month of December, as baseload generation was dispatched lower in Joint Dispatch, although lower cost energy purchases made through Joint Dispatch helped offset the difference. Resources came in near budget, year to date.

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Source of delivery variance

Loads and obligations came in near budget, in December, with Joint Dispatch, contract sales and shaft sharing having come in above budget which was offset by lower municipal loads resulting from mild weather. Year to date, loads and obligations came in near budget.
Power generation - Rawhide

Rawhide’s equivalent availability factor and net capacity factor came in below budget, year to date. Equivalent availability came in below budget, primarily due to two unplanned outages and the extension of the major outage. Capacity factor came in below budget as the unit was, at times, dispatched lower into Joint Dispatch.

Rawhide emission levels were well below allowable limits for the year.
Power generation - Craig

Craig's equivalent availability factor came in at budget for the year, while net capacity factor came in below budget, as the units were frequently dispatched lower into Joint Dispatch.
Power generation - CTs

CT power generation came in significantly above budget, year to date, as the CTs were run to serve load, facilitate sales and meet validation test requirements. Natural gas pricing came in slightly above budget, year to date, as pricing continued to be higher than anticipated during the last quarter of 2018.

![Bar chart showing CT generation and natural gas pricing]
**Power generation - renewables**

Wind generation came in below budget for the year, while solar generation came in near budget.

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Market sales

Surplus sales volume came in below budget, year to date, due to unplanned baseload generation outages, while pricing came in significantly above budget, as there were spikes in surplus sales pricing at various times between the months of July and December.

Market purchases

Purchased energy was significantly above budget, year to date, due to the ability to purchase Joint Dispatch energy and having purchased replacement power for the extended major outage. Average purchase prices came in well below budget, due to below budget priced Joint Dispatch purchases.

*The actual average sales price includes the Silver Sage sale.
Dispatch cost

Dispatch costs came in significantly below budget for the month of December, primarily due to Rawhide’s expenses having come in well below budget.

While the majority of resources were at or near budget for the year, overall dispatch costs came in below budget as they were offset by JDA purchases which came in significantly below other resource costs.

Silver Sage RECs and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.
Events of significance

Fuels and water

- 2018 marked the first full year of our new train delivery operations which utilized a 95-car train on a three-day cycle. A total of 95 trains delivered 1,027,391 tons of coal. Under previous operations, with a shorter train that was received every two days, it would have taken 131 trains to deliver the same amount of coal.
- The Windy Gap project pumped and delivered water for the first time in five years. This was because there was storage space available in Lake Granby and our water right was in priority and available which minimized the amount of rental water needed during the year.
- Three separate transactions for the sale of 15 Windy Gap units were completed.
- Most of the year was spent on the design and mitigation of the Windy Gap Firming Project. The design phase should wrap up in early 2019.

Power production

- 2018’s year-to-date CT production of 66,928 MWh was the fourth best year on record for the Rawhide CTs. July’s CT production of 28,183 MWh was the largest in almost 10 years and the fifth largest month in history, whereas August’s production of 21,526 MWh was the tenth best month on record for the Rawhide CTs.
- In the spring of 2018, major upgrades were made to the fiber and controls in the gas yard that supply fuel to the five combustion turbines. Additional work completed on the CTs included natural gas filter replacements and first stage cut pressure regulating valve repairs.
- Rawhide Unit 1 was taken offline on Sept. 24 for its scheduled major outage. Prior to this, the unit had been online for 165 continuous days. The outage was originally scheduled for completion on Nov. 12, however, work on the generator rewind revealed that the generator core iron was short and would require additional material to perform as designed. The required work extended the outage by two weeks and the unit returned to full service on Nov. 28.
- Rawhide facilities completed metal siding replacements of corrosion and wind-damaged siding on the 10A conveyor, crusher building, and conveyor building atop the active silos.

Power delivery

- Platte River's 2018 Transmission Service Availability Factor (TSAF) was 99.999 percent. The deviation was the result of a trip which occurred on Dec. 18, 2018, when Platte River personnel caused a loss of load at the Richard Lake Substation.
- Projects completed in 2018 included:
  - Relay upgrades at the Longs Peak Substation and the expansion of the Boyd Substation
  - Having moved all fiber optic cables and end points from the EO building into the new fiber building
  - Airflow spoiler installations on the two Rawhide 230 kV lines
  - 2018 vegetation management
  - The testing of all PRC-005 related relays for the City of Fort Collins
  - The SONET software upgrade capital project.
  - SCADA programming for both the Richard Lake circuit switcher additions and scheduled meter replacements
  - The Richard Lake circuit switchers capital addition projects on transformers T1 and T2
  - Revenue meter replacements at the Richard Lake, Linden and Dixon Creek substations
Headquarter facilities maintenance

- Projects completed in 2018 included:
  - The replacement of seven fleet vehicles
  - DRC UPS replacement project at the Boyd Substation which included a new dual system for redundancy
  - HVAC system replacements at two substations
  - New DOT vehicle program which included the addition of new training activities
  - The relocation of the warehouse, facilities and substation garages, in response to the new headquarters campus construction

Power supply

- Power supply staff executed the sale of Platte River’s Silver Sage wind.
- A request for proposals (RFP) was issued for 20 MW of solar and up to 5 MWh of energy storage, in February, and staff members continue to negotiate the terms of a final power purchase agreement (PPA) for the project.
- A final PPA was executed with Enyo to purchase 150 MW of new wind power capacity. The project was later bought by NextEra.
- The 2019 IRP kick-off meeting was conducted, in May, and IRP stakeholder outreach efforts were conducted in the four owner communities, during the months of October and November. In addition, Platte River planning staff provided an update on the IRP process to the Joint Technical Advisory Committee, in November, and met with WAPA to finalize expectations for Platte River’s 2020 IRP delivery.
- On July 10, 2018, at hour ending 1800, Platte River hit a new all-time municipal demand of 686 megawatts which was 28 megawatts above budget. Platte River’s system peak, which includes losses and station service, was 697 megawatts. During the peak hour, Platte River saw an instantaneous reading where the system hit 700 megawatts.
December 2018 financial report

FINANCIAL HIGHLIGHTS YEAR-TO-DATE

Platte River reported favorable results year to date. Net income of $33.3 million was favorable by $10.7 million compared to budget due to above-budget revenues and below-budget expenses. Details of the financial results year-to-date are described below.

### KEY BUDGET VARIANCES YEAR-TO-DATE

#### TOTAL REVENUES

- **Sales for resale** were above budget $1.5 million primarily due to sales from the combustion turbine units at higher prices and an increase in market prices. Market prices were impacted by natural gas infrastructure issues and regional outages. The average price was approximately 14.5 percent above budget or $2.5 million of the variance, partially offset by $1.2 million due to 6.5 percent below-budget sales volume. A contract sale to another utility for approximately $0.2 million also contributed to the above-budget variance.

- **Wheeling** was above budget $0.7 million due to higher third party use of the transmission system, additional point-to-point sales and a rate increase effective in May.

- **Interest and other income** was above budget $0.5 million primarily due to a higher Trapper Mine dividend, unbudgeted co-locate fees, and higher-than-anticipated interest rates calculated on higher cash balances due to the sale of the Windy Gap water units.

#### TOTAL OPERATING EXPENSES

- **Fuel expenses** were $7.4 million below budget mainly due to lower generation as a result of market conditions, joint dispatch purchases, the two-week extension of Rawhide Unit 1’s scheduled maintenance outage, and Rawhide Unit 1’s forced outages in February, May and December. Coal prices for Rawhide Unit 1 and Craig Units 1 and 2 were also favorable compared to budget. Rawhide Unit 1’s coal price was below budget due to favorable coal and transportation prices. Coal prices for the Craig units were below budget as a result of deferred expenses associated with development and...
efficiency improvements at Trapper Mine. In addition, Rawhide’s fuel oil was above budget due to requiring more oil than anticipated for plant start-ups at the completion of the scheduled outage on Rawhide Unit 1. Partially offsetting the below-budget variance was above-budget natural gas expense, as the combustion turbines were utilized to meet load requirements, make additional sales and perform unit testing.

- **Several expenses** were below budget either due to projects being completed below budget or expenses not being required. These expenses were partially offset by additional expenses for Rawhide Unit 1’s forced outages, software licenses and laptop replacements. The net impact was approximately $4 million below budget. The expenses either below budget or canceled include:

  1) Rawhide Unit 1’s scheduled maintenance outage, 2) chemical expenses, 3) non-routine projects, 4) joint facilities, 5) communication and planning initiatives, 6) property rights legal council, 7) marketing software tool, 8) general project consulting, 9) utilities, 10) mercury CEMS umbilical replacement, 11) routine maintenance expenses, 12) railcar repair parts, and 13) other smaller projects.

- **Personnel expenses** were below budget $1.5 million primarily due to lower wages and wages allocated to capital expenditures being higher than planned. Other benefit expenses (social security, recruiting and workers compensation) were also below budget but offset by additional medical expenses incurred from a large medical claim.

- **Demand side management program expenses** were below budget $0.9 million. Energy efficiency expenses were below budget due to not requiring contingency funds of approximately $0.6 million. Distributed energy resources were also below budget due to below-budget rebates/incentives and lower than anticipated expenses for the distributed energy resource study. In addition, the electric vehicle pilot was delayed until 2019.

- **Wheeling expenses** were $0.4 million below budget as less transmission was purchased during the planned WAPA Craig-to-Ault transmission outage due to the outage ending earlier than anticipated, as well as the ability to sell energy directly from the Craig Station. In addition, transmission expenses for Silver Sage wind energy are no longer required due to the sale of the energy to another utility.

- **Yampa expenses** were $0.3 million below budget for production and transmission.

- **Storm water holding basin cleaning expenses** were $0.3 million below budget due to a change in scope of the Bottom Ash and Reclaim Pond capital project resulting in the project being completed with internal labor rather than contracted services.

- **Leases and rents** were $0.3 million below budget due to the need to secure less water than originally planned. There were favorable water conditions and the Windy Gap project was able to pump water.

- **Purchased power expenses** were above budget $6.6 million due to purchases made under the joint dispatch agreement because of favorable pricing. Other supplemental purchases were made for the two-week extension of Rawhide Unit 1’s scheduled maintenance outage, Rawhide Unit 1’s forced outages in February, May and December, and to provide energy to Tri-State under the Forced Outage Assistance Agreement. Partially offsetting the additional purchases were below-budget wind and solar generation. In addition, energy was provided to Tri-State under the Forced Outage Assistance Agreement creating a credit to purchased power.
OTHER FINANCIAL ACTIVITIES

**Pension accounting** - The required update to pension liability was completed in June. The net pension liability decreased by $6.3 million to $13.1 million mainly as a result of a gain on the market value of the assets for the plan year, a better rate of return of approximately 11.97 percent compared to the assumed rate of 7.5 percent, and an increase in accrued benefits due to the experience of the plan. Additional pension entries are yet to be made for 2018 to align Platte River’s pension reporting in its financial statements with the defined benefit plan’s pension reporting. A new accounting pronouncement requires the defined benefit plan audited financial statements to be reported in Platte River’s annual audited financial statements. Separate financial statements will be maintained; however, the footnotes will be consolidated and a single audit report will be issued. As a result, the 2018 financial and pension results will be audited together. This change will impact the accounting for pensions and the audit schedule as described below.

- With consolidating the reports, the measurement date for the pension liability between the financial statements for the defined benefit pension plan and Platte River need to be aligned to avoid confusion. This will result in an adoption of a change in accounting principle and restating Platte River’s 2017 financial statements impacting the Statement of Net Position. In addition, due to the timing of the actuary report, the reporting on internal financial statements will be delayed until the actuary report is received and the entries can be made for 2018. Thus, the internal financial report included in the board materials for December and January will include budget schedules only. Due to the timing of the actuary report, this will be the process every year.

- The audit fieldwork has moved to a later date and has been extended to complete both audits, therefore the final report will be delivered to the board in April. On February 18, 2019, staff from BKD, LLP, began fieldwork. Staff prepared audit schedules and were available to respond to audit inquiries. The audit fieldwork is expected to be completed on March 8, 2019. Jodie Cates from BKD will present the results of the audit at the April 2019 board meeting.

**Windy Gap unit sales - accounting treatment** - There was a total of 15 units of Windy Gap water sold in 2018 for $31.75 million. There was a sale of 3 additional units of Windy Gap water in June for $6 million, 5 units in November for $10 million and 7 units for $15.75 million in December, which will impact net income. As a result of these transactions, a net gain of $31.75 million will be recognized, as the majority of the assets were fully depreciated. This amount will be amortized over the remaining useful life of the facility, which is currently 2046. Over this period, the current estimate of the net impact as a reduction to depreciation expense for these transactions is $1.1 million annually (or $31.75 million in total), which will be added to previous sales for a total impact of $2.5 million annually. The reduction in depreciation results in a corresponding increase in net income over this time frame.

**Debt** - Payments of $19.2 million for principal and interest for bond service were made June 1, which included the final principal payment of Series GG bonds. The Series GG bonds were the only debt remaining associated with the construction of the combustion turbines. The remaining outstanding principal for Series HH, II and JJ represents debt associated with the Rawhide Energy Station ($26 million) and transmission assets ($153 million). The Series KK bond issuance scheduled for June of 2018 has been delayed and rebudgeted to occur in the fourth quarter of 2019.
• Rawhide Unit 1’s planned maintenance outage - The planned maintenance outage was scheduled for 6 weeks; however, the outage was extended two weeks due to the generator stator core rebuild capital project. The overall costs are captured in the operating and capital additions sections of this report. Outage operating expenses were below budget $1.4 million, which includes $0.9 million in contingency. Additional power of approximately $3.5 million was incurred for the two-week extension and replacement power for forced outages on the Craig units. Capital investment on outage projects was $33.6 million. Some projects are requesting carryover funds to 2019 for final costs to complete the projects.

**CAPITAL ADDITIONS (year-end results for 2018)**

Capital expenditures at the end of the year were $9.1 million below budget. However, some projects were not completed during 2018 for various reasons and the remaining funds for those projects, approximately $8.9 million, will be requested to be carried over into 2019. The majority of these projects are summarized below. In addition, in 2018 several requests for funds occurred due to changes in the schedule and scope of projects. However, a contingency transfer will not be required as final expenses for projects came in below budget. Once the outage was complete, project costs were finalized and built-in contingency funds were not needed. Additional funds required can be absorbed by existing below-budget or canceled projects. Project managers are continuously improving work planning and budgeting by better aligning scope, schedules and available resources. The projects listed below ended the year with a budget variance of more than $100,000. Further, the amounts below are costs for 2018 and may not represent the total cost of the project.

<table>
<thead>
<tr>
<th>Project ($ in thousands)</th>
<th>Budget</th>
<th>Actual</th>
<th>Favorable (unfavorable)</th>
<th>Carryover request</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ABOVE BUDGET PROJECTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Generator stator rewind - Rawhide Unit 1 - While this project was underway, it was determined the stator core needed to be rebuilt. Additional funds of $1.9 million were requested in 2018, of which a portion will be requested to be carried over into 2019.</td>
<td>$4,522</td>
<td>$6,346</td>
<td>$(1,824)</td>
<td>$5</td>
</tr>
<tr>
<td>* Controls upgrade to Ovation distributed control system - Combustion Turbine Unit D - All five combustion turbines’ control and exciter systems will be upgraded to the Ovation distributed control system creating a unified platform. Recent estimates show a significant cost savings if all five are planned and upgraded together during 2018 and 2019. As a result, more funds were required in 2018 for progress payments on hardware and software but reduced the amount required in 2019. Additional funds of $0.7 million were requested in 2018, of which a portion will be requested to be carried over into 2019.</td>
<td>$152</td>
<td>$791</td>
<td>$(639)</td>
<td>$27</td>
</tr>
<tr>
<td>Boyd 115/230kV substation transformer T2 addition - This project was above budget due to wheeling expenses for an unforeseen shoofly installation required by Tri-State and Xcel Energy in addition to increases in labor and financing costs.</td>
<td>$883</td>
<td>$1,413</td>
<td>$(530)</td>
<td></td>
</tr>
</tbody>
</table>
Controls upgrade to Ovation distributed control system - Combustion Turbine Unit F - All five combustion turbines' control and exciter systems will be upgraded to the Ovation distributed control system creating a unified platform. Recent estimates show a significant cost savings if all five are planned and upgraded together during 2018 and 2019. As a result, more funds were required in 2018 for progress payments on hardware and software but reduced the amount required in 2019.

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget 2018</th>
<th>Budget 2019</th>
<th>Change 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal dust pneumatic conveying system - This project was above budget due to a design change from a cyclone separator to a bag house design, as well as an extended commissioning time.</td>
<td>$212</td>
<td>$578</td>
<td>($366)</td>
</tr>
<tr>
<td>GenAdvisor generator monitoring system - Rawhide Unit 1 - This project was above budget due to a change in scope to add the partial discharge monitoring (PDM) feature to the isophase to assist with diagnosing vibrations. The PDM was found to be beneficial in the isophase where operational issues were experienced.</td>
<td>$345</td>
<td>$654</td>
<td>($309)</td>
</tr>
<tr>
<td>Airflow spoilers - This project was above budget due to under estimating the number of spoilers needed and contract labor needed to install them.</td>
<td>$257</td>
<td>$362</td>
<td>($105)</td>
</tr>
</tbody>
</table>

Below Budget Projects

* Bottom ash and reclaim pond CCR compliance - The bottom ash conveying system portion of this project was completed during the outage and not all of the built-in contingency was required. However, the design change of the concrete tank caused delays and pushed out the completion date for the tank to Spring 2019. Additional funds of $2.7 million were requested in 2018 for the concrete tank, which will be requested to be carried over into 2019.

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget 2018</th>
<th>Budget 2019</th>
<th>Change 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evergreen controls hardware upgrade - Rawhide Unit 1 - This project was below budget due to significantly lower vendor quotes. A portion of the below-budget funds will be requested to be carried over into 2019.</td>
<td>$2,226</td>
<td>$1,199</td>
<td>$1,027</td>
</tr>
<tr>
<td>Low impact security - substation control building access - This project was below budget due to a significantly lower vendor estimate on conduit and a reassessment of the project costs.</td>
<td>$1,541</td>
<td>$525</td>
<td>$1,016</td>
</tr>
<tr>
<td>Windy Gap Firming Project - This project was below budget as interest was not charged to the project this year due to the delay in the debt issuance to 2019. This was partially offset by a higher than budgeted progress payment to Northern ($0.4M). The below-budget funds will be requested to be carried over into 2019.</td>
<td>$3,185</td>
<td>$2,563</td>
<td>$622</td>
</tr>
<tr>
<td>Air heater basket replacement - This project was below budget due to switching vendors resulting in cost savings and not needing the built-in contingency. A portion of the below-budget funds will be requested to be carried over into 2019.</td>
<td>$1,741</td>
<td>$1,211</td>
<td>$530</td>
</tr>
<tr>
<td>Low impact security - substations owned - This project was below budget due to a significantly lower vendor estimate on conduit and a reassessment of the project costs.</td>
<td>$772</td>
<td>$245</td>
<td>$527</td>
</tr>
</tbody>
</table>
**Craig Units 1 and 2 projects** - These projects were below budget based on final costs from Tri-State. Two projects originally budgeted for 2018 have been canceled in addition to other projects coming in below budget. A portion of the below-budget funds will be requested to be carried over into 2019.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Unexpended</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low impact security - Rawhide</strong></td>
<td>$1,065</td>
<td>$561</td>
<td>$504</td>
<td>$451</td>
</tr>
<tr>
<td>This project was below budget due to a significantly lower vendor estimate on conduit and a reassessment of the project costs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mobile crane replacement</strong></td>
<td>$457</td>
<td>$53</td>
<td>$404</td>
<td></td>
</tr>
<tr>
<td>This purchase was below budget due to finding a suitable used crane instead of purchasing a new crane as originally planned.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>High voltage motor control center switchgear replacements</strong></td>
<td>$2,430</td>
<td>$2,086</td>
<td>$344</td>
<td>$75</td>
</tr>
<tr>
<td>This project was below budget as the majority of the built-in contingency funds were not required. A portion of the below-budget funds will be requested to be carried over into 2019.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Engine 12 replacement</strong></td>
<td>$420</td>
<td>$110</td>
<td>$310</td>
<td>$224</td>
</tr>
<tr>
<td>This project was below budget due to the down-payment required being less than anticipated. A portion of the below-budget funds will be requested to be carried over into 2019.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Protective relay replacement - Combustion Turbine Unit F</strong></td>
<td>$298</td>
<td>$47</td>
<td>$251</td>
<td>$251</td>
</tr>
<tr>
<td>This project was below budget due to actual quotes coming in less than budgeted and schedule changes for the project. The below-budget funds will be requested to be carried over into 2019.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Headquarters campus</strong></td>
<td>$16,428</td>
<td>$16,268</td>
<td>$160</td>
<td>$160</td>
</tr>
<tr>
<td>This project was below budget due to a delay in steel delivery in December. The below-budget funds will be requested to be carried over into 2019.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Generator rotor replacement - Rawhide Unit 1</strong></td>
<td>$4,121</td>
<td>$4,014</td>
<td>$107</td>
<td>$5</td>
</tr>
<tr>
<td>This project was below budget as the cost of the generator consultant was less than budgeted. A portion of the below-budget funds will be requested to be carried over into 2019 to cover final costs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fiber manager software</strong></td>
<td>$109</td>
<td>$8</td>
<td>$101</td>
<td>-</td>
</tr>
<tr>
<td>This project was below budget as the data population of the software was originally budgeted as capital but was determined to be an operations and maintenance expense.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DEPRESSED PROJECTS**

**Fiber optic route to Estes Park** - This project is a joint effort between Platte River, the City of Loveland, and the Town of Estes Park. As the project progressed, there were efficiencies gained and cost savings as a result of work done by each party rather than using contracted services. This resulted in the project not needing all the funds requested. The delay is a result of the City of Loveland's schedule for the installation of the poles. A portion of the below-budget funds will be requested to be carried over into 2019 to start the project.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Unexpended</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Travel costs</strong></td>
<td>$4,340</td>
<td>$1,999</td>
<td>$3,341</td>
<td>$3,012</td>
</tr>
<tr>
<td><strong>Rotary car dumper drive conversion to variable frequency drives</strong></td>
<td>$1,249</td>
<td>$1,249</td>
<td>$514</td>
<td></td>
</tr>
<tr>
<td>This project was delayed due to reallocating resources to allow a greater focus on outage projects. A portion of the below-budget funds will be requested to be carried over into 2019 to start the project.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Fixed fire suppression system - combustion turbines** - A portion of this multi-year project was delayed due to a change in the project scope, which included an additional phase of protection. Due to the increased scope of work, this will be budgeted in future years with a new charter and scope to complete fire protection on Units A-D. A portion of the below-budget funds was used to complete Unit F.

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td>326</td>
<td>83</td>
<td>243</td>
<td></td>
</tr>
</tbody>
</table>

**Transmission line vault upgrades - Rogers Road Substation** - The majority of this project has been delayed due to a decision to reallocate engineering resources to other capital projects. A portion of the below-budget funds will be requested to be carried over into 2019.

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td>267</td>
<td>33</td>
<td>234</td>
<td>175</td>
</tr>
</tbody>
</table>

**CANCELED PROJECTS**

**Vacuum truck replacement** - This project was canceled as a result of an updated mechanic assessment which determined replacement was not needed at this time.

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td>380</td>
<td>-</td>
<td>-</td>
<td>380</td>
</tr>
</tbody>
</table>

**Spray dry absorber feed and feed prep pump replacement** - This project was canceled due to resource constraints and other higher priority projects taking place during the outage. This project will be budgeted for a future year.

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td>190</td>
<td>-</td>
<td>-</td>
<td>190</td>
</tr>
</tbody>
</table>

**OUT-OF-BUDGET PROJECTS**

* **Controls upgrade to Ovation distributed control system - Combustion Turbine Unit B** - All five combustion turbines’ control and exciter systems will be upgraded to the Ovation distributed control system creating a unified platform. Recent estimates show a significant cost savings if all five are planned and upgraded together during 2018 and 2019. To accommodate completion of all five units, the overall schedule has changed resulting in funds being required in 2018.

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td>-</td>
<td>239</td>
<td>239</td>
<td></td>
</tr>
</tbody>
</table>

* **Controls upgrade to Ovation distributed control system - Combustion Turbine Unit C** - All five combustion turbines’ control and exciter systems will be upgraded to the Ovation distributed control system creating a unified platform. Recent estimates show a significant cost savings if all five are planned and upgraded together during 2018 and 2019. To accommodate completion of all five units, the overall schedule has changed resulting in funds being required in 2018.

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td>-</td>
<td>239</td>
<td>239</td>
<td></td>
</tr>
</tbody>
</table>

* **Revenue meters replacement** - The existing meters are at the end of life and are no longer supported. With the possibility of joining an energy market in the future, the existing meters need to be replaced to accommodate the requirement for high-side loss compensation. The new meters also have enhanced data reporting capabilities.

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td>-</td>
<td>211</td>
<td>211</td>
<td></td>
</tr>
</tbody>
</table>
**Monofill upgrade - Rawhide** - The Colorado Department of Public Health and Environment (CDPHE) requires that the monofill at Rawhide be upgraded to include a liner and leachate collection system. An Engineering Design and Operations Plan (EDOP) is required to ensure the design is in accordance with regulations. An updated EDOP will be submitted to CDPHE with approval expected mid-2019. Construction planning and final design work will occur in 2019 following approval of the updated EDOP, with construction expected to begin in 2020. When CDPHE approves the newly constructed area for waste placement, the project will be considered complete. This is a phased, multi-year project to update and implement operating procedures for future operations.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| * Soldier Canyon 10 inch water line reroute - CR 70 & CR 17 bridge | Larimer County plans to replace the irrigation ditch bridge at the intersection of CR 70 & CR 17 which necessitates rerouting Platte River's water line just east of the bridge. The majority of the project was delayed to 2019 due to a potential new route for final installation of the fiber and Larimer County is to provide the conduit. Funds of $0.3 million were requested in 2018, of which a portion will be requested to be carried over into 2019. |
|-------------------------------------------------|
| $ - $ 201 $ (201) |

| * Fiber replacement - Namaqua Road (Loveland) | Larimer County plans to replace the bridge on Namaqua Road in Loveland that crosses the Big Thompson River. This will require the aerial section of the fiber optic backbone cable along the east side of Namaqua Road to be relocated. The cable will be replaced as an underground cable and the existing poles removed. The project was delayed as Larimer County rescheduled the construction of the bridge to January 2019. Funds of $0.1 million were requested in 2018, of which a portion will be requested to be carried over into 2019. |
|-------------------------------------------------|
| $ - $ 3 $ (3) $ 85 |

* Project details or amounts have changed since last report.

** Project is new to the report.
Budget schedules
### Revenues

**Operating revenues**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Favorable (unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to owner communities</td>
<td>16,471</td>
<td>15,773</td>
<td>(698)</td>
</tr>
<tr>
<td>Sales for resale</td>
<td>2,217</td>
<td>2,840</td>
<td>623</td>
</tr>
<tr>
<td>Wheeling</td>
<td>390</td>
<td>454</td>
<td>64</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>19,078</td>
<td>19,067</td>
<td>(11)</td>
</tr>
</tbody>
</table>

**Other revenues**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Favorable (unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income(^{(1)})</td>
<td>271</td>
<td>317</td>
<td>46</td>
</tr>
<tr>
<td>Other income</td>
<td>(1)</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>270</td>
<td>341</td>
<td>71</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>19,348</td>
<td>19,408</td>
<td>60</td>
</tr>
</tbody>
</table>

### Expenditures

**Operating expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Favorable (unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased power</td>
<td>3,131</td>
<td>3,467</td>
<td>(336)</td>
</tr>
<tr>
<td>Fuel</td>
<td>4,876</td>
<td>3,695</td>
<td>1,181</td>
</tr>
<tr>
<td>Production</td>
<td>3,807</td>
<td>3,127</td>
<td>680</td>
</tr>
<tr>
<td>Transmission</td>
<td>1,298</td>
<td>1,017</td>
<td>281</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>2,595</td>
<td>2,229</td>
<td>366</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>15,707</td>
<td>13,535</td>
<td>2,172</td>
</tr>
</tbody>
</table>

**Debt expense**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Favorable (unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>870</td>
<td>861</td>
<td>9</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1,019</td>
<td>702</td>
<td>317</td>
</tr>
<tr>
<td>Allowance for funds used during construction</td>
<td>(231)</td>
<td>(86)</td>
<td>(145)</td>
</tr>
<tr>
<td><strong>Total debt expense</strong></td>
<td>1,658</td>
<td>1,477</td>
<td>181</td>
</tr>
</tbody>
</table>

**Capital additions**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Favorable (unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>3,944</td>
<td>11,426</td>
<td>(7,482)</td>
</tr>
<tr>
<td>Transmission</td>
<td>142</td>
<td>436</td>
<td>(294)</td>
</tr>
<tr>
<td>General</td>
<td>2,351</td>
<td>3,061</td>
<td>(710)</td>
</tr>
<tr>
<td><strong>Total capital additions</strong></td>
<td>6,437</td>
<td>14,923</td>
<td>(8,486)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>23,802</td>
<td>29,935</td>
<td>(6,133)</td>
</tr>
</tbody>
</table>

**Revenues less expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Favorable (unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(4,454)</td>
<td>(10,527)</td>
<td>(6,073)</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Excludes unrealized holding gains and losses on investments.
### SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET TO ACTUAL
#### December 2018 - YEAR TO DATE

**Non-GAAP budgetary basis (in thousands)**

<table>
<thead>
<tr>
<th>December year to date</th>
<th>Favorable (unfavorable)</th>
<th>Annual budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to owner communities</td>
<td>$197,016</td>
<td>$196,411</td>
</tr>
<tr>
<td>Sales for resale</td>
<td>18,856</td>
<td>20,406</td>
</tr>
<tr>
<td>Wheeling</td>
<td>4,620</td>
<td>5,297</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>220,492</td>
<td>222,114</td>
</tr>
<tr>
<td><strong>Other revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income(^{(1)})</td>
<td>2,793</td>
<td>2,983</td>
</tr>
<tr>
<td>Other income</td>
<td>256</td>
<td>507</td>
</tr>
<tr>
<td>Total other revenues</td>
<td>3,049</td>
<td>3,490</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$223,541</td>
<td>$225,604</td>
</tr>
</tbody>
</table>

| **Expenditures**      |                         |                |
| **Operating expenses**|                         |                |
| Purchased power       | $34,525                 | $41,140        | $(6,615) | $34,525 |
| Fuel                  | 49,654                  | 42,259         | 7,395   | 49,654   |
| Production            | 45,194                  | 40,916         | 4,278   | 45,194   |
| Transmission          | 17,199                  | 15,286         | 1,913   | 17,199   |
| Administrative and general | 25,412 | 24,790     | 622    | 25,412   |
| Total operating expenses | 171,984 | 164,391    | 7,593  | 171,984  |
| **Debt expense**      |                         |                |
| Principal             | 12,162                  | 12,104         | 58     | 12,162   |
| Interest expense      | 10,946                  | 8,729          | 2,217  | 10,946   |
| Allowance for funds used during construction | (2,323) | (821) | (1,502) | (2,323) |
| Total debt expense    | 20,785                  | 20,012         | 773    | 20,785   |
| **Capital additions** |                         |                |
| Production            | 45,164                  | 41,483         | 3,681  | 45,164   |
| Transmission          | 5,772                   | 4,658          | 1,114  | 5,772    |
| General               | 22,574                  | 18,278         | 4,296  | 22,574   |
| Total capital additions | 73,510       | 64,419       | 9,091  | 73,510   |
| **Total expenditures**| $266,279                | $248,822       | $17,457 | $266,279 |
| Contingency reserved to board | -         | -            | -      | 23,000   |
| Total expenditures    | $266,279                | $248,822       | $17,457 | $289,279 |

**Revenues less expenditures**

\(^{(1)}\) Excludes unrealized holding gains and losses on investments.
Memorandum

Date: 2/20/2019

To: Board of Directors

From: Jason Frisbie, General Manager and Chief Executive Officer
      Joseph B. Wilson, General Counsel

Subject: Organic Contract and Power Supply Agreements

The process to modify and extend the Organic Contract and the Power Supply Agreements began mid-year 2018. The process has reached the point at which the suggested changes are beginning to be considered by the owner communities.

Staff will briefly describe the changes being considered to these agreements and the owner community meetings that have been scheduled.

Redline copies of the Organic Contract and each of the Power Supply Agreements are attached.

Attachments
ORGANIC CONTRACT
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AMENDED AND RESTATED ORGANIC CONTRACT ESTABLISHING PLATTE RIVER POWER AUTHORITY AS A SEPARATE GOVERNMENTAL ENTITY

THIS CONTRACT, originally made and entered into as of June 17, 1975, and amended February 14, 1977, and July 27, 1978, and amended and restated the 31st day of March 1980, and the 1st day of July, 1998, and as further amended and restated on the 1st day of September, 2010, and as further amended on the 1st day of September, 2010, and as further amended on the 1st day of September, 2010, and as further amended on the 1st day of September, 2010, and as further amended on the 1st day of September, 2010, and as further amended on the 1st day of September, 2010, and as further amended on the 1st day of September, 2010, and as further amended on the 1st day of September, 2010, and as further amended on the 1st day of September, 2010, by the parties to this Contract which are: TOWN OF ESTES PARK, COLORADO, a municipal corporation of the State of Colorado (“Estes Park”), CITY OF FORT COLLINS, COLORADO, a municipal corporation of the State of Colorado (“Fort Collins”), CITY OF LONGMONT, COLORADO, a municipal corporation of the State of Colorado (“Longmont”), and CITY OF LOVELAND, COLORADO, a municipal corporation of the State of Colorado (“Loveland”). When specificity is not required, the municipal corporations which are parties hereto will hereinafter be individually referred to as “Municipality” and collectively as “Municipalities.”

WITNESSETH:

WHEREAS, Estes Park owns and operates a municipal electric system which supplies electric power and energy at retail to users located within the town limits of Estes Park and the adjacent service area of the Estes Park electric system; and

WHEREAS, Fort Collins owns and operates a municipal electric system which supplies electric power and energy at retail to users located within the city limits of Fort Collins and the adjacent service area of the Fort Collins electric system; and

WHEREAS, Longmont owns and operates a municipal electric system which supplies electric power and energy at retail to users located within the city limits of Longmont and the adjacent service area of the Longmont electric system; and

WHEREAS, Loveland owns and operates a municipal electric system which supplies electric power and energy at retail to users located within the city limits of Loveland and the adjacent service area of the Loveland electric system; and

WHEREAS, the Municipalities on June 17, 1975, established, pursuant to the provisions of C.R.S. § 29-1-204, as then enacted, Platte River Power Authority (the “Authority”), as a separate governmental entity and successor to a nonprofit corporation, to be the instrumentality of the Municipalities and as such successor, to continue to supply their wholesale electric power and energy requirements; and
WHEREAS, during 1998 the Municipalities contracted with one another to establish, pursuant to the provisions of C.R.S. § 29-1-203, the Authority as a separate legal entity and multi-purpose intergovernmental authority to provide designated functions, services, or facilities lawfully authorized to any combination of two or more of the Municipalities provided that such function, service, or facility constitutes an “enterprise” as defined in subsection 2(d) of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, increased complexity and risk in the electric utility industry have created the need to enhance utility image and customer loyalty, the Municipalities wish to clarify that the Organic Contract authorizes the Authority to engage in a broad range of services which are incidental to or supportive of the Municipalities' continued ability to provide electric power and energy services to their customers on a competitive basis; and

WHEREAS, the Municipalities acting through the Authority wish to ensure a source of electric power and energy that is reliable, cost-effective, and environmentally responsible; and

WHEREAS, providing energy in an environmentally responsible manner requires that the Authority incorporate environmental factors as an integral component of planning, design, construction and operational decisions; and

WHEREAS, the Municipalities now wish to further amend the Organic Contract, to extend its term and to restate the amended provisions thereof in a single updated document.

NOW, THEREFORE, the Municipalities do hereby amend and restate the Organic Contract, originally executed June 17, 1975, and subsequently amended, so that as hereby amended and restated it provides, and the Municipalities do agree, as follows:

1.0 EFFECTIVE DATE
This Contract, as hereby amended and restated, shall become effective when it has been duly executed by all of the Municipalities.

2.0 ESTABLISHMENT OF PLATTE RIVER POWER AUTHORITY
As of June 17, 1975, the Municipalities established a separate governmental entity, to be known as Platte River Power Authority, to be used by the Municipalities to effect the development of electric energy resources and the production and transmission of electric energy in whole or in part for the benefit of the inhabitants of the Municipalities. As of July 1, 1998, the Municipalities also established the Authority as a separate governmental entity and multi-purpose intergovernmental authority to provide additional designated functions, services, or facilities lawfully
authorized to any combination of two or more of the Municipalities, provided that such function, service, or facilities constitutes an “enterprise” as defined in subsection 2(d) of Article X, Section 20 of the Colorado Constitution.

2.1 PURPOSES
The purposes of the Authority are to conduct its business and affairs for the benefit of the Municipalities and their inhabitants:

(i) to provide the electric power and energy requirements of the Municipalities and the retail customers within the Municipalities in a reliable, cost-effective, and environmentally responsible manner;

(ii) to engage in business activities related to the provision of electric power and energy services, which may include but are not limited to investment in energy efficiency, renewable energy, demand side management, and associated communication systems, that the Board determines are likely to enhance the competitive position of the Authority or the Municipalities; and

(iii) to provide any additional designated function, service, or facility lawfully authorized to any combination of two or more of the Municipalities, provided that these constitute an “enterprise” as defined in subsection 2(d) of Article X, Section 20 of the Colorado Constitution.

A particular function, service, or facility shall be treated as designated as a separate purpose under clause (iii) of the previous sentence only upon receipt by each Municipality which is designating the function, service, or facility to also be performed by the Authority of (a) a resolution adopted by unanimous vote of the Board of Directors of the Authority designating the function, service, or facility as a purpose to also be jointly exercised by the designating Municipalities through the Authority and (b) opinions of counsel to each Municipality which is designating the function, service, or facility to also be performed by the Authority setting forth the extent to which the
designated function, service, or facility is lawfully authorized by such designating Municipality; and (c) an opinion of the Authority's bond counsel to the effect that the designated function, service, or facility constitutes an "enterprise" as defined in subsection 2(d) of Article X, Section 20 of the Colorado Constitution.

2.2 FUNCTIONS, SERVICES, OR FACILITIES
The functions, services, or facilities to be provided by the Authority are: The supplying of the electric power and energy requirements of the Municipalities and retail customers within the Municipalities; and, the provision of any additional function, service, or facility, by means of

(i) acquiring, constructing, owning, reconstructing, improving, rehabilitating, repairing, operating and maintaining electric generating plants, transmission systems and related facilities, or interests therein, for the purpose of producing, transmitting and delivering to the Municipalities, electric power and energy to the extent of their requirements, including renewable energy requirements;

(ii) purchasing electric power and energy from electric utilities and other producers of energy, as required to supply the Municipalities and perform its other obligations;

(iii) selling at wholesale to the Municipalities all of the electric power and energy produced or purchased by the Authority which the Municipalities require;

(iv) selling, exchanging and otherwise disposing of, under the most advantageous terms and conditions obtainable, any surplus power and energy or transmission capacity which the Authority owns, produces or purchases;
(v) developing electric energy resources (including renewable sources) and producing and transmitting electric energy in whole or in part for the benefit of the inhabitants of the Municipalities;

(vi) developing cost-effective, reliable, and environmentally responsible products and services to improve the efficiency of generation, transmission and use of electrical energy, which may include but are not limited to investment in energy efficiency, renewable energy, demand side management, and associated communication systems;

(vii) acquiring, constructing, owning, purchasing, selling, exchanging or otherwise disposing of, reconstructing, improving, rehabilitating, repairing, operating, and maintaining assets, infrastructure, plants, systems, and related facilities or interests therein;

(viii) developing products, services, infrastructure, and resources related to such function, service, or facility for delivery to appropriate markets in whole or in part for the benefit of the inhabitants of the Municipalities; and

(ix) on termination of this Contract to vest in the Municipalities all right, title and interest of the Authority in or to all of its property and assets.

2.3 BOARD OF DIRECTORS

The governing body of the Authority shall be a Board of Directors in which all legislative power of the Authority is vested.

2.3.1 NUMBER

The number of Directors shall be eight (8).

2.3.2 SELECTION
Each Municipality shall be represented by two (2) members on the Board of Directors of the Authority, who shall be designated or appointed as follows:

(i) MAYORS
The Mayor of each of the Municipalities is hereby designated and shall serve as a member of the Board of Directors of the Authority contemporaneously with service as Mayor; provided, however, that any Mayor may designate some other member of the governing board of such Municipality to serve as a Director of the Authority in place of the Mayor.

(ii) APPOINTED DIRECTORS
The governing body of each of the Municipalities shall appoint one (1) additional member to the Board of Directors. Appointed Directors shall be selected for judgment, experience, and expertise which make that person particularly qualified to serve as a Director of the Authority.

2.3.3 TERM
The term of office of the Directors of the Authority shall be as follows:

(i) MAYORS
The Mayor of each Municipality, or the member of the Municipality’s governing board designated by the Mayor, shall serve as a Director of the Authority for the same period of time that the Mayor serves as Mayor of that Municipality.

(ii) APPOINTED DIRECTORS
The term of the Appointed Director for Estes Park shall expire on December 31, 2011, the term of the Appointed
Director for Fort Collins shall expire on December 31, 2008, the term of the Appointed Director for Longmont shall expire on December 31, 2010, and the term of the Appointed Director for Loveland shall expire on December 31, 2009. Each successor shall be appointed for a term of four years from the date of the expiration of the term for which the predecessor was appointed.

2.3.4 REMOVAL
Any Director appointed by the governing board of a Municipality may be removed at any time by such governing board, with or without cause. A Mayor will be automatically removed as a Director upon vacating the office of Mayor, and a member of the Municipality’s governing board designated to serve in place of a Mayor may be removed at any time by the Mayor, with or without cause.

2.3.5 VACANCIES
A vacancy occurring in the directorship of an Appointed Director, whether such vacancy be the result of resignation, death, removal or disability, shall be filled by the appointment of a successor Appointed Director by the governing body of the Municipality which appointed the Director whose office has become vacant. In the case of a vacancy in the directorship of a Mayor or his designee from any Municipality, the vacancy shall be filled by the new Mayor or the Mayor’s designation of some other member of the governing board of that Municipality.

2.3.6 COMPENSATION
Directors shall not receive compensation for their services, but Directors may be reimbursed their actual expenses for attendance at meetings of the Board of Directors and for expenses otherwise incurred on behalf of the Authority.
2.3.7 ANNUAL MEETINGS
An annual meeting of the Board of Directors shall be held within the first 120 days in each year at such place in Fort Collins, Colorado, as shall be designated in the notice of the meeting, to elect officers, to pass upon reports for the preceding fiscal year, and to transact such other business as may come before the meeting. Failure to hold the annual meeting at a designated time, or failure to hold the annual meeting in any year, shall not cause a forfeiture or dissolution or otherwise affect the Authority.

2.3.8 REGULAR MEETINGS
The Board of Directors may provide for the time and place for the holding of regular meetings by resolution without notice to Directors other than the resolution adopting the meeting schedule.

2.3.9 SPECIAL MEETINGS
Special meetings of the Board of Directors may be called by the Chairman or any Director and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the Board of Directors shall be held at such time and place within the State of Colorado as shall be fixed by the Chairman or the Director calling the meeting.

2.3.10 NOTICE OF MEETINGS
Written notice of the annual or of any special meeting of the Board of Directors shall be delivered to each Director not less than seven (7), nor more than thirty-five (35), days before the date fixed for such meeting, either personally or by mail, by or at the direction of the Secretary, or, upon his/her default, by the person calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his/her address as it appears on the records of the Authority, with postage prepaid.
2.3.11 WAIVER OF NOTICE
Whenever any notice is required to be given to any Director of the Authority under the provisions of the law or this Contract, a waiver thereof in writing signed by such Director, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Director at any meeting of the Board of Directors shall constitute a waiver by such Director of notice of such meeting except when such Director attends such meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

2.3.12 QUORUM
A majority of the number of Directors then in office shall constitute a quorum for the transaction of business; provided that, if less than a majority of the Directors then in office is present at a meeting, a majority of the Directors present may adjourn the meeting; and, provided further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

2.3.13 ATTENDANCE BY TELECONFERENCE
Directors may attend and fully participate in any meeting through electronic teleconferencing.

2.3.14 VOTE IN CASE OF DEADLOCK
In the event the Board of Directors, at a meeting at which a quorum is present, is deadlocked and unable to obtain a majority vote of the Directors present concerning a matter being considered for action, any Director may require a “Weighted Vote.” A “Weighted Vote” shall then be taken with each Director’s vote being given one half the proportion which:
(i) the dollar amount of electric power and energy purchased from the Authority during the twelve-month period ending with the close of the billing period for the month two months prior to the month of the deadlocked meeting and paid for by the Municipality appointing such Director bears to;

(ii) the dollar amount of all electric power and energy purchased from the Authority and paid for by the Municipalities during said twelve-month period.

The act of a majority of the “Weighted Vote” shall be the act of the Board of Directors.

2.3.15 DUTIES

The duties of the Board of Directors shall be:

(i) To govern the business and affairs of the Authority.

(ii) To exercise all powers of the Authority.

(iii) To comply with the provisions of parts 1, 5, and 6 of Article 1 of Title 29, C.R.S.

(iv) To adopt a fiscal resolution, which complies with statutory and other restrictions imposed by law on the affairs of the Authority, to govern the financial transactions of the Authority, including the receipt, custody, and disbursement of its funds, securities, and other assets, and to provide for the services of a firm of independent certified public accountants to examine, at least annually, the financial records and accounts of the Authority and to report thereupon to the Board of Directors.

(v) To keep minutes of its proceedings.
2.4 OFFICERS

The officers of the Authority shall be a Chairman, Vice Chairman, Secretary, Treasurer, General Manager and such other officers and assistant officers as may be authorized by the Board of Directors to perform such duties as may be assigned by the Board of Directors. The Chairman and Vice Chairman shall be members of the Board of Directors, but other officers of the Authority need not be members of the Board of Directors.

2.4.1 ELECTION OF OFFICERS AND TERMS OF OFFICE

At each annual meeting of the Board of Directors, the members of the Board of Directors shall elect officers who shall serve as such officers of the Authority until the next annual meeting of the Board of Directors and until their successors are elected and qualified. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Vacancies or new offices may be filled at any meeting of the Board of Directors.

2.4.2 REMOVAL

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interests of the Authority will be served thereby.

2.4.3 DUTIES OF OFFICERS

In addition to duties assigned by the Board of Directors, the duties of the officers shall include the following:

(i) CHAIRMAN

The Chairman shall preside at all meetings of the Board of Directors and, except as otherwise delegated by the Board of Directors, shall execute all legal instruments of
the Authority, and shall perform such other duties as the Board of Directors may prescribe.

(ii) **VICE CHAIRMAN/CHAIR**

The Vice Chairman shall, in the absence of the Chairman, or in the event of the Chairman's inability or refusal to act, perform the duties of the Chairman and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as may be prescribed by the Board of Directors.

(iii) **SECRETARY**

The Secretary shall maintain the official records of the Authority, including all resolutions and regulations approved by the Board of Directors, the minutes of meetings of the Board of Directors, and a register of the names and addresses of Directors and officers, and shall issue notice of meetings, attest and affix the corporate seal to all documents of the Authority, and shall perform such other duties as the Board of Directors may prescribe.

(iv) **TREASURER**

The Treasurer shall serve as financial officer of the Authority and shall, pursuant to the fiscal resolution adopted by the Board of Directors governing the financial transactions of the Authority and the restrictions imposed by law, be responsible for the receipt, custody, investment, and disbursement of the Authority’s funds and securities and for duties incident to the office of Treasurer, and shall perform other duties as the Board of Directors may prescribe.

(v) **GENERAL MANAGER**
The General Manager shall be the principal executive officer of the Authority with full responsibility for the planning, operations, and administrative affairs of the Authority, and the coordination thereof, pursuant to policies and programs approved by the Board of Directors, and shall be the agent for service of process on the Authority. When and while a vacancy exists in the office of General Manager, the Board of Directors shall appoint a qualified interim General Manager to act as the principal executive officer of the Authority.

2.4.4 BONDS OF OFFICERS
The Treasurer and any other officer or agent of the Authority charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent, or employee of the Authority to give bond in such amount and with such surety as it shall determine. The cost of such bond shall be an expense payable by the Authority.

2.5 INDEMNIFICATION OF OFFICERS AND DIRECTORS
Each Director and officer of the Authority, whether or not then in office, and his/her personal representatives, shall be indemnified by the Authority against all costs and expenses actually and necessarily incurred by him/her in connection with the defense of any action, suit, or proceeding in which he/she may be involved or to which he/she may be made a party by reason of his/her being or having been such Director or officer, except in relation to matters as to which he/she shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful and wanton misconduct in the performance of duty. Such costs and expenses shall include amounts reasonably paid in settlement for the purpose of curtailing the costs of litigation, but only if the Authority is advised in writing by its counsel that in his/her opinion the person indemnified did not commit gross
negligence or willful and wanton misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which he/she may be entitled as a matter of law or by agreement.

2.6 TERM OF CONTRACT
This Contract shall continue in force and effect until December 31, 20560, and until thereafter terminated by any Municipality following not less than twelve (12) months written notice to the other Municipalities of its intention to terminate; provided, however, that this Contract may be amended, modified, or terminated at any time by a written document approved and executed by each and every Municipality which is a party to this Contract; and, provided further, however, that this Contract may not in any event be terminated so long as the Authority has bonds, notes, or other obligations outstanding, unless provision for full payment of such obligations, by escrow or otherwise, has been made pursuant to the terms of such obligations.

2.7 ASSETS AND PROPERTIES
All assets and properties of the Authority shall be held in trust for the purposes herein mentioned, including the payment of the liabilities of the Authority.

2.8 DISTRIBUTION OF ASSETS UPON TERMINATION
In the event of the termination of this Contract and the dissolution of the Authority, all of its assets shall immediately vest in the Municipalities. The assets of the Authority conveyed to each Municipality shall be that proportion which (i) the total dollar amount of electric power and energy purchased and paid for by such Municipality, from the Authority and its predecessor during their corporate existence, bears to (ii) the total dollar amount of all electric power and energy purchased and paid for by all of the Municipalities, from the Authority and its predecessor during their corporate existence.
2.9 SEAL
The corporate seal of the Authority shall be in the form of a circle and have inscribed thereon the name of the Authority and the words “Corporate Seal,” together with such insignia, if any, as the Board of Directors may authorize.

2.10 CONTRACTS
Except as otherwise provided by law, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument in the name and on behalf of the Authority.

2.11 CHECKS, DRAFTS, AND OTHER FINANCIAL DOCUMENTS
All checks, drafts, or other orders for payment of money and all notes, bonds, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents, employee or employees of the Authority and in such manner as shall be determined by the fiscal resolution.

2.12 DEPOSITS
All funds of the Authority shall be deposited in a manner set forth by the fiscal resolution.

2.13 FISCAL YEAR
The fiscal year of the Authority shall be the calendar year.

2.14 PRINCIPAL PLACE OF BUSINESS
The principal place of business of the Authority shall be in Fort Collins, Colorado.

3.0 GENERAL POWERS
The general powers of the Authority shall include the following powers:

(i) ELECTRIC ENERGY
To develop electric energy resources and related services, and produce, purchase, and transmit electric energy, in whole or in part, for the benefit of the inhabitants of the Municipalities.

(ii) CONTRACTS
To make and enter contracts of every kind with the Municipalities, the United States, any state or political subdivision thereof, and any individual, firm, association, partnership, corporation or any other organization of any kind.

(iii) AGENTS AND EMPLOYEES
To employ agents and employees.

(iv) FACILITIES
To acquire, construct, manage, maintain, and operate electric energy facilities, works, and improvements and any interests therein, including, without limitation, to acquire, construct, reconstruct, improve, and rehabilitate, repair, operate, and maintain (separately or jointly) generating plants, transmission systems and related facilities for the purpose of delivering electrical power and energy generated thereby to the Municipalities, and any mine, well, pipeline, plant, structure, or other facility for the development, production, manufacture, storage, fabrication, or processing of fossil or nuclear fuel of any kind for use, in whole or in major part, in any of such generating plants, and any railroad cars, trackage, pipes, equipment, and any structures or facilities of any kind used or useful in the transporting of fuel to any of such generating plants, and to sell, deliver, exchange, or otherwise dispose of the power and energy generated by said plants, and any of the waste or by-products therefrom, and to purchase, lease, or otherwise acquire and equip, maintain, operate, sell, assign, convey, lease, mortgage, pledge, and otherwise dispose of electrical generating plants, transmission systems and related facilities,
together with all lands, buildings, equipment, and all other real or personal property, tangible or intangible, necessary or incidental thereto.

(v) PROPERTY
To acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, and service including, without limitation, to buy, lease, construct, appropriate, contract for, invest in, and otherwise acquire, and to own, hold, maintain, equip, operate, manage, improve, develop, mortgage, and deal in and with, and to sell, lease, exchange, transfer, convey and otherwise dispose of and to mortgage, pledge, hypothecate and otherwise encumber real and personal property of every kind, tangible and intangible.

(vi) CONDEMNATION
To condemn property for public use, if such property is not owned by any public utility and devoted to such public use pursuant to state authority.

(vii) DEBT
To incur debts, liabilities, or obligations and to borrow money and, from time to time, to make, accept, endorse, execute, issue, and deliver bonds, debentures, promissory notes, bills of exchange, and other obligations of the Authority for monies borrowed or in payment for property acquired or for any of the other purposes of the Authority, and to secure the payment of any such obligations by mortgage, pledge, deed, indenture, agreement, or other collateral instrument, or by other lien upon, assignment of, or agreement in regard to, all or any part of the properties, rights, assets, contracts, easements, revenues, and privileges of the Authority wherever situated.

(viii) LITIGATION
To sue and be sued in its own name.

(ix) SEAL
To have and to use a corporate seal.
x) RATES
To fix, maintain, and revise fees, rates, and charges for functions, services, or facilities provided by the Authority.

xi) REGULATIONS
To adopt, by resolution, regulations respecting the exercise of its power and the carrying out of its purposes.

xii) AGENTS
To do and perform any acts and things authorized by this section under, through, or by means of an agent or by contracts with any person, firm, corporation or governmental entity.

xiii) JOINT OWNERSHIP
To own, operate, and maintain real and personal property, and facilities in common with others, as permitted by law, and to conduct joint, partnership, cooperative, or other operations with others and to exercise all of the powers granted in this Contract in joint partnership or cooperative efforts and operations with others.

xiv) OTHER POWERS
To exercise any other powers which are essential, necessary, incidental, convenient, or conducive to providing the wholesale electric power and energy requirements of the Municipalities, as well as to accomplishing the purposes, functions, services, and facilities set forth in Sections 2.0, 2.1, and 2.2 of this Organic Contract.

4.0 POLITICAL SUBDIVISION
The Authority shall be a political subdivision and a public corporation of the State of Colorado separate from the Municipalities. It shall have the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate.
5.0        REVENUE BONDS
The Authority is authorized to issue bonds, notes, or other obligations secured by its electric revenues pursuant to the terms, conditions, and authorization contained in C.R.S. § 29-1-204(7).

6.0        DEBT NOT THAT OF MUNICIPALITIES
The bonds, notes, and other obligations of the Authority shall not be the debts, liabilities, or obligations of the Municipalities.

7.0        FILING OF CONTRACT
A copy of this Contract shall be filed with the Division of Local Government of the State of Colorado within ten (10) days after its execution by the Municipalities.

8.0        NOTICES
Any formal notice, demand, or request provided for in this Contract shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Town of Estes Park, Colorado
c/o Town Administrator
P.O. Box 1200
Estes Park, Colorado 80517

City of Fort Collins, Colorado
c/o Utilities Executive Director
P.O. Box 580
Fort Collins, Colorado 80522

City of Longmont, Colorado
c/o Director of Longmont Power & Communications
1100 South Sherman
Longmont, Colorado 80501
City of Loveland, Colorado  
c/o Water and Power Director  
200 North Wilson  
Loveland, Colorado 80537

9.0 SEVERABILITY
In the event that any of the terms, covenants, or conditions of this Contract or their application shall be held invalid as to any person, corporation, or circumstance by any court having jurisdiction, the remainder of this Contract and the application and effect of its terms, covenants, or conditions to such persons, corporation, or circumstances shall not be affected thereby.

10.0 DUPLICATE ORIGINALS
This Contract may be executed in several counterparts, each of which will be an original but all of which together shall constitute one and the same instrument.
IN WITNESS WHEREOF, the Municipalities have caused this Contract, as amended, to be executed as of the 1st day of September, 2019.

TOWN OF ESTES PARK, COLORADO

By: ____________________________
   Mayor

By: ____________________________
   Town Clerk

CITY OF FORT COLLINS, COLORADO

By: ____________________________
   Mayor

By: ____________________________
   City Clerk

APPROVED AS TO FORM:

By: ____________________________
   Assistant City Attorney

CITY OF LOVELAND, COLORADO

By: ____________________________
   Mayor

By: ____________________________
   City Clerk

APPROVED AS TO FORM:

By: ____________________________
   Assistant City Attorney

CITY OF LONGMONT, COLORADO

By: ____________________________
   Mayor

By: ____________________________
   City Clerk

APPROVED AS TO FORM AND SUBSTANCE:
Director of Longmont Power & Communications

APPROVED AS TO FORM:

______________________________
Assistant City Attorney

PROOFREAD:
AMENDED CONTRACT FOR THE SUPPLY OF ELECTRIC POWER AND ENERGY

This contract, made this 1st day of September, 2009, between PLATTE RIVER POWER AUTHORITY, a political subdivision organized and existing under and by virtue of the laws of the State of Colorado (hereinafter called “Platte River”) and the TOWN OF ESTES PARK, COLORADO, a municipal corporation of the State of Colorado (hereinafter called “Estes Park.”)

WITNESSETH:

WHEREAS, Platte River was formed by Estes Park, Fort Collins, Longmont, and Loveland (hereinafter collectively called “Municipalities”) in order to provide the wholesale power and energy requirements of the Municipalities in a reliable, cost-effective, and environmentally responsible manner; and

WHEREAS, Platte River, owns, operates, and maintains electric generating facilities, transmission lines, substations, and related facilities for the purpose of supplying electric power and energy to the electric systems owned and operated by the Municipalities for resale; and

WHEREAS, Platte River has heretofore entered into or will enter into agreements for the sale of electric power and energy similar in form to this Agreement with the cities of Fort Collins, Longmont, and Loveland; and

WHEREAS, this Agreement replaces the Transmission Facilities Agreement between Platte River and Estes Park, dated March 11, 1980; and

WHEREAS, Estes Park desires to purchase electric power and energy from Platte River on the terms and conditions herein set forth;

WHEREAS, through this Agreement the parties acknowledge that the electric industry is evolving from an industry dominated by central station power to one that will likely employ increasing amounts of distributed generation resources; and

WHEREAS, the Platte River Board of Directors approved a Resource Diversification Policy with the goal of becoming 100% non-carbon by 2030 and in doing so the Board recognized that distributed generation will be needed to achieve this goal; and

WHEREAS, intermittent resources must be managed to ensure continued system reliability; and
WHEREAS, Platte River will equitably manage the impact of adding and firming intermittent resources amongst the four communities to ensure continued financial sustainability; and

WHEREAS, the parties recognize that the exceptions created to the all-requirements provision set forth in Article 1(a) are not intended to be the only means by which the parties either singularly or in coordination work toward meeting the goal of the Resource Diversification Policy; and

WHEREAS, the parties intend through the expanded covenant contained in Article 3(c) to meet routinely to review new technologies and business models that may merit recognition through specific amendments to this Agreement; and

WHEREAS, in order to meet the goal of the Resource Diversification Policy the parties are committed to use this incremental amendment process to explore expanding opportunities for distributed generation resources that likely become an increasingly important component of our future resource mix and to amend this agreement when appropriate to accommodate technologies and business models that are not contemplated today; and

WHEREAS, in order to accomplish amendments identified as suitable exceptions to the all-requirements provisions set forth in Article 1(a) Platte River recognizes that it may be necessary in future financings to modify bond covenant restrictions.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the Parties hereto agree as follows:

Article 1: Sale and Purchase of Electric Power and Energy

(a) Platte River shall sell and deliver to Estes Park and Estes Park shall purchase and receive from Platte River all electric power and energy which Estes Park shall require for the operation of its municipal electric system to the extent that Platte River shall have such power and energy available; provided, however, that (1) Estes Park shall have the right to continue to generate its own power and energy to the extent of the capacity of its generating facilities in service on September 5, 1974 and may also generate power and energy for its own use from any new generation resource(s) owned and operated by Estes Park provided that the total rated capacity of all such new generation is no greater than 1,000 kW or one percent of the peak load of Estes Park, whichever is greater, provided further that if Estes Park develops new generation resources of a total rated capacity as set forth above Platte River commits that it will meet with Estes Park to discuss in good faith an increase in the total rated capacity limit, and (2) Estes Park
shall not be in violation of the all requirements purchase obligation herein when it purchases power from net metered customers, provided that customers who have entered into agreements with entities that own and operate solar generation located on the customer’s property size the solar generation to supply no more than one hundred and twenty percent (120%) of the annual average consumption of electricity by the customer at that site.

(b) Subject to the provisions of Article 2(a), Estes Park hereby binds itself to take and pay for all power and energy that is generated, purchased, or otherwise obtained by Platte River, and is furnished to Estes Park for resale pursuant to Article 1(a) hereof, said payment to be made at the rates set forth in the Tariff Schedules of Platte River in effect at the time the power and energy is furnished to Estes Park.

Article 2: Rate for Power and Energy

(a) Estes Park shall pay Platte River for all electric power and energy furnished hereunder at the rates and on the terms and conditions as provided in the Platte River Tariff Schedules; provided, however, that notwithstanding any other provision of this Agreement, the obligation of Estes Park to pay Platte River for all electric power and energy furnished hereunder shall be, and is, a special obligation of Estes Park payable solely from revenues to be received by Estes Park from the sale of electric power and energy to its electric utility customers during the term hereof and is not a lien, charge, or liability against Estes Park or against any property or funds of Estes Park other than revenues to be received by Estes Park from the sale of electric power and energy to its electric utility customers during the term hereof, and the obligation to pay Platte River for all electric power and energy furnished hereunder does not constitute a debt, liability, or obligation of Estes Park other than from its revenues to be received from the sale of electric power and energy to its electric utility customers during the term hereof, and Estes Park is not otherwise obligated to pay such obligation.

(b) The Board of Directors of Platte River at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rates for electric power and energy furnished hereunder and under similar agreements with the other Municipalities and, if necessary, shall revise such rates to produce revenues which shall be sufficient, but only sufficient, with the revenues of Platte River from all other sources,

(i) to meet the cost of operation and maintenance (including, without limitation, fuel, replacements, insurance, taxes, fees, and administrative and general
overhead expense) of the electric generating plants, transmission system, and related facilities of Platte River;

(ii) to meet the cost of any power and energy purchased for resale hereunder by Platte River and the cost of transmission service;

(iii) to make payments of principal and interest on all indebtedness and revenue bonds of Platte River and provide an earnings margin adequate to enable Platte River to obtain revenue bond financing on favorable terms; and

(iv) to provide for the establishment and maintenance of reasonable reserves.

(c) Platte River shall cause a notice in writing to be given to each Municipality to which it furnishes electric power and energy, which notice shall set out each revision of the rates with the effective date thereof, which shall be not less than thirty (30) days after the date of the notice. All rate adjustments shall apply equally to all Municipalities to which Platte River furnishes electric power and energy, unless otherwise agreed upon, and shall not be discriminatory. Estes Park agrees that the rates from time to time established by the Board of Directors of Platte River shall be deemed to be substituted for the rates presently contained in the Tariff Schedules and agrees to pay for electric power and energy furnished to it hereunder after the effective date of any revisions to the Tariff Schedules at such revised rates.

Article 3: Covenants of Platte River

(a) Platte River shall use reasonable diligence to furnish a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, or be interrupted, or become defective through uncontrollable forces, as defined herein, Platte River shall not be liable for any claim or damages caused thereby.

(b) After first satisfying the electric power and energy requirements of all Municipalities to which it furnishes electric power and energy, Platte River may, in its sole discretion, market and dispose of any surplus electric power and energy which it owns or produces or which Platte River is obligated by contract to purchase, under the most advantageous terms and conditions obtainable.

(c) Platte River shall carry out the planning, design, construction, and operating decisions associated with the performance of its obligations under this Agreement in an environmentally responsible manner. This includes, but is not limited to, scheduling meetings with Estes Park at least every two years to review new technologies and business models that may serve to increase the penetration of distributed generation and efficiency technologies. As
appropriate the parties will amend this Agreement to allow such new technologies and business models to operate within the retail service territory of Estes Park.

Article 4: Covenants of Estes Park

(a) Estes Park agrees to maintain rates for electric power and energy furnished to its electric utility customers which will, after payment of all of Estes Park's costs of operation and maintenance (including, without limitation, replacements, insurance, administrative and general overhead expense), return to Estes Park sufficient revenue to meet its obligations to Platte River hereunder.

(b) Estes Park shall not sell at wholesale any of the electric energy delivered to it hereunder to any of its customers for resale by that customer, unless such resale is specifically approved in writing by Platte River.

(c) Estes Park acknowledges that it is familiar with the provision of Platte River's contract with the Western Area Power Administration, which requires, as a condition of the purchase of federally generated power, that the Municipalities comply with certain provisions of the "General Power Contract Provisions," which is attached hereto as Attachment A. Estes Park acknowledges its compliance obligations under the General Power Contract Provisions, as that document presently exists and as it may be modified in the future.

Article 5: Conditions of Delivery of Power and Energy

(a) The electric power and energy to be furnished by Platte River shall be alternating current, sixty (60) hertz, three-phase, subject to conditions of delivery and measurement as hereinafter provided and in the Tariff Schedules.

(b) Responsibilities for the facilities through which electric power and energy is delivered are set forth in Attachment B of this Agreement, attached hereto and made a part hereof.

(c) Estes Park shall make and pay for all final connections between its system and the system owned by, or available to, Platte River at the points of delivery agreed upon.

(d) Unless otherwise agreed, Estes Park shall install, own, and maintain the necessary substation equipment at the points of delivery from the system of, or available to, Platte River and shall install, own, and maintain switching and protective equipment of adequate design and sufficient capacity beyond such points of delivery to enable Estes Park to take and use the electric power and energy supplied hereunder without hazard to such system.
(e) To provide adequate service to Estes Park, Platte River agrees to increase the capacity of an existing transmission point of delivery, or to establish a new transmission point of delivery at a mutually agreeable location, of a design capacity of not less than 240,000 kVa maximum nameplate rating at 55° C. rise, and in accordance with this Agreement.

(f) Estes Park shall give Platte River at least two years written notice of the need to increase the capacity of an existing transmission point of delivery or the need for a new transmission point of delivery. If new transmission is required, Estes Park shall give at least four years written notice. The notice shall specify the amount of additional or new capacity, the new transmission required, and the desired initial date of its operation. Platte River shall, within sixty (60) days after receipt of such notice, and on the basis of the best information available to Platte River from system plans and load projections for Estes Park, inform Estes Park in writing of Platte River’s plans and schedules with respect to the supply of the additional capacity requested by Estes Park, and shall thereafter keep Estes Park informed of Platte River’s progress in supplying such additional capacity. Any written notice requesting additional capacity at an existing point of delivery or the establishment of a new point of delivery shall provide to Platte River any and all authority necessary for its facilities to occupy the property of Estes Park during the period in which that point of delivery is used by Platte River for the delivery of power and energy.

(g) If Estes Park requires the construction of a 115 kV or 230 kV transmission line for additional service where such line is a tap or radial line over which energy can flow in only one direction, as distinguished from a system line over which energy can flow in either direction, then ownership, operation and maintenance of such 115 kV or 230 kV transmission line will be undertaken by Platte River pursuant to a separate agreement with Estes Park which provides for an appropriate sharing of the annual costs of ownership and operations of such line for as long as such energy flow and delivery conditions prevail.

Article 6: Consultation on System Planning

(a) At least once each year, on or before July 1, Platte River shall consult Estes Park concerning its requirements for transmission facilities to effect delivery of power and energy by Platte River. The date for such annual consultation shall be set by agreement of the Parties.

(b) At least thirty (30) days prior to the date of such annual consultation, Estes Park shall provide Platte River with two (2) copies of its latest estimate of requirements for delivery of power and energy covering a future period of ten (10) years. Platte River shall review Estes Park’s annual estimates and shall consider them in preparing Platte River’s annual system plan.
Following Platte River’s annual consultations on delivery requirements with all Municipalities, Platte River shall prepare an annual system plan for the delivery of power and energy to all Municipalities covering a future period of ten (10) years. Decisions regarding the construction of any transmission and delivery facilities by Platte River primarily to supply Estes Park, will take into account Estes Park's long-range distribution requirements and costs and the long-range costs and benefits of alternative service plans. Platte River’s annual system plan shall include appropriate load flow and stability studies and a copy thereof shall be furnished to Estes Park if requested.

Article 7: Measurement of Power and Energy

(a) Metering equipment shall be furnished, installed, and maintained by Platte River at each point of delivery to Estes Park at the high voltage side of the transforming equipment or at such other points as agreed upon by the Parties.

(b) Loss adjustments for high voltage side or remote metering shall be as specified in the Tariff Schedule or as otherwise agreed by the Parties.

Article 8: Meter Readings and Payment of Bills

(a) Platte River shall read meters and invoice Estes Park for power and energy furnished hereunder at approximately monthly intervals. Such invoices shall be due and payable to Platte River within fifteen (15) days from date of issuance and shall become delinquent thereafter.

(b) If Estes Park's monthly bill becomes delinquent, late charges at the rate of a one and one-half percent (1½ %) per month of the unpaid balance shall be added, and if such bill is delinquent for a period of fifteen (15) days or longer, Platte River may discontinue delivery of electric power and energy not less than fifteen (15) days following written notice to Estes Park.

Article 9: Meter Testing and Billing Adjustment

(a) Platte River shall test and calibrate meters by comparison with accurate standards at intervals of twelve (12) months, and shall also make special meter tests at any time at Estes Park's request. The cost of all tests shall be borne by Platte River; provided, however, that if any special meter test made at Estes Park's request shall disclose that the meters are recording accurately, Estes Park shall reimburse Platte River for the cost of such test. Meters registering within two percent (2%) above or below normal shall be deemed to be accurate.
(b) The readings of any meter which are disclosed by test to be inaccurate shall be corrected from the beginning of the monthly billing period immediately preceding the billing period during which the test was made; provided, that no correction shall be made for a longer period than such inaccuracy is determined by Platte River to have existed. If a meter fails to register, the electric power and energy delivered during such period of failure shall, for billing purposes, be estimated by Platte River from the best information available.

(c) Platte River shall notify Estes Park in advance of any meter reading or test so that Estes Park's representative may be present at such meter reading or test.

Article 10: Right of Occupancy and Access

Both Parties shall have a revocable license to occupy the property of the other Party necessary to deliver and receive power and energy under this Agreement as described in Attachment B. Duly authorized representatives of either Party shall be permitted to enter the premises of the other Party at all reasonable times in order to carry out the provisions of this Agreement and those described in Attachment B.

Article 11: Uncontrollable Forces

Neither Party to this Agreement shall be considered to be in default in performance of any of its obligations, except the agreement to make payment, when a failure of performance shall be due to an uncontrollable force. The term “uncontrollable force” means any cause beyond the control of the Party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or inaction by, or failure to obtain the necessary authorization or approvals from, any governmental agency or authority, which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of an uncontrollable force shall give prompt written notice of such fact, if reasonable to do so, to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.
Article 12: Enforceability

The Parties hereto recognize that there are legal constraints imposed upon them by the constitution, statutes, and rules and regulations of the State of Colorado and of the United States, and imposed upon them by their respective governing statutes, charters, ordinances, rules and regulations, and that, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, in no event shall either of the Parties exercise any power or take any action which shall be prohibited by applicable law. Whenever possible, each provision of this Agreement shall be interpreted in such a manner so as to be effective and valid under applicable law.

Article 13: Term of Agreement

(a) This Agreement shall become effective when executed by both Parties, and shall amend and supersede the existing Contract for the Supply of Electric Power and Energy between Platte River and Estes Park, dated July 1, 1998 September 1, 2010. This Agreement shall remain in effect until December 31, 2050 2060, and thereafter until terminated by either Party following not less than twelve (12) months written notice to the other Party of its intention to terminate.

(b) The Transmission Facilities Agreement between Platte River and Estes Park dated March 11, 1980, shall be deemed terminated as of the date of this Agreement.

Article 14: Notices

Any formal notice provided for in this Agreement, and the payment of monies due, shall be deemed properly served, given or made, if delivered in person or sent by regular mail to the persons specified below:

For Platte River: For Estes Park:
General Manager Town of Estes Park, Colorado
Platte River Power Authority Town Administrator
2000 East Horsetooth Road P. O. Box 1200
Fort Collins, Colorado 80525 Estes Park, Colorado 80517

A copy of any such notice will also be provided to the Estes Park Utilities Director.

Article 15: Severability
In the event that any of the terms, covenants, or conditions of this Agreement or their application shall be held invalid as to any person or circumstance by any Court having jurisdiction, the remainder of this Agreement and the application of its terms, covenants, or conditions to such persons or circumstances shall not be affected thereby.
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

PLATTE RIVER POWER AUTHORITY

By: ____________________________
    General Manager

ATTEST:

By: ____________________________
    Assistant Secretary

TOWN OF ESTES PARK

By: ____________________________
    Mayor

ATTEST:

By: ____________________________
    Town Clerk
ATTACHMENT A

WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

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*Legal Citation Revised September 1, 2007
I. APPLICABILITY.

1. Applicability.

1.1 These General Power Contract Provisions (Provisions) shall be a part of the contract to which they are attached. In the event these Provisions differ from requirements of the contract, specific terms set forth in the contract shall prevail.

1.2 If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 43, 44, and 45 of these General Power Contract Provisions.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

Effective September 1, 2007
5. **Multiple Points of Delivery.**

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. **Metering.**

6.1 The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or where situations deem it appropriate as determined by Western, by the Contractor or its agent(s). In the event metering equipment is furnished and maintained by the Contractor or its agent(s) and the equipment is used for billing and other accounting purposes by Western, the Contractor shall ensure that the metering equipment complies with applicable metering policies established by Western.

6.2 Meters shall be secured by appropriate security measures and meters shall not be accessed except when the meters are to be inspected, tested, adjusted, or repaired. Representatives of affected parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless a different test interval is determined in accordance with good utility practices by an applicable regional metering policy, or as agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by a party hereto, or by an affected supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance as soon as practicable. Meters found with security breaches shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3 Except as otherwise provided in Provision 6.4 hereof, should any meter that is used by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during the period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4 If inspections and tests of a meter used by Western for billing or other accounting purposes disclose an error exceeding 2 percent, or a lesser range in error as agreed upon by the parties, then a correction based upon the inaccuracy found shall be made to the service records for the period of inaccuracy as determined by Western. If the period of inaccuracy cannot be determined, the inaccuracy shall be assumed to have existed during the entire monthly billing period immediately preceding the billing period in which the inspection or test was made and the resulting correction shall be made accordingly.

6.5 Any correction in billing or other accounting information that results from a correction in meter records shall be made in a subsequent monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties arising out of inaccurate metering equipment.
7. **Existence of Transmission Service Contract.**

If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. **Conditions of Transmission Service.**

8.1 When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

8.2 Unless otherwise provided in the contract or applicable rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western’s transmission agent as required by the transmission agent.

8.3 Western will endeavor to inform the Contractor from time to time of any changes planned or proposed on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor’s system, because of changes or conditions on the system over which the service is supplied, shall not be a charge against or a liability of Western.

8.4 If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

8.5 If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. **Multiple Points of Delivery Involving Direct and Indirect Deliveries.**

When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. **Construction, Operation, and Maintenance of Contractor’s Power System.**

The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere
with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.


13.1 Western will normally issue bills to the Contractor for services furnished during the preceding month within ten (10) days after the end of the billing period.

13.2 If Western is unable to issue timely monthly bill(s), Western may elect to render estimated bill(s). Such estimated bill(s) shall be subject to the same payment provisions as final bill(s), and any applicable adjustments will be shown on a subsequent monthly bill.
13.3 Payments of bills issued by Western are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western. Bills will be paid electronically or via the Automated Clearing House method of payment unless a written request to make payments by mail is submitted by the Contractor and approved by Western. Should Western agree to accept payments by mail, these payments will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4 The parties agree that net billing procedures will be used for payments due Western by the Contractor and for payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. Payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1 Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars ($25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2 Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.


The demand or capacity charge and minimum charges shall each be proportionately adjusted when fractional billing periods are applicable under this contract. A fractional billing period can occur: (1) at the beginning or end of electric service; (2) at the beginning or end of irrigation pumping service each year; (3) for a fractional billing period under a new rate schedule; or (4) for fractional periods due to withdrawals of electric services. The adjustment will be made based on the ratio of the number of hours that electric service is available to the Contractor in such fractional billing period to the total number of hours in the billing period involved. Energy billing shall not be affected by fractional billing periods.


16.1 Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of one (1) hour or longer in duration each.
Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills in Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2 The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3 The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of one (1) hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.


The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.


The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, 43 U.S.C. §§ 617a-e, and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor.
under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western's current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor's needs.


Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor's drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1 The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2 If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor's right-of-way or in the Contractor's substations pursuant to the contract which are owned by the United States, by
permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.


The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.


28.1 The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply
with all applicable safety laws and building and construction codes, including the provisions of Chapter 1 of the Power System Operations Manual, entitled Power System Switching Procedure, and the Occupational Safety and Health Administration regulations, Title 29 C.F.R. §§ 1910 and 1926, as amended or supplemented. In addition to the safety program required herein, upon request of the United States, the Contractor shall provide sufficient information to demonstrate that the Contractor’s safety program is satisfactory to the United States.

28.2 The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3 At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4 Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5 In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, transported, and removed subject to compliance with all applicable laws, including but not limited to the National Historic Preservation Act of 1966, 16 U.S.C. §§ 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act of 1973, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. §§ 470aa-470mm, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations, and executive orders.


When either party owns equipment containing regulated material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to regulated materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6992k, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601-
Effective September 1, 2007

9675, the Oil Pollution Act of 1990, 33 U.S.C. §§ 2702-2761, the Clean Water Act, 33 U.S.C. §§ 1251-1387, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-j26, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, and any other existing or subsequent applicable laws, regulations, and executive orders. Each party shall label its equipment containing regulated material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. OTHER PROVISIONS.

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.
35.1 The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractors', its employees', agents', or subcontractors' construction, operation, maintenance, or replacement activities under the contract.

35.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.


If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in the Contract or Change in Preference Status.

37.1 No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the prior written approval of the Administrator of Western. Any voluntary transfer of the contract or of the rights of the Contractor under the contract made without the prior written approval of the Administrator of Western may result in the termination of the contract; Provided, That the written approval of the Administrator shall not be unreasonably withheld; Provided further, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such prior written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

37.2 The Contractor shall maintain its status as an entity eligible for preference in Western's sale of Federal power pursuant to Reclamation law, as amended and supplemented.

37.3 Western shall give the Contractor written notice of Western's proposed determination that the Contractor has violated Provision 37.1 and Western's proposed action in response to the violation.
37.4 The Contractor shall have 120 days after receipt of Western's notice provided under Provision 37.3 to submit a written response to Western. The Contractor may also make an oral presentation to the Administrator during this 120-day period.

37.5 At any time during this process, the Contractor and Western may agree upon corrective action to resolve Western's proposed determination that the Contractor is in violation of Provision 37.1.

37.6 Within 30 days of receipt of the Contractor's written response provided under Provision 37.4, Western will notify the Contractor in writing of its final decision. The Administrator's written notice will include the intended action, the effective date thereof, and the reasons for taking the intended action. Implementation of the Administrator's action shall take place no earlier than 60 days from the Contractor's receipt of such notice.

37.7 Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

37.8 Nothing in this Provision shall preclude any right to judicial review available to the Contractor under Federal law.


Federal law shall control the obligations and procedures established by this contract and the performance and enforcement thereof. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, unless the parties agree to pursue alternative dispute resolution.

39. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

40. Notices.

Any notice, demand, or request specifically required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the parties, to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other party.

41. Contingent Upon Appropriations and Authorization.

41.1 Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under the contract. In case such
appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41.2 In order to receive and expend funds advanced from the Contractor necessary for the continued performance of the obligations of the United States under the contract, additional authorization may be required. In case such authorization is not received, the Contractor hereby releases the United States from those contractual obligations and from all liability due to the lack of such authorization.

42. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

43. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 327-334, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

44. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

45. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.
Substation Cost and Maintenance Responsibility

And

Lease of 115kV Facilities

The following describes the cost and maintenance responsibilities for Estes Park and Platte River at the existing Estes Substation and Marys Lake Substation. This description will also apply to any future substations that may be constructed by Estes Park. If any special arrangements are required for a new substation different from the understanding described below, it will be documented in a separate letter agreement between Estes Park and Platte River and attached hereto.

Estes Park will furnish, own, and maintain at its expense the following items in each substation owned by Estes Park:

- The substation site with sufficient space for both the Estes Park and Platte River equipment
- Grading and surfacing within the fenced area
- Access right-of-way and roads
- Perimeter substation fence or wall
- Landscaping and maintenance of any grounds outside the fenced or walled area
- The 115kV/12.47 transformers, switchgear, feeder circuits, associated foundations and oil containment structures, duct banks, conduits, and all cabling, relays, and controls required to operate such equipment
- The Estes Park switchgear room in a common Estes Park/Platte River switchgear/control building or separate building, whichever is appropriate
- A remote terminal unit (RTU) at Marys Lake switchgear building to transmit substation information to Estes Park
- The DC power supply system and associated equipment or ½ the cost of a DC system shared with Platte River.
- Substation site electric service (equipment, power and energy)
- Substation yard lighting
- Substation yard below grade grounding system

Platte River will furnish, own, and maintain at its expense the following items in each substation owned by Estes Park:

- All transmission equipment required at the appropriate voltage class to deliver electric capacity and energy to Estes Park’s facilities including the transmission line transition structures, breakers, switches, bus system, relays, meters and associated controls
- All foundations required for the Platte River equipment listed above
- The Platte River control room in a combined Estes Park/Platte River switchgear/control building, or the cost of a separate control building, whichever is appropriate
- Communication connections for Power System Operations use by both Estes Park and Platte River
• A remote terminal unit (RTU), for shared use to transmit substation information to both Estes Park and Platte River at Estes Park Substation. **Platte River is responsible for its own RTU in the Platte River control building at Mary’s Lake Substation**

• Weed control

Estes Park and Platte River will share equally the cost of any substation security deemed by both parties to be appropriate for the location of the substation.

**Lease of 115kV Facilities:**

**Background:** In the Transmission Facilities Agreement dated March 11, 1980, Estes Park leased multiple transmission facilities to Platte River. Through that agreement Platte River assumed responsibility for the 115kV transmission and substation facilities that served the Estes and Marys Lake Substations. Of the "Leased Facilities" listed in Exhibit "A" to Attachment C of the March 11, 1980 Transmission Facilities Agreement, only the WAPA Tap to Marys Lake Substation 115kV Line still exists as of September 1, 2010. By joint agreement between Estes Park and Platte River, all of the other facilities listed in Exhibit "A" have either been removed permanently from service or have been replaced by facilities owned by Platte River.

**Continuation of Lease:** Estes Park agrees to continue the lease of the WAPA Tap to Marys Lake Substation 115kV Line ("Leased Facility") to Platte River through the term of this Agreement or until such facility is permanently removed from service or replaced. Platte River shall continue to have the right to use the Leased Facility in whatever manner it shall determine to be the most effective to meet its obligations under this Agreement and the local needs of Estes Park and to make whatever modifications, improvements, repairs and replacements it shall determine to be necessary to provide reliable service. Platte River shall not permit any lien or encumbrance to attach to the Leased Facility and shall deliver them up to Estes Park at the termination of this Agreement.
AMENDED CONTRACT FOR THE SUPPLY OF ELECTRIC POWER AND ENERGY

This contract, made this ___1st___ day of September 2009, between PLATTE RIVER POWER AUTHORITY, a political subdivision organized and existing under and by virtue of the laws of the State of Colorado (hereinafter called “Platte River”) and the CITY OF FORT COLLINS, COLORADO, a municipal corporation of the State of Colorado (hereinafter called “Fort Collins.”)

WITNESSETH:

WHEREAS, Platte River was formed by Estes Park, Fort Collins, Longmont, and Loveland (hereinafter collectively called “Municipalities”) in order to provide the wholesale power and energy requirements of the Municipalities in a reliable, cost-effective, and environmentally responsible manner; and

WHEREAS, Platte River, owns, operates, and maintains electric generating facilities, transmission lines, substations, and related facilities for the purpose of supplying electric power and energy to the electric systems owned and operated by the Municipalities for resale; and

WHEREAS, Platte River has heretofore entered into or will enter into agreements for the sale of electric power and energy similar in form to this Agreement with the cities of Estes Park, Longmont, and Loveland; and

WHEREAS, this Agreement replaces the Transmission Facilities Agreement between Platte River and Fort Collins, dated February 22, 1980; and

WHEREAS, Fort Collins desires to purchase electric power and energy from Platte River on the terms and conditions herein set forth;

WHEREAS, through this Agreement the parties acknowledge that the electric industry is evolving from an industry dominated by central station power to one that will likely employ increasing amounts of distributed generation resources; and

WHEREAS, the Platte River Board of Directors approved a Resource Diversification Policy with the goal of becoming 100% non-carbon by 2030 and in doing so the Board recognized that distributed generation will be needed to achieve this goal; and

WHEREAS, intermittent resources must be managed to ensure continued system reliability; and
WHEREAS, Platte River will equitably manage the impact of adding and firming intermittent resources amongst the four communities to ensure continued financial sustainability; and

WHEREAS, the parties recognize that the exceptions created to the all-requirements provision set forth in Article 1(a) are not intended to be the only means by which the parties either singularly or in coordination work toward meeting the goal of the Resource Diversification Policy; and

WHEREAS, the parties intend through the expanded covenant contained in Article 3(c) to meet routinely to review new technologies and business models that may merit recognition through specific amendments to this Agreement; and

WHEREAS, in order to meet the goal of the Resource Diversification Policy the parties are committed to use this incremental amendment process to explore expanding opportunities for distributed generation resources that likely become an increasingly important component of our future resource mix and to amend this agreement when appropriate to accommodate technologies and business models that are not contemplated today; and

WHEREAS, in order to accomplish amendments identified as suitable exceptions to the all-requirements provisions set forth in Article 1(a) Platte River recognizes that it may be necessary in future financings to modify bond covenant restrictions.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the Parties hereto agree as follows:

Article 1: Sale and Purchase of Electric Power and Energy

(a) Platte River shall sell and deliver to Fort Collins and Fort Collins shall purchase and receive from Platte River all electric power and energy which Fort Collins shall require for the operation of its municipal electric system to the extent that Platte River shall have such power and energy available; provided, however, that (1) Fort Collins shall have the right to continue to generate its own power and energy to the extent of the capacity of its generating facilities in service on September 5, 1974 and may also generate power and energy for its own use from any new generation resource(s) owned and operated by Fort Collins provided that the total rated capacity of all such new generation is no greater than 1,000 kW or one percent of the peak load of Fort Collins, whichever is greater, provided further that if Fort Collins develops new generation resources of a total rated capacity as set forth above Platte River commits that it will meet with Fort Collins to discuss in good faith an increase in the total rated capacity limit, and (2) Fort Collins
shall not be in violation of the all requirements purchase obligation herein when it purchases power from net metered customers, provided that for customers who have entered into agreements with entities that own and operate solar generation located on the customer’s property size the solar generation to supply no more than one hundred and twenty percent (120%) of the annual average consumption of electricity by the customer at that site.

(b) Subject to the provisions of Article 2(a), Fort Collins hereby binds itself to take and pay for all power and energy that is generated, purchased, or otherwise obtained by Platte River, and is furnished to Fort Collins for resale pursuant to Article 1(a) hereof, said payment to be made at the rates set forth in the Tariff Schedules of Platte River in effect at the time the power and energy is furnished to Fort Collins.

Article 2: Rate for Power and Energy

(a) Fort Collins shall pay Platte River for all electric power and energy furnished hereunder at the rates and on the terms and conditions as provided in the Platte River Tariff Schedules; provided, however, that notwithstanding any other provision of this Agreement, the obligation of Fort Collins to pay Platte River for all electric power and energy furnished hereunder shall be, and is, a special obligation of Fort Collins payable solely from revenues to be received by Fort Collins from the sale of electric power and energy to its electric utility customers during the term hereof and is not a lien, charge, or liability against Fort Collins or against any property or funds of Fort Collins other than revenues to be received by Fort Collins from the sale of electric power and energy to its electric utility customers during the term hereof, and the obligation to pay Platte River for all electric power and energy furnished hereunder does not constitute a debt, liability, or obligation of Fort Collins other than from its revenues to be received from the sale of electric power and energy to its electric utility customers during the term hereof, and Fort Collins is not otherwise obligated to pay such obligation.

(b) The Board of Directors of Platte River at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rates for electric power and energy furnished hereunder and under similar agreements with the other Municipalities and, if necessary, shall revise such rates to produce revenues which shall be sufficient, but only sufficient, with the revenues of Platte River from all other sources,

(i) to meet the cost of operation and maintenance (including, without limitation, fuel, replacements, insurance, taxes, fees, and administrative and general
overhead expense) of the electric generating plants, transmission system, and related facilities of Platte River;

(ii) to meet the cost of any power and energy purchased for resale hereunder by Platte River and the cost of transmission service;

(iii) to make payments of principal and interest on all indebtedness and revenue bonds of Platte River and provide an earnings margin adequate to enable Platte River to obtain revenue bond financing on favorable terms; and

(iv) to provide for the establishment and maintenance of reasonable reserves.

(c) Platte River shall cause a notice in writing to be given to each Municipality to which it furnishes electric power and energy, which notice shall set out each revision of the rates with the effective date thereof, which shall be not less than thirty (30) days after the date of the notice. All rate adjustments shall apply equally to all Municipalities to which Platte River furnishes electric power and energy, unless otherwise agreed upon, and shall not be discriminatory. Fort Collins agrees that the rates from time to time established by the Board of Directors of Platte River shall be deemed to be substituted for the rates presently contained in the Tariff Schedules and agrees to pay for electric power and energy furnished to it hereunder after the effective date of any revisions to the Tariff Schedules at such revised rates.

Article 3: Covenants of Platte River

(a) Platte River shall use reasonable diligence to furnish a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, or be interrupted, or become defective through uncontrollable forces, as defined herein, Platte River shall not be liable for any claim or damages caused thereby.

(b) After first satisfying the electric power and energy requirements of all Municipalities to which it furnishes electric power and energy, Platte River may, in its sole discretion, market and dispose of any surplus electric power and energy which it owns or produces or which Platte River is obligated by contract to purchase, under the most advantageous terms and conditions obtainable.

(c) Platte River shall carry out the planning, design, construction, and operating decisions associated with the performance of its obligations under this Agreement in an environmentally responsible manner. This includes, but is not limited to, scheduling meetings with Fort Collins at least every two years to review new technologies and business models that may serve to increase the penetration of distributed generation and efficiency technologies. As
appropriate the parties will amend this Agreement to allow such new technologies and business models to operate within the retail service territory of Fort Collins.

Article 4: Covenants of Fort Collins

(a) Fort Collins agrees to maintain rates for electric power and energy furnished to its electric utility customers which will, after payment of all of Fort Collins' costs of operation and maintenance (including, without limitation, replacements, insurance, administrative and general overhead expense), return to Fort Collins sufficient revenue to meet its obligations to Platte River hereunder.

(b) Fort Collins shall not sell at wholesale any of the electric energy delivered to it hereunder to any of its customers for resale by that customer, unless such resale is specifically approved in writing by Platte River.

(c) Fort Collins acknowledges that it is familiar with the provision of Platte River's contract with the Western Area Power Administration, which requires, as a condition of the purchase of federally generated power, that the Municipalities comply with certain provisions of the “General Power Contract Provisions,” which is attached hereto as Attachment A. Fort Collins acknowledges its compliance obligations under the General Power Contract Provisions, as that document presently exists and as it may be modified in the future.

Article 5: Conditions of Delivery of Power and Energy

(a) The electric power and energy to be furnished by Platte River shall be alternating current, sixty (60) hertz, three-phase, subject to conditions of delivery and measurement as hereinafter provided and in the Tariff Schedules.

(b) Responsibilities for the facilities through which electric power and energy is delivered are set forth in Attachment B of this Agreement, attached hereto and made a part hereof.

(c) Fort Collins shall make and pay for all final connections between its system and the system owned by, or available to, Platte River at the points of delivery agreed upon.

(d) Unless otherwise agreed, Fort Collins shall install, own, and maintain the necessary substation equipment at the points of delivery from the system of, or available to, Platte River and shall install, own, and maintain switching and protective equipment of adequate design and sufficient capacity beyond such points of delivery to enable Fort Collins to take and use the electric power and energy supplied hereunder without hazard to such system.
(e) To provide adequate service to Fort Collins, Platte River agrees to increase the capacity of an existing transmission point of delivery, or to establish a new transmission point of delivery at a mutually agreeable location, of a design capacity of not less than 1020,000 kVa maximum nameplate rating at 55° C. rise, and in accordance with this Agreement.

(f) Fort Collins shall give Platte River at least two years written notice of the need to increase the capacity of an existing transmission point of delivery or the need for a new transmission point of delivery. If new transmission is required, Fort Collins shall give Platte River at least four years written notice. The notice shall specify the amount of additional or new capacity, the new transmission required, and the desired initial date of its operation. Platte River shall, within sixty (60) days after receipt of such notice, and on the basis of the best information available to Platte River from system plans and load projections for Fort Collins, inform Fort Collins in writing of Platte River's plans and schedules with respect to the supply of the additional capacity requested by Fort Collins, and shall thereafter keep Fort Collins informed of Platte River's progress in supplying such additional capacity. Any written notice requesting additional capacity at an existing point of delivery or the establishment of a new point of delivery shall provide to Platte River any and all authority necessary for its facilities to occupy the property of Fort Collins during the period in which that point of delivery is used by Platte River for the delivery of power and energy.

(g) If Fort Collins requires the construction of a 115 kV or 230 kV transmission line for additional service where such line is a tap or radial line over which energy can flow in only one direction, as distinguished from a system line over which energy can flow in either direction, then ownership, operation, and maintenance of such 115 kV or 230 kV transmission line will be undertaken by Platte River pursuant to a separate agreement with Fort Collins which provides for an appropriate sharing of the annual costs of ownership and operations of such line for as long as such energy flow and delivery conditions prevail.

Article 6: Consultation on System Planning

(a) At least once each year, on or before July 1, Platte River shall consult Fort Collins concerning its requirements for transmission facilities to effect delivery of power and energy by Platte River. The date for such annual consultation shall be set by agreement of the Parties.

(b) At least thirty (30) days prior to the date of such annual consultation, Fort Collins shall provide Platte River with two (2) copies of its latest estimate of requirements for delivery of power and energy covering a future period of ten (10) years. Platte River shall review Fort Collins's
annual estimates and shall consider them in preparing Platte River's annual system plan. Following Platte River's annual consultations on delivery requirements with all Municipalities, Platte River shall prepare an annual system plan for the delivery of power and energy to all Municipalities covering a future period of ten (10) years. Decisions regarding the construction of any transmission and delivery facilities by Platte River primarily to supply Fort Collins, will take into account Fort Collins' long-range distribution requirements and costs and the long-range costs and benefits of alternative service plans. Platte River's annual system plan shall include appropriate load flow and stability studies and a copy thereof shall be furnished to Fort Collins if requested.

Article 7: Measurement of Power and Energy

(a) Metering equipment shall be furnished, installed, and maintained by Platte River at each point of delivery to Fort Collins at the low-voltage or high-voltage side of the transforming equipment or at such other points as agreed upon by the Parties.

(b) Loss adjustments for low-high voltage side or remote metering shall be as specified in the Tariff Schedule or as otherwise agreed by the Parties.

Article 8: Meter Readings and Payment of Bills

(a) Platte River shall read meters and invoice Fort Collins for power and energy furnished hereunder at approximately monthly intervals. Such invoices shall be due and payable to Platte River within fifteen (15) days from date of issuance and shall become delinquent thereafter.

(b) If Fort Collins' monthly bill becomes delinquent, late charges at the rate of a one and one-half percent (1½ %) per month of the unpaid balance shall be added, and if such bill is delinquent for a period of fifteen (15) days or longer, Platte River may discontinue delivery of electric power and energy not less than fifteen (15) days following written notice to Fort Collins.

Article 9: Meter Testing and Billing Adjustment

(a) Platte River shall test and calibrate meters by comparison with accurate standards at intervals of twelve (12) months, and shall also make special meter tests at any time at Fort Collins' request. The cost of all tests shall be borne by Platte River; provided, however, that if any special meter test made at Fort Collins' request shall disclose that the meters are recording
accurately, Fort Collins shall reimburse Platte River for the cost of such test. Meters registering within two percent (2%) above or below normal shall be deemed to be accurate.

(b) The readings of any meter which are disclosed by test to be inaccurate shall be corrected from the beginning of the monthly billing period immediately preceding the billing period during which the test was made; provided, that no correction shall be made for a longer period than such inaccuracy is determined by Platte River to have existed. If a meter fails to register, the electric power and energy delivered during such period of failure shall, for billing purposes, be estimated by Platte River from the best information available.

(c) Platte River shall notify Fort Collins in advance of any meter reading or test so that Fort Collins' representative may be present at such meter reading or test.

Article 10: Right of Occupancy and Access

Both Parties shall have a revocable license to occupy the property of the other Party necessary to deliver and receive power and energy under this Agreement as described in Attachment B. Duly authorized representatives of either Party shall be permitted to enter the premises of the other Party at all reasonable times in order to carry out the provisions of this Agreement and those described in Attachment B.

Article 11: Uncontrollable Forces

Neither Party to this Agreement shall be considered to be in default in performance of any of its obligations, except the agreement to make payment, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the Party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or inaction by, or failure to obtain the necessary authorization or approvals from, any governmental agency or authority, which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of an uncontrollable force shall give prompt written notice of such fact, if reasonable to do so, to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.
Article 12: Enforceability

The Parties hereto recognize that there are legal constraints imposed upon them by the constitution, statutes, and rules and regulations of the State of Colorado and of the United States, and imposed upon them by their respective governing statutes, charters, ordinances, rules and regulations, and that, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, in no event shall either of the Parties exercise any power or take any action which shall be prohibited by applicable law. Whenever possible, each provision of this Agreement shall be interpreted in such a manner so as to be effective and valid under applicable law.

Article 13: Term of Agreement

(a) This Agreement shall become effective when executed by both Parties, and shall amend and supersede the existing Contract for the Supply of Electric Power and Energy between Platte River and Fort Collins, dated July 1, 1998 September 1, 2010. This Agreement shall remain in effect until December 31, 2050, and thereafter until terminated by either Party following not less than twelve (12) months written notice to the other Party of its intention to terminate.

(b) The Transmission Facilities Agreement between Platte River and Fort Collins dated February 22, 1980, shall be deemed terminated as of the date of this Agreement.

Article 14: Notices

Any formal notice provided for in this Agreement, and the payment of monies due, shall be deemed properly served, given or made, if delivered in person or sent by regular mail to the persons specified below:

For Platte River: For Fort Collins:

General Manager Utilities General Manager
Platte River Power Authority City of Fort Collins
2000 East Horsetooth Road P. O. Box 580
Fort Collins, Colorado 80525 Fort Collins, Colorado 80522

Article 15: Severability

In the event that any of the terms, covenants, or conditions of this Agreement or their application shall be held invalid as to any person or circumstance by any Court having jurisdiction,
the remainder of this Agreement and the application of its terms, covenants, or conditions to such persons or circumstances shall not be affected thereby.
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

PLATTE RIVER POWER AUTHORITY:  

By:___________________________  
General Manager

ATTEST:

By:___________________________  
Assistant Secretary

CITY OF FORT COLLINS:

By:___________________________  
Mayor

ATTEST:

By:___________________________  
City Clerk

APPROVED AS TO FORM:

______________________________  
Assistant City Attorney
ATTACHMENT A

WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

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*Legal Citation Revised September 1, 2007
WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

I. APPLICABILITY.

1. Applicability.

1.1 These General Power Contract Provisions (Provisions) shall be a part of the contract to which they are attached. In the event these Provisions differ from requirements of the contract, specific terms set forth in the contract shall prevail.

1.2 If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 43, 44, and 45 of these General Power Contract Provisions.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.
5. **Multiple Points of Delivery.**

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. **Metering.**

6.1 The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or where situations deem it appropriate as determined by Western, by the Contractor or its agent(s). In the event metering equipment is furnished and maintained by the Contractor or its agent(s) and the equipment is used for billing and other accounting purposes by Western, the Contractor shall ensure that the metering equipment complies with applicable metering policies established by Western.

6.2 Meters shall be secured by appropriate security measures and meters shall not be accessed except when the meters are to be inspected, tested, adjusted, or repaired. Representatives of affected parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless a different test interval is determined in accordance with good utility practices by an applicable regional metering policy, or as agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by a party hereto, or by an affected supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance as soon as practicable. Meters found with security breaches shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3 Except as otherwise provided in Provision 6.4 hereof, should any meter that is used by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during the period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4 If inspections and tests of a meter used by Western for billing or other accounting purposes disclose an error exceeding 2 percent, or a lesser range in error as agreed upon by the parties, then a correction based upon the inaccuracy found shall be made to the service records for the period of inaccuracy as determined by Western. If the period of inaccuracy cannot be determined, the inaccuracy shall be assumed to have existed during the entire monthly billing period immediately preceding the billing period in which the inspection or test was made and the resulting correction shall be made accordingly.

6.5 Any correction in billing or other accounting information that results from a correction in meter records shall be made in a subsequent monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties arising out of inaccurate metering equipment.
7. **Existence of Transmission Service Contract.**

   If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. **Conditions of Transmission Service.**

   8.1 When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

   8.2 Unless otherwise provided in the contract or applicable rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western’s transmission agent as required by the transmission agent.

   8.3 Western will endeavor to inform the Contractor from time to time of any changes planned or proposed on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor’s system, because of changes or conditions on the system over which the service is supplied, shall not be a charge against or a liability of Western.

   8.4 If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

   8.5 If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. **Multiple Points of Delivery Involving Direct and Indirect Deliveries.**

   When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. **Construction, Operation, and Maintenance of Contractor’s Power System.**

    The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere
with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.


13.1 Western will normally issue bills to the Contractor for services furnished during the preceding month within ten (10) days after the end of the billing period.

13.2 If Western is unable to issue timely monthly bill(s), Western may elect to render estimated bill(s). Such estimated bill(s) shall be subject to the same payment provisions as final bill(s), and any applicable adjustments will be shown on a subsequent monthly bill.
13.3 Payments of bills issued by Western are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western. Bills will be paid electronically or via the Automated Clearing House method of payment unless a written request to make payments by mail is submitted by the Contractor and approved by Western. Should Western agree to accept payments by mail, these payments will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4 The parties agree that net billing procedures will be used for payments due Western by the Contractor and for payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. Payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1 Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars ($25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2 Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.


The demand or capacity charge and minimum charges shall each be proportionately adjusted when fractional billing periods are applicable under this contract. A fractional billing period can occur: (1) at the beginning or end of electric service; (2) at the beginning or end of irrigation pumping service each year; (3) for a fractional billing period under a new rate schedule; or (4) for fractional periods due to withdrawals of electric services. The adjustment will be made based on the ratio of the number of hours that electric service is available to the Contractor in such fractional billing period to the total number of hours in the billing period involved. Energy billing shall not be affected by fractional billing periods.


16.1 Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of one (1) hour or longer in duration each.
Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills in Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2 The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3 The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of one (1) hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.


The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.


The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, 43 U.S.C. §§ 617a-e, and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor.
under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western’s current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor’s needs.


Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor’s drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1 The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2 If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor’s right-of-way or in the Contractor’s substations pursuant to the contract which are owned by the United States, by
permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.


The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that such system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.


28.1 The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply
with all applicable safety laws and building and construction codes, including the provisions of Chapter 1 of the Power System Operations Manual, entitled Power System Switching Procedure, and the Occupational Safety and Health Administration regulations, Title 29 C.F.R. §§ 1910 and 1926, as amended or supplemented. In addition to the safety program required herein, upon request of the United States, the Contractor shall provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2 The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3 At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4 Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5 In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, transported, and removed subject to compliance with all applicable laws, including but not limited to the National Historic Preservation Act of 1966, 16 U.S.C. §§ 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act of 1973, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. §§ 470aa-470mm, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations, and executive orders.


When either party owns equipment containing regulated material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to regulated materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6992k, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601-
9675, the Oil Pollution Act of 1990, 33 U.S.C. §§ 2702-2761, the Clean Water Act, 33 U.S.C. §§ 1251-1387, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-j26, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, and any other existing or subsequent applicable laws, regulations, and executive orders. Each party shall label its equipment containing regulated material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. OTHER PROVISIONS.

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.
35.1 The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractor's, its employees', agents', or subcontractors' construction, operation, maintenance, or replacement activities under the contract.

35.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.


If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in the Contract or Change in Preference Status.

37.1 No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the prior written approval of the Administrator of Western. Any voluntary transfer of the contract or of the rights of the Contractor under the contract made without the prior written approval of the Administrator of Western may result in the termination of the contract; Provided, That the written approval of the Administrator shall not be unreasonably withheld; Provided further, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such prior written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

37.2 The Contractor shall maintain its status as an entity eligible for preference in Western's sale of Federal power pursuant to Reclamation law, as amended and supplemented.

37.3 Western shall give the Contractor written notice of Western's proposed determination that the Contractor has violated Provision 37.1 and Western's proposed action in response to the violation.
37.4 The Contractor shall have 120 days after receipt of Western's notice provided under Provision 37.3 to submit a written response to Western. The Contractor may also make an oral presentation to the Administrator during this 120-day period.

37.5 At any time during this process, the Contractor and Western may agree upon corrective action to resolve Western's proposed determination that the Contractor is in violation of Provision 37.1.

37.6 Within 30 days of receipt of the Contractor's written response provided under Provision 37.4, Western will notify the Contractor in writing of its final decision. The Administrator's written notice will include the intended action, the effective date thereof, and the reasons for taking the intended action. Implementation of the Administrator's action shall take place no earlier than 60 days from the Contractor's receipt of such notice.

37.7 Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

37.8 Nothing in this Provision shall preclude any right to judicial review available to the Contractor under Federal law.


Federal law shall control the obligations and procedures established by this contract and the performance and enforcement thereof. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, unless the parties agree to pursue alternative dispute resolution.

39. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

40. Notices.

Any notice, demand, or request specifically required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the parties, to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other party.

41. Contingent Upon Appropriations and Authorization.

41.1 Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States’ obligations under the contract. In case such
appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41.2 In order to receive and expend funds advanced from the Contractor necessary for the continued performance of the obligations of the United States under the contract, additional authorization may be required. In case such authorization is not received, the Contractor hereby releases the United States from those contractual obligations and from all liability due to the lack of such authorization.

42. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

43. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 327-334, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

44. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

45. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.
Attachment B

Substation Cost and Maintenance Responsibility

And

Lease of 115kV Facilities

The following describes the cost and maintenance responsibilities for Fort Collins and Platte River at the existing Harmony, Linden Tech, Richard Lake, Portner, and Drake Substations. This description will also apply to any future substations that may be constructed by Fort Collins. If any special arrangements are required for a new substation different from the understanding described below, it will be documented in a separate letter agreement between the Fort Collins and Platte River and attached hereto.

Fort Collins will furnish, own, and maintain at its expense the following items in each substation owned by Fort Collins:

- The substation site with sufficient space for both the Fort Collins and Platte River equipment
- Grading and surfacing within the fenced or walled area
- Access right-of-way and roads
- Perimeter substation fence or wall
- Landscaping and maintenance of any grounds outside the fenced or walled area
- The 230 or 115kV/13.8kV transformers, switchgear, feeder circuits, associated foundations and oil containment structures, duct banks, conduits, and all cabling, relays, and controls required to operate such equipment
- The Fort Collins switchgear room in a common Fort Collins/Platte River switchgear/control building or separate building, whichever is appropriate
- A remote terminal unit (RTU), for use to transmit substation information to Fort Collins
- The DC power supply system and associated equipment or ½ the cost of a DC system shared with Platte River.
- Substation site electric service (equipment, power and energy)
- Substation yard lighting
- Substation yard below grade grounding system

Platte River will furnish, own, and maintain at its expense the following items in each substation owned by the Fort Collins:

- All transmission equipment required at the appropriate voltage class to deliver electric capacity and energy to Fort Collins’s facilities including the transmission line transition structures, breakers, switches, bus system, relays, meters and associated controls
- All foundations required for the Platte River equipment listed above
- The Platte River control room in a combined Fort Collins/Platte River switchgear/control building, or the cost of a separate control building, whichever is appropriate
- Communication connections for Power System Operations use by both Fort Collins and Platte River
- A remote terminal unit (RTU), for shared use to transmit substation information to both Fort Collins and Platte River
Weed control

Fort Collins and Platte River will share equally the cost of any substation security deemed by both parties to be appropriate for the location of the substation.

Lease of 115kV Facilities:

Background: In the Transmission Facilities Agreement dated February 22, 1980, Fort Collins leased multiple transmission and substation facilities to Platte River. With that lease Platte River assumed responsibility for 115kV substation facilities at the Timberline Park, Drake, Overland Trail, and Power Plant Substations and the 115kV transmission lines from Poudre Tap to Power Plant, WAPA Line to Drake Substation, and the 115kV line south of Timberline Park Substation to Drake Road. Since 1980 the Overland Trail and Power Plant Substations and the Poudre Tap to Power Plant transmission line have been decommissioned are no longer in service and the WAPA line connection along Overland Trail is now connected at Dixon Creek Substation. Since 1980 new substations have been added to the Fort Collins system whose names are Harmony, Linden Tech, Richard Lake, and Fort Collins has added distribution facilities at Platte River’s Dixon Creek Substation and Fort Collins’ Timberline Substation.

Continuation of Lease: Fort Collins agrees to continue the lease of the facilities (“Leased Facilities”) on the following list to Platte River through the term of this Agreement or until such facility is permanently removed from service or replaced. Platte River shall continue to have the right to use the Leased Facility in whatever manner it shall determine to be the most effective to meet its obligations under this Agreement and the local needs of Fort Collins and to make whatever modifications, improvements, repairs and replacements it shall determine to be necessary to provide reliable service. Platte River shall not permit any lien or encumbrance to attach to the Leased Facility and shall deliver them up to Fort Collins at the termination of this Agreement.

The following items comprise the Leased Facilities:

Land and Land Rights

All land, land rights, and easements on which the following facilities are located:

- Dixon Creek Substation to Drake Substation 115kV transmission line.
- Timberline Park-Drake 115kV transmission line.
- Timberline Park Substation.
- Fort Collins will continue to provide the access road to the Timberline Park Substation as well as landscaping and maintenance of the grounds outside the substation fence.
- The land and land rights leased at Timberline Park Substation shall be that enclosed by and shall include the existing substation fence, as are shown on Exhibit 1 attached hereto. Said fence shall not be moved or expanded, and no permanent facilities shall be constructed in The City of Fort Collins distribution facilities are located in the cross-hatched area shown on the diagram as reserved for the City of Fort Collins’ future distribution facilities, without the permission of Fort Collins, which permission shall not be unreasonably withheld.

Substation Equipment
All 115kV breakers, busses, switches, insulators, meters, relays, control panels, structural steel, foundations, and miscellaneous 115kV support equipment at the following substations, which have not been replaced since February 22, 1980:

- Timberline Park Substation
- Drake Substation

Transmission Lines

All poles, conductors, and support equipment required for operation of the following transmission lines:

- Dixon Creek-Drake 115kV transmission line
- Timberline Park-Drake 115kV transmission line
AMENDED CONTRACT FOR THE SUPPLY OF ELECTRIC POWER AND ENERGY

This contract, made this 1st day of September, 2010, between PLATTE RIVER POWER AUTHORITY, a political subdivision organized and existing under and by virtue of the laws of the State of Colorado (hereinafter called “Platte River”) and the CITY OF LONGMONT, COLORADO, a municipal corporation of the State of Colorado (hereinafter called “Longmont.”)

WITNESSETH:

WHEREAS, Platte River was formed by Estes Park, Fort Collins, Longmont, and Loveland (hereinafter collectively called “Municipalities”) in order to provide the wholesale power and energy requirements of the Municipalities in a reliable, cost-effective, and environmentally responsible manner; and

WHEREAS, Platte River, owns, operates, and maintains electric generating facilities, transmission lines, substations, and related facilities for the purpose of supplying electric power and energy to the electric systems owned and operated by the Municipalities for resale; and

WHEREAS, Platte River has heretofore entered into or will enter into agreements for the sale of electric power and energy similar in form to this Agreement with the cities of Estes Park, Fort Collins, and Loveland; and

WHEREAS, §9.11 of the Longmont Home Rule Charter provides that the Longmont City Council may transfer any excess earnings of any city-owned utility to any other fund of the City, and that, with certain exceptions, any such transfer must be restored before any rate increase by the transferring utility; and

WHEREAS, to avoid any impediments to rate adjustments, as this contract may require, Longmont intends, during the term of this contract, to foreclose such transfers from the Longmont Electric Utility Enterprise; and

WHEREAS, this Agreement replaces the Transmission Facilities Agreement between Platte River and Longmont, dated March 31, 1980; and

WHEREAS, Longmont desires to purchase electric power and energy from Platte River on the terms and conditions herein set forth;
WHEREAS, through this Agreement the parties acknowledge that the electric industry is evolving from an industry dominated by central station power to one that will likely employ increasing amounts of distributed generation resources; and

WHEREAS, the Platte River Board of Directors approved a Resource Diversification Policy with the goal of becoming 100% non-carbon by 2030 and in doing so the Board recognized that distributed generation will be needed to achieve this goal; and

WHEREAS, intermittent resources must be managed to ensure continued system reliability; and

WHEREAS, Platte River will equitably manage the impact of adding and firming intermittent resources amongst the four communities to ensure continued financial sustainability; and

WHEREAS, the parties recognize that the exceptions created to the all-requirements provision set forth in Article 1(a) are not intended to be the only means by which the parties either singularly or in coordination work toward meeting the goal of the Resource Diversification Policy; and

WHEREAS, the parties intend through the expanded covenant contained in Article 3(c) to meet routinely to review new technologies and business models that may merit recognition through specific amendments to this Agreement; and

WHEREAS, in order to meet the goal of the Resource Diversification Policy the parties are committed to use this incremental amendment process to explore expanding opportunities for distributed generation resources that likely become an increasingly important component of our future resource mix and to amend this agreement when appropriate to accommodate technologies and business models that are not contemplated today; and

WHEREAS, in order to accomplish amendments identified as suitable exceptions to the all-requirements provisions set forth in Article 1(a) Platte River recognizes that it may be necessary in future financings to modify bond covenant restrictions.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the Parties hereto agree as follows:

Article 1: Sale and Purchase of Electric Power and Energy

(a) Platte River shall sell and deliver to Longmont and Longmont shall purchase and receive from Platte River all electric power and energy which Longmont shall require for the operation of its municipal electric system to the extent that Platte River shall have such power
and energy available; provided, however, that (1) Longmont shall have the right to continue to
generate its own power and energy to the extent of the capacity of its generating facilities in
service on September 5, 1974 and may also generate power and energy for its own use from any
new generation resource(s) owned and operated by Longmont provided that the total rated
capacity of all such new generation is no greater than 1,000 kW or one percent of the peak load
of Longmont, whichever is greater, provided further that if Longmont develops new generation
resources of a total rated capacity as set forth above Platte River commits that it will meet with
Longmont to discuss in good faith an increase in the total rated capacity limit, and (2) Longmont
shall not be in violation of the all requirements purchase obligation herein when it purchases
power from net metered customers, provided that for customers who have entered into
agreements with entities that own and operate solar generation located on the customer’s
property size the solar generation to supply no more than one hundred and twenty percent (120%)
of the annual average consumption of electricity by the customer at that site.

(b) Subject to the provisions of Article 2(a), Longmont hereby binds itself to take and
pay for all power and energy that is generated, purchased, or otherwise obtained by Platte River,
and is furnished to Longmont for resale pursuant to Article 1(a) hereof, said payment to be made
at the rates set forth in the Tariff Schedules of Platte River in effect at the time the power and
energy is furnished to Longmont.

Article 2: Rate for Power and Energy

(a) Longmont shall pay Platte River for all electric power and energy furnished
hereunder at the rates and on the terms and conditions as provided in the Platte River Tariff
Schedules; provided, however, that notwithstanding any other provision of this Agreement, the
obligation of Longmont to pay Platte River for all electric power and energy furnished hereunder
shall be, and is, a special obligation of Longmont payable solely from revenues to be received by
Longmont from the sale of electric power and energy to its electric utility customers during the
term hereof and is not a lien, charge, or liability against Longmont or against any property or funds
of Longmont other than revenues to be received by Longmont from the sale of electric power and
energy to its electric utility customers during the term hereof, and the obligation to pay Platte River
for all electric power and energy furnished hereunder does not constitute a debt, liability, or
obligation of Longmont other than from its revenues to be received from the sale of electric power
and energy to its electric utility customers during the term hereof, and Longmont is not otherwise
obligated to pay such obligation.
(b) The Board of Directors of Platte River at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rates for electric power and energy furnished hereunder and under similar agreements with the other Municipalities and, if necessary, shall revise such rates to produce revenues which shall be sufficient, but only sufficient, with the revenues of Platte River from all other sources,

(i) to meet the cost of operation and maintenance (including, without limitation, fuel, replacements, insurance, taxes, fees, and administrative and general overhead expense) of the electric generating plants, transmission system, and related facilities of Platte River;

(ii) to meet the cost of any power and energy purchased for resale hereunder by Platte River and the cost of transmission service;

(iii) to make payments of principal and interest on all indebtedness and revenue bonds of Platte River and provide an earnings margin adequate to enable Platte River to obtain revenue bond financing on favorable terms; and

(iv) to provide for the establishment and maintenance of reasonable reserves.

(c) Platte River shall cause a notice in writing to be given to each Municipality to which it furnishes electric power and energy, which notice shall set out each revision of the rates with the effective date thereof, which shall be not less than thirty (30) days after the date of the notice. All rate adjustments shall apply equally to all Municipalities to which Platte River furnishes electric power and energy, unless otherwise agreed upon, and shall not be discriminatory. Longmont agrees that the rates from time to time established by the Board of Directors of Platte River shall be deemed to be substituted for the rates presently contained in the Tariff Schedules and agrees to pay for electric power and energy furnished to it hereunder after the effective date of any revisions to the Tariff Schedules at such revised rates.

Article 3: Covenants of Platte River

(a) Platte River shall use reasonable diligence to furnish a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, or be interrupted, or become defective through uncontrollable forces, as defined herein, Platte River shall not be liable for any claim or damages caused thereby.

(b) After first satisfying the electric power and energy requirements of all Municipalities to which it furnishes electric power and energy, Platte River may, in its sole discretion, market and dispose of any surplus electric power and energy which it owns or produces or which Platte
River is obligated by contract to purchase, under the most advantageous terms and conditions obtainable.

(c) Platte River shall carry out the planning, design, construction, and operating decisions associated with the performance of its obligations under this Agreement in an environmentally responsible manner. This includes, but is not limited to, scheduling meetings with Longmont at least every two years to review new technologies and business models that may serve to increase the penetration of distributed generation and efficiency technologies. As appropriate the parties will amend this Agreement to allow such new technologies and business models to operate within the retail service territory of Longmont.

Article 4: Covenants of Longmont

(a) Longmont agrees to maintain rates for electric power and energy furnished to its electric utility customers which will, after payment of all of Longmont's costs of operation and maintenance (including, without limitation, replacements, insurance, administrative and general overhead expense), return to Longmont sufficient revenue to meet its obligations to Platte River hereunder.

(b) Longmont agrees, during the term of this contract, to make no transfers of excess earnings of the Longmont Electric Utility Enterprise to any other fund of the City, as §9.11 of the Longmont Home Rule Charter otherwise permits.

(c) Longmont shall not sell at wholesale any of the electric energy delivered to it hereunder to any of its customers for resale by that customer, unless such resale is specifically approved in writing by Platte River.

(d) Longmont acknowledges that it is familiar with the provision of Platte River's contract with the Western Area Power Administration, which requires, as a condition of the purchase of federally generated power, that the Municipalities comply with certain provisions of the “General Power Contract Provisions,” which is attached hereto as Attachment A. Longmont acknowledges its compliance obligations under the General Power Contract Provisions, as that document presently exists and as it may be modified in the future.

Article 5: Conditions of Delivery of Power and Energy

(a) The electric power and energy to be furnished by Platte River shall be alternating current, sixty (60) hertz, three-phase, subject to conditions of delivery and measurement as hereinafter provided and in the Tariff Schedules.
(b) Responsibilities for the facilities through which electric power and energy is delivered are set forth in Attachment B of this Agreement, attached hereto and made a part hereof.

(c) Longmont shall make and pay for all final connections between its system and the system owned by, or available to, Platte River at the points of delivery agreed upon.

(d) Unless otherwise agreed, Longmont shall install, own, and maintain the necessary substation equipment at the points of delivery from the system of, or available to, Platte River and shall install, own, and maintain switching and protective equipment of adequate design and sufficient capacity beyond such points of delivery to enable Longmont to take and use the electric power and energy supplied hereunder without hazard to such system.

(e) To provide adequate service to Longmont, Platte River agrees to increase the capacity of an existing transmission point of delivery, or to establish a new transmission point of delivery at a mutually agreeable location, of a design capacity of not less than 1020,000 kVA maximum nameplate rating at 55° C. rise, and in accordance with this Agreement.

(f) Longmont shall give Platte River at least two years written notice of the need to increase the capacity of an existing transmission point of delivery or the need for a new transmission point of delivery. If new transmission is required, Longmont shall give at least four years written notice. The notice shall specify the amount of additional or new capacity, the new transmission required, and the desired initial date of its operation. Platte River shall, within sixty (60) days after receipt of such notice, and on the basis of the best information available to Platte River from system plans and load projections for Longmont, inform Longmont in writing of Platte River's plans and schedules with respect to the supply of the additional capacity requested by Longmont, and shall thereafter keep Longmont informed of Platte River's progress in supplying such additional capacity. Any written notice requesting additional capacity at an existing point of delivery or the establishment of a new point of delivery shall provide to Platte River any and all authority necessary for its facilities to occupy the property of Longmont during the period in which that point of delivery is used by Platte River for the delivery of power and energy.

(g) If Longmont requires the construction of a 115 kV or 230 kV transmission line for additional service where such line is a tap or radial line over which energy can flow in only one direction, as distinguished from a system line over which energy can flow in either direction, then ownership, operation and maintenance of such 115 kV or 230 kV transmission line will be undertaken by Platte River pursuant to a separate agreement with Longmont which provides for an appropriate sharing of the annual costs of ownership and operations of such line for as long as such energy flow and delivery conditions prevail.
Article 6: Consultation on System Planning

(a) At least once each year, on or before July 1, Platte River shall consult Longmont concerning its requirements for transmission facilities to effect delivery of power and energy by Platte River. The date for such annual consultation shall be set by agreement of the Parties.

(b) At least thirty (30) days prior to the date of such annual consultation, Longmont shall provide Platte River with two (2) copies of its latest estimate of requirements for delivery of power and energy covering a future period of ten (10) years. Platte River shall review Longmont's annual estimates and shall consider them in preparing Platte River's annual system plan. Following Platte River's annual consultations on delivery requirements with all Municipalities, Platte River shall prepare an annual system plan for the delivery of power and energy to all Municipalities covering a future period of ten (10) years. Decisions regarding the construction of any transmission and delivery facilities by Platte River primarily to supply Longmont, will take into account Longmont's long-range distribution requirements and costs and the long-range costs and benefits of alternative service plans. Platte River's annual system plan shall include appropriate load flow and stability studies and a copy thereof shall be furnished to Longmont if requested.

Article 7: Measurement of Power and Energy

(a) Metering equipment shall be furnished, installed and maintained by Platte River at each point of delivery to Longmont at the low-high voltage side of the transforming equipment or at such other points as agreed upon by the Parties.

(b) Loss adjustments for low-high voltage side or remote metering shall be as specified in the Tariff Schedule or as otherwise agreed by the Parties.

Article 8: Meter Readings and Payment of Bills

(a) Platte River shall read meters and invoice Longmont for power and energy furnished hereunder at approximately monthly intervals. Such invoices shall be due and payable to Platte River within fifteen (15) days from date of issuance and shall become delinquent thereafter.

(b) If Longmont's monthly bill becomes delinquent, late charges at the rate of a one and one-half percent (1½ %) per month of the unpaid balance shall be added, and if such bill is delinquent for a period of fifteen (15) days or longer, Platte River may discontinue delivery of electric power and energy not less than fifteen (15) days following written notice to Longmont.
Article 9: Meter Testing and Billing Adjustment

(a) Platte River shall test and calibrate meters by comparison with accurate standards at intervals of twelve (12) months, and shall also make special meter tests at any time at Longmont's request. The cost of all tests shall be borne by Platte River; provided, however, that if any special meter test made at Longmont's request shall disclose that the meters are recording accurately, Longmont shall reimburse Platte River for the cost of such test. Meters registering within two percent (2%) above or below normal shall be deemed to be accurate.

(b) The readings of any meter which are disclosed by test to be inaccurate shall be corrected from the beginning of the monthly billing period immediately preceding the billing period during which the test was made; provided, that no correction shall be made for a longer period than such inaccuracy is determined by Platte River to have existed. If a meter fails to register, the electric power and energy delivered during such period of failure shall, for billing purposes, be estimated by Platte River from the best information available.

(c) Platte River shall notify Longmont in advance of any meter reading or test so that Longmont's representative may be present at such meter reading or test.

Article 10: Right of Occupancy and Access

Both Parties shall have a revocable license to occupy the property of the other Party necessary to deliver and receive power and energy under this Agreement as described in Attachment B. Duly authorized representatives of either Party shall be permitted to enter the premises of the other Party at all reasonable times in order to carry out the provisions of this Agreement and those described in Attachment B.

Article 11: Uncontrollable Forces

Neither Party to this Agreement shall be considered to be in default in performance of any of its obligations, except the agreement to make payment, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the Party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or inaction by, or failure to obtain the necessary authorization or approvals from, any governmental agency or authority, which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable
to overcome. Nothing contained herein shall require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of an uncontrollable force shall give prompt written notice of such fact, if reasonable to do so, to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.

**Article 12: Enforceability**

The Parties hereto recognize that there are legal constraints imposed upon them by the constitution, statutes, and rules and regulations of the State of Colorado and of the United States, and imposed upon them by their respective governing statutes, charters, ordinances, rules and regulations, and that, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, in no event shall either of the Parties exercise any power or take any action which shall be prohibited by applicable law. Whenever possible, each provision of this Agreement shall be interpreted in such a manner so as to be effective and valid under applicable law.

**Article 13: Term of Agreement**

(a) This Agreement shall become effective when executed by both Parties, and shall amend and supersede the existing Contract for the Supply of Electric Power and Energy between Platte River and Longmont, dated March 1, 2002, as amended and superseded by the contract approved by Longmont City Council Resolution R-98-36. This Agreement shall remain in effect until December 31, 2050, and thereafter until terminated by either Party following not less than twelve (12) months written notice to the other Party of its intention to terminate.

(b) The Transmission Facilities Agreement between Platte River and Longmont dated March 31, 1980, shall be deemed terminated as of the date of this Agreement.

**Article 14: Notices**

Any formal notice provided for in this Agreement, and the payment of monies due, shall be deemed properly served, given or made, if delivered in person or sent by regular mail to the persons specified below:

For Platte River:
Article 15: Severability

In the event that any of the terms, covenants, or conditions of this Agreement or their application shall be held invalid as to any person or circumstance by any Court having jurisdiction, the remainder of this Agreement and the application of its terms, covenants, or conditions to such persons or circumstances shall not be affected thereby.
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

PLATTE RIVER POWER AUTHORITY

By: ____________________________
    General Manager

By: ____________________________
    Assistant Secretary

CITY OF LONGMONT

By: ____________________________
    Mayor

By: ____________________________
    City Clerk

APPROVED AS TO FORM AND SUBSTANCE:

Director of Longmont Power & Communications

APPROVED AS TO FORM:

Assistant City Attorney

PROOFREAD:
# ATTACHMENT A

**WESTERN AREA POWER ADMINISTRATION**

**GENERAL POWER CONTRACT PROVISIONS**

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*Legal Citation Revised September 1, 2007*
I. APPLICABILITY.

1. Applicability.

1.1 These General Power Contract Provisions (Provisions) shall be a part of the contract to which they are attached. In the event these Provisions differ from requirements of the contract, specific terms set forth in the contract shall prevail.

1.2 If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 43, 44, and 45 of these General Power Contract Provisions.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.
5. **Multiple Points of Delivery.**

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. **Metering.**

6.1 The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or where situations deem it appropriate as determined by Western, by the Contractor or its agent(s). In the event metering equipment is furnished and maintained by the Contractor or its agent(s) and the equipment is used for billing and other accounting purposes by Western, the Contractor shall ensure that the metering equipment complies with applicable metering policies established by Western.

6.2 Meters shall be secured by appropriate security measures and meters shall not be accessed except when the meters are to be inspected, tested, adjusted, or repaired. Representatives of affected parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless a different test interval is determined in accordance with good utility practices by an applicable regional metering policy, or as agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by a party hereto, or by an affected supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance as soon as practicable. Meters found with security breaches shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3 Except as otherwise provided in Provision 6.4 hereof, should any meter that is used by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during the period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4 If inspections and tests of a meter used by Western for billing or other accounting purposes disclose an error exceeding 2 percent, or a lesser range in error as agreed upon by the parties, then a correction based upon the inaccuracy found shall be made to the service records for the period of inaccuracy as determined by Western. If the period of inaccuracy cannot be determined, the inaccuracy shall be assumed to have existed during the entire monthly billing period immediately preceding the billing period in which the inspection or test was made and the resulting correction shall be made accordingly.

6.5 Any correction in billing or other accounting information that results from a correction in meter records shall be made in a subsequent monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties arising out of inaccurate metering equipment.
7. **Existence of Transmission Service Contract.**

If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. **Conditions of Transmission Service.**

8.1 When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

8.2 Unless otherwise provided in the contract or applicable rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western’s transmission agent as required by the transmission agent.

8.3 Western will endeavor to inform the Contractor from time to time of any changes planned or proposed on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor’s system, because of changes or conditions on the system over which the service is supplied, shall not be a charge against or a liability of Western.

8.4 If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

8.5 If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. **Multiple Points of Delivery Involving Direct and Indirect Deliveries.**

When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. **Construction, Operation, and Maintenance of Contractor's Power System.**

The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere
with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.


13.1 Western will normally issue bills to the Contractor for services furnished during the preceding month within ten (10) days after the end of the billing period.

13.2 If Western is unable to issue timely monthly bill(s), Western may elect to render estimated bill(s). Such estimated bill(s) shall be subject to the same payment provisions as final bill(s), and any applicable adjustments will be shown on a subsequent monthly bill.
13.3 Payments of bills issued by Western are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western. Bills will be paid electronically or via the Automated Clearing House method of payment unless a written request to make payments by mail is submitted by the Contractor and approved by Western. Should Western agree to accept payments by mail, these payments will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4 The parties agree that net billing procedures will be used for payments due Western by the Contractor and for payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. Payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1 Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars ($25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2 Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.


The demand or capacity charge and minimum charges shall each be proportionately adjusted when fractional billing periods are applicable under this contract. A fractional billing period can occur: (1) at the beginning or end of electric service; (2) at the beginning or end of irrigation pumping service each year; (3) for fractional billing periods under a new rate schedule; or (4) for fractional periods due to withdrawals of electric services. The adjustment will be made based on the ratio of the number of hours that electric service is available to the Contractor in such fractional billing period to the total number of hours in the billing period involved. Energy billing shall not be affected by fractional billing periods.


16.1 Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of one (1) hour or longer in duration each.
 Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills in Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2 The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3 The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of one (1) hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.


The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.


The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, 43 U.S.C. §§ 617a-e, and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor.
under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western’s current “General Requirements for Interconnection,” in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor’s needs.


Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor’s drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1 The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2 If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor’s right-of-way or in the Contractor’s substations pursuant to the contract which are owned by the United States, by
permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.

24. **Third-Party Use of Facilities.**

The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. **Changes to Western Control Facilities.**

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. **Modification of Western Facilities.**

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. **Transmission Rights.**

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.

28. **Construction and Safety Procedures.**

28.1 The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply
with all applicable safety laws and building and construction codes, including the provisions of Chapter 1 of the Power System Operations Manual, entitled Power System Switching Procedure, and the Occupational Safety and Health Administration regulations, Title 29 C.F.R. §§ 1910 and 1926, as amended or supplemented. In addition to the safety program required herein, upon request of the United States, the Contractor shall provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2 The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3 At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4 Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5 In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, transported, and removed subject to compliance with all applicable laws, including but not limited to the National Historic Preservation Act of 1966, 16 U.S.C. §§ 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act of 1973, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. §§ 470aa-470mm, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations, and executive orders.


When either party owns equipment containing regulated material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to regulated materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6992k, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601-
9675, the Oil Pollution Act of 1990, 33 U.S.C. §§ 2702-2761, the Clean Water Act, 33 U.S.C. §§ 1251-1387, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-j26, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, and any other existing or subsequent applicable laws, regulations, and executive orders. Each party shall label its equipment containing regulated material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. OTHER PROVISIONS.

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.
35.1 The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractor's, its employees', agents', or subcontractors' construction, operation, maintenance, or replacement activities under the contract.

35.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.


If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in the Contract or Change in Preference Status.

37.1 No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the prior written approval of the Administrator of Western. Any voluntary transfer of the contract or of the rights of the Contractor under the contract made without the prior written approval of the Administrator of Western may result in the termination of the contract; Provided, That the written approval of the Administrator shall not be unreasonably withheld; Provided further, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such prior written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

37.2 The Contractor shall maintain its status as an entity eligible for preference in Western's sale of Federal power pursuant to Reclamation law, as amended and supplemented.

37.3 Western shall give the Contractor written notice of Western's proposed determination that the Contractor has violated Provision 37.1 and Western's proposed action in response to the violation.
37.4 The Contractor shall have 120 days after receipt of Western's notice provided under Provision 37.3 to submit a written response to Western. The Contractor may also make an oral presentation to the Administrator during this 120-day period.

37.5 At any time during this process, the Contractor and Western may agree upon corrective action to resolve Western's proposed determination that the Contractor is in violation of Provision 37.1.

37.6 Within 30 days of receipt of the Contractor's written response provided under Provision 37.4, Western will notify the Contractor in writing of its final decision. The Administrator's written notice will include the intended action, the effective date thereof, and the reasons for taking the intended action. Implementation of the Administrator's action shall take place no earlier than 60 days from the Contractor's receipt of such notice.

37.7 Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

37.8 Nothing in this Provision shall preclude any right to judicial review available to the Contractor under Federal law.

38. **Choice of Law and Forum.**

Federal law shall control the obligations and procedures established by this contract and the performance and enforcement thereof. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, unless the parties agree to pursue alternative dispute resolution.

39. **Waivers.**

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

40. **Notices.**

Any notice, demand, or request specifically required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the parties, to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other party.

41. **Contingent Upon Appropriations and Authorization.**

41.1 Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under the contract. In case such
appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41.2 In order to receive and expend funds advanced from the Contractor necessary for the continued performance of the obligations of the United States under the contract, additional authorization may be required. In case such authorization is not received, the Contractor hereby releases the United States from those contractual obligations and from all liability due to the lack of such authorization.

42. **Covenant Against Contingent Fees.**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

43. **Contract Work Hours and Safety Standards.**

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 327-334, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

44. **Equal Opportunity Employment Practices.**

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

45. **Use of Convict Labor.**

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.
Attachment B

Substation Cost and Maintenance Responsibility

And

Lease of 115kV Facilities

The following describes the cost and maintenance responsibilities for Longmont and Platte River at the existing Meadow, Harvard, Fordham, Rogers Road, Terry, and County Line Substations. This description will also apply to any future substations that may be constructed by Longmont. If any special arrangements are required for a new substation different from the understanding described below, it will be documented in a separate letter agreement between the Longmont and Platte River and attached hereto.

Longmont will furnish, own, and maintain at its expense the following items in each substation owned by Longmont:

- The substation site with sufficient space for both the Longmont and Platte River equipment
- Grading and surfing within the fenced or walled area
- Access right-of-way and roads
- Perimeter substation fence or wall
- Landscaping and maintenance of any grounds outside the fenced or walled area
- The 230 or 115kV/12.47 transformers, switchgear, feeder circuits, associated foundations and oil containment structures, duct banks, conduits, and all cabling, relays, and controls required to operate such equipment
- The Longmont switchgear room in a common Longmont/Platte River switchgear/control building or separate building, whichever is appropriate
  - A remote terminal unit (RTU), for use to transmit substation information to Longmont
  - The DC power supply system and associated equipment or ½ the cost of a DC system shared with Platte River.
- Substation site electric service (equipment, power and energy)
- Substation yard lighting
- Substation yard below grade grounding system

Platte River will furnish, own, and maintain at its expense the following items in each substation owned by the Longmont:

- All transmission equipment required at the appropriate voltage class to deliver electric capacity and energy to Longmont’s facilities including the transmission line transition structures, breakers, switches, bus system, relays, meters and associated controls
- All foundations required for the Platte River equipment listed above
- The Platte River control room in a combined Longmont/Platte River switchgear/control building, or the cost of a separate control building, whichever is appropriate
- Communication connections for Power System Operations use by both Longmont and Platte River
- A remote terminal unit (RTU), for shared use to transmit substation information to both Longmont and Platte River
- Weed control
Longmont and Platte River will share equally the cost of any substation security deemed by both parties to be appropriate for the location of the substation.

**Lease of 115kV Facilities:**

**Background:** In the Transmission Facilities Agreement dated March 31, 1980, Longmont leased multiple transmission and substation facilities to Platte River. With that lease Platte River assumed responsibility for 115kV transmission and substation facilities at the Meadow, Harvard, and Terry Substations and the Northwest Switching Station. Subsequent to 1980, Platte River has installed and owns the 115kV facilities at the Longmont substations named Fordham, Rogers Road, and County Line Substations. {As an historical note, the "Longs Peak Substation," referred to in the March 31, 1980 agreement, was never built by Longmont and should not be confused with the Longs Peak Substation constructed by Platte River near Mead.}

**Continuation of Lease:** Longmont agrees to continue the lease of the facilities ("Leased Facilities") on the following list to Platte River for a period of twenty (20) years commencing as of the date of this Agreement or until such facility is permanently removed from service or replaced, whichever is sooner. Platte River shall continue to have the right to use the Leased Facility in whatever manner it shall determine to be the most effective to meet its obligations under this Agreement and the local needs of Longmont and to make whatever modifications, improvements, repairs and replacements it shall determine to be necessary to provide reliable service. Platte River shall not permit any lien or encumbrance to attach to the Leased Facility and shall deliver them up to Longmont at the termination of this Agreement.

The following items comprise the Leased Facilities:

**Land and Land Rights**

All land, land rights, and easements on which the following facilities are located:

- The portion of the Northwest Switching Station owned by Longmont prior to 1984. Longmont will continue to provide at its cost at Northwest Switching Station;
  
  (i) the access road,
  
  (ii) the landscaping and grounds outside the station fence, and
  
  (iii) the electric service required. Platte River will be responsible for maintenance of the fence or wall and all property within the fenced area at the Northwest Switching Station.

- Northwest Switching Station to Meadow Substation double-circuit 230/115kV transmission line

- The Terry Substation 115kV line loop to the Western Area Power Administration 115kV line tap

**Substation Equipment**
All 115kV breakers, busses, switches, insulators, meters, relays, control panels, structural steel, foundations, and miscellaneous 115kV support equipment at the following substations, that has not been replaced since March 31, 1980:

• Northwest Switching Station
• Meadow Substation
• Terry Substation

Transmission Lines

All poles, conductors, and support equipment required for operation of the following transmission lines:

• Northwest Switching Station to Meadow Substation 115kV transmission line
• Northwest Switching Station to Harvard 115kV transmission connection
• The Terry Substation 115kV line loop to the Western Area Power Administration 115kV line tap
AMENDED CONTRACT FOR THE SUPPLY OF ELECTRIC POWER AND ENERGY

This contract, made this __________ day of September, 2009, between PLATTE RIVER POWER AUTHORITY, a political subdivision organized and existing under and by virtue of the laws of the State of Colorado (hereinafter called “Platte River”) and the CITY OF LOVELAND, COLORADO, a municipal corporation of the State of Colorado (hereinafter called “Loveland.”)

WITNESSETH:

WHEREAS, Platte River was formed by Estes Park, Fort Collins, Longmont, and Loveland (hereinafter collectively called “Municipalities”) in order to provide the wholesale power and energy requirements of the Municipalities in a reliable, cost-effective, and environmentally responsible manner; and

WHEREAS, Platte River, owns, operates, and maintains electric generating facilities, transmission lines, substations, and related facilities for the purpose of supplying electric power and energy to the electric systems owned and operated by the Municipalities for resale; and

WHEREAS, Platte River has heretofore entered into or will enter into agreements for the sale of electric power and energy similar in form to this Agreement with the cities of Estes Park, Fort Collins, and Longmont; and

WHEREAS, this Agreement replaces the Transmission Facilities Agreement between Platte River and Loveland, dated March 18, 1980; and

WHEREAS, Loveland desires to purchase electric power and energy from Platte River on the terms and conditions herein set forth;

WHEREAS, through this Agreement the parties acknowledge that the electric industry is evolving from an industry dominated by central station power to one that will likely employ increasing amounts of distributed generation resources; and

WHEREAS, the Platte River Board of Directors approved a Resource Diversification Policy with the goal of becoming 100% non-carbon by 2030 and in doing so the Board recognized that distributed generation will be needed to achieve this goal; and

WHEREAS, intermittent resources must be managed to ensure continued system reliability; and
WHEREAS, Platte River will equitably manage the impact of adding and firming intermittent resources amongst the four communities to ensure continued financial sustainability; and

WHEREAS, the parties recognize that the exceptions created to the all-requirements provision set forth in Article 1(a) are not intended to be the only means by which the parties either singularly or in coordination work toward meeting the goal of the Resource Diversification Policy; and

WHEREAS, the parties intend through the expanded covenant contained in Article 3(c) to meet routinely to review new technologies and business models that may merit recognition through specific amendments to this Agreement; and

WHEREAS, in order to meet the goal of the Resource Diversification Policy the parties are committed to use this incremental amendment process to explore expanding opportunities for distributed generation resources that likely become an increasingly important component of our future resource mix and to amend this agreement when appropriate to accommodate technologies and business models that are not contemplated today; and

WHEREAS, in order to accomplish amendments identified as suitable exceptions to the all-requirements provisions set forth in Article 1(a) Platte River recognizes that it may be necessary in future financings to modify bond covenant restrictions.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the Parties hereto agree as follows:

Article 1: Sale and Purchase of Electric Power and Energy

(a) Platte River shall sell and deliver to Loveland and Loveland shall purchase and receive from Platte River all electric power and energy which Loveland shall require for the operation of its municipal electric system to the extent that Platte River shall have such power and energy available; provided, however, that (1) Loveland shall have the right to continue to generate its own power and energy to the extent of the capacity of its generating facilities in service on September 5, 1974 and may also generate power and energy for its own use from any new generation resource(s) owned and operated by Loveland provided that the total rated capacity of all such new generation is no greater than 1,000 kW or one percent of the peak load of Loveland, whichever is greater, provided further that if Loveland develops new generation resources of a total rated capacity as set forth above Platte River commits that it will meet with Loveland to discuss in good faith an increase in the total rated capacity limit, and (2) Loveland
shall not be in violation of the all requirements purchase obligation herein when it purchases power from net metered customers, provided that customers who have entered into agreements with entities that own and operate solar generation located on the customer’s property size the solar generation to supply no more than one hundred and twenty percent (120%) of the annual average consumption of electricity by the customer at that site.

(b) Subject to the provisions of Article 2(a), Loveland hereby binds itself to take and pay for all power and energy that is generated, purchased, or otherwise obtained by Platte River, and is furnished to Loveland for resale pursuant to Article 1(a) hereof, said payment to be made at the rates set forth in the Tariff Schedules of Platte River in effect at the time the power and energy is furnished to Loveland.

Article 2: Rate for Power and Energy

(a) Loveland shall pay Platte River for all electric power and energy furnished hereunder at the rates and on the terms and conditions as provided in the Platte River Tariff Schedules; provided, however, that notwithstanding any other provision of this Agreement, the obligation of Loveland to pay Platte River for all electric power and energy furnished hereunder shall be, and is, a special obligation of Loveland payable solely from revenues to be received by Loveland from the sale of electric power and energy to its electric utility customers during the term hereof and is not a lien, charge, or liability against Loveland or against any property or funds of Loveland other than revenues to be received by Loveland from the sale of electric power and energy to its electric utility customers during the term hereof, and the obligation to pay Platte River for all electric power and energy furnished hereunder does not constitute a debt, liability, or obligation of Loveland other than from its revenues to be received from the sale of electric power and energy to its electric utility customers during the term hereof, and Loveland is not otherwise obligated to pay such obligation.

(b) The Board of Directors of Platte River at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rates for electric power and energy furnished hereunder and under similar agreements with the other Municipalities and, if necessary, shall revise such rates to produce revenues which shall be sufficient, but only sufficient, with the revenues of Platte River from all other sources,

(i) to meet the cost of operation and maintenance (including, without limitation, fuel, replacements, insurance, taxes, fees, and administrative and general
overhead expense) of the electric generating plants, transmission system, and related facilities of Platte River; 

(ii) to meet the cost of any power and energy purchased for resale hereunder by Platte River and the cost of transmission service; 

(iii) to make payments of principal and interest on all indebtedness and revenue bonds of Platte River and provide an earnings margin adequate to enable Platte River to obtain revenue bond financing on favorable terms; and 

(iv) to provide for the establishment and maintenance of reasonable reserves.

(c) Platte River shall cause a notice in writing to be given to each Municipality to which it furnishes electric power and energy, which notice shall set out each revision of the rates with the effective date thereof, which shall be not less than thirty (30) days after the date of the notice. All rate adjustments shall apply equally to all Municipalities to which Platte River furnishes electric power and energy, unless otherwise agreed upon, and shall not be discriminatory. Loveland agrees that the rates from time to time established by the Board of Directors of Platte River shall be deemed to be substituted for the rates presently contained in the Tariff Schedules and agrees to pay for electric power and energy furnished to it hereunder after the effective date of any revisions to the Tariff Schedules at such revised rates.

Article 3: Covenants of Platte River

(a) Platte River shall use reasonable diligence to furnish a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail, or be interrupted, or become defective through uncontrollable forces, as defined herein, Platte River shall not be liable for any claim or damages caused thereby.

(b) After first satisfying the electric power and energy requirements of all Municipalities to which it furnishes electric power and energy, Platte River may, in its sole discretion, market and dispose of any surplus electric power and energy which it owns or produces or which Platte River is obligated by contract to purchase, under the most advantageous terms and conditions obtainable.

(c) Platte River shall carry out the planning, design, construction, and operating decisions associated with the performance of its obligations under this Agreement in an environmentally responsible manner. This includes, but is not limited to, scheduling meetings with Loveland at least every two years to review new technologies and business models that may serve to increase the penetration of distributed generation and efficiency technologies. As
appropriate the parties will amend this Agreement to allow such new technologies and business models to operate within the retail service territory of Loveland.

Article 4: Covenants of Loveland

(a) Loveland agrees to maintain rates for electric power and energy furnished to its electric utility customers which will, after payment of all of Loveland's costs of operation and maintenance (including, without limitation, replacements, insurance, administrative and general overhead expense), return to Loveland sufficient revenue to meet its obligations to Platte River hereunder.

(b) Loveland shall not sell at wholesale any of the electric energy delivered to it hereunder to any of its customers for resale by that customer, unless such resale is specifically approved in writing by Platte River.

(c) Loveland acknowledges that it is familiar with the provision of Platte River's contract with the Western Area Power Administration, which requires, as a condition of the purchase of federally generated power, that the Municipalities comply with certain provisions of the “General Power Contract Provisions,” which is attached hereto as Attachment A. Loveland acknowledges its compliance obligations under the General Power Contract Provisions, as that document presently exists and as it may be modified in the future.

Article 5: Conditions of Delivery of Power and Energy

(a) The electric power and energy to be furnished by Platte River shall be alternating current, sixty (60) hertz, three-phase, subject to conditions of delivery and measurement as hereinafter provided and in the Tariff Schedules.

(b) Responsibilities for the facilities through which electric power and energy is delivered are set forth in Attachment B of this Agreement, attached hereto and made a part hereof.

(c) Loveland shall make and pay for all final connections between its system and the system owned by, or available to, Platte River at the points of delivery agreed upon.

(d) Unless otherwise agreed, Loveland shall install, own, and maintain the necessary substation equipment at the points of delivery from the system of, or available to, Platte River and shall install, own, and maintain switching and protective equipment of adequate design and sufficient capacity beyond such points of delivery to enable Loveland to take and use the electric power and energy supplied hereunder without hazard to such system.
(e) To provide adequate service to Loveland, Platte River agrees to increase the capacity of an existing transmission point of delivery, or to establish a new transmission point of delivery at a mutually agreeable location, of a design capacity of not less than 100,000 kVA maximum nameplate rating at 55° C. rise, and in accordance with this Agreement.

(f) Loveland shall give Platte River at least two years written notice of the need to increase the capacity of an existing transmission point of delivery or the need for a new transmission point of delivery. If new transmission is required, Loveland shall give at least four years written notice. The notice shall specify the amount of additional or new capacity, the new transmission required, and the desired initial date of its operation. Platte River shall, within sixty (60) days after receipt of such notice, and on the basis of the best information available to Platte River from system plans and load projections for Loveland, inform Loveland in writing of Platte River's plans and schedules with respect to the supply of the additional capacity requested by Loveland, and shall thereafter keep Loveland informed of Platte River's progress in supplying such additional capacity. Any written notice requesting additional capacity at an existing point of delivery or the establishment of a new point of delivery shall provide to Platte River any and all authority necessary for its facilities to occupy the property of Loveland during the period in which that point of delivery is used by Platte River for the delivery of power and energy.

(g) If Loveland requires the construction of a 115 kV or 230 kV transmission line for additional service where such line is a tap or radial line over which energy can flow in only one direction, as distinguished from a system line over which energy can flow in either direction, then ownership, operation and maintenance of such 115 kV or 230 kV transmission line will be undertaken by Platte River pursuant to a separate agreement with Loveland which provides for an appropriate sharing of the annual costs of ownership and operations of such line for as long as such energy flow and delivery conditions prevail.

Article 6: Consultation on System Planning

(a) At least once each year, on or before July 1, Platte River shall consult Loveland concerning its requirements for transmission facilities to effect delivery of power and energy by Platte River. The date for such annual consultation shall be set by agreement of the Parties.

(b) At least thirty (30) days prior to the date of such annual consultation, Loveland shall provide Platte River with two (2) copies of its latest estimate of requirements for delivery of power and energy covering a future period of ten (10) years. Platte River shall review Loveland’s annual estimates and shall consider them in preparing Platte River's annual system plan. Following Platte
River's annual consultations on delivery requirements with all Municipalities, Platte River shall prepare an annual system plan for the delivery of power and energy to all Municipalities covering a future period of ten (10) years. Decisions regarding the construction of any transmission and delivery facilities by Platte River primarily to supply Loveland, will take into account Loveland's long-range distribution requirements and costs and the long-range costs and benefits of alternative service plans. Platte River's annual system plan shall include appropriate load flow and stability studies and a copy thereof shall be furnished to Loveland if requested.

Article 7: Measurement of Power and Energy

(a) Metering equipment shall be furnished, installed, and maintained by Platte River at each point of delivery to Loveland at the low-high voltage side of the transforming equipment or at such other points as agreed upon by the Parties.

(b) Loss adjustments for low-high voltage side or remote metering shall be as specified in the Tariff Schedule or as otherwise agreed by the Parties.

Article 8: Meter Readings and Payment of Bills

(a) Platte River shall read meters and invoice Loveland for power and energy furnished hereunder at approximately monthly intervals. Such invoices shall be due and payable to Platte River within fifteen (15) days from date of issuance and shall become delinquent thereafter.

(b) If Loveland's monthly bill becomes delinquent, late charges at the rate of a one and one-half percent (1½ %) per month of the unpaid balance shall be added, and if such bill is delinquent for a period of fifteen (15) days or longer, Platte River may discontinue delivery of electric power and energy not less than fifteen (15) days following written notice to Loveland.

Article 9: Meter Testing and Billing Adjustment

(a) Platte River shall test and calibrate meters by comparison with accurate standards at intervals of twelve (12) months, and shall also make special meter tests at any time at Loveland's request. The cost of all tests shall be borne by Platte River; provided, however, that if any special meter test made at Loveland's request shall disclose that the meters are recording accurately, Loveland shall reimburse Platte River for the cost of such test. Meters registering within two percent (2%) above or below normal shall be deemed to be accurate.

(b) The readings of any meter which are disclosed by test to be inaccurate shall be corrected from the beginning of the monthly billing period immediately preceding the billing period.
during which the test was made; provided, that no correction shall be made for a longer period than such inaccuracy is determined by Platte River to have existed. If a meter fails to register, the electric power and energy delivered during such period of failure shall, for billing purposes, be estimated by Platte River from the best information available.

(c) Platte River shall notify Loveland in advance of any meter reading or test so that Loveland’s representative may be present at such meter reading or test.

Article 10: Right of Occupancy and Access

Both Parties shall have a revocable license to occupy the property of the other Party necessary to deliver and receive power and energy under this Agreement as described in Attachment B. Duly authorized representatives of either Party shall be permitted to enter the premises of the other Party at all reasonable times in order to carry out the provisions of this Agreement and those described in Attachment B.

Article 11: Uncontrollable Forces

Neither Party to this Agreement shall be considered to be in default in performance of any of its obligations, except the agreement to make payment, when a failure of performance shall be due to an uncontrollable force. The term “uncontrollable force” means any cause beyond the control of the Party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or inaction by, or failure to obtain the necessary authorization or approvals from, any governmental agency or authority, which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of an uncontrollable force shall give prompt written notice of such fact, if reasonable to do so, to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.

Article 12: Enforceability

The Parties hereto recognize that there are legal constraints imposed upon them by the constitution, statutes, and rules and regulations of the State of Colorado and of the United States,
and imposed upon them by their respective governing statutes, charters, ordinances, rules and regulations, and that, subject to such constraints, the Parties intend to carry out the terms and conditions of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, in no event shall either of the Parties exercise any power or take any action which shall be prohibited by applicable law. Whenever possible, each provision of this Agreement shall be interpreted in such a manner so as to be effective and valid under applicable law.

Article 13: Term of Agreement
(a) This Agreement shall become effective when executed by both Parties, and shall amend and supersede the existing Contract for the Supply of Electric Power and Energy between Platte River and Loveland, dated July 1, 1998 September 1, 2010. This Agreement shall remain in effect until December 31, 20052060, and thereafter until terminated by either Party following not less than twelve (12) months written notice to the other Party of its intention to terminate.
(b) The Transmission Facilities Agreement between Platte River and Loveland dated March 18, 1980, shall be deemed terminated as of the date of this Agreement.

Article 14: Notices
Any formal notice provided for in this Agreement, and the payment of monies due, shall be deemed properly served, given or made, if delivered in person or sent by regular mail to the persons specified below:

For Platte River: For Loveland:
General Manager City of Loveland, Colorado
Platte River Power Authority Water and Power Director
2000 East Horsetooth Road 200 North Wilson
Fort Collins, Colorado 80525 Loveland, Colorado 80537

Article 15: Severability
In the event that any of the terms, covenants, or conditions of this Agreement or their application shall be held invalid as to any person or circumstance by any Court having jurisdiction, the remainder of this Agreement and the application of its terms, covenants, or conditions to such persons or circumstances shall not be affected thereby.
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

PLATTE RIVER POWER AUTHORITY

By: ____________________________  By: ____________________________
    General Manager                Assistant Secretary

CITY OF LOVELAND

By: ____________________________  By: ____________________________
    Mayor                        City Clerk

APPROVED AS TO FORM:

_______________________________
Assistant City Attorney
I. APPLICABILITY.

1. Applicability.

1.1 These General Power Contract Provisions (Provisions) shall be a part of the contract to which they are attached. In the event these Provisions differ from requirements of the contract, specific terms set forth in the contract shall prevail.

1.2 If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 43, 44, and 45 of these General Power Contract Provisions.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.
5. **Multiple Points of Delivery.**

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. **Metering.**

6.1 The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or where situations deem it appropriate as determined by Western, by the Contractor or its agent(s). In the event metering equipment is furnished and maintained by the Contractor or its agent(s) and the equipment is used for billing and other accounting purposes by Western, the Contractor shall ensure that the metering equipment complies with applicable metering policies established by Western.

6.2 Meters shall be secured by appropriate security measures and meters shall not be accessed except when the meters are to be inspected, tested, adjusted, or repaired. Representatives of affected parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless a different test interval is determined in accordance with good utility practices by an applicable regional metering policy, or as agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by a party hereto, or by an affected supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance as soon as practicable. Meters found with security breaches shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3 Except as otherwise provided in Provision 6.4 hereof, should any meter that is used by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during the period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4 If inspections and tests of a meter used by Western for billing or other accounting purposes disclose an error exceeding 2 percent, or a lesser range in error as agreed upon by the parties, then a correction based upon the inaccuracy found shall be made to the service records for the period of inaccuracy as determined by Western. If the period of inaccuracy cannot be determined, the inaccuracy shall be assumed to have existed during the entire monthly billing period immediately preceding the billing period in which the inspection or test was made and the resulting correction shall be made accordingly.

6.5 Any correction in billing or other accounting information that results from a correction in meter records shall be made in a subsequent monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties arising out of inaccurate metering equipment.
7. **Existence of Transmission Service Contract.**

   If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.

8. **Conditions of Transmission Service.**

   8.1 When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

   8.2 Unless otherwise provided in the contract or applicable rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western’s transmission agent as required by the transmission agent.

   8.3 Western will endeavor to inform the Contractor from time to time of any changes planned or proposed on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor’s system, because of changes or conditions on the system over which the service is supplied, shall not be a charge against or a liability of Western.

   8.4 If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

   8.5 If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

9. **Multiple Points of Delivery Involving Direct and Indirect Deliveries.**

   When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

10. **Construction, Operation, and Maintenance of Contractor’s Power System.**

    The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere
with the operation of the system of Western or its transmission agents over which electric services are furnished
to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and
other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce
or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to
make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system
which is determined by Western to interfere significantly under current or probable conditions with any service
supplied from the power system of Western or from the power system of a transmission agent of Western. Such
a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges
provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision
shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action,
damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or
maintenance of the Contractor's power system.

III. RATES, BILLING, AND PAYMENT PROVISIONS.

11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with
appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then
in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the
contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days
after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate.
Said termination shall be effective on the last day of the billing period requested by the Contractor not later than
two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate
regardless of whether the Contractor exercises the option to terminate service.

12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity
charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service
for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases
in the contract rate of delivery and for the number of billing periods during the year or season in which service is
not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a
maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity
charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.


13.1 Western will normally issue bills to the Contractor for services furnished during the
preceding month within ten (10) days after the end of the billing period.

13.2 If Western is unable to issue timely monthly bill(s), Western may elect to render estimated
bill(s). Such estimated bill(s) shall be subject to the same payment provisions as final bill(s), and any applicable
adjustments will be shown on a subsequent monthly bill.
13.3 Payments of bills issued by Western are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western. Bills will be paid electronically or via the Automated Clearing House method of payment unless a written request to make payments by mail is submitted by the Contractor and approved by Western. Should Western agree to accept payments by mail, these payments will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4 The parties agree that net billing procedures will be used for payments due Western by the Contractor and for payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. Payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1 Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars ($25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2 Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.


The demand or capacity charge and minimum charges shall each be proportionately adjusted when fractional billing periods are applicable under this contract. A fractional billing period can occur: (1) at the beginning or end of electric service; (2) at the beginning or end of irrigation pumping service each year; (3) for a fractional billing period under a new rate schedule; or (4) for fractional periods due to withdrawals of electric services. The adjustment will be made based on the ratio of the number of hours that electric service is available to the Contractor in such fractional billing period to the total number of hours in the billing period involved. Energy billing shall not be affected by fractional billing periods.


16.1 Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of one (1) hour or longer in duration each.
Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills in Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2 The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3 The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of one (1) hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

IV. POWER SALES PROVISIONS.


The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.


The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, 43 U.S.C. §§ 617a-e, and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor
under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

V. FACILITIES PROVISIONS.

20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western’s current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor’s needs.


Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor’s drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1 The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2 If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor’s right-of-way or in the Contractor’s substations pursuant to the contract which are owned by the United States, by
permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.


The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.


28.1 The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply
with all applicable safety laws and building and construction codes, including the provisions of Chapter 1 of the Power System Operations Manual, entitled Power System Switching Procedure, and the Occupational Safety and Health Administration regulations, Title 29 C.F.R. §§ 1910 and 1926, as amended or supplemented. In addition to the safety program required herein, upon request of the United States, the Contractor shall provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2 The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3 At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4 Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5 In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, transported, and removed subject to compliance with all applicable laws, including but not limited to the National Historic Preservation Act of 1966, 16 U.S.C. §§ 470x-6, the National Environmental Policy Act of 1969, 42 U.S.C. §§ 4321-4347, the Endangered Species Act of 1973, 16 U.S.C. §§ 1531-1544, and the Archaeological Resources Protection Act of 1979, 16 U.S.C. §§ 470aa-470mm, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, as well as any other existing or subsequent applicable laws, regulations, and executive orders.


When either party owns equipment containing regulated material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to regulated materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6992k, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601-
Effective September 1, 2007

9675, the Oil Pollution Act of 1990, 33 U.S.C. §§ 2702-2761, the Clean Water Act, 33 U.S.C. §§ 1251-1387, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-j26, and the regulations and executive orders implementing these laws, as they may be amended or supplemented, and any other existing or subsequent applicable laws, regulations, and executive orders. Each party shall label its equipment containing regulated material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. OTHER PROVISIONS.

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

35. Liability.
35.1 The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractor's, its employees', agents', or subcontractors' construction, operation, maintenance, or replacement activities under the contract.

35.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.


If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

37. Transfer of Interest in the Contract or Change in Preference Status.

37.1 No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the prior written approval of the Administrator of Western. Any voluntary transfer of the contract or of the rights of the Contractor under the contract made without the prior written approval of the Administrator of Western may result in the termination of the contract; Provided, That the written approval of the Administrator shall not be unreasonably withheld; Provided further, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such prior written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided further, That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

37.2 The Contractor shall maintain its status as an entity eligible for preference in Western's sale of Federal power pursuant to Reclamation law, as amended and supplemented.

37.3 Western shall give the Contractor written notice of Western's proposed determination that the Contractor has violated Provision 37.1 and Western's proposed action in response to the violation.
37.4 The Contractor shall have 120 days after receipt of Western's notice provided under Provision 37.3 to submit a written response to Western. The Contractor may also make an oral presentation to the Administrator during this 120-day period.

37.5 At any time during this process, the Contractor and Western may agree upon corrective action to resolve Western's proposed determination that the Contractor is in violation of Provision 37.1.

37.6 Within 30 days of receipt of the Contractor's written response provided under Provision 37.4, Western will notify the Contractor in writing of its final decision. The Administrator's written notice will include the intended action, the effective date thereof, and the reasons for taking the intended action. Implementation of the Administrator's action shall take place no earlier than 60 days from the Contractor's receipt of such notice.

37.7 Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

37.8 Nothing in this Provision shall preclude any right to judicial review available to the Contractor under Federal law.


Federal law shall control the obligations and procedures established by this contract and the performance and enforcement thereof. The forum for litigation arising from this contract shall exclusively be a Federal court of the United States, unless the parties agree to pursue alternative dispute resolution.

39. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

40. Notices.

Any notice, demand, or request specifically required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person or sent by postage prepaid registered or certified mail, commercial delivery service, facsimile, electronic, prepaid telegram, or by other means with prior agreement of the parties, to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice. Where facsimile or electronic means are utilized for any communication covered by this Provision, the sending party shall keep a contemporaneous record of such communications and shall verify receipt by the other party.

41. Contingent Upon Appropriations and Authorization.

41.1 Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under the contract. In case such
appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41.2 In order to receive and expend funds advanced from the Contractor necessary for the continued performance of the obligations of the United States under the contract, additional authorization may be required. In case such authorization is not received, the Contractor hereby releases the United States from those contractual obligations and from all liability due to the lack of such authorization.

42. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

43. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 327-334, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

44. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

45. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.
Attachment B

Substation Cost and Maintenance Responsibility

And

Lease of 115kV Facilities

The following describes the cost and maintenance responsibilities for Loveland and Platte River at the existing East, West, Valley, Airport, Horseshoe, and Crossroads, and Foothills Substations. This description will also apply to any future substations that may be constructed by Loveland. If any special arrangements are required for a new substation different from the understanding described below, it will be documented in a separate letter agreement between the Loveland and Platte River and attached hereto.

Loveland will furnish, own, and maintain at its expense the following items in each substation owned by Loveland:

- The substation site with sufficient space for both the Loveland and Platte River equipment
- Grading and surfacing within the fenced or walled area
- Access right-of-way and roads
- Perimeter substation fence or wall
- Landscaping and maintenance of any grounds outside the fenced or walled area
- The 230 or 115kV/12.47 transformers, switchgear, feeder circuits, associated foundations and oil containment structures, duct banks, conduits, and all cabling, relays, and controls required to operate such equipment
- The Loveland switchgear room in a common Loveland/Platte River switchgear/control building or separate building, whichever is appropriate
  - A remote terminal unit (RTU), for use to transmit substation information to Loveland
  - The DC power supply system and associated equipment or ½ the cost of a DC system shared with Platte River.
- Substation site electric service (equipment, power and energy)
- Substation yard lighting
- Substation yard below grade grounding system

Platte River will furnish, own, and maintain at its expense the following items in each substation owned by Loveland:

- All transmission equipment required at the appropriate voltage class to deliver electric capacity and energy to Loveland’s facilities including the transmission line transition structures, breakers, switches, bus system, relays, meters and associated controls
- All foundations required for the Platte River equipment listed above
- The Platte River control room in a combined Loveland/Platte River switchgear/control building, or the cost of a separate control building, whichever is appropriate
- Communication connections for Power System Operations use by both Loveland and Platte River
- A remote terminal unit (RTU), -for shared use to transmit substation information to both Loveland and Platte River
- Weed control
Loveland and Platte River will share equally the cost of any substation security deemed by both parties to be appropriate for the location of the substation.

**Lease of 115kV Facilities:**

**Background:** In the Transmission Facilities Agreement dated March 11, 1980, Loveland leased multiple transmission and substation facilities to Platte River. With that lease Platte River assumed responsibility for 115kV transmission and substation facilities that served the Boyd, East, West, Horseshoe and Valley Substations. Platte River owns all 115kV facilities at Airport, and Crossroads, and Foothills Substations and all 230 facilities at Boyd and Horseshoe Substations as these substations were constructed after 1980.

**Continuation of Lease:** Loveland agrees to continue the lease of the facilities on the following list ("Leased Facilities") to Platte River through the term of this Agreement or until such facility is permanently removed from service or replaced. Platte River shall continue to have the right to use the Leased Facility in whatever manner it shall determine to be the most effective to meet its obligations under this Agreement and the local needs of Loveland and to make whatever modifications, improvements, repairs and replacements it shall determine to be necessary to provide reliable service. Platte River shall not permit any lien or encumbrance to attach to the Leased Facility and shall deliver them up to Loveland at the termination of this Agreement.

The following items comprise the Leased Facilities:

**Land and Land Rights**

All land, land rights and easements on which the following facilities are located:

- The portion of the Boyd Substation purchased by Loveland
- The West Tap (on the WAPA 115kV Valley-Flatiron line) to West Substation 115kV transmission line
- The 115kV transmission line from Horseshoe Substation east to 57th Street
- The 115kV transmission line from Horseshoe Substation west to West Substation

**Substation Equipment**

All 115kV breakers, buses, switches, insulators, meters, relays, control panels, structural steel, foundations, and miscellaneous 115kV support equipment at the following substations:

- Boyd
- East
- West
- Horseshoe
- Valley

**Transmission Lines**
All poles and conductors and all support equipment required for operation of the following 115kV transmission lines:

- West Tap to West Substation
- Double circuit line north from Boyd Substation to 57th Street
- Horseshoe Substation to West Substation
- Horseshoe Substation to 115kV line at 57th Street
Memorandum

Date: 2/20/2019

To: Board of Directors

From: Jason Frisbie, General Manager and Chief Executive Officer
       Dave Smalley, Chief Financial Officer and Deputy General Manager
       Wade Hancock, Financial Planning and Rates Manager

Subject: Rates Framework

Updates to the rate strategy and rate design study have been provided regularly at the board of directors meetings in preparation for future board adoption and the scheduled January 1, 2020 implementation of the revised rate structure.

At the February 2019 board of directors meeting, staff will provide a brief presentation and update regarding the implementation of Platte River’s redesigned rates. Allocation options of Tariff—schedule 7: renewable energy service (tariff 7) mega-watt hours will be discussed. Staff will request board feedback and guidance but no formal action. Other discussion topics include an explanation of projected rate variance between 2020 and 2021 due to the Roundhouse wind project and next steps in the rates process prior to board approval of the 2020 rates.
Staff will present an update on the headquarters campus construction project to date. In addition, staff will be updating the board on a recently issued stop work order and a recommendation to move forward. Staff will be prepared to answer any questions the board may have.
The following legal issues and governmental/legislative matters were addressed during the reporting period; **bold-faced type** is used to highlight recent or significant developments.

**LEGAL ISSUES:**

**CURRENT OR THREATENED LITIGATION**

*El Paso Electric Co. vs. Federal Energy Regulatory Commission (FERC)* — Over the last seven years Platte River has been engaged in a regional transmission planning process under the auspices of WestConnect, a planning organization formed by the utility participants. The WestConnect footprint covers a vast area generally corresponding with boundaries of the states of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming. The planning effort was implemented in response to FERC Order 1000 issued in 2011. Order 1000 requires FERC-jurisdictional utilities to create regional transmission planning organizations with authority to plan transmission expansions and allocate costs to the beneficiaries of the new transmission projects. Unlike the Eastern Interconnection (generally all areas of the United States east of Colorado excluding most of Texas), the Western Interconnection contains a much larger population of non-jurisdictional utilities—of which Platte River is one. In the WestConnect footprint the breakdown of the transmission-owning utilities includes ten non-jurisdictional utilities and eleven jurisdictional entities. This heavy presence of non-jurisdictional accounts for the slower market development in the western United States.

Non-jurisdictionals are concerned about the mandatory cost allocation provisions of Order 1000. To address this concern, WestConnect developed a transmission planning and development format that included two classes of participants, jurisdictional transmission owners were grouped into one class and non-jurisdictionals were allowed to enroll as “Coordinating Transmission Owners” (CTOs). CTOs could opt-out of cost allocation, although incentives were provided for their participation in future developments. FERC approved this planning/development format.

*El Paso Electric Co.* and a number of other jurisdictional utilities challenged the FERC decisions approving the WestConnect process. These utilities argued that FERC approval violated the mandate
that FERC approve only rates that were “just and reasonable” and, that absent a strong correlation with
cost causation, rates would necessarily be unjust and unreasonable. On August 8, 2016 the Fifth
Circuit Court of Appeals agreed with El Paso and remanded the case to the FERC.

The non-jurisdictional participants in WestConnect collectively filed a joint petition requesting the Fifth
Circuit reconsider its August 8 order, which was denied.

The proceedings on remand before the FERC were delayed by the resignation of Chairman Norman
Bay, which deprived the FERC of a quorum. The FERC lacked a quorum for over six months, but with a
quorum restored the FERC ruled on the remand during its meeting of November 16, 2017. The FERC
re-affirmed its decision to accept the WestConnect cost allocation proposal. In so doing it reiterated the
unique jurisdictional characteristics of the Western Interconnect and explained that the WestConnect
proposal being approved contained sufficient incentives for non-jurisdictionals to accept cost allocation
responsibilities. The Commissioners also noted that they could resort to their authority under Section
211A of the Federal Power Act if non-jurisdictionals’ refusal to participate in cost allocation would result
in rates that were not just and reasonable.

The FERC denied the jurisdictional utilities’ request for rehearing of the November 16, 2017 order
during their June meeting. On August 17, 2018, El Paso Electric Company filed a review action with the
Fifth Circuit Court of Appeals. Platte River is not a party to the action, but may coordinate with other
affected non-jurisdictionals on the filing of an amicus brief.

In October, El Paso Electric and a number of jurisdictional utilities proposed to terminate the existing
WestConnect agreement and enter into a new Order 1000 planning agreement for jurisdictional utilities
only, eliminating the CTO provisions of the existing agreement. Nonjurisdictional utilities could still
participate in the planning process by voluntarily agreeing to accept the mandatory cost allocation
provisions and becoming “enrolled transmission owners” (“ETOs”). If the jurisdictional utilities pursue
this route, it would render the issues in the Fifth Circuit appeal largely moot. If the nonjurisdictional
utilities refused to accept mandatory cost allocation, it would mean that the western planning regional
would potentially become balkanized among jurisdictional and nonjurisdictional utilities.

Several conference calls have taken place among the jurisdictional and nonjurisdictional
utilities over the past month to discuss this issue. The parties agreed to hold the Fifth Circuit
appeal in abeyance for a period of time to facilitate these discussions. On December 6, 2018, the
court granted a motion to delay the briefing schedule for a period of 120 days. The jurisdictional
utilities have been working on a plan to restructure the planning agreement to deal with CTOs
that do not agree to cost allocation. A meeting is scheduled for February 25, 2019, to discuss
the latest iteration of this proposal.

(“ME2C”) sent a demand letter to Platte River asserting that Platte River has been using mercury control
methods at its Rawhide generation facility which infringe on one or more of its patents. ME2C
apparently acquired rights to patented mercury control technology from the Energy & Environmental
Research Center at the University of North Dakota, and we believe it subsequently sent demand letters
to a number of coal-fired generation facilities asserting claims for infringement of these patents. In
short, the patents cover the injection of certain halogens or halides (e.g. bromides, chlorides and iodides) into the furnace or on the coal, coupled with various carbon or non-carbon sorbents upstream from particulate controls to capture mercury in the gas emissions. We asked the claimant to provide specific information regarding the alleged patent infringement at the Rawhide facility while we investigated this claim. We also entered into a non-disclosure agreement to facilitate discussions with ME2C. In the meantime, we sent notice of this claim to Cabot Norit North America (the successor to the entity that provided the mercury control system for the Rawhide facility) based on the patent indemnity provision of our supply contract. Cabot Norit preliminarily denied liability under the patent indemnity clause.

After reviewing the information provided by ME2C and reviewing the ME2C patents with outside counsel, it appears that the mercury removal control process implemented by Platte River does not infringe on the ME2C patents. Specifically, the ME2C patents describe a “two-step” process for mercury control, where bromides are used to pretreat coal or are injected into the flue gas separately from the activated carbon used to capture mercury. In contrast, Platte River’s system uses a “one-step” process where commercially available activated carbon, which is pre-treated with bromine, is injected into the flue gas stream. We have discussed this issue with counsel for ME2C and have requested that the patent claims be dropped.

We have not heard from counsel for ME2C since early November 2018 and believe this matter is effectively concluded. We may further pursue cost recovery from Cabot Norit.

Ongoing and Current Matters of Significance

Grand Lake Clarity NEPA Process — Platte River is a coordinating agency in the Grand Lake Clarity National Environmental Policy Act (NEPA) process initiated by the Bureau of Reclamation (BOR). This proceeding could affect Platte River as both a participant in the Windy Gap Firming Project and as a power customer of the Western Area Power Administration. The kick-off meeting occurred on February 10, 2017 in Golden, CO. At present the matter will proceed as an Environmental Assessment (EA), but may convert to an Environmental Impact Statement (EIS). A “visioning process” conducted by BOR yielded a number of capital projects that may address the clarity issue, but the range of alternatives will be expanded to analyze operational modifications that could improve clarity at reduced costs. The “purpose and need” statement was adopted on April 1, 2017. At the September 8, 2017, meeting seven alternatives were discussed and the BOR and Northern Colorado Water Conservancy District representatives introduced other possible operational or low-cost alternatives for consideration. At the January 31, 2018 meeting the list of alternatives was narrowed and BOR engineers began an evaluation process. Initial modeling work is complete, but is being reviewed internally by the Bureau. The review is progressing slowly, and the public scoping meeting has been delayed until the summer of 2019.

Environmental Protection Agency Clean Power Plan — Following President Trump’s Executive Order of March 28, 2017 directing the Administrator of the EPA to reevaluate the CPP, EPA issued a notice of proposed rule (NOPR) on October 10, 2017 to formally rescind the CPP on the grounds that it exceeds the agency’s statutory authority. Objections to the NOPR have been filed by a number of
states and communities (including Boulder) asserting that the action was invalid because (now ex) Secretary Pruitt is unalterably biased against the CPP.

Prior to the November 2016 election, a stay of the CPP had been issued in certain litigation against EPA. That case remains pending, although on March 1, 2018 the D.C. Circuit Court of Appeals issued an order holding the litigation in abeyance for another 60 days and directing the EPA to provide status updates every 30 days. With the issuance of the proposed ACE rule discussed below, the court is expected to rule on whether litigation should proceed or be dismissed in the near future.

The Affordable Clean Energy (ACE) rule was published in the Federal Register on September 10, 2018 with comments due by October 31, 2018. The rule still depends heavily on the development of state implementation plans, but the focus of the rule is limited to heat rate improvements, or HRIs, that can be implemented “within the fence” of the generation facility. This restricts significantly the carbon reductions expected from implementation of the ACE rule. Both the American Public Power Association and the Large Public Power Council submitted comments, largely focusing on implementation issues that may exist with the draft rule.

With the present bottleneck affecting carbon regulation on the Federal level, momentum has shifted back to the state level. As noted in prior reports, Governor Hickenlooper issued an Executive Order calling upon electric utilities to take action voluntarily to cut emission levels by 25 percent of 2012 levels by 2025 and by 35 percent by 2030, although since the stay of the CPP was issued by the Supreme Court, state planning efforts have effectively ceased. During the 2018 session legislation was introduced in the Colorado General Assembly (H.B. 18-1274) to reduce carbon emissions by 80 percent from 2005 levels, but this bill died in the Senate. Now that the 2019 legislative session has convened it is anticipated that a bill to authorize a Colorado clean energy plan will be introduced, see discussion below in the legislative report.

Coal Combustion Residuals (“CCR”) Rule Implementation — As described in the management report, legal counsel is supporting staff in their evaluation of compliance issues relating to the Federal CCR Rule. During 2016 Colorado discontinued its effort to adopt CCR regulations. At least for now, the State has taken the position that it has sufficient authority to ensure environmental protection under their existing programs.

On January 17, 2017 Platte River staff met with the Colorado Department of Public Health and Environment (CDPHE) in Denver. During this meeting, the existing operational plan for the CCR monofill was discussed along with the need for a revised plan. As a result of the meeting, Platte River staff has taken steps to update the operational plan. These steps include increased groundwater monitoring and an evaluation of the existing topsoil cover at the monofill. Platte River staff met with CDPHE again on July 13, 2017 to present a high-level plan and timelines and the feedback received from the CDPHE was favorable. The CDPHE requested additional groundwater data and soil borings.

Concurrently with updates to the operational plan for the ash monofill, Platte River staff obtained approval from CDPHE for modifications to the reclaim pond and closure of the bottom ash ponds which is being replaced with installation of a concrete settling tank with two separate cells and a “reclaim” tank during the 2018 outage. The CDPHE confirmed that the tanks will not be subject to its regulations.
On March 1, 2018 the EPA issued proposed revisions to the 2015 final CCR rule which remains subject to litigation pending before the U.S. Court of Appeals for the D.C. Circuit. The proposal addresses several provisions of the 2015 CCR rule that the D.C. Circuit remanded back to the EPA in 2016, as well as additional provisions in response to comments received since the final rule went into effect. Many of the proposed revisions would allow state regulatory programs more flexibility to establish equivalent standards considering site specific conditions. These revisions will not impact Platte River because Colorado has chosen not to adopt a state regulatory program. Additional revisions may modify current deadlines for groundwater monitoring and analysis. However, even if these modifications are adopted, they would be too late to alter Platte River’s chosen path to compliance. Platte River implemented major changes to its ash handling operations during the Fall 2018 outage. These include the installation of a new bottom ash handling system with a wet to dry conversion, and the replacement of the bottom ash ponds with a concrete settling tank as discussed above.

**Windy Gap Firming Project** — The Windy Gap Firming Project (WGFP) has obtained all necessary state and federal approvals. Northern Water has submitted a water court application to amend the existing Windy Gap water court decrees. Specifically, the Northern Water filing seeks to incorporate the terms of a 2012 intergovernmental agreement (“IGA”) entered into with several West Slope entities. The 2012 IGA provides for the construction of Chimney Hollow Reservoir and the storage of up to 90,000 acre-feet of water provided Northern Water complies with specified mitigation measures. Northern Water is the holder of the Windy Gap water rights and will therefore be the lead applicant on the water court application. Nevertheless, questions may arise throughout the legal proceeding on which Northern Water may request the input or consent of the governing bodies of the Windy Gap participants. One issue that the parties needed to resolve involved prepositioning of water in the Chimney Hollow Reservoir—meaning the placement of Colorado-Big Thompson water in Chimney Hollow in anticipation of Windy Gap water deliveries. This issue became more complicated with the decision in the *Busk/Ivanhoe* case, and west slope interests sought to use this precedent to limit east slope storage in reservoirs other than Chimney Hollow. The Northern Water filing contains limiting language that may restrict other project participants but should not be an issue for Platte River.

On October 26, 2017, a number of environmental groups filed a legal action challenging the NEPA analyses performed by both the Bureau of Reclamation and the Army Corps of Engineers. The Bureau of Reclamation and Army Corps of Engineers filed an Answer on January 16, 2018, generally denying the allegations of the Complaint. Northern Water was not listed as a Defendant but filed a motion to intervene as a party to the litigation on January 26, 2018. The Court granted Northern Water’s motion. The Bureau and Corps filed their administrative records with the court on March 5, 2018. On May 3, 2018, plaintiffs filed a Motion to Supplement the Administrative Records to include a report which allegedly includes updated water demand data that the Bureau and Corps did not consider in making their determinations. That motion is pending.

The Colorado Department of Natural Resources and the City and County of Broomfield moved to intervene in the action. These motions also remain pending.

It was initially anticipated that the parties would brief the merits of their claims and defenses by early September 2018. In light of these pending motions, it is likely the briefing on the merits will be delayed
by several months. The court will decide this action based on the administrative record, and there will not be a trial with live testimony, as would occur in other litigation contexts. We expect the court will set a briefing schedule on the merits as soon as the pending motions are decided. **Counsel for the Plaintiffs are expected to file a motion for a status conference with the court, which may prompt action on the pending motions.**

**Western Wholesale Market Activities** — Subsequent to the collapse of the Mountain West Transmission Group effort Platte River and other regional utilities have been evaluating the best means to obtain services the parties anticipated from Southwest Power Pool (SPP). The first issue involved reliability coordination. Peak Reliability had provided reliability coordination (RC) services throughout the western interconnect, but is discontinuing that service. Peak Reliability issued proposals for RC services on a limited basis or as a “transitional” RC service provider. SPP stated that it is willing to offer RC services to transmission owners in the western interconnection and has circulated a proposed contract for consideration. CAISO also indicated a willingness to provide RC services to western transmission owners separate and apart from the California energy imbalance market (“EIM”) or regional transmission organization. In order to facilitate the investigation of these options and the orderly transition of RC services, Platte River and the MWTG members extended the date for their withdrawal from Peak Reliability until December 31, 2019.

We were informed that PSCo, which provides balancing authority services to Platte River, intends to take RC service from SPP. Given this circumstance, Platte River negotiated and executed an agreement for RC services with SPP. WECC requested that transmission providers in the West indicate which entity they will select for RC services by September 4, 2018. Platte River provided the required notification.

Platte River is continuing to evaluate options for an organized market in the West. We have been successfully operating under the Joint Dispatch Agreement (“JDA”) among Platte River, Black Hills Energy and Public Service Company of Colorado since June of 2017. The JDA provides a market for the participants to purchase and sell energy intra hour while utilizing zero-cost transmission. The JDA is currently limited to utilities in the Public Service Company balancing authority, and does not have sufficient resources to allow the parties to fully balance significant amounts of energy from intermittent resources. However, it may provide a platform for an enhanced market in the future. In that regard, the participants in the JDA are currently in discussions to expand membership through the addition of Colorado Springs Utilities. The Colorado Springs Utilities Board is expected to consider participation in the JDA at its February meeting. If Colorado Springs Utilities decides to join the JDA, Black Hills and Public Service Company will make a filing with the Federal Energy Regulatory Commission to approve necessary changes to the JDA to authorize this expansion.

**Fiber Utilization and Telecommunications** — Each of the owner communities are pursuing local broadband initiatives, which efforts may benefit from the transfer of the excess fiber optic cable held by Platte River to the communities. A fiber work session was held on June 7, 2018 among Platte River and the relevant municipal staff members working on broadband issues. There was general consensus to move forward with a transfer of title to the local loops to the municipalities. A follow-on meeting to discuss the technical protocols for accessing the fiber in the local loops was held on July 18, 2018.
Resolutions authorizing the General Manager to convey excess fiber in the local loops to Estes Park, Fort Collins and Loveland were approved at the September 2018 meeting. In addition, a resolution authorizing the General Manager to convey associated assets supporting the fiber cable in the local Longmont loop to the City of Longmont was also approved. Transfer of the fiber assets is contingent upon development of a mutually acceptable description of the assets to be conveyed, and execution of a Fiber Management Intergovernmental Agreement (Fiber Management IGA). The IGA was approved by the board at the December meeting. The IGA was approved by the Fort Collins City Council on December 4, 2018, by the Longmont City Council on January 22, 2019 and by the Estes Park Town Board on February 12, 2019. The Loveland City Council will consider the IGA at their February 19, 2019 meeting.

**Oil Spill at Rawhide Solar Facility** — On November 1, employees of Platte River discovered evidence of an oil spill from a transformer at the 30 MW solar facility operated by Bison Solar, LLC (“Bison Solar”) at the Rawhide Energy Station. It appeared that Bison Solar had excavated soil around the spill area, leaving a hole approximately the size of a 55-gallon drum. Before Platte River could investigate further, Bison Solar had refilled the hole with clean soil and covered the area with aggregate. Bison Solar failed to provide Platte River with notice of the spill or to communicate with Platte River prior to undertaking remediation, both of which are breaches of the lease agreement for the solar facility. Platte River sent a demand letter to Bison Solar informing it of the lease issues and demanding information regarding the spill and clean up efforts. Bison Solar asserted that the oil spilled was not a hazardous material, but has agreed to engage a remediation contractor, ERM, and to coordinate with Platte River to verify that the clean up has been completed in a thorough manner consistent with Platte River’s requirements. Based on the report developed by ERM approximately 40 gallons of transformer oil spilled. The oil was a bio-degradable vegetable-based product. Nine five-gallon containers of oil-saturated soil were removed from the spill area and are awaiting final disposal. Due to the proximity of the spill to the concrete base of the transformer further excavation of the soil was considered inadvisable and unnecessary given the characteristics of the oil.

Bison Solar has agreed to improve communications with Platte River to avoid any such further issues in the future. Coordination is somewhat complicated due to the fact that much of the work on the solar facility occurs at night. A letter has been sent to Bison Solar to initiate a routine communication process for activities on our site, and the parties are coordinating on new communications protocols.

**Burlington Northern Rex Branch Electric Transmission and Distribution Easement** — This easement consists of approximately 13 miles of easement for electric transmission and distribution facilities. The easement runs along the east side of HWY 287 from outside Laporte, to Owl Canyon. This easement was purchased by Platte River in 1985 from the Burlington Northern Railroad Company, which previously used this as an easement for the Rex Branch Railroad—a branch line that served the quarry. This easement was purchased as a potential secondary path for energy from the Rawhide Energy Station and/or for other potential electric transmission or distribution needs that may arise. This easement has never been utilized by Platte River. A property owner adjacent to one section of this easement contacted Platte River to inquire about purchasing this easement property from Platte River. Platte River is evaluating the current or future use or value of the section in question.
**CONTRACTUAL MATTERS**

**Power Production**

*Solar and Storage Power Purchase Agreement* — The Deputy General Counsel assisted staff in the drafting of a power purchase agreement for 20 MW solar and 2 MW storage project at Rawhide. A term sheet was executed with Apex Solar Holdings, LLC in August 2018. Subsequently Apex uncovered mistakes in its bid proposal that changed pricing significantly.

Apex submitted a revised bid for the project which was considerably higher than provided in the term sheet. Subsequently, Platte River entered into discussions with an alternative bidder GCL New Energy, Inc. for the development of the project, as GCL offered more favorable terms. The project will be developed and owned by GCL, and Platte River will lease space for the project and purchase the electric output from the project for a period of 20 years. Because GCL is a foreign-controlled entity (with its principal ownership in Hong Kong), Platte River requested that a financial partner be brought in to ensure the successful completion of the project. GCL has brought DEPCOM Power, Inc. to the table as a partner. Ultimately, ownership in the project may be transferred to DEPCOM from GCL. Negotiations led to the execution of both a PPA and land lease on February 13, 2019.

**GOVERNMENTAL AFFAIRS:**

*Colorado General Assembly* — The November 2018 elections placed Democrat candidates in control of all the state-wide offices. Democrats also have majorities in both houses of the Legislature. The Legislature convened its 2019 session on January 4 and will adjourn on May 3. Governor-elect Polis was inaugurated on January 8, 2019.

With the significant changes in leadership the legislative session has started slowly. As of February 14, 176 bills have been introduced in the House and 140 bills in the Senate. A few bills address energy issues, the only one of significance so far is S.B. 19-096 entitled “Concerning the Collection of Greenhouse Gas Emissions Data to Facilitate the Implementation of Measures that would most Cost-Effectively Allow the State to Meet its Greenhouse Gas Emissions Reduction Goals.” The state goals referenced are those contained in Governor Hickenlooper’s Executive Order of July, 2017. These goals are apparently not aggressive enough—and are aligned with the prior rather than the present Governor—so this bill is likely to be withdrawn or significantly rewritten. Of significance to electric utilities is that the bill contains a provision granting rulemaking authority to CDPHE to develop what could be a Colorado clean power plan. The rulemaking is directed to commence July 1, 2020.

Whether this bill is the eventual vehicle for carbon regulation is uncertain. The Polis administration is rumored to be developing a comprehensive legislative package that may be introduced in the latter part of February. It is unclear whether the effort will focus on jurisdictional utilities or be broad enough to sweep in municipal utilities. It is likely to focus on carbon rather than specific technology mandates, so it may be a move away from the portfolio approach.
Executive summary

Municipal demand came in well below budget for the month of January, while municipal energy came in near budget.

Rawhide had a planned outage in January to pull the turbine’s protective screens, as required, due to the fall 2018 major outage. Both Craig units ran exceptionally well throughout the month. All units’ equivalent availability factor came in above budget while net capacity factor came in slightly below budget for Rawhide and significantly below budget for the Craig units, as the Craig units were dispatched lower into Joint Dispatch.

Solar came in well above budget, while mid-January work on the Ault-Archer line caused an outage on the Medicine Bow wind farm which resulted in below budget wind generation for the month.

Surplus sales volume and pricing were significantly above budget for the month. Higher than anticipated natural gas costs and surplus sales pricing contributed to this, along with a high demand for surplus energy. In addition, contract sales were made which also drove surplus sales volume and pricing up above budget.

Dispatch costs were below budget for the month, due to Rawhide’s expenses coming in below budget.

<table>
<thead>
<tr>
<th>Category</th>
<th>January variance</th>
<th>YTD variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal demand</td>
<td>(7.8%)</td>
<td>(7.8%)</td>
</tr>
<tr>
<td>Municipal energy</td>
<td>(0.5%)</td>
<td>(0.5%)</td>
</tr>
<tr>
<td>Baseload generation</td>
<td>(10.9%)</td>
<td>(10.9%)</td>
</tr>
<tr>
<td>Wind generation</td>
<td>(3.1%)</td>
<td>(3.1%)</td>
</tr>
<tr>
<td>Solar generation</td>
<td>8.8%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Surplus sales volume</td>
<td>21.7%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Surplus sales price</td>
<td>31.4%</td>
<td>31.4%</td>
</tr>
<tr>
<td>Dispatch cost</td>
<td>(2.7%)</td>
<td>(2.7%)</td>
</tr>
</tbody>
</table>

Variance key:  Favorable: ● >2% | Near budget: ◆ +/- 2% | Unfavorable: ■ < -2%
Operational overview

System disturbances. There were no system disturbances resulting in loss of load during the month of January.

<table>
<thead>
<tr>
<th>2018 goal</th>
<th>January actual</th>
<th>YTD total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Peak day obligation. Peak demand for the month was 460 megawatts which occurred on Jan. 1, 2019, at hour ending 18:00 and was 39 megawatts below budget. Demand response and voltage reduction were not called upon at the time of the peak. Platte River’s obligation at the time of the peak totaled 589 megawatts.

*Silver Sage RECs and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.*
Municipal loads

Municipal demand came in well below budget while energy came in near budget for the month.

<table>
<thead>
<tr>
<th></th>
<th>January budget</th>
<th>January actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total coincident demand (MW)</strong></td>
<td>499</td>
<td>460</td>
<td>(7.8%)</td>
</tr>
<tr>
<td>Estes Park</td>
<td>23</td>
<td>25</td>
<td>5.1%</td>
</tr>
<tr>
<td>Fort Collins</td>
<td>235</td>
<td>215</td>
<td>(8.4%)</td>
</tr>
<tr>
<td>Longmont</td>
<td>126</td>
<td>116</td>
<td>(7.4%)</td>
</tr>
<tr>
<td>Loveland</td>
<td>115</td>
<td>104</td>
<td>(9.8%)</td>
</tr>
</tbody>
</table>

| **Total energy sales (MWh)**     | 273,859        | 272,374        | (0.5%)   |
| Estes Park                  | 13,460         | 13,662         | 1.5%     |
| Fort Collins                | 130,100        | 129,663        | (0.3%)   |
| Longmont                    | 67,944         | 68,126         | 0.3%     |
| Loveland                    | 62,355         | 60,923         | (2.3%)   |

Variance key: Favorable: ● >2% | Near budget: ◆ +/- 2% | Unfavorable: ■ < -2%

Actual January coincident demand = 460 MW

Actual January energy sales = 272,374 MWh
Source of supply variance

Though partially offset by baseload generation having been dispatched lower into Joint Dispatch, resources came in well above budget for the month of January due to all purchases, including JDA purchases, coming in above budget.

---

January variance in production from energy resources

<table>
<thead>
<tr>
<th>Source</th>
<th>Budget</th>
<th>JDA purchases</th>
<th>Purchases</th>
<th>Rawhide solar</th>
<th>Hydro</th>
<th>Silver Sage*</th>
<th>Wind</th>
<th>Comm. solar</th>
<th>Gas</th>
<th>Shaft sharing</th>
<th>Coal</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>MWh</td>
<td>368,072</td>
<td>32,743</td>
<td>15,449</td>
<td>275</td>
<td>-</td>
<td>(379)</td>
<td>(564)</td>
<td>(597)</td>
<td>(737)</td>
<td>(1,900)</td>
<td>(28,240)</td>
<td>384,121</td>
</tr>
</tbody>
</table>

---

Year-to-date variance in production from energy resources (MWh)

*Silver Sage RECs and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.
Source of delivery variance

Though partially offset by JDA sales which came in slightly below budget, loads and obligations came in above budget for the month of January, due to bilateral surplus sales coming in well above budget.

January variance in deliveries for loads and obligations

Year-to-date variance in deliveries for loads and obligations
Power generation - Rawhide

Rawhide had a planned outage in January to pull the turbine's protective screens, as required, due to the fall 2018 major outage. Equivalent availability came in above budget, while net capacity factor came in slightly below budget.

Rawhide emission levels were below compliance limits for the month of January.
The Craig units ran exceptionally well throughout the month of January. Equivalent availability factor came in above budget while net capacity factor came in well below budget, due to having been dispatched lower into Joint Dispatch.
Power generation - CTs

One combustion turbine was brought online in January for testing. Natural gas prices were above budget, as a result of higher loads in the Northwest and the anticipation of the polar vortex which drove up the demand for natural gas. Consequently, these higher gas prices in the Northwest and California regions impacted pricing in the Rocky Mountain region.

![CT generation chart]

**January 2019 operating report**

![Natural gas pricing chart]

2019 annual budgeted pricing = $2.76/MBtu
Solar came in well above budget, while mid-January work on the Ault-Archer line caused an outage on the Medicine Bow wind farm which resulted in below budget wind generation for the month.

*Silver Sage RECs and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.
**Market sales**

Surplus sales volume and pricing were significantly above budget for the month. Higher than anticipated natural gas costs and surplus sales pricing contributed to this, along with a high demand for surplus energy. In addition, contract sales were made which also drove surplus sales volume and pricing up above budget.

**Market purchases**

Purchase volumes came in significantly above budget, partly due to additional purchases made to cover contract sales. Purchase pricing came in slightly below budget, even though replacement energy for the planned Rawhide outage came in significantly above budget. Overall, costs were lower than budget due to the additional volume of JDA purchases made at favorable prices.
Dispatch cost

Dispatch costs were below budget for the month of January, due to Rawhide’s expenses coming in below budget.

*Silver Sage RECs and associated energy have been sold to another utility and, therefore, cannot be claimed as a renewable resource by Platte River or its owner communities.
Power delivery

Major system operations projects benefitting the municipalities:

<table>
<thead>
<tr>
<th>Location</th>
<th>Estimated finish date</th>
<th>Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Collins</td>
<td>October 2019</td>
<td>48% complete</td>
<td>Harmony circuit breaker replacements and circuit switch additions, T1 and T3</td>
</tr>
<tr>
<td>System</td>
<td>December 2019</td>
<td>20% complete</td>
<td>Revenue meter replacements</td>
</tr>
</tbody>
</table>

Events of significance

- Written approval was received from WAPA for the IRP delivery date of July 1, 2020.
- Winter operator training was completed for both generation and transmission operators.
- Rawhide Unit 1 was taken offline on Jan. 19 for its scheduled screen outage which was successfully completed. The unit was back online and released for full load on Jan. 23.
- Platte River’s substations project completions included the CVT replacement at the Meadow Substation, maintenance work at the Horseshoe Substation, load testing of battery banks at the Laporte and Timberline substations, and underground vault and maintenance repair.
- Facilities and fleet staff purchased and placed new vehicles in service for 2019, worked with contractors to install new ductwork insulation on the existing headquarters microwave building, and performed substation painting and lighting repairs at various substation locations.
- Staff continued to assist in the Loveland East switchgear installation and, on Jan. 19, the fiber rebuild project at the Linden Substation was completed. In addition to improvements required for the fiber system, the project also included work to support the Fort Collins Broadband buildout. Platte River staff continues to assist Fort Collins with the installations of their new fiber huts.
Platte River reported favorable results year to date. Net income of $2.7 million was favorable by $1.9 million compared to budget due to above-budget revenues and below-budget expenses. Details of the financial results year-to-date are described below.

Sales for resale were above budget $1.2 million primarily due to market prices resulting in higher volumes of sales. The average price was approximately 32.2 percent above budget or $0.8 million of the variance. The volume of sales was 23.4% above budget and represented $0.4 million of the variance.

Interest and other income was above budget $0.1 million due to revenue from unplanned extensions of tower leases, as well as revenue from fiber leases, which will be recognized as Platte River revenue until the fiber assets are transferred to the owner communities.

**TOTAL OPERATING EXPENSES**

- **Sales for resale** were below budget due to timing of expenses or expenses not being required at this time. The net impact was approximately $1.1 million below budget. The expenses include:
  1) chemical purchases at Rawhide, 2) contracted services for planning initiatives, 3) software and equipment maintenance, 4) Rawhide Unit 1’s scheduled screen outage, 5) SONET equipment technical support, 6) utilities, and 7) other smaller projects.

- **Fuel expenses** were $0.5 million below budget mainly due to generation being replaced by joint dispatch purchases.
• **Energy efficiency program expenses** were $0.3 million below budget due to the unpredictability of the completion of customers' energy efficiency projects. The funds are expected to be spent by the end of the year.

• **Purchased power expenses** were above budget $1 million. Purchases were made under the joint dispatch agreement because of favorable pricing. Other supplemental purchases were made primarily for Rawhide Unit 1’s screen outage at higher-than-budgeted prices. Due to surplus sales market prices, reserves were also above budget as it was more economical to purchase than hold reserves on the Craig units.

**OTHER FINANCIAL ACTIVITIES**

• **Pension accounting** - As mentioned in the December financial report, additional pension entries are yet to be made for 2018 to align Platte River's pension reporting in its financial statements with the defined benefit plan's pension reporting. A new accounting pronouncement requires the defined benefit plan audited financial statements to be reported in Platte River’s annual audited financial statements. Due to the timing of the actuary report, the reporting on internal financial statements will be delayed until the actuary report is received and the entries can be made for 2018. Thus, the internal financial report included in the board materials for January will include a budget schedule only. Due to the timing of the actuary report, this will be the process every year.

**CAPITAL ADDITIONS (year-end estimates as of January 2019)**

The projects listed below are projected to end the year with a budget variance of more than $100,000. In addition, the amounts below are costs for 2019 and may not represent the total cost of the project. Further changes to capital projections are anticipated and staff will continue to monitor spending estimates to ensure capital projects are appropriately funded.

<table>
<thead>
<tr>
<th>Project ($ in thousands)</th>
<th>Budget</th>
<th>Estimate</th>
<th>Favorable (unfavorable)</th>
<th>Carryover request</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BELOW BUDGET PROJECTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Engine 12 replacement</strong></td>
<td>$343</td>
<td>$127</td>
<td>$216</td>
<td>$216</td>
</tr>
<tr>
<td><strong>ABOVE BUDGET PROJECTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Virtual machine host replacement</strong></td>
<td>$66</td>
<td>$277</td>
<td>$(211)</td>
<td>$-</td>
</tr>
</tbody>
</table>

** Project is new to the report.
Budget schedule
**SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET TO ACTUAL**

**January 2019**

Non-GAAP budgetary basis (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>January year to date</th>
<th>Favorable (unfavorable)</th>
<th>Annual budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to owner communities</td>
<td>$16,111</td>
<td>$15,805</td>
<td>$ (306)</td>
</tr>
<tr>
<td>Sales for resale</td>
<td>2,011</td>
<td>3,215</td>
<td>1,204</td>
</tr>
<tr>
<td>Wheeling</td>
<td>441</td>
<td>445</td>
<td>4</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>18,563</td>
<td>19,465</td>
<td>902</td>
</tr>
<tr>
<td>Other revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income(1)</td>
<td>293</td>
<td>317</td>
<td>24</td>
</tr>
<tr>
<td>Other income</td>
<td>(4)</td>
<td>106</td>
<td>110</td>
</tr>
<tr>
<td>Total other revenues</td>
<td>289</td>
<td>423</td>
<td>134</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 18,852</td>
<td>$ 19,888</td>
<td>$ 1,036</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased power</td>
<td>$ 3,300</td>
<td>$ 4,331</td>
<td>$(1,031)</td>
</tr>
<tr>
<td>Fuel</td>
<td>4,095</td>
<td>3,582</td>
<td>513</td>
</tr>
<tr>
<td>Production</td>
<td>4,105</td>
<td>3,707</td>
<td>398</td>
</tr>
<tr>
<td>Transmission</td>
<td>1,957</td>
<td>1,769</td>
<td>188</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>1,865</td>
<td>1,392</td>
<td>473</td>
</tr>
<tr>
<td>Demand side management</td>
<td>560</td>
<td>244</td>
<td>316</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>15,882</td>
<td>15,025</td>
<td>857</td>
</tr>
<tr>
<td>Capital additions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>2,771</td>
<td>1,963</td>
<td>808</td>
</tr>
<tr>
<td>Transmission</td>
<td>207</td>
<td>88</td>
<td>119</td>
</tr>
<tr>
<td>General</td>
<td>2,778</td>
<td>2,706</td>
<td>72</td>
</tr>
<tr>
<td>Total capital additions</td>
<td>5,756</td>
<td>4,757</td>
<td>999</td>
</tr>
<tr>
<td>Debt expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>861</td>
<td>861</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>702</td>
<td>702</td>
<td>-</td>
</tr>
<tr>
<td>Total debt expense</td>
<td>1,563</td>
<td>1,563</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$ 23,201</td>
<td>$ 21,345</td>
<td>$ 1,856</td>
</tr>
<tr>
<td>Contingency reserved to board</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$ 23,201</td>
<td>$ 21,345</td>
<td>$ 1,856</td>
</tr>
<tr>
<td>Revenues less expenditures</td>
<td>$ (4,349)</td>
<td>$ (1,457)</td>
<td>$ 2,892</td>
</tr>
</tbody>
</table>

(1) Excludes unrealized holding gains and losses on investments.
BUSINESS STRATEGIES

Communications and marketing. Staff issued a news release explaining the board’s passage of the Resource Diversification Policy. Resulting news coverage and social media reactions were favorable. The December 2018 and January 2019 Power Source (internal newsletter) included a recap of the fall outage at Rawhide, recognition of award winners, safety topics and highlights from the holiday season events. Employee NewsFeed topics included headquarters construction project, year-end reminders, cybersecurity education and key event dates.

Community engagement. Staff worked with an outside consultant in December and January to conclude the survey of residents and businesses in the four owner communities. The survey will provide Platte River with statistically accurate opinions about desired energy resources, which will be incorporated with the Integrated Resource Planning process. Following the planned outage at Rawhide, staff managed tours for several individuals and small groups.

Human Resources. The internal reorganization was finalized by the end of 2018. Annual staff performance reviews and salary adjustments were completed. Preparation for GM/GC annual reviews and compensation adjustments have begun for the March board meeting. Staff will provide a handout at the February board meeting outlining the review process.

Safety. No injuries were reported in December or January. Onboarding and training for new health & safety specialist and new emergency response team chief were competed.

<table>
<thead>
<tr>
<th></th>
<th>2018 Year End</th>
<th>January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordable Injury Rate</td>
<td>1.67</td>
<td>0.00</td>
</tr>
<tr>
<td>DART</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Lost Time Rate</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

2018 major outage safety stats. There were 171 outage contractor safety orientations conducted for 587 contractors. A total of 383 confined space permitted and non-permit spaces were issued representing 1763 air checks. There were 129 hot work permits issued. Approximately 50,000 hours were worked with no lost time incidents incurred by employees and contractors, while two employees were treated for foreign bodies in their eye during outage.

ENERGY SOLUTIONS

Demand side management (DSM) potential study. Work on the DSM potential study continues. The study is being done by HDR, Inc. to support Platte River’s Integrated Resources Plan (IRP). HDR will identify achievable DSM potential that is cost-effective
compared to supply side options considered in the IRP. The study will assess DSM potential in the following categories: energy efficiency, demand response (including electric vehicle charging), distributed storage (both battery and thermal), distributed solar and combined heat and power generation.

Energy efficiency (EE) programs – 2018 results. Energy efficiency programs offered collaboratively by Platte River and the owner communities continue to grow in terms of customer participation, energy savings achieved and budget. In 2018, Efficiency Works reached over 6,000 participants, resulted in 29,700 MWh of new energy savings and provided 4,000 kW of new demand savings. Platte River and the owner communities have collectively spent $10.8 million on these programs, including $9.9 million in contracted services and rebates and $930,000 for Platte River to administer the programs. Of the $10.8 million in spending, $7.4 million was provided by Platte River and $3.4 million by the owner communities. Overall, these programs have a levelized cost of energy saved of $37 per MWh.¹ The following table shows 2018 results compared to budget and goals for the year.

<table>
<thead>
<tr>
<th>Customer segment</th>
<th>Service provided</th>
<th>2018 results</th>
<th>2018 budget and goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial &amp; industrial</td>
<td>Efficiency assessments</td>
<td>131</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>Efficiency project rebates</td>
<td>1,060</td>
<td>1,100</td>
</tr>
<tr>
<td></td>
<td>Energy savings (MWh)</td>
<td>26,199</td>
<td>28,000</td>
</tr>
<tr>
<td>Multi-family (pilot)</td>
<td>Residential units served</td>
<td>3,306</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Energy savings (MWh)</td>
<td>1,714</td>
<td>0</td>
</tr>
<tr>
<td>Residential</td>
<td>Efficiency assessments &amp; rebates</td>
<td>1,222</td>
<td>900</td>
</tr>
<tr>
<td></td>
<td>Discounted efficient products [note 1]</td>
<td>46,825</td>
<td>76,000</td>
</tr>
<tr>
<td></td>
<td>Energy savings (MWh)</td>
<td>1,764</td>
<td>4,000</td>
</tr>
<tr>
<td>Totals</td>
<td>Energy savings (MWh)</td>
<td>29,677</td>
<td>32,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding ($ millions)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>$0.93</td>
<td>$0.97</td>
<td></td>
</tr>
<tr>
<td>Program costs</td>
<td>$9.91</td>
<td>$11.18</td>
<td></td>
</tr>
<tr>
<td>Total costs</td>
<td>$10.84</td>
<td>$12.15</td>
<td></td>
</tr>
<tr>
<td>Platte River</td>
<td>$7.44</td>
<td>$8.03</td>
<td></td>
</tr>
<tr>
<td>Owner community</td>
<td>$3.40</td>
<td>$4.12</td>
<td></td>
</tr>
<tr>
<td>Total funding</td>
<td>$10.84</td>
<td>$12.15</td>
<td></td>
</tr>
</tbody>
</table>

¹ Discounted efficient products include rebates for smart thermostats; appliances; Efficiency Works Store products; refrigerator and freezer recycling in Longmont and Estes Park; LED lighting; and lighting controls.

The following are efficiency program highlights for 2018:

- 29,700 MWh of energy savings in 2018 represents a 14 percent savings increase from 2017.
- We expanded our efficient consumer products offerings resulting in sales of 1,100 energy-efficient products such as smart thermostats and energy-efficient appliances.

¹ Levelized cost is the total budget annualized over a 12.8-year estimated savings lifetime at a four percent annual discount rate.
• Launched a new program that provides a free efficiency assessment as well as energy-saving and water-saving products to multifamily dwelling unit customers. Over 3,300 individual customers benefitted from this program in 2018.

• Completed the transition of the administration of the Efficiency Works Homes program from an outsourced program contractor to a program that makes use of an in-house program manager and program coordinator to provide better, more cost-effective service to the owner communities and their customers.

• Continued to improve the program enrollment and rebate application process for customers and their service providers with web-based forms. In 2018, customers could request an Efficiency Works Homes assessment and their service providers could apply for rebates via the Efficiency Works web site.

Energy efficiency programs – 2019. The goal for 2019 is to continue growth of our efficiency programs consistent with our long-term forecast: 38,000 MWh of new energy savings and 6,500 kW of new demand savings. A total of $12.7 million has been budgeted by Platte River and the owner communities, consisting of approximately $11.7 million in program spending for contracted services and rebates and $1 million for Platte River to administer the programs. Platte River is expected to provide $9.0 million and the owner communities will provide $3.7 million to fund the Efficiency Works programs.

Year to date, programs have achieved 509 MWh of new energy savings and 147 kW of new summer peak demand reduction at a program cost of $0.13 million. We have collectively committed $1.25 million of program funding, including the $130,000 spent, which will result in 4,744 MWh of new energy savings and 1,250 kW of new summer peak demand reduction.

COMPLIANCE

Reliability

Internal Audit. In January, reliability compliance staff along with participating staff members from SCADA engineering and physical security conducted an internal audit of Platte River’s Critical Infrastructure Protection (CIP) reliability standards. This exercise is conducted annually to assess compliance levels with the associated CIP standards applicable to Platte River. Similar to a North American Electric Reliability Corporation (NERC) audit, staff spent several days reviewing evidence, conducting random sampling, and interviewing subject matter experts (SME) to ensure compliance obligations are being met.

Initial results indicate no findings of non-compliance. Staff members are currently formalizing audit reports, which are expected to be completed by the end of February. Any identified action items will be tracked and documented by compliance staff.

Environmental

Air Quality Permit Compliance. Platte River Environmental Compliance Department is preparing for a renewal of the Title V operating permit for Rawhide Unit 1. The application is due in May 2019. This permit is issued by the State of Colorado.
During startup after the screen outage there was a temporary spike in opacity caused by an operator error. This amounted to a permit exceedance that was reported to the Colorado Department of Public Health and Environment (CDPHE). Follow-up from the event included a thorough internal investigation. Physical and procedural changes have been made that will reduce risk of similar issues in the future.

**Coal Combustion Residuals.** Final preparations are being made to decommission the two bottom ash transfer ponds at Rawhide, which will be replaced by the new concrete settling tank in early 2019. This completes the ash handling upgrades made during the 2018 maintenance outage.

Platte River Environmental Compliance Department staff are working with CDPHE to update operating plans for the Rawhide ash monofill. The updates will include changes required by state and federal regulations, including an upgraded liner system, groundwater monitoring, and changes in waste placement procedures. The upgrades are expected to be implemented starting in 2020.

**20MW Solar project.** The Environmental Compliance Department coordinated the permitting effort in support of the planned 20MW solar project proposed to be constructed at Rawhide. Work to date has included biological assessments, cultural resources surveys, public outreach, and agency interaction. Logan Simpson, a local environmental planning consultant, was retained to conduct site assessments and prepare permit documents. The 1041 permit application was submitted to Larimer County on February 12. The permit will be considered by the Planning Commission and Board of County Commissioners at hearings in the coming months.

**Oil and gas exploration at Rawhide.** Environmental staff is coordinating with a mineral lease owner to plan for seismic testing on Rawhide Energy Station property. To date the mineral lease holder conducting the survey has been willing to accommodate the unique features of the Rawhide property.

**FINANCIAL AND INFORMATION TECHNOLOGY SERVICES**

**2018 budget update.** At the December board meeting, staff reported an estimated contingency transfer of up to $1.9 million. Requesting a maximum amount and waiting until the books closed rather than transferring the funds immediately was a process change that proved beneficial as a contingency transfer is not required. The amount of below-budget funds from the completion of the Rawhide Unit 1 scheduled maintenance outage projects is the main reason a contingency transfer is not required.

Originally, a contingency transfer was potentially needed for the bottom ash outage project. The project is currently planned for a total cost of $19.2 million. Additional funds of $2.7 million for the bottom ash project were requested in 2018 for a concrete waste impoundment tank. The new concrete tank portion of the project will be completed in 2019 and funds of $2.7 million are requested to be carried over to 2019. However, the conveying system, which was the main portion of the project, was completed during the outage and $1.2 million of the built-in contingency was not needed.
Other outage projects came in below budget and most of the unused funds resulted from not needing built-in contingency that was planned for the projects. Projects were also reviewed and canceled earlier in the year to cover the additional funds requested and to ensure appropriate resources were available. Thus, there were enough funds from budgeted projects that a contingency transfer is not required for the over-budget request of the bottom ash project. Staff continually monitors spending estimates to ensure capital projects are appropriately funded. Project managers are also continuously improving work planning and budgeting by better aligning scope, schedules and available resources.

**2018 financial audit.** A new accounting pronouncement requires the defined benefit plan audited financial statements to be reported in Platte River’s annual audited financial statements. Separate financial statements will be maintained; however, the footnotes will be consolidated, and a single audit report will be issued. As a result, the 2018 financial and pension results will be audited together. This change will impact the accounting for pensions and the audit schedule as described below.

- With consolidating the reports, the measurement date for the pension liability between the financial statements for the defined benefit pension plan and Platte River need to be aligned to avoid confusion. This will result in an adoption of a change in accounting principle and restating Platte River’s 2017 financial statements impacting the Statement of Net Position. In addition, due to the timing of the actuary report, the reporting on internal financial statements will be delayed until the actuary report is received and the entries can be made for 2018. Thus, the internal financial report included in the board materials for December and January will include budget schedules only. Due to the timing of the actuary report, this will be the process every year.

- The audit fieldwork has moved to a later date and has been extended to complete both audits, therefore the final report will be delivered to the board in April. On February 18, 2019, staff from BKD, LLP, began fieldwork. Staff prepared audit schedules and were available to respond to audit inquiries. The audit fieldwork is expected to be completed on March 8, 2019. Jodie Cates from BKD will present the results of the audit at the April 2019 board meeting.

**Market manipulation audit.** Platte River’s manager of internal audit completed the semi-annual market manipulation audit for 2018. The auditor noted no indications of market manipulation, but made recommendations for internal control improvements in the areas of system administration, system access controls and documentation as well as expanding anti-market manipulation training to include additional staff, which could be implemented by departmental staff.

**Trapper Mine audit.** Platte River’s manager of internal audit did not participate in the Trapper Mine audit covering the year 2017 due to maternity leave. Auditors from each of the other Trapper Mine owners completed the annual Trapper Mine audit. In accordance with the terms of the Craig Station Long-Term Coal Supply Agreement, documentation supporting the coal billings was reviewed for the year 2017. No audit exceptions were identified in the billings.
Insurance renewals. The excess liability policy renewed with AEGIS for the policy period of December 31, 2018, to December 31, 2019. The excess liability policy has a $1 million per occurrence deductible and coverage limits of $35 million per occurrence ($70 million aggregate).

The property policy renewed with AIG for the policy period of January 19, 2019, to January 19, 2020. The property policy has $750 thousand per occurrence deductible and coverage limits per occurrence with an aggregate of $200 million. Platte River’s property policy covers acts of terrorism.

Rates meeting – owner community and Platte River staffs. Rate staffs from the owner communities and Platte River periodically meet to improve collaboration on various rate issues. In January, all rate staffs met to discuss Platte River’s wholesale rate design implementation and one of the many topics discussed were Fort Collins’ time of day pricing implementation.

Cybersecurity education & awareness. The implementation of a new cybersecurity training and phishing platform was completed in January. This will enable the automation of reminder notifications as well as the automatic re-direction of users who click on phishing links to training which will assist them in identifying malicious emails.

Cybersecurity risk remediation program. The deployment and initial configuration of our security information and event management (SIEM) system have been completed. This is one of the cornerstone projects that is part of Platte River’s overall 5-year cybersecurity risk remediation program. An incident response workshop is scheduled in March with InfoTech to define and document our incident response strategy, procedures and playbooks. This is another major cybersecurity initiative for 2019.

HQ campus project. Construction is progressing quickly as the new pond is fully constructed and has been filled from the new irrigation well. The structural steel for the south bar of the new headquarters building has been fully erected and the north bar is progressing on schedule.

Construction of the outbuildings has primarily moved from the exterior construction to the interior finishes and equipment installation. These buildings are currently scheduled to be open for Platte River use around the first week in April.

There were no lost time or recordable injuries in 2018 for the HQ construction project.
Fuels and water. Since May 2018, Platte River has been able to rely solely on pumped Windy Gap water from 2018 for its Rawhide water supply and, as of mid-February, current snowpack totals for Colorado are at or above average. In the Upper Colorado Basin, modeling projections indicate that Granby Reservoir will have sufficient storage capacity available for Windy Gap to pump this spring which would secure Platte River’s water supply for the remainder of 2019. Staff will continue to monitor regional water supply conditions and adjust operations as needed.

At the end of January, Colorado and six other states agreed to a framework of strategies for
reducing demands and alleviating the effects of the current drought on the Colorado River. This “Drought Contingency Plan”, which stresses water conservation and demand reduction and implements a water bank system for Upper Basin states, is not yet fully developed and the specific implications for the Windy Gap Project and Platte River are currently uncertain. Moving forward, staff will continue to work closely with Northern Water to assess the potential impacts of the plan on Platte River’s operations.

In December, Platte River signed the Fourth Amendment to the Fifth Interim Agreement for Participation in the Windy Gap Firming Project, which consists of engineering design completion, pre-construction and contract administration activities, and nutrient mitigation activities. Platte River’s payment associated with the agreement was made in January 2019, as scheduled in the 2019 budget. Stantec, the project design engineering firm, has substantially completed the design and has submitted the documents to the design review board and the Colorado Division of Water Resources. Upon their approval, a dam safety permit will be issued for the project. An updated engineering cost estimate based on the final design is being drafted and will be a guide for what to anticipate when the actual construction bids are received. Additionally, a contracting process and procurement schedule is in development and is being discussed with participants. Depending on the progress of current litigation, reservoir construction is anticipated to commence in early 2020 and will last approximately four years.

Platte River completed two additional transactions for the sale of Windy Gap units in December 2018 and January 2019. This brings the total number of Windy Gap units sold to 40 units (out of 60 units available to sell through the board-approved water policy). During an upcoming board meeting, staff will provide a summary of the results of Windy Gap sales thus far.

In 2018, Rawhide received a total of 1,027,391 tons of coal from Antelope Mine at an average price slightly below the budgeted cost. Through the utilization of a new train operating and unloading schedule in 2018, the coal was delivered using 36 fewer trains in the year than it would have taken under previous operations. This improvement in operational efficiency reduced costs and environmental impact and is a good example of working in partnership with our coal and rail providers.

**Resource planning and forecasting.** Staff developed the first drafts of the 2020 load forecast which contains important input for Platte River’s annual budgeting process as well as the 2020 Integrated Resource Plan (IRP). The 2020 load forecast will focus on contemporary drivers of load growth, including electric vehicles, distributed energy resources, energy efficiency and consumer behavior patterns. The load forecast will be delivered on March 15 to key internal staff.

**2020 Integrated Resource Plan.** Written approval from WAPA was received in January to submit Platte River’s next IRP approximately one year in advance. The approval emphasizes that the next IRP, in 2025, must be submitted one year in advance. A project with Pace was initiated to refine the power price forecast used in the IRP to ensure that prices and renewable energy generation are appropriately correlated. As part of ongoing stakeholder outreach efforts, staff met with the Northern Colorado Partners for the Clean Energy Modeling Working Group to discuss modeling needs, processes, and progress of the 2020 IRP. First draft reports/models
were received from Burns and MacDonnell, regarding the coal cycling study, and from HDR, in reference to the potential for demand-side management and distributed energy resources. Colorado State University also produced their first draft reports/models regarding the regional economic model in support of the IRP. The review process for the generation and technology review (GTR) document was completed, and the document is now in the graphic design stage. This will be the first report that Platte River will share with IRP stakeholders.

**Information management.** The resource planning department continues the development of an enterprise data warehouse and associated reporting tools to enhance overall business processes. Automated processes for data retrieval of market and economic information, hourly weather data and county property records have been implemented. Processes are being developed to automatically gather and archive operations and billing data from various systems (Smart Stream, MV90, etc.).

**GENERAL AND FOLLOW UP ITEMS**

**General counsel hiring process.** Staff has been working on scheduling phone interviews and the final interview process within a tight timeframe. The screening committee will be receiving the full packet of resumes and information following the February board meeting and the selection process for phone interview candidates will begin on March 4. Platte River leadership and city attorney interviews for the final candidates are scheduled for Thursday, March 28 and full board interviews are planned for March 29.

**20 MW solar/battery project.** Platte River signed a power purchase agreement (PPA) on Feb. 13 for 20 MW of solar and 2 MWh of battery storage with GCL New Energy which has partnered with DEPCOM as the general contractor. Starting in early 2020, the project is expected to deliver 52,000 MWh of solar generation and includes a battery which can discharge one full charge each day. In tandem with the PPA and land lease negotiations at Rawhide, Platte River also entered into a contract with Logan Simpson to prepare and submit the 1041 site permit application to Larimer County. The permit application was filed on Feb. 12 and will be reviewed by the planning commission and county commissioners over the next three to four months. Engineering work and interconnection studies should be completed and a construction permit should be granted to allow construction to commence by late summer 2019. Platte River and owner community staff continue to hold periodic conference calls to discuss progress on the project as well as renewable program design and marketing.

**Enyo transmission line status.** Enyo is currently working with key stakeholders to reach a consensus on a preferred transmission line route for delivering the wind output located on the Belvoir and Duck Creek Ranch, in southern Wyoming, to Platte River’s Rawhide Substation. The preferred transmission line route being recommended by almost all interested stakeholders is estimated to be approximately 19 miles in length.

Enyo/NextEra obtained approval to acquire an easement over Meadow Springs Ranch from the City of Fort Collins, on Feb. 5, which covers over 50 percent of the length of the preferred transmission line route. The project also has the first 6.4 miles of transmission line from the Roundhouse Substation under a long-term wind energy lease that allows for transmission access, resulting in nearly 85 percent site control for the transmission line route. NextEra continues to work with the remaining three property owners to obtain an easement for the
remainder of the preferred transmission line route, all of whom appear to be supportive of the project.

<table>
<thead>
<tr>
<th>Important dates</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb. 19, 2019</td>
<td>Laramie County’s Wyoming Board of Commissioners hearing on the wind project and transmission line</td>
</tr>
<tr>
<td>Feb. 20, 2019</td>
<td>Larimer County Planning Commission hearing to review the transmission line route</td>
</tr>
<tr>
<td>March 11, 2019</td>
<td>Larimer County Board of County Commissioners 1041 permit hearing</td>
</tr>
<tr>
<td>March 18, 2019</td>
<td>The project will submit a Wyoming Industrial Siting Act permit application</td>
</tr>
<tr>
<td>April 2, 2019</td>
<td>Weld County Planning Commission hearing to review the transmission line route</td>
</tr>
<tr>
<td>May 1, 2019</td>
<td>Weld County 1041 permit hearing</td>
</tr>
<tr>
<td>June 13, 2019</td>
<td>Industrial Siting Council hearing</td>
</tr>
<tr>
<td>June 14, 2019</td>
<td>Industrial Siting Council hearing</td>
</tr>
</tbody>
</table>

At this time, the project is on schedule to commence construction in late 2019, in order to meet the Dec. 1, 2020, commercial operation date.