AGENDA
UTILITY ADVISORY COMMITTEE
May 21, 2026

Hybrid Meeting In-person and via Zoom

https://us02web.zoom.us/s/83931522564

Accessibility
The City of Ellensburg strives to make our services, programs, and activities readily accessible.

- Closed Captioning is available to Zoom viewers. To enable closed captioning, you will need to click on the “CC” button at the bottom of your Zoom screen and then select either “Show Subtitle” or “View Full Transcript."
- Members of the public who do not speak English or who have limited proficiency may request an interpreter if they wish to participate in public meetings.
- The City will provide reasonable accommodation for members of the public with disabilities.

Rules for Public Comment
Any person engaging in conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting including but not limited to:

1. Unduly repetitive or irrelevant remarks;
2. Use of intimidating, threatening. or abusive language;
3. disobedience of an order to be seated or to discontinue further comments;
4. and/or engaging in violent behavior,

The City of Ellensburg strives to make our services, programs, and activities readily accessible and usable by individuals with disabilities. Reasonable accommodations will be made upon request. Please furnish the ADA Coordinator with your request in sufficient time for the City to provide a reasonable accommodation. A Request for Accommodation form may be obtained on the first floor of City Hall or by calling the City of Ellensburg ADA Coordinator at (509) 962-7222 or email ADAcoordinator@ci.ellensburg.wa.us will be deemed out of order and may be removed from the meeting and/or have his or her virtual microphone muted.

CITY OF ELLENSBURG
UTILITY ADVISORY COMMITTEE AGENDA
Council Conference Room
501 North Anderson Street
Ellensburg, WA 98926
Or remotely via Zoom - https://us02web.zoom.us/s/83931522564
Thursday, May 21, 2026
3:30 PM - Regular Meeting

1. **Call to Order and Roll Call**
2. **Approval of Agenda** (No Public Comment)
3. **Approval of Minutes**
   3.A Utility Advisory Committee Meeting 4-16-26 Minutes
4. **Correspondence and Citizen Comments on Non-Agenda Items**
5. **Electric, Natural Gas, and Telecommunications Discussion Items**
   5.A Bonneville Power Administration Provider of Choice Above-CHWM Election
   5.B Capital Facilities and Utilities Comprehensive Plan Chapter - Energy Services
   5.C Natural Gas Supply and Asset Management Agreement
6. **Energy Services Updates**
   6.A Energy Services Updates
7. **Commission Representative Update**
8. **Adjournment**

For more information on the Ellensburg Utility Advisory Committee, contact Finance Officer, Megan Bair, at 509-962-7124.

CITY OF ELLENSBURG | **Minutes of Utility Advisory Committee, Regular Meeting**

Date of Meeting | **April 16, 2026**

Time of Meeting | **3:30 PM**

Place of Meeting | **Council Conference Room**
501 North Anderson Street
Ellensburg, WA 98926
Or remotely via Zoom -
https://us02web.zoom.us/s/83931522564

1. Call to Order and Roll Call

Chair Bousson called the meeting to order at 3:31pm.

Members present in person: Nancy Lillquist, City Council; Fred Springsteen, Utility Customer.

Others present in person: City Manager Behrends Cerniwey, Energy Services Director Stanavich, Energy Resources Manager Baker, Gas Engineer Yusi, Finance Officer Bair, Telecom Manager Hiede

Others present remotely via Zoom: Jeff Bousson, Chair/CWU, Delano Palmer, City Council; Rate Analyst Moores, members of the public

2. Approval of Agenda

Committee member Bousson motioned to add Item 7A — Selection Committee to the agenda. **Motion Approved 4-0**

Committee member Bousson moved to approve the agenda as presented. **Motion Approved 4-0**

3. Approval of Minutes

3.A Utility Advisory Committee Meeting 3-19-26 - Minutes
Committee member Bousson moved to approve the regular meeting minutes as presented. **Motion Approved 4-0**

4. Correspondence and Citizen Comments on Non-Agenda Items

No public comment.

5. Electric, Natural Gas, and Telecommunications Discussion Items

5.A 2026 Clean Energy Transformation Act (CETA) Energy Assistance Report
Nichole Baker, Energy Resource Manager introduced guest Hassan Shaban, who presented on 2026 Clean Energy Transformation Act CETA Energy Assistance Report. Requesting a favorable recommendation to city council. Committee member Nancy Lilquist asked for clarification on funding sources for this assistance program. Committee member Jeff Bousson asked for the amount of budgeted BPA funds in 2026 - $226,000. Guest speaker, Hassan Shaban discussed potential risks of not utilizing the budgeted funds, and suggested a solution if the funds are not utilized.

Committee member Nancy Lillquist moved to forward a favorable recommendation to City Council to designate up to $150,000 annually of Bonneville Power Administration (BPA) Energy Conservation funding to support the City's compliance obligation for the 2026 Clean Energy Transformation Act (CETA) RCW 19.405.120, Section 120 Low-income programs. **Motion Approved 4-0.**

5.B Letter of Commitment — CWU Collaboration – Geothermal Resource Characterization & Confirmation (DOE - NOFO)
Energy Services Director Buddy Stanavich introduced Letter of Commitment - CWU Collarboration - Geothermal Resource Characterization & Confirmation (DOE - NOFO). Committee Member Delano Palmer presented the geothermal facility and system plans at CWU. Committee Member Jeff Bousson asked if the committed land would be federally owned; Committee Member Delano Palmer is working on determining the land ownership with the DOE. Committee members discussed the community impact of drilling the proposed wells. Committee Member Delano Palmer suggested an increase of community engagement and communication for potential disruptions. Public comment from Lauren Spear.

Committee Member Bousson moved to forward a favorable recommendation to City Council to authorize the City Manager to execute the Letter of Commitment for the Geothermal Resource Characterization & Confirmation (DOE-NOFO). **Motion Approved 3-0, 1 Abstained.**

6. Energy Services Updates

6.A Energy Services Updates
No comments.

6.B BPA Contract High Water Mark Review

Energy Services Director Buddy Stanavich presented an information-only item on the analysis of the BPA Contract High Water Mark Review.

7. Commission Representative Update

Approved agenda item 7A, Selection Committee. Energy Services Director Buddy Stanavich shared that the committee has received two applications. The Selection Committee discussed availability and target dates for interviews, in order to present elected members at the next upcoming City Council meeting on May 4th. Committee Member Jeff Bousson and Committee Member Nancy Lillquist provided availability for scheduling interviews.

No commission representative updates.

8. Adjournment
Meeting adjourned at 4:41pm.

Agenda #5.A

Meeting Date: May 21, 2026
City of Ellensburg
Utility Advisory Committee Agenda Report

Agenda Subject:	Bonneville Power Administration Provider of Choice Above-CHWM Election
Submitted by:	Nichole Baker, Energy Resources Manager
Department:	Energy Services

Suggested Motion/Action:
Forward a favorable recommendation to Council recommending the selection of Option A — Long-Term Tier 2 Rate to serve its Above-Contract High Water Mark load, under the Bonneville Power Administration Provider of Choice contract.

Background/Summary:
Beginning in October 2028, Ellensburg will transition to Bonneville Power Administration's (BPA) new Provider of Choice contract and must decide how to serve electricity loads above its Contract High Water Mark (CHWM), also referred to as Tier 2 load. The City of Ellensburg must make a Tier 2 service election in time for the July 14, 2026 deadline.

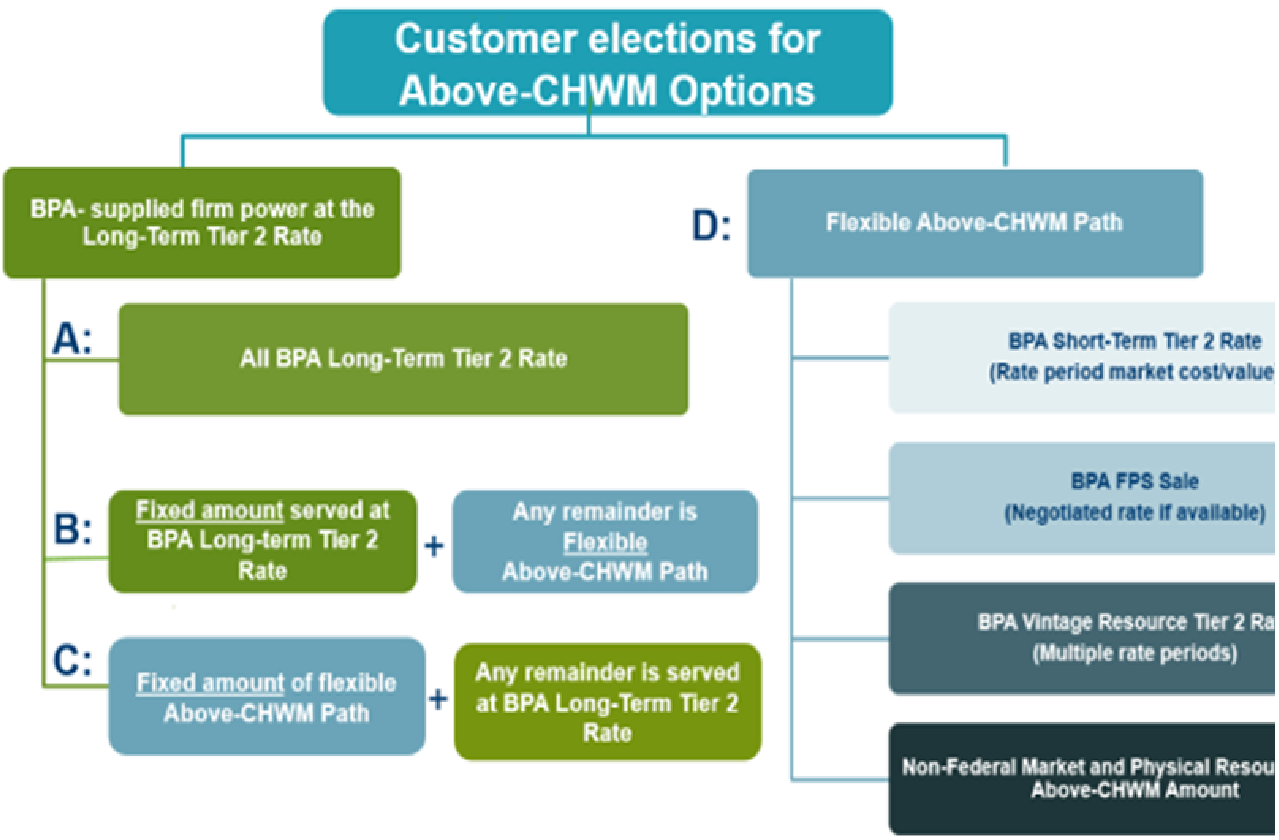
The City is currently evaluating a one-time election under BPA's Provider of Choice framework for Above-CHWM service. This election will remain in effect for the duration of the contract, subject only to limited future adjustment provisions. BPA has advised that Ellensburg must select one of four Above-CHWM service options identified in Exhibit C of the Provider of Choice Agreement. The City has several options for this service, including but not limited to a more stable long-term rate, a potentially more volatile rate that is tied to short-term market prices, or some combination of the two.

To support the City's evaluation of its above-CHWM service election options, staff has retained Ted Light of Lighthouse Energy Consulting to provide specialized technical and strategic advisory assistance. Lighthouse Energy Consulting is assisting the City in reviewing the applicable selection pathways, evaluating operational and financial implications, and supporting staff's development of information and recommendations for Council and committee consideration. This consultant support is intended to help ensure the City's above-CHWM selection is informed, well-documented, and aligned with the City's long-term utility interests.

BPA's preliminary final CHWM for the City is 25.231 aMW, unchanged from the draft value, and Lighthouse found that calculation reasonable. Based on the City's current load forecast, Ellensburg is expected to remain above CHWM throughout the 2029–2044 contract term, starting at about 6 aMW above CHWM in 2029, increasing to 7.4 aMW in 2030, and then rising gradually over time as load grows while CHWM remains fixed. Lighthouse prepared the Ellensburg Provider of Choice Contract Elections memo to help the City compare the cost and risk tradeoffs of the available above-CHWM election choices before BPA's election deadline.

Previous Council Action:
Council moved to authorize the Mayor to sign the Provider of Choice contract with the Bonneville Power Administration at the November 3, 2025 meeting. The contract was executed on November 13, 2025.

Analysis:
This analysis highlights the tradeoffs among the service options the City may consider under its Provider of Choice contract. While qualitative factors may also influence the decision, Lighthouse's analysis illustrates how those considerations could affect outcomes across a range of potential scenarios. Ultimately, the selection of a service option will depend on the City's risk tolerance, as each option presents a different balance of risk and potential benefit. Lighthouse's modeling found that all options cluster around a similar central cost outcome, but Option A has the lowest worst-case cost while Option D has the widest volatility; Options B and C fall between those two depending on how much risk the City is willing to accept.



Above-CHWM Load Service Options

The memorandum prepared by Lighthouse Energy Consulting outlines four Tier 2 service path options:

Option A: If the City wants to prioritize rate stability and limit its exposure to market volatility, Option A is the preferred choice.

Option B and C: Options B & C can be structured to provide a blend of these two approaches, with blends of short- and long-term pricing.

Option D: If the City wants market exposure to take full advantage of potential low market prices, Option D would be preferable but comes with exposure to higher prices as well.

Option A is the staff recommendation because it best aligns with the City's preference for rate stability and a lower-risk service approach under the Provider of Choice contract. Among the options evaluated, Option A provides the lowest worst-case cost, making it the most protective choice in unfavorable market conditions. Because the City's priority is to maintain predictable rates and limit exposure to uncertain market conditions, Option A represents the most prudent and financially stable choice.

Financial Impact:

Budget Adjustment: No

Attachments:

1. A2700-Power Sales Agreement No. 26PS-25027-Dept of Energy Bonneville Power Administration
2. Lighthouse Ellensburg Tier 2 Election Support

A2700

Department of Energy

Bonneville Power Administration
Eastern Customer Service Center
1620 E Hawthorne Rd, PO Box 789
Mead, WA 99021
POWER SERVICES

November 13, 2025

In reply refer to: PSE-MEAD-GOB

Mr. Buddy Stanavich
Energy Services Director
City of Ellensburg
501 N Anderson Street
Ellensburg, WA 98926-3147

RE: Provider of Choice Fully Executed Contract

Dear Buddy:

A fully executed original of Power Sales Agreement, Contract No. 26PS-25027 (Agreement), between the Bonneville Power Administration and City of Ellensburg is attached for your records. This new Agreement provides for power service from October 1, 2028 through September 30, 2044.

This contract reflects years of regional collaboration, represents a historic accomplishment, and forges our continued relationship. I look forward to continuing to work with you in the future.

If you have any questions please contact me at (509) 822-4590.

Sincerely,

HOPE ROSS Digitally signed by HOPE ROSS Date: 2025.11.13 13:58:23 -08'00'

Hope Ross
Account Executive

Enclosure

A2700

Contract No. 26PS-25027

POWER SALES AGREEMENT
executed by the
BONNEVILLE POWER ADMINISTRATION
and
CITY OF ELLENSBURG

Table of Contents

Exhibit H Renewable Energy Certificates and Environmental Attributes
Exhibit I Notices and Contact Information
Exhibit J Support Services; Additional Resource and Energy Storage Device Requirements

This POWER SALES AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and CITY OF ELLENSBURG (Ellensburg), hereinafter individually referred to as "Party" and collectively referred to as the "Parties". Ellensburg is a municipal corporation, organized and authorized under the laws of the State of Washington, to purchase and distribute electric power to serve retail consumers from its distribution system within its service area.

RECITALS

Ellensburg's power sales agreement Contract No. 09PB-13037 continues through September 30, 2028, and power sales under this Agreement begin on October 1, 2028. All obligations and liabilities accrued under Contract No. 09PB-13037 are preserved until satisfied.

BPA is a functionally separated organization with distinct administrative and decision-making activities for BPA's power and transmission functions. References in this Agreement to Power Services or Transmission Services are solely for the purpose of clarifying which BPA function is responsible for such administrative and decision-making activities.

BPA is authorized to market electric power to qualified entities eligible to purchase such power. Under Section 5(b)(1) of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act), 16 U.S.C. § 839c(b)(1), BPA is obligated to offer a power sales agreement to any eligible customer for the sale and purchase of electric power to serve the customer's regional consumer load not served by the customer's resources.

In the final Provider of Choice Policy, March 2024 BPA proposed to develop the contracts requested under Section 5(b) of the Northwest Power Act consistent with a tiered rates pricing construct for the Section 7(b) rate, in order to provide signals and to encourage the timely development of regional power resource infrastructure to meet regional consumer loads under this Agreement.

This Agreement effectuates a Contract High Water Mark (CHWM) for Ellensburg that establishes the amount of power Ellensburg may purchase from BPA at Tier 1 Rates.

The Parties agree:

1. TERM

This Agreement takes effect on the date signed by the Parties and expires on September 30, 2044. Power sales by BPA to Ellensburg under this Agreement shall commence on October 1, 2028, provided that the Parties have completed any obligations required between the Effective Date and October 1, 2028 as specified under this Agreement.

Until October 1, 2028, section 19, Governing Law and Dispute Resolution will only apply to the extent there is a dispute regarding actions required under this Agreement that occur prior to October 1, 2028.

All obligations and liabilities accrued under this Agreement are preserved until satisfied.

2. DEFINITIONS

Capitalized terms below shall have the meaning stated. Capitalized terms that are not listed below are either defined within the section or exhibit in which the term is used, or if not so defined, shall have the meaning stated in BPA's applicable Power Rate Schedules, including the General Rate Schedule Provisions (GRSPs) or Public Rate Design Methodology (PRDM). Definitions in **bold** indicate terms that are both defined in the PRDM and that the Parties agree should conform to the PRDM as it may be revised. The Parties agree that if such definitions are revised pursuant to the PRDM, then BPA shall promptly and unilaterally amend this Agreement to incorporate such revised definitions from the PRDM, to the extent they are applicable.

2.1 "5(b)/9(c) Policy" means BPA's Policy on Determining Net Requirements of Pacific Northwest Utility Customers Under Sections 5(b)(1) and 9(c) of the Northwest Power Act issued May 23, 2000, and its revisions or successors.

2.2 "**7(i) Process**" means a public process conducted by BPA, pursuant to Section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i), or its successor, to establish rates for the sale of power and other products.

2.3 "Above-CHWM Load" means the forecasted portion of a customer's Preliminary Net Requirement that is in excess of the customer's CHWM, if any, as determined in the Above-CHWM Load Process.

2.4 "Above-CHWM Load Process" means the public process conducted during each Forecast Year, in which BPA will calculate the following values for the upcoming Rate Period: (1) each customer's Preliminary Net Requirement; (2) adjusted CHWMs; and (3) each customer's Above-CHWM Load.

2.5 "Annexed Load" means existing load, distribution system (regardless of voltage), or service territory Ellensburg acquires after the Effective Date from another utility, by means of annexation, merger, purchase, trade, or other acquisition of rights, the acquisition of which BPA determines is consistent with BPA's standards of service and has been authorized by agreement between the impacted utilities or by a final state, regulatory, or court action. The Annexed Load must be served from distribution facilities of any voltage that are owned or acquired by Ellensburg.

2.6 "Attribute Pools" shall have the meaning as defined in section 2 of Exhibit H.

2.7 "Average Megawatts" or "aMW" means the amount of electric energy in megawatt-hours (MWh) during a specified period of time divided by the number of hours in such period.

2.8 "Balancing Authority" shall have the meaning as defined in section 1 of Exhibit F.

2.9 "Balancing Authority Area" shall have the meaning as defined in section 1 of Exhibit F.

2.10 "Block" or "Block Product" means a planned amount of Firm Requirements Power sold to a customer to meet a portion of its regional consumer load.

2.11 "Business Day(s)" means every Monday through Friday, except federal holidays.

2.12 "**CHWM Contract**" means the power sales agreement between a customer and BPA that contains a Contract High Water Mark (CHWM), and under which the customer purchases power from BPA at rates established by BPA in accordance with the PRDM.

2.13 "Committed Power Purchase Amount" means an amount of firm energy, listed in sections 3 and 4 of Exhibit A, that Ellensburg has agreed to supply and use to serve its Total Retail Load. Such amount is not attributed to a Specified Resource.

2.14 "Consumer-Owned Resource" means a Generating Resource connected to Ellensburg's distribution system (regardless of voltage) from which the output is owned by a retail consumer, has a nameplate capability greater than 1.000 megawatt, is operated to serve load, and is not operated occasionally or intermittently as a back-up energy source at times of maintenance or forced outage. Consumer-Owned Resource does not include a resource where the owner of the resource is a retail consumer that exists solely for the purpose of selling wholesale power and for which Ellensburg only provides incidental station service energy for local use at the retail consumer's generating plant for uses such as lighting, heat and the operation of auxiliary equipment.

2.15 "Contracted For, or Committed To" or "CF/CT" shall have the meaning as described in section 20.3.1.1.

2.16 "Contract High Water Mark" or "CHWM" means the amount of Firm Requirements Power (expressed in annual Average Megawatts) that a customer is eligible to access at Tier 1 Rates. The amount of Firm Requirements Power a customer purchases at Tier 1 Rates is limited to the lesser of its CHWM or its Net Requirement as established consistent with section 1 of Exhibit A.

2.17 "Contract High Water Mark (CHWM) Implementation Policy" means the policy that documents the process details around the FY 2026 CHWM Calculation Process and Above-CHWM Load Process.

2.18 "Cumulative Prior Load" shall have the meaning as established in section 20.3.5.2.

2.19 "Cycle" shall have the meaning as defined in section 6 of Exhibit J.

2.20 "Cycles per Day" shall have the meaning as defined in section 6 of Exhibit J.

2.21 "Dedicated Resource" means a Specified Resource or a Committed Power Purchase Amount listed in Exhibit A that Ellensburg is required by statute to provide or obligates itself to provide under this Agreement for use to serve its Total Retail Load.

2.22 "Dispatchable Resource" means a Specified Resource from which generation amounts can be intentionally increased or decreased by the resource owner or operator, and which has capacity capability greater than the energy capability as defined in Exhibit J.

2.23 "Diurnal" means the division of hours within a month between Heavy Load Hours (HLH) and Light Load Hours (LLH).

2.24 "Due Date" shall have the meaning as described in section 16.2.

2.25 "Effective Date" means the date on which this Agreement has been signed by both Ellensburg and BPA.

2.26 "Electronic Tag" or "E-Tag" shall have the meaning as defined in section 1 of Exhibit F.

2.27 "Eligible Annexed Load" shall have the meaning as defined in section 3.5.7.

2.28 "Emissions Allowance" shall have the meaning as defined in section 2 of Exhibit H.

2.29 "Energy Storage Device" or "ESD" means a facility used to hold generated electric energy for release at a later time. Energy Storage Devices include energy storage facilities such as batteries. In Exhibit J, BPA documents Energy Storage Devices with alternating current (AC) nameplates (in some cases stated as facility interconnection AC nameplates) greater than 1.000 megawatt.

2.30 "Environmental Attribute Accounting Process" shall have the meaning as defined in section 2 of Exhibit H.

2.31 "Environmental Attributes" shall have the meaning as defined in section 2 of Exhibit H.

2.32 "Existing Resource" means a Specified Resource listed in section 2 of Exhibit A that Ellensburg was obligated by contract or statute to use to serve Ellensburg's Total Retail Load prior to October 1, 2023.

2.33 "Federal Columbia River Power System" or "FCRPS" means the integrated power system that includes, but is not limited to, the transmission system constructed and operated by BPA and the hydroelectric dams in the Pacific Northwest constructed and operated by the U.S. Army Corps of Engineers and the Bureau of Reclamation.

2.34 "FERC" means the Federal Energy Regulatory Commission, or its successor.

2.35 "Firm Requirements Power" means electric power that BPA sells under this Agreement and makes continuously available to Ellensburg to meet BPA's obligations to Ellensburg under Section 5(b) of the Northwest Power Act.

2.36 "Fiscal Year" or "FY" means the period beginning each October 1 and ending the following September 30.

2.37 "Flat Annual Shape" means a distribution of energy having the same Average Megawatt value of energy in each month of the year.

2.38 "Flat Within-Month Shape" means a distribution of energy having the same Average Megawatt value of energy in each Diurnal period of the month.

2.39 "Forecast Year" means the Fiscal Year ending one full year prior to the commencement of a Rate Period.

2.40 "FY 2026 CHWM Calculation Process" means the public process where BPA shall calculate each customer's CHWM in accordance with section 2.4 of the Provider of Choice Policy, March 2024, as amended or revised.

2.41 "Generating Resource" means any source or amount of electric power from an identified electricity-producing unit, and for which the amount of power received by Ellensburg or Ellensburg's retail consumer is determined by the power produced from such identified electricity-producing unit. Such unit may be owned by Ellensburg or Ellensburg's retail consumer in whole or in part, or all or any part of the output from such unit may be owned for a defined period by contract.

2.42 "Heavy Load Hours" or "HLH" shall have the meaning as defined in section 1 of Exhibit F.

2.43 "HLH Diurnal Shape" means a distribution of energy between the Diurnal periods in which more megawatt-hours per hour are applied in the Heavy Load Hour (HLH) periods than megawatt-hours per hour applied in the Light

Load Hour (LLH) periods. Such distributions are determined by Ellensburg consistent with section 8 of Exhibit A.

2.44 "Hours of Maximum Discharge" shall have the meaning as defined in section 6 of Exhibit J.

2.45 "Interchange Points" shall have the meaning as defined in section 1 of Exhibit F.

2.46 "Inventory" or "Inventories" shall have the meaning as defined in section 2 of Exhibit H.

2.47 "Issue Date" shall have the meaning as described in section 16.1.

2.48 "Joint Operating Entity" or "JOE" means an entity that meets the requirements of Section 5(b)(7) of the Northwest Power Act.

2.49 "Light Load Hours" or "LLH" shall have the meaning as defined in section 1 of Exhibit F.

2.50 "Low Voltage Segment" means the facilities of a Third-Party Transmission Provider that are below 34.5kV.

2.51 "Maximum Charge Rate" shall have the meaning as defined in section 6 of Exhibit J.

2.52 "Maximum Potential CHWM" shall have the meaning as defined in section 1.2.5 of Exhibit B.

2.53 "Maximum Single Hour Discharge" shall have the meaning as defined in section 6 of Exhibit J.

2.54 "Net Requirement" means the amount of electric power that a customer may purchase from BPA to serve its Total Retail Load, minus amounts of its Dedicated Resources shown in Exhibit A, as determined consistent with Section 5(b)(1) of the Northwest Power Act.

2.55 "New Large Single Load" or "NLSL" shall have the meaning as specified in Section 3(13) of the Northwest Power Act and in the April 2001 Bonneville Power Administration New Large Single Load Policy or its successor (BPA's NLSL Policy).

2.56 "New Resource" means: (1) a Specified Resource listed in section 2 of Exhibit A that Ellensburg was or is obligated by contract to use to serve Ellensburg's Total Retail Load after September 30, 2023, and (2) any Committed Power Purchase Amounts listed in Exhibit A.

2.57 "**New Resource Rate**" or "NR Rate" means the rate for requirements firm power sold to an investor-owned utility (IOU) or public customer pursuant to Section 7(f) of the Northwest Power Act, 16 U.S.C. § 839e(c).

2.58 "Northwest Power Act" means the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. § 839 et seq., Public Law No. 96-501, as amended.

2.59 "On-Site Consumer Load" means the load of an identified retail consumer of Ellensburg that is electrically interconnected at the same Point of Delivery to Ellensburg's system with a Consumer-Owned Resource of that same identified retail consumer. Such load does not utilize BPA or Third-Party Transmission Provider transmission facilities to deliver the generation from the Consumer-Owned Resource to the consumer load.

2.60 "Open Access Transmission Tariff" or "OATT" shall have the meaning as defined in section 1 of Exhibit F.

2.61 "Peak Load Variance Service" or "PLVS" means a resource-capacity planning-based service for instances when planned load exceeds expected load forecast values.

2.62 "Planned NLSL" means the load at a facility that BPA and a customer have agreed, pursuant to the provisions of Section V.B. of BPA's NLSL Policy, is expected to become an NLSL during the facility's next consecutive 12-month monitoring period.

2.63 "Planned Transmission Outage" shall have the meaning as defined in section 1 of Exhibit F.

2.64 "Point of Delivery" or "POD" means the point where power is transferred from a transmission provider to Ellensburg.

2.65 "Point of Metering" or "POM" means the point at which power is measured.

2.66 "Potential NLSL" means a load at a facility that BPA determines is capable of growing ten Average Megawatt or more in a consecutive 12-month monitoring period that may qualify as an NLSL.

2.67 "Power Services" means the organization, or its successor organization, within BPA that is responsible for the management and sale of BPA-provided electric power.

2.68 "**Preliminary Net Requirement**" means a customer's annual Net Requirement prior to accounting for any New Resources a customer may elect to serve its Above-CHWM Load. Preliminary Net Requirement is determined as the forecasted annual Total Retail Load less Existing Resources, NLSLs, Specified Resources added to Tier 1 Allowance Amount, and Consumer-

Owned Resources serving On-Site Consumer Load, as determined in the Above-CHWM Load Process.

2.69 "Primary Points of Receipt" shall have the meaning as defined in section 14.1.

2.70 "**Public Rate Design Methodology**" or "**PRDM**" means the methodology describing the manner in which BPA will collect a portion of its Power Revenue Requirement from public customers with a CHWM Contract through a combination of charges, credits, fees, and discounts, as well as the terms and conditions related to any potential changes to the methodology.

2.71 "Qualified Capacity Contribution" or "QCC" means the megawatt quantity of capacity provided by a resource, contract, or portfolio as defined by the Western Resource Adequacy Program (WRAP).

2.72 "Rate Case Year" means the Fiscal Year ending prior to the commencement of a Rate Period. The Rate Case Year immediately follows the Forecast Year and is the year in which the 7(i) Process for the next Rate Period is conducted.

2.73 "Rate Period" means the period of time during which a specific set of rates established by BPA pursuant to the PRDM is intended to remain in effect.

2.74 "Region" means the Pacific Northwest as defined in Section 3(14) of the Northwest Power Act.

2.75 "Renewable Energy Certificates" or "Renewable Energy Credits" or "RECs" shall have the meaning as defined in section 2 of Exhibit H.

2.76 "Retire" or "Retirement" shall have the meaning as defined in section 2 of Exhibit H.

2.77 "Resource Diurnal Shape" means a distribution of energy within each Diurnal period that a Specified Resource is expected to produce, as agreed to by the Parties in accordance with section 3.4.1(1).

2.78 "Resource Monthly Shape" means a distribution of energy within each month that a Specified Resource is expected to produce, as agreed to by the Parties in accordance with section 3.4.1(1).

2.79 "Resource Support Services" or "RSS" means a suite of services BPA Power Services provides to integrate federal and non-federal resources defined in Exhibit J and priced in each regular 7(i) Process consistent with chapter 6 of the PRDM.

2.80 "Round Trip Efficiency" shall have the meaning as defined in section 6 of Exhibit J.

2.81 "Scheduling Points of Receipt" shall have the meaning as defined in section 14.1.

2.82 "Slice/Block Product" means a customer's purchase obligation under the Slice Product and the Block Product to meet its regional consumer load obligation as described in section 3.1 of the Slice/Block Product CHWM Contract.

2.83 "Slice Percentage" means the percentage used to determine the amount of the Slice Product a customer purchases, pursuant to its CHWM Contract.

2.84 "Slice Product" means the power product defined in section 5 of the Slice/Block Product CHWM Contract.

2.85 "Small Utility Adjustment" means the subsequent CHWM adjustment as provided in section 2.4.2.1 of the Provider of Choice Policy, March 2024, as amended or revised.

2.86 "Specified Resource" means a Generating Resource that has a nameplate capability or maximum hourly purchase amount greater than 1.000 megawatt, that a customer is required by statute or has agreed to use to serve its Total Retail Load. Each such resource is identified as a specific Generating Resource listed in sections 2 and 4 of Exhibit A.

2.87 "Storage Capacity" shall have the meaning as defined in section 6 of Exhibit J.

2.88 "Submitted Schedule" shall have the meaning as defined in section 3.7.

2.89 "Support Services" means a suite of services Power Services provides to customers, including RSS and other Support Services, as defined in Exhibit J and priced in each 7(i) Process consistent with chapter 6 of the PRDM.

2.90 "Surplus Firm Power" means firm power that is in excess of BPA's obligations, including those incurred under Sections 5(b), 5(c), and 5(d) of the Northwest Power Act, as available.

2.91 "Third-Party Transmission Provider" means a transmission provider other than BPA that provides transmission service to serve Ellensburg's load.

2.92 "Tier 1 Allowance Amount" means the aggregate total nameplate capacity of qualifying Specified Resources listed in section 2 of Exhibit A that Ellensburg is applying to offset its purchase obligation in accordance with section 3.5.2.

2.93 "**Tier 1 Marginal Energy True-Up**" means an end-of-Fiscal-Year process that evaluates the difference between forecast and actual energy usage and aligns that difference with appropriate Tier 1 Rate and market-based pricing levels, as described in chapter 4.2 of the PRDM.

2.94 "Tier 1 Rate(s)" shall have the meaning as described in chapter 4 of the PRDM.

2.95 "Tier 2 Long-Term Rate" means a Tier 2 Rate at which customers may elect to purchase Firm Requirements Power in accordance with section 2.3 of Exhibit C.

2.96 "Tier 2 Rate(s)" shall have the meaning as described in chapter 5 of the PRDM.

2.97 "Tier 2 Short-Term Rate" means a Tier 2 Rate at which customers may elect to purchase Firm Requirements Power in accordance with section 2.4 of Exhibit C.

2.98 "Tier 2 Vintage Rate" means a Tier 2 Rate(s) at which customers may elect to purchase Firm Requirements Power in accordance with section 2.5 of Exhibit C.

2.99 "Total Retail Load" or "TRL" means all retail electric power consumption, including electric system losses, within a customer's electrical system, excluding:

(1) those loads BPA and the customer have agreed are non-firm or interruptible loads,

(2) loads of other utilities served by such customer, and

(3) any loads not on such customer's electrical system or not within such customer's service territory, unless specifically agreed to by BPA.

2.100 "Transfer Service" means the transmission, distribution and other services provided by a Third-Party Transmission Provider to BPA to serve customer load over its transmission system, as listed in Exhibit E.

2.101 "Transfer Service Eligible Resource" means any (1) Dedicated Resource serving Total Retail Load, (2) Consumer-Owned Resource serving On-Site Consumer Load, or (3) any new non-federal resource pursuant to section 14.6.7.2.

2.102 "Transmission Curtailment" shall have the meaning as defined in section 1 of Exhibit F.

2.103 "Transmission Curtailment Management Service" or "TCMS" shall have the meaning as defined in section 1 of Exhibit F.

2.104 "Transmission Event" shall have the meaning as defined in section 1 of Exhibit F.

2.105 "Transmission Scheduling Service" or "TSS" shall have the meaning as defined in section 1 of Exhibit F.

2.106 "Transmission Scheduling Service-Full" or "TSS-Full" shall have the meaning as defined in section 1 of Exhibit F.

2.107 "Transmission Scheduling Service-Partial" or "TSS-Partial" shall have the meaning as defined in section 1 of Exhibit F.

2.108 "Transmission Services" means the organization, or its successor organization, within BPA that is responsible for the management and sale of transmission service on the Federal Columbia River Transmission System.

2.109 "Transmission System Delivery Plan" or "Delivery Plan" means the plan for each Dedicated Resource serving Ellensburg's load or Consumer-Owned Resource serving On-Site Consumer Load that states the transmission system of the load that resource will serve.

2.110 "Uncontrollable Force" shall have the meaning as defined in section 18.

2.111 "Vintage Resource" shall have the meaning as defined in section 2.5 of Exhibit C.

3. LOAD FOLLOWING POWER PURCHASE OBLIGATION

3.1 Purchase Obligation

From October 1, 2028, and continuing through September 30, 2044, BPA shall sell and make available, and Ellensburg shall purchase, Firm Requirements Power in hourly amounts equal to Ellensburg's hourly Total Retail Load minus the hourly firm energy from each of Ellensburg's Dedicated Resources listed in sections 2, 3, and 4 of Exhibit A and Consumer-Owned Resources listed in sections 7.1, 7.3, and 7.4 of Exhibit A. Ellensburg shall determine the hourly firm energy from each of its Dedicated Resources pursuant to section 3.3. Such amounts of energy are subject to change pursuant to section 3.5 and section 10.

3.2 Take or Pay

Ellensburg shall pay for the Firm Requirements Power it is obligated to purchase and that BPA makes available under section 3.1, at the rates BPA establishes in a 7(i) Process pursuant to the PRDM, as applicable to such power, whether or not Ellensburg took delivery of such power.

3.3 Application of Dedicated Resources

Ellensburg shall serve a portion of its Total Retail Load with the Dedicated Resources listed in Exhibit A as follows:

(1) Specified Resources, listed in section 2 of Exhibit A, and

(2) Committed Power Purchase Amounts, listed in section 3.1 of Exhibit A.

Ellensburg shall use its Dedicated Resources to serve its Total Retail Load, and the Parties shall specify amounts of such Dedicated Resources in Exhibit A as stated below for each specific resource and type. BPA shall use the amounts listed in Exhibit A in determining Ellensburg's Net Requirement. The amounts listed are not intended to govern how Ellensburg operates its Specified Resources, except for those resources applied to the Tier 1 Allowance Amount and those resources supported with RSS from BPA.

3.3.1 **Specified Resources**

3.3.1.1 **Application of Specified Resources**
Ellensburg shall apply the output of all Specified Resources, listed in section 2 of Exhibit A, to Ellensburg's Total Retail Load in predefined hourly amounts consistent with section 3.7 except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources that Ellensburg is supporting with RSS from BPA. For those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, Ellensburg shall apply all of the output as it is generated to Ellensburg's Total Retail Load. Ellensburg shall apply all Existing Resources that are Dispatchable Resources consistent with section 4 of Exhibit J. Ellensburg shall apply all Specified Resources supported with RSS from BPA to Ellensburg's Total Retail Load consistent with section 3 of Exhibit J.

3.3.1.2 **Determining Specified Resource Amounts**
For each Specified Resource, BPA, in consultation with Ellensburg, shall determine firm energy amounts for each Diurnal period and peak amounts for each month beginning with the later of the date the resource was dedicated to load or October 1, 2028, through the earlier of the date the resource will be permanently removed or September 30, 2044, and BPA shall list such amounts in section 2 of Exhibit A. BPA shall determine such amounts consistent with the 5(b)/9(c) Policy, and using the allowable shapes established in section 3.4.

3.3.2 **Committed Power Purchase Amounts**

3.3.2.1 **Application of Committed Power Purchase Amounts**
To serve Ellensburg's Above-CHWM Load that it commits to meet with Dedicated Resources in Exhibit C, Ellensburg shall provide and use Committed Power Purchase Amounts to meet any amount of such load not met with its Specified Resources

during each Rate Period. Ellensburg shall apply its Committed Power Purchase Amounts, listed in section 3 of Exhibit A, to Ellensburg's Total Retail Load in predefined hourly amounts consistent with section 3.7.

3.3.2.2 **Determining Committed Power Purchase Amounts**
By March 31 of each Rate Case Year, BPA shall calculate and update the table in section 3.1.2 of Exhibit A with Ellensburg's Committed Power Purchase Amounts for each year of the upcoming Rate Period. BPA shall calculate such Committed Power Purchase Amounts using the monthly and Diurnal shapes stated in section 3.1.1 of Exhibit A. Upon termination or expiration of this Agreement, any Committed Power Purchase Amounts listed in Exhibit A shall expire, and Ellensburg shall have no further obligation to apply Committed Power Purchase Amounts.

3.4 **Shaping of Dedicated Resources**
Ellensburg's Dedicated Resource amounts shall be shaped as follows.

3.4.1 **Initial Monthly and Diurnal Resource Shapes**
BPA shall initially state Ellensburg's Dedicated Resource amounts in Exhibit A with one of the following shapes:

(1) Specified Resources in the amount of energy within each month and Diurnal period of a year that each resource is expected to generate output as determined pursuant to section 3.3.1.2; and

(2) Committed Power Purchase Amounts in equal megawatt amounts for each hour in a year.

3.4.2 **Reshaping Dedicated Resources**
By October 31, 2027, and by October 31 of each Rate Case Year thereafter, Ellensburg may elect in writing, pursuant to section 3.4.3, to reshape its amounts of Dedicated Resources listed in sections 2 and 3.1 of Exhibit A, except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources Ellensburg is supporting with RSS from BPA, for the next Rate Period. After BPA receives such written notice from Ellensburg, BPA shall, by the following March 31, revise Exhibit A to reflect such election.

3.4.3 **Monthly and Diurnal Reshaping Options**
Consistent with section 3.4.2, Ellensburg may elect to reshape one or more of its Dedicated Resources using the allowable shapes described below. If Ellensburg elects to reshape its Specified Resources, then Ellensburg shall elect both a monthly and a Diurnal shape for each Specified Resource that is reshaped. If Ellensburg elects to reshape its Committed Power Purchase Amounts, then the applicable monthly

shape will be the Flat Annual Shape and Ellensburg shall elect a Diurnal shape.

3.4.3.1 **Specified Resources**
For each Specified Resource listed in section 2 of Exhibit A Ellensburg may elect to apply each resource, in any of the following shapes:

(1) Monthly shapes: (A) Resource Monthly Shape; or (B) Flat Annual Shape.

(2) Diurnal shapes: (A) Resource Diurnal Shape; (B) Flat Within-Month Shape; or (C) HLH Diurnal Shape.

3.4.3.2 **Committed Power Purchase Amounts**
Ellensburg may elect to apply its Committed Power Purchase Amounts, listed in section 3.1 of Exhibit A, in either of the following Diurnal shapes: (A) Flat Within-Month Shape; or (B) HLH Diurnal Shape.

3.4.4 **Hourly Resource Shape**
Ellensburg shall apply its Dedicated Resources stated in sections 2 and 3.1 of Exhibit A in equal megawatt amounts during all LLH of a month and in equal megawatt amounts during all HLH of a month, except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources Ellensburg is supporting with RSS from BPA.

3.5 **Changes to Dedicated Resources**

3.5.1 **Specified Resource Additions to Meet Above-CHWM Load**
With written notice to BPA by July 31 of a Forecast Year, Ellensburg may elect to add Specified Resources to section 2 of Exhibit A, with amounts effective at the start of the upcoming Rate Period, to meet any obligation Ellensburg may have in Exhibit C to serve its Above-CHWM Load with Dedicated Resources. The following apply for such Specified Resources:

(1) BPA shall determine amounts for such Specified Resources in accordance with section 3.3.1.2.

(2) Ellensburg may elect to reshape such Specified Resources in accordance with section 3.4.3, or may elect to purchase RSS from BPA to support such Specified Resources.

BPA shall revise Exhibit A consistent with Ellensburg's elections by March 31 following Ellensburg's elections under this section 3.5.1.

3.5.2 **Specified Resources Added to Tier 1 Allowance Amount**
At any time over the term of the Agreement and by written notice to BPA, Ellensburg may request for BPA to add Specified Resources that meet the qualifying criteria in section 3.5.2.2 to its Tier 1 Allowance Amount in section 2 of Exhibit J. BPA shall review such request and revise Exhibit A as soon as reasonably practical to include such resources, provided that BPA determines in its sole discretion that the Specified Resources meet such qualifying criteria. Any qualifying Specified Resource included in the Tier 1 Allowance Amount shall remain in the Tier 1 Allowance Amount for the term of the Agreement unless the resource is removed consistent with section 3.5.6. Any qualifying Specified Resource included in the Tier 1 Allowance Amount shall be treated as an Existing Resource for purposes of temporary resource removal as provided in section 10. Ellensburg's qualifying Specified Resources included in the Tier 1 Allowance Amount may be subject to charges pursuant to the applicable Power Rate Schedules and GRSPs.

3.5.2.1 **Tier 1 Allowance Amount Limit**
Ellensburg's Tier 1 Allowance Amount shall be limited to the amount stated in section 2 of Exhibit J, and shall not exceed the lesser of 5 MW or 50 percent of Ellensburg's CHWM reflected as a megawatt value. Such value will be considered the Tier 1 Allowance Amount limit. If BPA changes Ellensburg's CHWM consistent with section 1.2 of Exhibit B, then BPA shall recalculate Ellensburg's Tier 1 Allowance Amount limit and update Exhibit J if necessary. If Ellensburg has a reduction to its CHWM, then BPA shall determine whether a reduction in the Tier 1 Allowance Amount limit is appropriate. In the event that BPA reduces Ellensburg's Tier 1 Allowance Amount limit, BPA will determine on a case-by-case basis the treatment of Ellensburg's resource(s).

3.5.2.2 **Qualifying Specified Resources For Tier 1 Allowance Amount**
Any Specified Resource Ellensburg elects to add to its Tier 1 Allowance Amount must meet the following qualifying criteria:

(1) the Specified Resource is a New Resource;

(2) the Specified Resource is connected to Ellensburg's distribution system, regardless of voltage, and does not utilize BPA or Third-Party Transmission Provider transmission facilities; and,

(3) the Specified Resource reduces Ellensburg's Total Retail Load.

3.5.3 **Resource Additions for a BPA Insufficiency Notice**
If BPA provides Ellensburg a notice of insufficiency and reduces its purchase obligation, in accordance with section 20.2, then Ellensburg may temporarily add Dedicated Resources to replace amounts of Firm Requirements Power BPA will not be providing due to insufficiency. The Parties shall revise Exhibit A to reflect such additions.

3.5.4 **Decrements for 9(c) Export**
If BPA determines, in accordance with section 20.6, that an export of a Specified Resource listed in section 2 of Exhibit A requires a reduction in the amount of Firm Requirements Power BPA sells Ellensburg, then BPA shall notify Ellensburg of the amount and duration of the reduction in Ellensburg's Firm Requirements Power purchases from BPA. Within 20 calendar days of such notification Ellensburg may temporarily add a Specified Resource to section 2 of Exhibit A in the amount and for the duration of such decrement. If Ellensburg does not add a Specified Resource to meet such decrement, then within 30 calendar days of such notification BPA shall add Committed Power Purchase Amounts to section 3.2 of Exhibit A in the amount and for the duration of such decrement.

3.5.5 **Temporary Resource Removal**
By March 31 of each Rate Case Year, BPA shall revise Ellensburg's Dedicated Resource amounts listed in the tables of Exhibit A consistent with Ellensburg's resource removal elections made in accordance with section 10.

3.5.6 **Permanent Discontinuance of Resources**
Ellensburg may permanently remove a Specified Resource listed in section 2 of Exhibit A, consistent with the 5(b)/9(c) Policy on statutory discontinuance for permanent removal. If BPA makes a determination that Ellensburg's Specified Resource has met BPA's standards for a permanent removal, then BPA shall revise Exhibit A accordingly. If Ellensburg does not replace such resource with another Dedicated Resource, then Ellensburg's additional Firm Requirements Power purchases under this Agreement, as a result of such a resource removal, shall be subject to the applicable rates or charges as established in the Power Rate Schedules and GRSPs.

3.5.7 **Resource Additions for Annexed Loads**
If Ellensburg acquires an Annexed Load, Ellensburg may add Dedicated Resources to Exhibit A, subject to sections 3.5.7.1 and 3.5.7.2 below, to serve amounts of such Annexed Load that are Eligible Annexed Load. "Eligible Annexed Load" means an Annexed Load: (1) that is added after the Effective Date, and (2) for which Ellensburg did not receive a CHWM addition pursuant to section 1.2.2 of Exhibit B.

3.5.7.1 During the Rate Period in which Ellensburg acquires an Eligible Annexed Load, Ellensburg may serve such load for the remainder of that Rate Period with Dedicated Resources in the shape of the load, as negotiated by the Parties, or with additional power purchased from BPA. If Ellensburg elects to serve such load with Dedicated Resources, then Ellensburg shall apply such resources for the remainder of the Rate Period. If Ellensburg elects to purchase additional power from BPA for the Annexed Load, then during that Rate Period such power purchases shall be subject to the applicable rates or charges as established in the Power Rate Schedules and GRSPs and as applicable to the shape of the Eligible Annexed Load.

3.5.7.2 For all Rate Periods after the Rate Period when Ellensburg acquires an Eligible Annexed Load, Ellensburg shall serve such load pursuant to Ellensburg's elections and either (1) apply Dedicated Resources or (2) purchase Firm Requirements Power at the applicable rates or charges as established in the Power Rate Schedules and GRSPs.

3.5.8 **Resource Additions/Removals for NLSLs**

3.5.8.1 To serve a Planned NLSL or an NLSL listed in Exhibit D that is added after the Effective Date, Ellensburg may add Dedicated Resources to section 4 of Exhibit A. Ellensburg may discontinue serving its NLSL with the Dedicated Resources listed in section 4 of Exhibit A if BPA determines that Ellensburg's NLSL is no longer: (1) an NLSL, or (2) in Ellensburg's service territory.

3.5.8.2 If Ellensburg elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then Ellensburg shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that Ellensburg plans to use to serve the NLSL. Ellensburg shall establish such firm energy amounts and BPA shall state such amounts in section 4 of Exhibit A for each month beginning with the date the resource was dedicated to the Planned NLSL or NLSL through the earlier of the date the resource will be removed or September 30, 2044. Ellensburg shall serve the actual load of the Planned NLSL or NLSL up to such maximum amounts with such Dedicated Resource amounts. To the extent that the load at a Planned NLSL or an NLSL is less than the maximum amount in any monthly or Diurnal period, Ellensburg shall have no right or obligation to use such amounts to serve load other than a Planned NLSL or an NLSL. Specific arrangements to match such resources to the Planned NLSL or NLSL on an hourly basis shall be established in Exhibit D.

3.5.9 **PURPA Resources**

If Ellensburg is required by the Public Utility Regulatory Policies Act (PURPA) to acquire output from a Generating Resource and plans to use that output to serve its Total Retail Load, then such output shall be added as a Specified Resource pursuant to Exhibit A. Ellensburg shall purchase RSS from BPA (or equivalent service) to support such resources for the term of this Agreement.

3.6 **Consumer-Owned Resources**

Except for any Consumer-Owned Resources serving a Planned NLSL or an NLSL, which Ellensburg has applied to load consistent with section 20.3, Ellensburg shall apply the output of Consumer-Owned Resources as follows:

3.6.1 **Existing Consumer-Owned Resources**

Ellensburg shall designate, in sections 7.1, 7.2, or 7.3 of Exhibit A, the extent that each existing Consumer-Owned Resource as of the Effective Date will or will not serve On-Site Consumer Load. Ellensburg shall make such designation to BPA in writing no later than 60 calendar days after BPA publishes, to its publicly available website, Ellensburg's final CHWMs from the FY 2026 CHWM Calculation Process. Such designation shall apply for the term of this Agreement.

3.6.2 **New Consumer-Owned Resources**

Ellensburg shall designate the extent that each Consumer-Owned Resource commencing commercial operation after the Effective Date will or will not serve On-Site Consumer Load. Ellensburg shall make such designation to BPA in writing within 120 days of energization of such resource. Such designation shall apply for the term of this Agreement.

Consistent with Ellensburg's designations, BPA shall list Consumer-Owned Resources serving On-Site Consumer Load in section 7.1 of Exhibit A, Consumer-Owned Resources not serving On-Site Consumer Load in section 7.2 of Exhibit A, and Consumer-Owned Resources serving both On-Site Consumer Load and load other than On-Site Consumer Load in section 7.3 of Exhibit A.

3.6.3 **Application of Consumer-Owned Resources Serving On-Site Consumer Load**

Power generated from Consumer-Owned Resources listed in section 7.1 of Exhibit A shall serve On-Site Consumer Load. Ellensburg shall ensure that a Consumer-Owned Resource does not exceed the On-Site Consumer Load such resource serves. If a Consumer-Owned Resource exceeds the On-Site Consumer Load, then BPA may adjust Ellensburg's Total Retail Load used to bill for energy purchases to ensure Ellensburg pays for energy that was otherwise displaced by the amount of generation of the Consumer-Owned

Resource that exceeds the On-Site Consumer Load on any hour. BPA shall determine in its sole discretion whether to make any adjustment based on information Ellensburg provides to BPA as follows:

(1) Commensurate with Ellensburg's designation under section 3.6.2 above, Ellensburg shall provide BPA information demonstrating that the Consumer-Owned Resource's forecasted generation will not exceed the On-Site Consumer Load it is intended to serve on a monthly basis. Examples of such information include but are not limited to consumer load projections and monthly generation projections for the generating equipment to be installed.

(2) If Ellensburg has not provided sufficient information, or if the Consumer-Owned Resource exceeds On-Site Consumer Load, then Ellensburg shall in accordance with section 15 and section 17.3 of this Agreement: (A) install metering on the On-Site Consumer Load, or (B) provide BPA hourly meter data of the On-Site Consumer Load on a monthly basis in a format specified by BPA.

Ellensburg shall provide notice to BPA of any significant changes to an On-Site Consumer Load amount as soon as practicable but no later than 60 calendar days after the change.

Ellensburg must ensure that the Consumer-Owned Resources do not cause negative flow through Ellensburg's Point of Delivery behind which the resource is located. If negative flow occurs, then BPA shall pass through and Ellensburg shall pay any costs assessed to BPA resulting from such flow.

3.6.4 **Application of Consumer-Owned Resources Serving Load Other than On-Site Consumer Load**
Ellensburg shall ensure that power generated from Consumer-Owned Resources listed in section 7.2 of Exhibit A, which serves load other than On-Site Consumer Load, is scheduled for delivery and: (1) sold to another utility in the Region to serve its Total Retail Load, (2) used by Ellensburg to serve its Total Retail Load (consistent with section 3.3), (3) marketed as an export, or (4) any combination of (1), (2), and (3) above.

3.6.5 **Application of Consumer-Owned Resources Serving Both On-Site Consumer Load and Load Other than On-Site Consumer Load**
If Ellensburg designates a Consumer-Owned Resource to serve both On-Site Consumer Load and load other than On-Site Consumer Load, then Ellensburg shall select either Option A or Option B below.

3.6.5.1 **Option A: Maximum Consumer-Owned Resource Amounts Serving On-Site Consumer Load**

If Ellensburg selects this Option A, then Ellensburg shall specify, in section 7.3 of Exhibit A, the maximum hourly amounts of an identified On-Site Consumer Load that are to be served with power generated by an identified Consumer-Owned Resource. Such amounts shall be specified as Diurnal megawatt amounts, by month, and shall apply in all years for the term of this Agreement. Such amounts are not subject to change in accordance with section 3.6.6.

On any hour that the On-Site Consumer Load is less than or equal to the specified maximum hourly amounts, all such On-Site Consumer Load shall be served by Ellensburg with the identified Consumer-Owned Resource or with power other than Firm Requirements Power. Any hourly amounts of the identified On-Site Consumer Load greater than the specified maximum hourly amounts will be served with Firm Requirements Power. Any power generated from the identified Consumer-Owned Resource greater than the specified maximum hourly amounts will be applied to load other than On-Site Consumer Load in accordance with section 3.6.4.

3.6.5.2 **Option B: Maximum Firm Requirements Power Serving On-Site Consumer Load**

If Ellensburg selects this Option B, then Ellensburg shall specify, in section 7.3 of Exhibit A, the maximum hourly amounts of an identified On-Site Consumer Load that are to be served with Firm Requirements Power. Such amounts shall be specified as Diurnal megawatt amounts, by month, and shall apply in all years for the term of this Agreement. Such amounts are not subject to change in accordance with section 3.6.6.

On any hour that On-Site Consumer Load is less or equal to the specified maximum hourly amounts, all such On-Site Consumer Load shall be served with Firm Requirements Power. Ellensburg shall serve any hourly amounts of the identified On-Site Consumer Load greater than the specified maximum hourly amounts with power generated by the identified Consumer-Owned Resource or with power other than Firm Requirements Power. Any power generated from the identified Consumer-Owned Resource greater than the amounts required to be used to serve the On-Site Consumer Load shall be applied to load other than On-Site Consumer Load in accordance with section 3.6.4.

3.6.6 **Changes to Consumer-Owned Resources**
Prior to each Fiscal Year Ellensburg shall notify BPA in writing of any changes in ownership, expected resource output, or other characteristic of Consumer-Owned Resources identified in section 7 of Exhibit A. If a Consumer-Owned Resource has permanently ceased operation and Ellensburg notifies BPA of such cessation, then BPA shall revise section 7 of Exhibit A to reflect such change as long as BPA agrees the determination is reasonable.

3.6.7 **Application of Consumer-Owned Resources Serving a Planned NLSL or NLSL**
If Ellensburg is serving a Planned NLSL or an NLSL with Consumer-Owned Resource amounts pursuant to section 20.3 and section 1 of Exhibit D, then BPA shall list such resources in section 7.4 of Exhibit A. Requirements for Ellensburg's application of Consumer-Owned Resources serving Planned NLSLs and NLSL are included in section 20.3 and section 1 of Exhibit D.

3.6.8 **Data Requirements for Consumer-Owned Resources**
Ellensburg shall meter all Consumer-Owned Resources listed in section 7 of Exhibit A and shall provide such meter data to BPA pursuant to section 17.3.

3.7 **Hourly Dedicated Resource Schedule**
By June 30 of each Rate Case Year, Ellensburg shall provide BPA an hourly schedule(s), in whole megawatt amounts consistent with section 3.7.3 and in the format described in section 3.7.2, for its Dedicated Resources with amounts in each hour, calculated pursuant to section 3.7.1, for each year of the upcoming Rate Period ("Submitted Schedule"). Ellensburg shall schedule such hourly amounts to its Total Retail Load consistent with section 13.

3.7.1 **Schedule Amounts**
The amounts in the Submitted Schedule shall equal the monthly and Diurnal amounts for each Dedicated Resource listed in the tables in sections 2 and 3 of Exhibit A except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources supported with RSS. The hourly amounts in the Submitted Schedule shall be determined in accordance with section 3.4.4.

If the amounts in the Submitted Schedule change in accordance with section 3.5, then Ellensburg shall send BPA a revised Submitted Schedule including the updated amounts within five Business Days of such amounts being updated in Exhibit A.

3.7.2 **Schedule Format**
Ellensburg shall provide the Submitted Schedule to BPA electronically in a comma-separated-value (csv) format with the time/date stamp in

the first column and load amounts, with units of measurement specified, in the following column.

3.7.3 **Whole Megawatt Amounts**
If Ellensburg's Submitted Schedule would otherwise have amounts in fractional megawatts-per-hour, then Ellensburg shall vary its hourly amounts by one megawatt in some hours so that over the course of the applicable month the amounts as scheduled in whole megawatts sum to the appropriate total.

3.8 **Transfer of Renewable Energy Certificates**
BPA shall provide any applicable Renewable Energy Certificates (RECs), emission accounting information, and non-emitting generation accounting information to Ellensburg in accordance with Exhibit H.

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6. PUBLIC RATE DESIGN METHODOLOGY

6.1 The PRDM applies for the term of this Agreement. BPA shall apply the PRDM in accordance with its terms, which govern BPA's establishment, review and revision of Priority Firm Power (PF) rates pursuant to Section 7(i) of the Northwest Power Act for Firm Requirements Power sold under this Agreement.

6.2 The recitation of language from the PRDM in this Agreement does not incorporate such language into this Agreement. BPA may only revise the PRDM's language in accordance with the requirements of PRDM chapter 9. If BPA revises the language of the PRDM, then BPA will unilaterally amend this Agreement to accordingly modify any such language recited in this Agreement.

6.3 Any disputes over the meaning of the PRDM or rates, including whether BPA is adhering to its obligation under the PRDM to revise the PRDM only in accordance with the PRDM chapter 9, or whether the Administrator is correctly implementing the PRDM or rates, including but not limited to matters of whether the Administrator is correctly interpreting, applying, and otherwise adhering or conforming to the PRDM or rate, shall (1) be resolved pursuant to any applicable procedures set forth in the PRDM; (2) if resolved by the Administrator as part of a proceeding under Section 7(i) of the Northwest Power Act, be reviewable as part of the United States Court of Appeals for the Ninth Circuit's review under Section 9(e)(5) of the Northwest Power Act of the rates or rate matters determined in such Section 7(i) proceeding (after FERC final confirmation and approval, and subject to any further review by the United States Supreme Court); and (3) if resolved by the Administrator outside such a Section 7(i) Process and such decision is a final action, be reviewable by the United States Court of Appeals for the

Ninth Circuit under Section 9(e)(5) of the Northwest Power Act (subject to any further review by the United States Supreme Court). The remedies available to Ellensburg through such judicial review shall be Ellensburg's sole and exclusive remedy for such disputes.

6.4 BPA shall not publish a Federal Register Notice regarding BPA rates or the PRDM that prohibits, limits, or restricts Ellensburg's right to submit testimony or brief issues on rate matters regarding the meaning or implementation of the PRDM or establishment of BPA rates pursuant to the PRDM. For purposes of BPA's conformance to this paragraph, a "rate matter" shall not include budgetary and program level issues, or any other matter unrelated to the PRDM or the establishment of rates pursuant to the PRDM.

7. CONTRACT HIGH WATER MARKS

By September 30, 2026, BPA shall establish Ellensburg's CHWM in the FY 2026 CHWM Calculation Process and revise Exhibit B to state Ellensburg's CHWM. Once established, BPA may only adjust Ellensburg's CHWM as permitted pursuant to Exhibit B. After any adjustment, BPA shall revise Exhibit B to state Ellensburg's adjusted CHWM.

8. APPLICABLE RATES

Purchases under this Agreement are subject to the following rate schedules, or their successors: Priority Firm Power (PF), including Tier 1 Rates and Tier 2 Rates, New Resource Firm Power (NR), and Firm Power and Surplus Products and Services (FPS), as applicable. Billing determinants for any purchases will be included in each rate schedule. Power purchases and services sold under this Agreement are subject to the applicable rates and charges in BPA's Power Rate Schedules, established in accordance with the PRDM, as applicable, and its GRSPs (or their successors) established during a 7(i) Process. Ellensburg may incur additional charges as established in the applicable 7(i) Process, and as provided in the Power Rate Schedules and GRSPs, including the Unauthorized Increase Charge or its successors.

8.1 Applicability of Tier 1 and Tier 2 Rates

BPA shall establish PF rates that include rate schedules for purchase amounts at Tier 1 Rates and purchase amounts at Tier 2 Rates. Tier 1 Rates and Tier 2 Rates shall apply to Ellensburg's purchases as follows:

(1) Tier 1 Rates shall apply to Firm Requirements Power that Ellensburg purchases under this Agreement, less: (A) amounts of Firm Requirements Power priced at Tier 2 Rates elected by Ellensburg in section 2 of Exhibit C, (B) amounts of Firm Requirements Power priced at the NR or other applicable 7(f) rate purchased for Planned NLSLs and NLSLs pursuant to Exhibit D, and (C) amounts of Firm Requirements Power priced at any other applicable 7(f) rate not limited to either (A) or (B).

(2) Tier 2 Rates shall apply to such planned annual amounts of Firm Requirements Power that Ellensburg elects to purchase to serve its Above-CHWM Load, pursuant to Exhibit C, that remain after applying Ellensburg's New Resources.

9. ELECTIONS TO PURCHASE POWER PRICED AT TIER 2 RATES

9.1 Tier 2 Rate Alternatives

Subject to the requirements of this section 9 and Exhibit C, and pursuant to the PRDM, Ellensburg shall have the right to purchase Firm Requirements Power at a Tier 2 Long-Term Rate, Tier 2 Short-Term Rate, and Tier 2 Vintage Rate.

9.2 Above-CHWM Load Service Options and Tier 2 Rate Elections

BPA shall calculate Ellensburg's Above-CHWM Load in the Above-CHWM Load Process ahead of each Rate Period.

Ellensburg has the option to serve its Above-CHWM Load with: (1) Firm Requirements Power purchased from BPA at a Tier 2 Rate or rates, (2) Dedicated Resources, or (3) a specific combination of both (1) and (2).

Within 60 calendar days after BPA publishes, to its publicly available website, Ellensburg's final CHWMs from the FY 2026 CHWM Calculation Process, Ellensburg shall determine and provide written notice to BPA of its Above-CHWM Load service election, including its election to purchase Firm Requirements Power at Tier 2 Rates, consistent with section 2.1 of Exhibit C.

BPA shall update Exhibit C to state Ellensburg's Tier 2 Rate purchase elections and the amount of its purchase obligation of Firm Requirements Power at Tier 2 Rates.

9.3 Amounts of Tier 2 Flat Across All Hours

Amounts of Firm Requirements Power sold by BPA at Tier 2 Rates and purchased by Ellensburg shall be equal in all hours of the year.

10. TIER 2 REMARKETING AND RESOURCE REMOVAL

Under this section 10, Ellensburg does not have temporary resource removal or remarketing rights for its Dedicated Resources in Exhibit A added pursuant to section 3.5.4 or section 3.5.8 of the Agreement. In addition, under this section 10, Ellensburg does not have temporary resource removal or remarketing rights for any Dedicated Resource amounts or amounts of Firm Requirements Power purchased at Tier 2 Rates that would otherwise be eligible for removal or remarketing due to the addition of resources under section 3.5.4. Any BPA remarketing of Tier 2 Vintage Rate purchase obligation amounts under this section 10 is subject to section 2.5.6 of Exhibit C.

10.1 **New Resource Removal and Remarketing of Tier 2 Rate Purchase Obligation Amounts for Each Rate Period**
If Ellensburg's Above-CHWM Load as forecasted for each Fiscal Year of an upcoming Rate Period is less than the sum of: (1) Ellensburg's New Resource amounts serving its Above-CHWM Load, as stated in Exhibit A, and (2) Tier 2 Rate purchase obligation amounts, as stated in Exhibit C, then, except as permitted in sections 10.1.3 and 10.1.4 below and in the following order:

(1) Ellensburg shall temporarily remove its eligible New Resource amounts, and

(2) BPA shall remarket Ellensburg's Tier 2 Rate purchase obligation amounts.

Any removal of eligible New Resource amounts or remarketing of Tier 2 Rate purchase obligation amounts shall apply until either: (1) the removed New Resource amounts plus the remarketed Tier 2 Rate purchase obligation amounts equal the amount by which Ellensburg's New Resource amounts plus its Tier 2 Rate purchase obligation amounts exceed its Above-CHWM Load, or (2) all of Ellensburg's New Resources are removed and all of its Tier 2 Rate purchase obligation amounts are remarketed.

10.1.1 If Ellensburg has more than one New Resource, then by October 31 of each Rate Case Year, Ellensburg shall notify BPA of the order and associated amounts of Ellensburg's New Resources that Ellensburg shall remove for each Fiscal Year in the upcoming Rate Period to the extent necessary to comply with this section 10.1.

10.1.2 If Ellensburg fails to notify BPA in accordance with section 10.1.1, then BPA shall determine the order and associated amounts of Ellensburg's New Resource removal for each Fiscal Year in the upcoming Rate Period to comply with section 10.1.

10.1.3 If compliance with the requirements of section 10.1 would cause Ellensburg to remove part or all of any New Resource amounts that Ellensburg uses to fulfill a state or federal renewable resource standard or other comparable legal obligation, then by October 31 of each Rate Case Year Ellensburg may request for BPA to remarket the same amount of Tier 2 Rate purchase obligation amounts until all of Ellensburg's Tier 2 Rate purchase obligation amounts are remarketed. Following such remarketing, Ellensburg may either temporarily remove New Resources applied to the Tier 1 Allowance Amount or Existing Resources to the extent necessary to comply with section 10.1, provided that the hourly, monthly, and Diurnal amounts removed shall be equal to the hourly, monthly, and Diurnal amounts provided by the New Resources that Ellensburg would have otherwise been obligated to remove.

10.1.4 If: (1) Ellensburg made an election under section 2.1(3) or section 2.1(4) of Exhibit C to serve all or a portion of its Above-CHWM Load using the flexible option, (2) Ellensburg has both New Resource amounts and Tier 2 Vintage Rate purchase obligation amounts for serving such Above-CHWM Load, and (3) compliance with the requirements of section 10.1 would cause Ellensburg to remove part or all of its New Resource amounts, then Ellensburg may request for BPA to first remarket the Tier 2 Vintage Rate purchase obligation amounts until all of Ellensburg's Tier 2 Vintage Rate purchase obligation amounts are remarketed before removing any New Resource amounts.

10.2 **Partial Resource Removal**
When only a portion of an eligible Dedicated Resource is removed pursuant to section 10.1 above, such resources shall be removed proportionally to maintain the same annual shape for the resource as established in Exhibit A.

10.3 **Responsibilities for Remarketing Tier 2 Rate Purchase Obligation Amounts and Disposition of Dedicated Resource**
Ellensburg shall be subject to applicable charges or credits, as established in a 7(i) Process, associated with BPA's remarketing of Tier 2 Rate purchase obligation amounts of Firm Requirements Power.

Except as specified in section 10.4 below, Ellensburg shall be responsible for the disposition of any amounts of its Dedicated Resources, whether Specified Resources or Committed Power Purchase Amounts that are removed or reduced pursuant to this Agreement.

10.4 **Removal of Resources Taking RSS**
If Ellensburg purchases RSS for any New Resources that are partially or entirely removed pursuant to sections 10.1 or 10.2 above, then the following shall apply:

10.4.1 Ellensburg shall continue to supply the entire amount of any such resources consistent with applicable provisions stated in Exhibit J.

10.4.2 BPA shall remarket the amounts of any such resources that are removed pursuant to section 10.1 in the same manner BPA remarkets Tier 2 Rate purchase obligation amounts in section 10.3. BPA shall revise Exhibit A to identify the amounts of any such resources that are removed. BPA shall continue to provide RSS in accordance with applicable provisions in Exhibit J to any amounts of such resources that remain in Exhibit A after resource removal.

11. RIGHT TO CHANGE PURCHASE OBLIGATION

11.1 **One-Time Right to Change Purchase Obligation**
Under this Agreement Ellensburg shall have a one-time right to request a change in its purchase obligation, identified in section 3, to another purchase

obligation available from BPA, including Annual Flat Block, Diurnally Shaped Monthly Block, Flat Monthly Block, Flat Monthly Block with 10 Percent Shaping Capacity, Flat Monthly Block with Peak Net Requirement (PNR) Shaping Capacity, Flat Monthly Block with Peak Net Requirement (PNR) Shaping Capacity with Peak Load Variance Service (PLVS), or Slice/Block, if available.

Unless otherwise agreed by the Parties, any Ellensburg Above-CHWM Load service elections, Dedicated Resource additions, and other elections made under this Agreement prior to the notice made under section 11.2 shall continue to be applicable under the new purchase obligation, provided that BPA may update such terms and conditions consistent with the then-current terms of the new purchase obligation, and additional costs may apply for service under Ellensburg's new purchase obligation as described in section 11.6.

11.2 **Notice and Conditions to Change Purchase Obligation and to Join a JOE**

Written notices sent under this section 11.2 must comply with section 1 of Exhibit I. The following sections 11.2.2, 11.2.3 and 11.2.4 shall be in accordance with Section 5(b)(7) of the Northwest Power Act.

11.2.1 **Notice of Change to Purchase Obligation**

No sooner than October 1, 2028, Ellensburg may provide written notice to BPA to request a change to its purchase obligation pursuant to section 11.1 above. Such notice to BPA must be at least three years prior to the start of the Rate Period the purchase obligation change would be effective. Ellensburg's notice shall state: (1) the purchase obligation request, and (2) the Rate Period Ellensburg requests the change to be effective. The latest date that Ellensburg may provide notice to request a change to its purchase obligation is September 30, 2037 for a purchase obligation change effective on October 1, 2040.

11.2.2. **Joining a JOE For Service Effective October 1, 2028**

If Ellensburg requests to join a JOE for service under the JOE's CHWM Contract effective October 1, 2028, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than June 30, 2027, regardless of Ellensburg's and the JOE's purchase obligations. Receiving service under the JOE CHWM Contract will not constitute a change to Ellensburg's purchase obligation under this section 11.

11.2.3. **If Customer and JOE Have Same Purchase Obligation**

After June 30, 2027, if the BPA-JOE CHWM Contract and Ellensburg have the same purchase obligation when Ellensburg requests to join the JOE, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than June 30 of a Forecast Year for power sales under the BPA-JOE CHWM Contract to begin at the start of the following Rate Period.

11.2.4 **If Customer and JOE Have Different Purchase Obligations**
After June 30, 2027, if the BPA-JOE CHWM Contract and Ellensburg have different purchase obligations, including different Block purchase obligations, when Ellensburg requests to join the JOE, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than three years prior to when power sales under the BPA-JOE CHWM Contract will begin at the start of the subsequent Rate Period.

11.3 **Limitations Due to Total Monthly Peak Load Increase**
After receiving Ellensburg's notice under section 11.2, BPA shall evaluate the impact of Ellensburg's request on BPA's forecast of its total monthly peak load obligation relative to BPA's most recent forecast of its total monthly Qualified Capacity Contribution (QCC) values, or successor capacity requirements as determined by BPA, for the first Fiscal Year the purchase obligation change would become effective. As part of such evaluation BPA will assess the change to monthly QCC made by (1) a change to Ellensburg's purchase obligation, and (2) the peak amounts of Ellensburg's Dedicated Resource(s) as stated in Exhibit A.

If after its evaluation BPA determines that Ellensburg's request to change its purchase obligation would increase BPA's total monthly peak load obligation relative to BPA's change in QCC forecast in any one month, then BPA may:

(1) approve Ellensburg's request and directly assign any costs as stated in section 11.6 below; or

(2) approve Ellensburg's request without directly assigning such costs; or

(3) deny Ellensburg's request to change its purchase obligation.

If BPA receives multiple requests from customers to change their purchase obligations and such changes would be effective at the beginning of the same Rate Period, then BPA shall evaluate the impact of Ellensburg's purchase obligation request together with all requesting customers' to assess the aggregate impact of all such purchase obligation change requests. If BPA determines that such requests would increase BPA's total monthly peak load obligation, in relationship to the change in BPA's QCC forecast in any one month, then in addition to options (1), (2), or (3) above, BPA may:

(4) approve Ellensburg's request but defer the date on which Ellensburg's new purchase obligation change would become effective to the start of a subsequent Rate Period.

If BPA determines after its evaluation that the purchase obligation change(s) would not increase BPA's total monthly peak load obligation, in relationship to the change in BPA's QCC forecast, then BPA may approve Ellensburg's request to change its purchase obligation.

BPA will not withhold its approval of Ellensburg's request except under reasonable circumstances, including but not limited to securing the transmission and metering sufficient to deliver the applicable product.

BPA shall provide customers with an opportunity to comment on any customer's request to change its purchase obligation.

11.4 **Restrictions**
If, during the term of this Agreement, all customer purchases of the Slice/Block Product become reduced to zero percent, then BPA will retire the Slice/Block Product as a purchase obligation option under this Agreement. After such retirement, Ellensburg's right to change its purchase obligation will be limited to the Load Following or Block options as outlined in sections 3.1 and 11.1.

11.5 **Changes to Block Purchase Obligation**
If Ellensburg requests and BPA completes a change from one Block purchase obligation to a different Block purchase obligation as outlined in section 1 of Exhibit C, then Ellensburg will have exercised their one-time right to change its purchase obligation as stated above in section 11.1.

11.6 **Charges to Change Purchase Obligation**
In addition to the limitations established in sections 11.1, 11.2 and 11.3 above, (1) Ellensburg shall be responsible for fulfilling all rights, obligations, and liabilities associated with its prior purchase obligation, and (2) Ellensburg may be subject to charges, in addition to the rates for the new service, as a result of changing its purchase obligation. Such additional charges shall recover all additional costs that: (1) will be incurred by BPA to serve Ellensburg under its new purchase obligation compared to its existing purchase obligation, and (2) would otherwise result in a rate impact on all other customers receiving service under a CHWM Contract. If Ellensburg makes a request to change its purchase obligation, then BPA shall notify Ellensburg of any such additional charges. BPA shall not be required to make a payment to Ellensburg as a result of Ellensburg changing its purchase obligation.

11.7 **Change Confirmation**
Within 30 calendar days of BPA's presentation to Ellensburg of the additional charges determined in section 11.6, and Ellensburg's maximum Slice Percentage calculated pursuant to section 11.9, if applicable, Ellensburg shall provide BPA with written notice whether it will proceed with its request to change its purchase obligation.

11.8 **Amendment to Reflect New Purchase Obligation**
Following Ellensburg's confirmation of its decision to change its purchase obligation, the Parties shall amend this Agreement to replace the terms of Ellensburg's current purchase obligation with the terms of the new purchase obligation.

11.9 **Available Slice Product and Slice Percentage**
The total Firm Slice Amount BPA offers to all customers purchasing the Slice/Block Product shall not exceed 25 percent of the sum of CHWMs established in the FY 2026 CHWM Process. If Ellensburg requests to change to the Slice/Block Product, then BPA shall calculate Ellensburg's amount of available Slice Product for changes to the Slice/Block Product as follows:

(1) BPA shall calculate the total amount of available Slice Product in Average Megawatts for purchase by all customers requesting a change to the Slice/Block Product by subtracting (A) the sum of Slice Customers' CHWMs multiplied by 50 percent, from (B) 25 percent of the sum of initial CHWMs established in the FY 2026 CHWM Process.

Expressed as a formula:

Available Slice Product = (25% (sum of initial FY 2026 CHWMs)) – (50% (Slice Customers' CHMW))

BPA shall compare the amount of available Slice Product to 50 percent of the sum of initial CHWMs for all customers requesting a change to the Slice/Block Product to determine the maximum Slice Percentage BPA shall offer to Ellensburg.

(2) If the available Slice Product calculated pursuant to section 11.9(1) above is equal to or exceeds 50 percent of the sum of CHWMs for all customers requesting a change to Slice/Block Product, then BPA shall not limit the request.

BPA shall notify Ellensburg of the available amounts of Slice Product available in accordance with section 11.7. Ellensburg shall provide a change confirmation to BPA pursuant to section 11.7. Ellensburg's Slice Percentage in each Fiscal Year shall be calculated pursuant to section 5.3.

(3) If the available Slice Product calculated pursuant to section 11.9(1) is less than 50 percent of the sum of CHWMs for all customers requesting a change to the Slice/Block Product, then BPA shall limit the maximum Slice Percentage of those customers requesting a change to Slice/Block Product on a pro rata basis.

BPA shall notify Ellensburg of the amounts of Slice Product and Ellensburg shall provide BPA with a change confirmation pursuant to section 11.7. Ellensburg's Slice Percentage in each Fiscal Year shall be calculated pursuant to section 5.3.

If the amount of available Slice Product increases in the future, then BPA, in its sole discretion, may offer Slice Customers with a maximum Slice Percentage that was reduced under section 11.9(3) to less than 50 percent of its CHWM, a pro rata adjustment to increase the maximum Slice Percentage, not to exceed 50 percent of its CHWM.

If BPA determines it will offer an increase under this section 11.9(3), then BPA shall notify such Slice Customers of a potential increase to available Slice Product within 30 calendar days of BPA's receipt of a customer notice pursuant to section 11.2. BPA shall notify such Slice Customers of an actual increase to available Slice Product within 30 calendar days of BPA's receipt of change confirmation, confirming a customer request to leave the Slice/Block Product, that increases available Slice Product pursuant to section 11.7. BPA will identify the Rate Period in which the maximum Slice Percentage will be effective following BPAs receipt of a change confirmation.

BPA may offer the pro rata increase to such Slice Customers without consideration of the effective date of the respective Slice Customer purchase obligation changes to the Slice/Block Product.

12. BILLING CREDITS AND RESIDENTIAL EXCHANGE

12.1 Billing Credits

If Ellensburg develops a Generating Resource or engages in conservation activities independently undertaken to serve its loads, then Ellensburg agrees that it shall forego any request for, and BPA is not obligated to include, billing credits, as defined in Section 6(h) of the Northwest Power Act, on Ellensburg's bills under this Agreement. This section does not apply to any billing credit contracts in effect as of the Effective Date.

12.2 Residential Exchange

During the term of this Agreement, Ellensburg agrees it will not seek and shall not receive residential exchange benefits pursuant to Section 5(c) of the Northwest Power Act. Ellensburg's agreement in this section 12.2 is a material precondition to BPA offering and executing this Agreement.

13. SCHEDULING

Over the term of this Agreement, Ellensburg may be required to purchase or may have the option to purchase Transmission Scheduling Service from Power Services in accordance with Exhibit F. If Ellensburg is required or elects to purchase Transmission Scheduling Service from Power Services, then Ellensburg shall comply with the scheduling requirements described in Exhibit F, Transmission Scheduling Service. If Ellensburg is not purchasing Transmission Scheduling Service from Power Services, then Ellensburg shall comply with the scheduling requirements described in Exhibit F, Scheduling.

14. DELIVERY

14.1 Definitions

14.1.1 "Primary Points of Receipt" means the points on the Region's transmission system where Firm Requirements Power is forecasted to be made available by Power Services to Ellensburg for purposes of obtaining a long-term firm transmission contract.

14.1.2 "Scheduling Points of Receipt" means the points on the Region's transmission system where Firm Requirements Power is made available by Power Services to Ellensburg for purposes of acquiring transmission service and transmission scheduling.

14.2 Transmission Service

14.2.1 Ellensburg is responsible for acquiring transmission service to deliver power from the Scheduling Points of Receipt.

14.2.2 Ellensburg shall provide at least 180 days' notice to Power Services prior to changing Balancing Authority Areas.

14.2.3 At Ellensburg's request, Power Services shall provide Ellensburg with Primary Points of Receipt and other information needed to enable Ellensburg to acquire long-term firm transmission for delivery of power sold under this Agreement. If required by a transmission provider for purposes of transmission scheduling, then Power Services shall provide Ellensburg with Scheduling Points of Receipt. Power Services has the right to provide power to Ellensburg at Scheduling Points of Receipt that are different than the Primary Points of Receipt. If BPA does provide power to Ellensburg at Scheduling Points of Receipt that are different than the Primary Points of Receipt, then BPA shall reimburse Ellensburg for any incremental, direct, non-administrative costs incurred by Ellensburg to comply with delivering Firm Requirements Power from such Scheduling Points of Receipt to Ellensburg's load if the following conditions, as outlined in (1) or (2) below, have been met:

(1) If Ellensburg has long-term Point to Point (PTP) Transmission Service (as defined in BPA's Open Access Transmission Tariff or its successor) for delivery of Firm Requirements Power to its load:

(A) Ellensburg has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and

(B) Ellensburg has submitted a request to redirect its long-term firm PTP Transmission Service to deliver Firm Requirements Power and Surplus Firm Power from the Scheduling Point of Receipt on a firm basis, but that request was not granted; and

(C) Ellensburg's transmission schedule was curtailed due to non-firm status under PTP Transmission Service or Ellensburg can provide proof of the reimbursable costs incurred to replace the curtailed schedule.

(2) If Ellensburg has long-term Network Integration Transmission Service (as defined in BPA's Open Access Transmission Tariff or its successor) for delivery of Firm Requirements Power to its load:

(A) Ellensburg has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and

(B) Ellensburg's transmission schedule was curtailed due to non-firm status under its secondary service status and Ellensburg can provide proof of the reimbursable costs incurred to replace the curtailed schedule.

14.3 **Liability for Delivery**
Ellensburg waives any claims against BPA arising under this Agreement for non-delivery of power to any points beyond the applicable Scheduling Points of Receipt, except for reimbursement of costs as described in section 14.2.3. BPA shall not be liable under this Agreement for any third-party claims related to the delivery of power after it leaves the Scheduling Points of Receipt. Neither Party shall be liable under this Agreement to the other Party for damage that results from any sudden, unexpected, changed, or abnormal electrical condition occurring in or on any electric system, regardless of ownership. These limitations on liability apply regardless of whether or not this Agreement provides for Transfer Service.

14.4 **Real Power Losses**
BPA is responsible for the real power losses necessary to deliver Firm Requirements Power and Surplus Firm Power to Ellensburg's PODs listed in Exhibit E.

14.5 **Metering Losses**
BPA shall adjust measured amounts of power to account for metering losses, if any, that occur between Ellensburg's PODs and the respective POMs, as specified in Exhibit E.

15. METERING

15.1 Measurement

By September 30, 2027, the Parties shall ensure that meters are installed on all PODs listed in Exhibit E, consistent with the requirements of this section 15. Unless otherwise stated in Exhibit E, the amount of power measured by such meters shall be used by BPA for billing purposes. If the Parties agree that metering is economically or technologically impractical, then:

(1) the Parties shall use scheduled amounts to measure the amount of power purchased if such power is scheduled into or out of Ellensburg's service territory; or

(2) the Parties shall use mutually acceptable load profiles to measure the amount of power purchased if such power is not scheduled; or

(3) the Parties shall use meter data provided by Ellensburg to BPA in a mutually agreed manner to measure the amount of power purchased.

If the metering equipment associated with the meters listed in Exhibit E fails to properly measure or record the interval readings, then BPA shall follow the Metering Usage Data Estimation Provision of BPA's applicable Power Rate Schedules and GRSPs to determine the appropriate billing adjustment.

The rights to locate meters and access facilities granted to BPA pursuant to this section 15 are subject to the terms of any applicable agreement between Ellensburg and Transmission Services addressing the location, cost responsibility, access, maintenance, testing, and liability of the Parties with respect to meters.

15.2 BPA Owned Meters

At BPA's expense, BPA shall operate, maintain, and replace, as necessary, all metering equipment owned by BPA that is needed to plan, schedule, and bill for Ellensburg's power needs under this Agreement consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA. Ellensburg authorizes BPA to maintain and replace any BPA owned metering equipment on Ellensburg's facilities that is reasonably necessary to forecast, plan, schedule, and bill for power. With reasonable notice from BPA, and for the purpose of implementing this provision, Ellensburg shall grant BPA reasonable physical access to BPA owned meters at BPA's request, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

If, at any time, either Party determines that a BPA owned meter is defective or inaccurate, then BPA shall adjust, repair, or replace the meter to provide accurate metering as soon as practical consistent with Ellensburg's Network

Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA. Ellensburg shall have the right to witness any meter tests conducted by BPA on BPA owned meters listed in Exhibit E. The exercise of such right shall be conducted consistent with the applicable requirements, if any, of Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

15.3 **Non-BPA Owned Meters**

15.3.1 **Non-BPA Owned Meters Owned by Ellensburg**
At Ellensburg's expense, Ellensburg shall operate, maintain, and replace, as necessary, all non-BPA metering equipment owned by Ellensburg that is needed by BPA to forecast, plan, schedule, and bill for power for:

(1) points of interconnection between Ellensburg's system and parties other than BPA;

(2) all loads that require separate measurement for purposes of forecasting, planning, scheduling, or billing for power; and

(3) Generating Resources and Energy Storage Devices listed in Exhibit A and Exhibit J, respectively that are interconnected to Ellensburg's system.

For the purpose of inspection, Ellensburg shall grant BPA reasonable physical access to Ellensburg meters at BPA's request, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

If, at any time, BPA or Ellensburg determines that a Ellensburg owned meter listed in Exhibit E is defective or inaccurate, then Ellensburg shall adjust, repair, or replace the meter, or shall make commercially reasonable efforts to arrange for the completion of such actions, to provide accurate metering as soon as practical. BPA shall have the right to witness any meter tests conducted by Ellensburg on Ellensburg owned meters listed in Exhibit E. The exercise of such right shall be conducted consistent with the applicable requirements, if any, of Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

15.3.2 **Non-BPA Owned Meters Not Owned by Ellensburg**
For non-BPA owned meters not owned by Ellensburg, and excluding such in section 15.3.3.below, needed by BPA to forecast, plan, schedule and bill for power under this Agreement, Ellensburg shall make commercially reasonable efforts to arrange with the owner(s) of such

meters for the meters to be operated, maintained and replaced, as necessary, for the measurements described above in sections 15.3.1(1) and 15.3.1(2) and for any Generating Resources listed in Exhibit A and Energy Storage Devices listed in Exhibit J that require metering.

If, at any time, it is determined that a non-BPA owned meter not owned by Ellensburg listed in Exhibit E is defective or inaccurate, then Ellensburg shall make commercially reasonable efforts to arrange with the owner of the meter to adjust, repair, or replace the meter, to provide accurate metering as soon as practical. To the extent possible, BPA may witness any meter tests on non-BPA owned meters not owned by Ellensburg listed in Exhibit E, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA as well as any applicable agreements Ellensburg may have with the owner of the meter.

15.3.3 **Non-BPA Owned Meters Owned by a Third-Party Transmission Provider**
For non-BPA owned meters owned by a Third-Party Transmission Provider for which BPA holds a transmission contract for service to Ellensburg load, the metering arrangements shall be between BPA and the Third-Party Transmission Provider.

15.4 **New Meters**
A separate agreement addressing the location, cost responsibility, access, maintenance, testing, and liability of the Parties with respect to new meters shall be between Ellensburg and Transmission Services.

All new and replaced meters installed by either Party shall meet the American National Standard Institute standards and the Requirements for Instrument Transformers, or their replacement as specified in BPA's applicable metering procedures and requirements posted to BPA's publicly accessible metering services website as of the date of installation.

15.5 **Metering an NLSL**
In addition to the provisions contained in this section 15, any loads that are monitored by BPA for an NLSL determination and any NLSLs shall be metered pursuant to section 20.3.3.

15.6 **Metering Exhibit**
The Parties shall provide meter data to one another as specified in section 17.3. BPA shall list Ellensburg's PODs, POMs, Interchange Points, as applicable, and related information in Exhibit E.

16. BILLING AND PAYMENT

16.1 Billing

BPA shall electronically bill Ellensburg monthly for all products and services, including any charges and credits incurred, provided during the preceding month(s). However, if electronic transmittal of the bill is not possible, then BPA shall mail a physical copy of the bill to Ellensburg. BPA may send Ellensburg an estimated bill prior to a final bill and may send subsequent revisions if needed. The Issue Date is the date BPA sends the bill to Ellensburg.

16.2 Payment

Ellensburg shall pay all bills electronically in accordance with instructions on the bill. Payment of all bills, whether estimated or final, must be received by the 20th day after the Issue Date of the bill (Due Date). If the 20th day is a Saturday, Sunday, or federal holiday, then the Due Date is the next Business Day.

If Ellensburg has made payment on an estimated bill then:

(1) if the amount of the final bill exceeds the amount of the estimated bill, then Ellensburg shall pay BPA the difference between the estimated bill and final bill by the final bill's Due Date; or

(2) if the amount of the final bill is less than the amount of the estimated bill, then BPA shall pay Ellensburg the difference between the estimated bill and final bill by the 20th day after the final bill's Issue Date. If the 20th day is a Saturday, Sunday, or federal holiday, BPA shall pay the difference by the next Business Day.

16.3 Late Payments

If Ellensburg has not paid its bill in full by the Due Date, BPA shall apply a daily interest charge to any unpaid balance equal to the higher of:

(1) the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) plus four percent, divided by 365; or

(2) the Prime Rate times 1.5, divided by 365.

16.4 Failure to Pay

If Ellensburg has not paid its bill in full by the Due Date, then BPA shall notify Ellensburg of nonpayment. Ellensburg shall have 45 calendar days after receipt of the written notice to cure its nonpayment by making payment in full. If Ellensburg does not provide full payment within the 45-day cure period, then BPA shall send an additional written notice of nonpayment to Ellensburg. Ellensburg shall then have three Business Days after receipt of the additional written notice to provide payment. If Ellensburg has not provided payment within three Business Days after receipt of the additional written notice and BPA determines in its sole discretion that Ellensburg is unable to make the payments owed, then BPA may terminate this Agreement pursuant to section 23. Written notices sent under this section 16.4 must comply with section 1 of Exhibit I.

16.5 Disputed Bills

16.5.1 If Ellensburg disputes any portion of a charge or credit on Ellensburg's estimated or final bills, Ellensburg shall provide written notice to BPA with a copy of the bill noting the disputed amounts. Notwithstanding whether any portion of the bill is in dispute, Ellensburg shall pay the entire bill by the Due Date. This section 16.5.1 does not allow Ellensburg to challenge the validity of any BPA rate.

16.5.2 Unpaid amounts on a bill (including both disputed and undisputed amounts) are subject to the late payment charges provided above. Notice of a disputed charge on a bill does not constitute BPA's agreement that a valid claim under contract law has been stated.

16.5.3 If the Parties agree, or if after a final determination of a dispute pursuant to section 19, Ellensburg is entitled to a refund of any portion of the disputed amount, then BPA shall make such refund with simple interest computed from the date of receipt of the disputed payment to the date the refund is made. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) divided by 365.

17. INFORMATION EXCHANGE AND CONFIDENTIALITY

17.1 General Requirements

Upon request, each Party shall provide the other Party any information that is necessary to administer this Agreement and to forecast Ellensburg's Total Retail Load, forecast BPA system load, comply with North American Electric Reliability Corporation (NERC) reliability standards, prepare bills, resolve billing disputes, administer Transfer Service, forecast and monitor large loads and NLSLs, and otherwise implement this Agreement. For example, this obligation includes, but is not limited to: (1) load and resource data relating to large loads and NLSLs; (2) transmission and power scheduling information; (3) load and resource metering information (such as customer system one-line and metering diagrams, loss factors, historical hourly load and resource data, etc.); and, (4) Energy Storage Device data.

In addition, Ellensburg shall provide information BPA requests about Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load for purposes of meeting: (1) BPA's statutory obligations under Section 7(b) of the Northwest Power Act and (2) regional resource adequacy programs and market participation.

The Parties shall make best efforts to provide information requested under this section 17.1 within the reasonable time frames specified in the requests. If Ellensburg fails to provide BPA with information Ellensburg is required to provide pursuant to this Agreement and the absence of such information makes it impossible for BPA to perform a calculation, make a determination, or take an action required under this Agreement, then BPA may suspend its obligation to perform such calculation, make such determination, or take such action until Ellensburg has provided such information to BPA.

17.2 **Reports**

17.2.1 Within 30 calendar days after final approval of Ellensburg's annual financial report and statements by Ellensburg's authorized officer, Ellensburg shall either e-mail them to BPA at kslf@bpa.gov or, if any of the information is publicly available, then Ellensburg shall notify BPA of its availability.

17.2.2 Within 30 calendar days after its submittal to the Energy Information Administration (EIA), or its successor, Ellensburg shall e-mail a copy of its Annual Form EIA-861 Reports to BPA at kslf@bpa.gov. If Ellensburg is not required to submit such reports to the EIA, then this requirement does not apply.

17.2.3 By November 30, 2028, and by November 30 each year thereafter, Ellensburg shall provide to the Pacific Northwest Utilities Conference Committee (PNUCC), or its successor, forecasted loads, Energy Storage Devices, and resources data to facilitate a region-wide assessment of loads and resources in a format, length of time, and level of detail specified in PNUCC's Northwest Regional Forecast Data Request.

After consultation with the Northwest Power and Conservation Council's (Council) Resource Adequacy Advisory Committee, or a successor, BPA may require Ellensburg to submit additional data to Council that BPA determines is necessary for the Council to perform a regional resource adequacy assessment.

The requirements of this section 17.2.3 are waived if Ellensburg: (1) purchases all the power to serve its Total Retail Load from BPA and (2) uses no Energy Storage Device(s) to serve its Total Retail Load.

Notwithstanding the above, in no event shall Ellensburg be obligated under this section 17.2.3 to provide PNUCC or the Council an unaggregated load forecast or other unaggregated data that is specific to an individual end-use consumer or potential end-use consumer of Ellensburg, including no obligation to provide the identities of such end-use consumers.

Ellensburg may require PNUCC or Council to execute a commercially reasonable non-disclosure agreement consistent with the terms of section 17.6 before providing such entities the data and information required pursuant to this section 17.2.3, as applicable.

17.2.4 If Ellensburg is required by applicable law, their transmission provider, or directive (i.e. utility board resolution) to prepare and publish long-term integrated resource plans or resource forecasts, then Power Services may request and Ellensburg shall provide Power Services with updated copies of such.

17.3 **Meter Data**

17.3.1 In accordance with section 15 and Exhibit E, the Parties shall notify each other of any changes to PODs, POMs, Interchange Points and related information for which each Party is responsible. Ellensburg shall ensure BPA has access to all data from load, Energy Storage Device, and resource meters that BPA determines are necessary to administer this Agreement including to forecast, plan, schedule, and bill under this Agreement. Access to these data shall be on a schedule agreed to by the Parties. Meter data include, but are not limited to: Ellensburg's actual amounts of energy used, expended, or stored for loads, resources, and Energy Storage Devices, and the physical attributes of Ellensburg's meters.

BPA shall provide Ellensburg access to and Ellensburg may view meter data from the meters listed in Exhibit E with an active Customer Portal agreement, or its successor.

17.3.2 Ellensburg consents to allow Power Services to receive the following information from Transmission Services and BPA's metering function: (1) Ellensburg's meter data, as specified in section 17.3.1, section 15, and Exhibit E, and (2) notification of outages or load shifts.

17.3.3 When the following events are planned to occur on Ellensburg's system that will affect the load measured by the meters listed in Exhibit E:

(1) installation of a new meter,

(2) changes or updates to an existing meter not owned by BPA,

(3) any planned line or planned meter outages, and

(4) any planned load shifts from one POD to another,

then Ellensburg shall provide BPA with advance notice by e-mailing BPA at mdm@bpa.gov and the contacts shown in section 1 of Exhibit I.

Ellensburg shall follow all applicable metering procedures and requirements posted to BPA's publicly accessible metering services website. Such requirements include, but are not limited to, specifying the number of required advanced days' notice for the events listed above.

This section 17.3.3 is not intended to apply to retail meters not listed in Exhibit E.

17.3.4 If an unplanned load shift or outage occurs, materially affecting the load measured by the meters listed in Exhibit E, then Ellensburg shall e-mail BPA at: (1) mdm@bpa.gov, and (2) the contacts shown in section 1 of Exhibit I within 72 hours after the event.

17.4 **Data for Determining CHWM**
Upon request, Ellensburg shall provide to BPA any load and resource information that BPA determines is reasonably necessary to calculate Ellensburg's CHWM. This may include historical load data not otherwise available to BPA and other data necessary to allow BPA to adjust for weather normalization.

17.5 **Total Retail Load Forecast**
By December 31, 2026, and by each December 31 of each Forecast Year, the Parties shall work together to determine and establish a forecast of Ellensburg's monthly energy and Ellensburg's system coincidental peak of Ellensburg's Total Retail Load for the upcoming ten Fiscal Years.

17.6 **Transparency of Net Requirements Process**
By July 31, 2028, and by July 31 of each Rate Case Year thereafter, BPA shall make the following information publicly available to Ellensburg and all other BPA regional utility customers with a CHWM:

(1) Ellensburg's measured Total Retail Load data for the previous two Fiscal Years in monthly energy amounts and monthly customer-system peak amounts, and

(2) Ellensburg's Dedicated Resources for the previous two Fiscal Years in monthly energy and peak amounts as listed in section 5 of Exhibit A.

Ellensburg waives all claims of confidentiality regarding the data described above.

17.7 **Confidentiality**
Before Ellensburg provides information to BPA that is confidential, or is otherwise subject to a privilege or nondisclosure, Ellensburg shall clearly designate such information as confidential. BPA shall notify Ellensburg as soon as practicable of any request received under the Freedom of Information Act (FOIA), or under any other federal law or court or administrative order,

for any confidential information. BPA shall release such confidential information consistent with FOIA or if required by any other federal law or court or administrative order. BPA shall limit the use and dissemination of confidential information within BPA to employees who need it for purposes of administering this Agreement.

17.8 **Resources Not Used to Serve Total Retail Load**
Ellensburg shall list in section 6 of Exhibit A all Generating Resources Ellensburg owns that are: (1) not Specified Resources listed in section 2 of Exhibit A, and (2) greater than 1.000 megawatt of nameplate capability. At BPA's request, Ellensburg shall provide BPA with additional data if needed to verify the information listed in section 6 of Exhibit A.

18. UNCONTROLLABLE FORCES

18.1 A Party shall not be in breach of an obligation under this Agreement to the extent its failure to fulfill the obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control, and without the fault or negligence, of the Party claiming the Uncontrollable Force, that prevents that Party from performing its obligations under this Agreement and which that Party could not have avoided by the exercise of reasonable care, diligence and foresight. Uncontrollable Forces include each event listed below, to the extent it satisfies the foregoing criteria, but are not limited to these listed events:

(1) any curtailment or interruption of firm transmission service on BPA's or a Third-Party Transmission Provider's System that prevents delivery of Firm Requirements Power sold under this Agreement to Ellensburg;

(2) any failure of Ellensburg's distribution or transmission facilities that prevents Ellensburg from delivering power to end-users;

(3) strikes, work stoppage, or terrorist acts;

(4) floods, earthquakes, other natural disasters, epidemics, or pandemics; and

(5) final orders or injunctions issued by a court or regulatory body having subject matter jurisdiction which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court having subject matter jurisdiction.

18.2 Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

18.3 If an Uncontrollable Force prevents a Party from performing any of its obligations under this Agreement, such Party shall:

(1) promptly notify the other Party of such Uncontrollable Force by any means practicable and confirm such notice in writing as soon as reasonably practicable;

(2) use commercially reasonable efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligation hereunder as soon as reasonably practicable;

(3) keep the other Party apprised of such efforts on an ongoing basis; and

(4) provide written notice of the resumption of performance.

Written notices sent under this section must comply with section 1 of Exhibit I.

18.4 The Parties shall keep each other apprised of the status of any Uncontrollable Force once invoked.

19. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be interpreted consistent with and governed by federal law. Ellensburg and BPA shall identify issue(s) in dispute arising out of this Agreement and make a good faith effort to negotiate a resolution of such disputes before either may initiate litigation or arbitration. Such good faith effort shall include discussions or negotiations between the Parties' executives or managers. Pending resolution of a contract dispute or contract issue between the Parties or through formal dispute resolution of a contract dispute arising out of this Agreement, the Parties shall continue performance under this Agreement unless to do so would be impossible or impracticable. Unless the Parties engage in binding arbitration as provided for in this section 19, the Parties reserve their rights to individually seek judicial resolution of any dispute arising under this Agreement.

19.1 Judicial Resolution

Final actions subject to Section 9(e) of the Northwest Power Act are not subject to arbitration under this Agreement and shall remain within the exclusive jurisdiction of the United States Court of Appeals for the Ninth Circuit. Such final actions include, but are not limited to, the establishment and the implementation of rates and rate methodologies. Any dispute regarding any rights or obligations of Ellensburg or BPA under any rate or rate methodology, or BPA policy, including the implementation of such policy, shall not be subject to arbitration under this Agreement. For purposes of this section 19, BPA policy means any written document adopted by BPA as a final action in a decision record or record of decision that establishes a policy of general application or makes a determination under an applicable statute or regulation. If BPA determines that a dispute is excluded from nonbinding arbitration under this section 19, then Ellensburg may apply to the federal court having jurisdiction for an order determining whether such dispute is subject to nonbinding arbitration under this section 19.

19.2 **Arbitration**
Any contract dispute or contract issue between the Parties arising out of this Agreement, which is not excluded by section 19.1 above, shall be subject to arbitration, as set forth below.

Ellensburg may request that BPA engage in binding arbitration to resolve any dispute. If Ellensburg requests such binding arbitration and BPA determines in its sole discretion that binding arbitration of the dispute is appropriate under BPA's Binding Arbitration Policy or its successor, then BPA shall engage in such binding arbitration, provided that the remaining requirements of this section 19.2 and sections 19.3 and 19.4 are met. BPA may request that Ellensburg engage in binding arbitration to resolve any dispute. In response to BPA's request, Ellensburg may agree to binding arbitration of such dispute, provided that the remaining requirements of this section 19.2 and sections 19.3 and 19.4 are met. Before initiating binding arbitration, the Parties shall draft and sign an agreement to engage in binding arbitration, which shall set forth the precise issue in dispute, the amount in controversy and the maximum monetary award allowed, pursuant to BPA's Binding Arbitration Policy or its successor.

Nonbinding arbitration shall be used to resolve any dispute arising out of this contract that is not excluded by section 19.1 above and is not resolved via binding arbitration, unless Ellensburg notifies BPA that it does not wish to proceed with nonbinding arbitration.

19.3 **Arbitration Procedure**
Any arbitration shall take place in Portland, Oregon, unless the Parties agree otherwise. The Parties agree that a fundamental purpose for arbitration is the expedient resolution of disputes; therefore, the Parties shall make best efforts to resolve an arbitrable dispute within one year of initiating arbitration. The rules for arbitration shall be agreed to by the Parties.

19.4 **Arbitration Remedies**
The payment of monies shall be the exclusive remedy available in any arbitration proceeding pursuant to this section 19. This shall not be interpreted to preclude the Parties from agreeing to limit the object of arbitration to the determination of facts. Under no circumstances shall specific performance be an available remedy against BPA.

19.5 **Finality**

19.5.1 In binding arbitration, the arbitration award shall be final and binding on the Parties, except that either Party may seek judicial review based upon any of the grounds referred to in the Federal Arbitration Act, 9 U.S.C. §1-16 (1988). Judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof.

19.5.2 In nonbinding arbitration, the arbitration award is not binding on the Parties. Each Party shall notify the other Party within 30 calendar days, or such other time as the Parties otherwise agreed to, whether it accepts or rejects the arbitration award. Subsequent to nonbinding arbitration, if either Party rejects the arbitration award, either Party may seek judicial resolution of the dispute, provided that such suit is brought no later than 395 calendar days after the date the arbitration award was issued.

19.6 **Arbitration Costs**
Each Party shall be responsible for its own costs of arbitration, including legal fees. Unless otherwise agreed to by the Parties, the arbitrator(s) may apportion all other costs of arbitration between the Parties in such manner as the arbitrator(s) deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

20. STATUTORY PROVISIONS

20.1 **Retail Rate Schedules**
Ellensburg shall make its retail rate schedules available to BPA, as required by section 5(a) of the Bonneville Project Act, P.L. 75-329, within 30 calendar days of each of Ellensburg's retail rate schedule effective dates. This requirement may be satisfied by Ellensburg informing BPA of its public website where such information is posted and kept current.

20.2 **Insufficiency and Allocations**
If BPA determines, consistent with Section 5(b) of the Northwest Power Act and other applicable statutes, that it will not have sufficient resources on a planning basis to serve its loads after taking all actions required by applicable laws then BPA shall give Ellensburg a written notice that BPA may restrict service to Ellensburg. Such notice shall be consistent with BPA's insufficiency and allocations methodology, published in the Federal Register on March 20, 1996, and shall state the effective date of the restriction, the amount of Ellensburg's load to be restricted and the expected duration of the restriction. BPA shall not change that methodology without the written agreement of all public body, cooperative, federal agency and investor-owned utility customers in the Region purchasing electric power from BPA under Section 5(b) of the Northwest Power Act. Such restriction shall take effect no sooner than five years after BPA provides notice to Ellensburg. If BPA imposes a restriction under this provision then the amount of Firm Requirements Power that BPA is obligated to provide and that Ellensburg is obligated to purchase pursuant to section 3 and Exhibit C shall be reduced to the amounts available under such allocation methodology for restricted service.

20.3 **New Large Single Loads and CF/CTs**

20.3.1 **Customer Notice of Large Loads and Determination of an NLSL**

Ellensburg shall provide reasonable notice to BPA of any expected increase in a single load that may qualify as a Potential NLSL, Planned NLSL, or NLSL.

Pursuant to this section 20.3, BPA shall determine if any load associated with a single facility that is capable of growing ten Average Megawatts or more in a consecutive 12-month period is a Potential NLSL or an NLSL. Pursuant to this section 20.3, the Parties shall determine if any load associated with a single facility is a Planned NLSL.

Ellensburg's Potential NLSLs, Planned NLSLs, and NLSLs shall be subject to monitoring as determined necessary by BPA. For the purposes of section 2.66, this section 20.3, and section 1 of Exhibit D, ten Average Megawatts in a consecutive 12-month monitoring period equates to 87,600,000 kilowatt-hours in any consecutive 12-month period with 365 days and 87,840,000 kilowatt-hours for any consecutive 12-month period with 366 days.

In accordance with BPA's NLSL Policy and the terms of this section 20.3, BPA may determine that a load is an NLSL as follows:

20.3.1.1 Pursuant to Section 3(13) of the Northwest Power Act, BPA shall determine an increase in production load to be an NLSL if any load associated with a new facility, an existing facility, or an expansion of an existing facility, which is not Contracted For, or Committed To (CF/CT), as determined by the Administrator, by a public body, cooperative, investor-owned utility, or federal agency customer prior to September 1, 1979, will result in an increase in power requirements of such customer of ten Average Megawatts or more in any consecutive 12-month period.

20.3.1.2 For the sole purpose of computing the increase in energy consumption between any two consecutive 12-month periods of comparison under this section 20.3.1, BPA shall determine if the reductions in the end-use consumer's load associated with a facility during the first 12-month period of comparison are due to unusual events reasonably beyond the control of the end-use consumer, and, if so, BPA shall compute the energy consumption as if such reductions had not occurred.

20.3.1.3 The Parties may agree that the applicable increase in load of installed production equipment at a facility will equal or exceed ten Average Megawatts consumption over any

12 consecutive months and that such production load constitutes an NLSL. Any such agreement will be a binding NLSL determination, and BPA shall add the NLSL to section 1 of Exhibit D. Alternatively, the Parties may agree that the load at a facility is expected to become an NLSL during the facility's next consecutive 12-month monitoring period and that such load is a Planned NLSL. BPA shall add the Planned NLSL to section 1 of Exhibit D.

20.3.1.4 Unless the Parties agree pursuant to section 20.3.1.3 above, BPA shall determine whether a new load or an increase in existing load at a facility is an NLSL. If BPA determines that the load at a facility is an NLSL, then BPA shall notify Ellensburg and BPA shall add the NLSL to section 1 of Exhibit D if such is not already in Exhibit D after the facility determination pursuant to section 20.3.2.

20.3.1.5 BPA shall list Ellensburg's CF/CT loads, Potential NLSLs, Planned NLSLs, and NLSLs in section 1 of Exhibit D.

20.3.2 **Determination of a Facility**
BPA shall make a written determination as to what constitutes a single facility for the purpose of identifying an NLSL. BPA's determination will be made by applying some or all of the following criteria:

(1) whether the load is operated by a single end-use consumer;

(2) whether the load is in a single location;

(3) whether the load serves a manufacturing process which produces a single product or type of product;

(4) whether separable portions of the load are interdependent;

(5) whether the load is separately metered from other loads;

(6) whether the load is contracted for, served or billed as a single load under Ellensburg's customary billing and service policy or practices;

(7) consideration of the facts from previous similar situations; and

(8) any other factors the Parties determine to be relevant.

20.3.3 **Access and Metering**
Upon BPA request, Ellensburg shall provide physical access to its substations and other service locations where BPA needs to perform inspections or gather information for purposes of implementing

Section 3(13) of the Northwest Power Act. Such BPA inspections may include but are not limited to those needed to make a facility, final NLSL, or CF/CT determination. Ellensburg shall coordinate with the end-use consumer to provide BPA, at reasonable times, physical access to inspect a facility for these purposes.

For any load that is monitored by BPA for an NLSL determination, and for any load at any facility that was determined by BPA to be an NLSL, BPA may, in its sole discretion, install BPA owned meters. If the Parties agree, Ellensburg may install meters meeting specifications BPA provides to Ellensburg. Ellensburg and BPA shall enter into a separate agreement for the location, ownership, cost responsibility, access, maintenance, testing, replacement and liability of the Parties with respect to such meters. Ellensburg shall coordinate with BPA and the end-use consumer to arrange for metering locations that allow accurate measurement of the load at a facility. Ellensburg shall arrange for BPA to have physical access to such meters and Ellensburg shall ensure BPA has access to all meter data for loads that are monitored under this section 20.3 and section 1 of Exhibit D that BPA determines are necessary to forecast, plan, schedule, and bill for power.

20.3.4 **Billing for Large Loads Capable of Growing By More Than 10 aMW in 12-Month Monitoring Period**

At the time a load starts to increase, if BPA does not determine that such increase in load is a Planned NLSL or an NLSL, then BPA shall bill Ellensburg for the increase in load at a facility at the applicable PF rates during any consecutive 12-month monitoring period.

If BPA later determines that the increase in load is an NLSL, then BPA shall revise Ellensburg's monthly bills from the monitoring period to reflect the difference between the assessed PF rates and the applicable NR Rates in effect for the monitoring period in which the increase takes place. Ellensburg shall pay the balance on each revised bill, which will include simple interest on the assessed amount. BPA shall compute simple interest on the assessed amount from the original Due Date of any bill that included days from the applicable monitoring period to the Due Date of the revised bill that will be issued. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which the monitoring period began) divided by 365. After BPA's NLSL determination, Ellensburg shall make a service request or election for the NLSL pursuant to section 20.3.6.

If BPA concludes in its sole judgment that Ellensburg has not fulfilled its obligations, or has not been able to obtain access or information from the end-use consumer under this section 20.3, then BPA may determine any large load capable of growing ten Average Megawatts or more in a consecutive 12-month period or any Potential NLSL subject to monitoring to be an NLSL, in which case Ellensburg shall be billed and pay in accordance with the preceding paragraph. Such NLSL determination shall be final unless Ellensburg proves to BPA's satisfaction that the applicable increase in load did not equal or exceed ten Average Megawatts in any 12-month monitoring period.

20.3.5 **Load Status at the End of the Consecutive 12-Month Monitoring Period**
At the end of each consecutive 12-month monitoring period of a load at a facility, BPA will determine if the metered load at the facility has grown by ten Average Megawatts or more during the preceding consecutive 12-month monitoring period. To determine load growth for a facility determined to be a CF/CT, BPA will subtract the amount of firm energy contracted for, or committed for the facility, as stated in section 1 of Exhibit D, from the metered load at the facility for the preceding consecutive 12-month monitoring period.

20.3.5.1 **Load Growth By 10 Average Megawatts or More**
If the load at a facility has grown by ten Average Megawatts or more in the preceding consecutive 12-month monitoring period, then the facility is an NLSL. BPA shall notify Ellensburg of the NLSL designation and shall update section 1 of Exhibit D. Any future increases in the load shall be part of the NLSL.

20.3.5.2 **Load Growth Less Than 10 Average Megawatts**
If the load at a facility has grown by less than ten Average Megawatts in the preceding consecutive 12-month monitoring period, then BPA shall notify Ellensburg that the load remains a Potential NLSL or Planned NLSL, and BPA may continue to monitor the load growth in the subsequent consecutive 12-month monitoring period. BPA shall also determine if liquidated damages are applicable pursuant to section 1 of Exhibit D.

If the load at a facility has grown by less than ten Average Megawatts in the preceding consecutive 12-month monitoring period(s), then BPA will track the cumulative total load at the facility from one monitoring period to the next. For purposes of this section 20.3 and section 1 of Exhibit D, the cumulative total load, including load increases and load reductions, from the prior 12-month monitoring period(s) will be referred to as the "Cumulative Prior Load". At the end of each 12-month monitoring period, BPA shall update section 1 of Exhibit D with the amount of Ellensburg's Cumulative Prior Load and include the amount of Cumulative Prior Load in the calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates for the subsequent consecutive 12-month monitoring period.

20.3.5.3 **Load at a Facility Included in Customer's Firm Requirement Power**

For purposes of this section 20.3 and section 1 of Exhibit D, the amount of Cumulative Prior Load of a Potential NLSL or Planned NLSL when BPA determines the facility to be an NLSL will be the fixed amount of Ellensburg's load at a facility that BPA will include in its calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates. BPA may adjust the fixed amount of Ellensburg's load at a facility that BPA will include in its calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates if Ellensburg's load at the facility reduces by 10 aMW below the fixed amount.

Upon BPA's determination that a monitored load is an NLSL, all measured amounts of such NLSL that exceed the load at the facility that is included in Ellensburg's Firm Requirements Power calculation shall be part of Ellensburg's NLSL, which will be served in accordance with this section 20.3 and section 1 of Exhibit D.

As applicable, BPA shall update the table in section 1.5.2 of Exhibit D with the fixed amount of load at the facility to be included in the calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates.

20.3.6 **Service Options for Planned NLSLs and NLSLs**

Ellensburg may:

(1) serve any Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts added to Exhibit A that are not already being used to serve Ellensburg's Total Retail Load in the Region. If Ellensburg elects to serve its NLSL with Dedicated Resource or Consumer-Owned Resource Amounts, then such election shall be binding on Ellensburg for the remaining term of this Agreement; or

(2) request to have BPA serve any Planned NLSL or NLSL at the applicable NR Rate consistent with section 20.3.7 below.

If Ellensburg serves any Planned NLSL or NLSL with Committed Power Purchase Amounts, then Ellensburg shall provide BPA with information necessary for BPA's compliance with regional resource adequacy planning requirements pursuant to section 22.1 and section 5 of Exhibit J.

If Ellensburg has existing Planned NLSLs or NLSLs as of the Effective Date of this Agreement, and if Ellensburg has not notified BPA which service option above it chooses for each applicable Planned NLSL or NLSL above by the start of the CHWM Load Process for FY 2029, then Ellensburg's default election for all such existing Planned NLSLs and NLSLs shall be consistent with section 20.3.6(1) above.

If Ellensburg changes its purchase obligation pursuant to section 11 of this Agreement, and (1) Ellensburg has requested and BPA has started an NLSL service study or (2) Ellensburg has Planned NLSLs or NLSLs served by BPA at the NR Rate, then BPA will assess future service for such Planned NLSLs or NLSLs on a case-by-case basis.

20.3.7 **Request for NLSL Service Study, Summary Report, and NLSL Service Election**

If Ellensburg would like BPA to serve a Planned NLSL or an NLSL at the NR Rate, then Ellensburg shall submit a written request to BPA for an NLSL service study no sooner than the Effective Date of this Agreement.

Ellensburg shall provide BPA all information requested by BPA necessary to study Ellensburg's Planned NLSL or NLSL. After BPA determines it has all necessary information, BPA shall conduct an NLSL service study that may last up to three years from the date of Ellensburg's request.

During the study period, BPA shall: (1) assess the ability of BPA to serve the Planned NLSL or NLSL with firm power and (2) periodically keep Ellensburg apprised of its study progress. BPA shall bill Ellensburg and Ellensburg shall pay all costs associated with the NLSL service study, including but not limited to staff time and third-party costs associated with completing a study.

Once BPA completes the NLSL service study, BPA will provide Ellensburg with the NLSL service study summary report for BPA to make power available to serve the NLSL with firm power at the NR Rate. The NLSL service study summary report will state the conditions of BPA making power available to serve the NLSL such as: the anticipated date BPA could provide power, costs arrangements, any BPA resource acquisition needs, any additional information required, and any identified constraints that may be known.

Power Services will coordinate with Transmission Services to complete and implement any NLSL service study to identify anticipated timing of available transmission to incorporate any new resource acquisition into the FCRPS for any new resources Power Services forecasts. Coordination between Power Services, Transmission Services and Ellensburg is necessary to facilitate arrangements between Ellensburg and Transmission Services for delivery of Firm Requirements Power to Ellensburg to serve a Planned NLSL or an NLSL under Ellensburg's transmission service agreement with Transmission Services.

Within 90 calendar days of receipt of the NLSL service study summary report, Ellensburg shall elect in writing to: (1) have BPA serve the Planned NLSL or NLSL at the NR Rate starting on the date stated in the summary report and consistent with section 20.3.6(2) above; or (2) continue to serve the Planned NLSL or NLSL with non-federal resource(s) consistent with section 20.3.6(1) above. Such election shall be binding on Ellensburg for the remaining term of this Agreement.

If Ellensburg elects to have BPA serve the Planned NLSL or NLSL at the NR Rate, then the Parties will revise Exhibit D to include the terms and conditions of the NLSL service study summary report, including a provision for liquidated damages, or develop a stand-alone agreement with such terms.

20.3.8 **Planned NLSL and NLSL Service During the Study Period and Until the NR Service Start Date**

While BPA conducts an NLSL service study and until Ellensburg's elected service start date at the NR Rate, Ellensburg may serve its Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts consistent with section 20.3.6(1). BPA shall revise section 4 or 7.4 of Exhibit A to include such resources.

At any time while BPA is conducting an NLSL service study, Ellensburg may request BPA discontinue the NLSL service study and elect to serve the Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts for the term of this Agreement. If a Planned NLSL becomes an NLSL during the NLSL study period, BPA shall update Exhibit D to reflect the change.

20.3.9 **Submittal of Initial Forecast**

If Ellensburg is serving any Planned NLSLs or NLSLs with Dedicated Resource or Consumer-Owned Resource amounts, then by June 30 of each year, unless another date is agreed to by the Parties, Ellensburg shall provide BPA with forecasted energy amounts for such resources for each Diurnal period and peak amounts for each month to serve any Planned NLSLs and NLSLs for the upcoming Fiscal Year. BPA shall use Ellensburg's initial forecast to determine the Dedicated Resource or Consumer-Owned Resource amounts required to serve the Planned NLSLs and NLSLs. However, if BPA determines Ellensburg's initial forecast to be unreasonable, then BPA may replace Ellensburg's initial forecast with a final forecast that BPA develops. If Ellensburg is serving any Planned NLSLs or NLSLs with Dedicated Resource or

Consumer-Owned Resource amounts, then BPA shall revise section 4 or 7.4 of Exhibit A to state such amounts by September 1 of each year.

20.3.10 Consumer-Owned Resources Serving a Planned NLSL or an NLSL

20.3.10.1 Consumer-Owned Resources

Ellensburg's consumer may serve a Planned NLSL or an NLSL with a Consumer-Owned Resource if the following criteria are met:

(1) the Consumer-Owned Resource and its expected generation amounts are indicated in section 7.4 of Exhibit A as serving a specific Planned NLSL or NLSL;

(2) the Consumer-Owned Resource is physically located within Ellensburg's service territory;

(3) the Consumer-Owned Resource is within the same Balancing Area Authority as the Planned NLSL or NLSL; and

(4) the Consumer-Owned Resource is metered, regardless of nameplate size, and the meter data is communicated in accordance with section 15 and section 17 of the body of this Agreement.

If Ellensburg serves a Planned NLSL or an NLSL with a Consumer-Owned Resource, then Ellensburg may be required to purchase NR Support Services pursuant to requirements in the applicable Power Rate Schedules and GRSPs.

For purposes of determining Ellensburg's monthly power billing determinants, the load at a facility will be calculated by subtracting the actual generation from Ellensburg's Consumer-Owned Resource(s) identified in section 7.4 of Exhibit A from the metered hourly load of any Planned NLSL or NLSL listed in Exhibit D.

The generation from such Consumer-Owned Resources may not exceed the Planned NLSL or NLSL being served on any hour. BPA may adjust Ellensburg's power billing determinants to account for hourly excess Consumer-Owned Resource generation and may assess other charges or penalties in accordance with any applicable BPA Power Rate Schedules and GRSPs.

20.3.10.2 **On-Site Renewable Resource/Cogeneration Exception**
For purposes of this section 20.3.10.2, on-site means within the physical footprint of the NLSL facility as determined by BPA in the facility determination process.

Ellensburg may request to have BPA serve an NLSL at a PF equivalent rate, as established in the applicable 7(i) Process, if the following criteria are met:

(1) Ellensburg's end use consumer applies an on-site renewable resource or on-site cogeneration resource to reduce the load at a facility, that is otherwise not eligible to be served at PF rates, to less than ten Average Megawatts in a consecutive 12-month period,

(2) the on-site renewable resource or on-site cogeneration resource applied to the NLSL is behind Ellensburg's meter to the load at the facility, and

(3) the on-site renewable resource or on-site cogeneration resource is continuously applied to serve the NLSL, consistent with BPA's NLSL Policy and BPA's Provider of Choice Contract Record of Decision (ROD), August 2025, as amended or replaced.

If Ellensburg meets the criteria above and BPA grants Ellensburg's request for the on-site renewable/cogeneration exception, then BPA shall: (1) list the Consumer-Owned Resource serving the NLSL in section 7.4 of Exhibit A and (2) revise section 1 of Exhibit D to add the on-site renewable resource or cogeneration facility and the requirements for such service.

20.4 **Priority of Pacific Northwest Customers**
The provisions of Sections 9(c) and 9(d) of the Northwest Power Act and the provisions of the Pacific Northwest Consumer Power Preference Act as amended by the Northwest Power Act, as implemented pursuant to BPA's 5(b)/9(c) Policy, are incorporated into this Agreement by reference. Ellensburg, together with other customers in the Region, shall have priority to electric power consistent with such provisions.

20.5 **Prohibition on Resale**
Ellensburg shall not resell Firm Requirements Power except to serve Ellensburg's Total Retail Load or as otherwise permitted by federal law.

20.6 **Use of Regional Resources**

20.6.1 Within 60 calendar days prior to the start of each Fiscal Year, Ellensburg shall provide notice to BPA of any firm power from Ellensburg's Generating Resources during its term, listed in Exhibit A that has been used to serve firm consumer load in the Region and that Ellensburg plans to export for sale outside the Region in the next Fiscal Year. Firm power includes firm energy and firm peaking capability.

BPA may request and Ellensburg shall provide within 30 calendar days of such request, additional information on Ellensburg's sales and dispositions of non-federal resources if BPA has information that Ellensburg may have made such an export and not notified BPA. BPA may request and Ellensburg shall provide within 30 calendar days of such request, information on the planned use of any or all of Ellensburg's Generating Resources.

During any Rate Period that Ellensburg has no purchase obligation for Firm Requirements Power under section 3, Ellensburg shall have no obligation to notify BPA of its exports under this section; provided, however, Ellensburg shall provide notification of all applicable exports in Rate Periods when it has a purchase obligation.

20.6.2 Ellensburg shall be responsible for monitoring any firm power from Generating Resources it sells in the Region to ensure such firm power is planned to be used to serve firm consumer load in the Region.

20.6.3 Subject to the 5(b)/9(c) Policy, if Ellensburg fails to report to BPA in accordance with section 20.6.1 above, any of its planned exports for sale outside the Region of firm power from a Generating Resource that has been used to serve firm consumer load in the Region, and BPA makes a finding that an export which was not reported was made, then BPA shall decrement the amount of its Firm Requirements Power sold under this Agreement by the amount and for the duration of the export that was not reported and by any continuing export amount. Decrements under the preceding sentence shall be first to power that would otherwise be provided at the applicable firm power rate, as determined by BPA. When applicable, such decrements shall be identified in section 3.2 of Exhibit A.

20.6.4 For purposes of this section 20.6, an export for sale outside the Region means a contract for the sale or disposition of firm power from a Generating Resource during its term that has been used to serve firm consumer load in the Region, which contract will be performed in a manner that such output is no longer used or not planned to be used solely to serve firm consumer load in the Region. Delivery of firm power outside the Region under a seasonal exchange agreement that is made consistent with BPA's 5(b)/9(c) Policy will not be considered an export. Firm power from a Generating Resource used to serve firm consumer load in the Region means the firm generating or load carrying capability of a Generating Resource as established under the resource planning criteria generally used within the Region.

20.6.5 For purposes of this section 20.6, if Ellensburg has notified BPA that it will join and participate in an organized market using non-federal firm power produced by a Generating Resource dedicated to supply its Total Retail Load as identified in Exhibit A, then to the extent the organized market operates geographically both within and outside the Region, Ellensburg's participation in such market will not be considered an export outside the Region, provided Ellensburg's dedicated non-federal power obligation remains unchanged from the amount identified in Exhibit A. Ellensburg's participation in an organized market shall not increase the firm energy requirements of Ellensburg or other customers of the Administrator, as determined by the Administrator.

20.7 BPA Appropriations Refinancing

The Parties agree that the provisions of section 3201(i) of the Bonneville Power Administration Refinancing section of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (BPA Refinancing Act), P.L. 104-134, 110 Stat. 1321, 350, as stated in the United States Code on the Effective Date, are incorporated by reference and are a material term of this Agreement.

21. STANDARD PROVISIONS

21.1 Amendments

Except where this Agreement explicitly allows for one Party to unilaterally amend a provision or exhibit, no amendment of this Agreement shall be of any force or effect unless set forth in writing and signed by authorized representatives of each Party. Upon Ellensburg's request, and to the extent BPA determines it is practicable, BPA shall provide Ellensburg a reasonable opportunity to review any unilateral provision or exhibit revisions, or the data that will be input into an exhibit revision, prior to BPA making such unilateral revisions.

21.2 Entire Agreement and Order of Precedence

This Agreement, including documents expressly incorporated by reference, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement. The body of this Agreement shall prevail over the exhibits to this Agreement in the event of a conflict.

21.3 **Assignment**
This Agreement is binding on any successors and assigns of the Parties. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld. Without limiting the foregoing, BPA's refusal to consent to assignment shall not be considered unreasonable if, in BPA's sole discretion: (1) the sale of power by BPA to the assignee would violate any applicable statute, or (2) such sale might adversely affect the tax-exempt status of bonds issued as part of an issue that finances or refinances the Columbia Generating Station or that such sale might limit the ability to issue future tax-exempt bonds to finance or refinance the Columbia Generating Station. Ellensburg may not transfer or assign this Agreement to any of its retail consumers.

21.4 **No Third-Party Beneficiaries**
This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

21.5 **Waivers**
No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party, and any such waiver shall not be deemed a waiver of any other provision of this Agreement or of any other breach of this Agreement.

21.6 **BPA Policies**
Any reference in this Agreement to BPA policies, including any revisions, does not constitute agreement of Ellensburg to such policy by execution of this Agreement, nor shall it be construed to be a waiver of the right of Ellensburg to seek judicial review of any such policy.

21.7 **Rate Covenant and Payment Assurance**
Ellensburg agrees that it shall establish, maintain and collect rates or charges sufficient to assure recovery of its costs for power and energy and other services, facilities and commodities sold, furnished or supplied by it through any of its electric utility properties. BPA may require additional forms of payment assurance if: (1) BPA determines that such rates and charges may not be adequate to provide revenues sufficient to enable Ellensburg to make the payments required under this Agreement, or (2) BPA identifies in a letter to Ellensburg that BPA has other reasonable grounds to conclude that Ellensburg may not be able to make the payments required under this Agreement. If Ellensburg does not provide payment assurance satisfactory to BPA, then BPA may terminate this Agreement. Written notices sent under this section must comply with section 1 of Exhibit I.

21.8 **Procedure in the Event of Federal Base System Resource Loss**
BPA shall provide notice to Ellensburg if BPA expects the loss of Federal Base System Resource, as defined in Section 3(10) of the Northwest Power Act, that: (1) is in excess of 450 aMW in a single year and is

expected to last for a period of five or more years, and (2) the replacement cost of which would be included in the Tier 1 Cost Pool.

BPA shall conduct a public process to discuss targeted policy and CHWM Contract amendments if, within 30 calendar days of such notice provided in this section 21.8, a majority of CHWM Contract customers, or their representatives, indicate in writing to BPA the customer's support to open a public process to discuss targeted policy and contract amendments. For purposes of calculating utility count under this section, JOE Members will be counted individually.

22. PARTICIPATION IN WRAP

BPA is participating in the Western Resource Adequacy Program (WRAP) with its first binding season occurring prior to October 1, 2028. If BPA ceases to participate in WRAP, then BPA shall provide advance notice to Ellensburg of the date that BPA's participation will end.

The remainder of this section 22 will not apply if BPA is not participating in WRAP.

22.1 Responsibilities and Provision of Information Necessary for WRAP Participation

BPA shall be solely responsible for fulfilling its contractual obligations to WRAP and shall provide WRAP with any necessary data regarding Ellensburg's load and resources in compliance with WRAP requirements. Consistent with this section 22, section 17, and section 5 of Exhibit J, Ellensburg shall provide BPA with any necessary and requested information, forecasts, and attestations associated with Ellensburg's Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load.

22.1.1 By October 1, 2027, BPA shall notify Ellensburg of its preferred mode of communication for WRAP-related information.

22.1.2 BPA may request a signed Joint Contract Accreditation Form (JCAF) from Ellensburg for any Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load relevant to the WRAP. Ellensburg shall provide BPA with a signed JCAF(s) no later than 30 calendar days following such request and by the dates established in section 5 of Exhibit J. JCAFs provided under this section shall comply with the requirements of WRAP and shall be updated as appropriate to meet WRAP requirements.

22.2 WRAP-Related Charges Under a Sharing Event

If BPA incurs any charges from WRAP attributed to Ellensburg's Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA shall pass through such charges, or the portion of such charges related to Ellensburg's resources, to Ellensburg, subject to the terms of section 5 of Exhibit J.

If BPA does not incur a charge from the WRAP entity but does incur a WRAP-related cost attributed to Ellensburg's Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA may assess a charge pursuant to BPA's applicable Power Rate Schedules and GRSPs and as established in a 7(i) Process.

22.3 **WRAP and Resource-Related Exhibit Revisions**
By June 30, 2027, Ellensburg and BPA shall review and make any necessary revisions to Exhibit J to adjust the terms and conditions to implement this section 22. Such revision may include terms and conditions such as, but not limited to: BPA's preferred mode of communication, Ellensburg notices relevant to WRAP, pass through charges for resources (subject to the limitations in section 22.2 above), terms related to JCAFs, load exclusions, and any other terms necessary to facilitate BPA's participation in WRAP.

In addition, if after June 30, 2027 Ellensburg elects to apply a Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load to load for the first time, then Ellensburg and BPA shall review and make any necessary revisions to Exhibit J to adjust the terms and conditions to implement this section 22.

22.4 **Load Exclusions**
For purposes of this section 22, "load exclusion" means a distinct and separately metered load of Ellensburg for which BPA is not the exclusive wholesale provider and that is excluded from BPA's WRAP participation.

Ellensburg's request for a load exclusion, and BPA's decision of whether to allow such load exclusion, shall be pursuant to section 5 of Exhibit J.

23. FUTURE AMENDMENT FOR DAY-AHEAD MARKET IMPLEMENTATION
If BPA decides, or has decided, to join a day-ahead market to serve Ellensburg's load, then BPA shall conduct a public process to discuss implementation details of BPA's decision and work with customers to determine: (1) any necessary amendments to the Provider of Choice power sales agreements, including any necessary to align with an updated Transmission Services tariff and settlements under an organized market, and (2) the anticipated timeline for executing such amendments. Such public process shall not be construed as reconsideration of BPA's market decision. Any amendments negotiated during such public process shall be limited to those necessary to implement a day-ahead market and shall not be conditioned by either Party on modification to any other provision under this Agreement not related to implementing a day-ahead market. Following the conclusion of such public process, BPA shall issue the final amendment template and, based on the agreed-upon timeline, prepare and offer Ellensburg a contract amendment using the amendment template. Ellensburg's agreement to such amendment consistent with this section 23 shall not be unreasonably withheld.

Following BPA joining a day-ahead market to serve Ellensburg's load and the Parties amend this Agreement pursuant to this section 23, BPA shall also conduct a public process on the topic of settlements for the Slice Product in the day-ahead market that BPA joins.

24. **TERMINATION**
BPA may terminate this Agreement if:

(1) Ellensburg fails to make payment as required by section 16.4, or

(2) Ellensburg fails to provide payment assurance satisfactory to BPA as required by section 21.7.

Such termination is without prejudice to any other remedies available to BPA under law.

25. **SIGNATURES**
This Agreement may be executed in several counterparts, all of which taken together will constitute one single agreement, and may be executed by electronic signature and delivered electronically. The Parties have executed this Agreement as of the last date indicated below.

CITY OF ELLENSBURG	UNITED STATES OF AMERICA Department of Energy Bonneville Power Administration
By ______________	By HOPE ROSS Digitally signed by HOPE ROSS Date: 2025.11.13 13:56:52 -08'00'
Name The Honorable Rich Elliott *(Print/Type)*	Name Hope Ross *(Print/Type)*
Title Mayor	Title Account Executive
Date 11/10/25	Date 11/13/25

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Exhibit A
NET REQUIREMENTS AND RESOURCES

1. **NET REQUIREMENTS**
BPA shall establish Ellensburg's Net Requirement based on its Total Retail Load minus: (1) Ellensburg's Dedicated Resources determined pursuant to section 3.3 of the body of this Agreement and listed in sections 2, 3, and 4 of this exhibit, and (2) Consumer-Owned Resources determined pursuant to section 3.6 of the body of this Agreement and listed in sections 7.1, 7.3, and 7.4 of this exhibit. The Parties shall not add or remove resource amounts to change Ellensburg's purchase obligations from BPA under section 3.1 of the body of this Agreement except in accordance with sections 3.4.2, 3.5, 3.6 and 10 of the body of this Agreement.

2. **LIST OF SPECIFIED RESOURCES**
Ellensburg does not have any Specified Resources at this time.

3. **COMMITTED POWER PURCHASE AMOUNTS**

3.1 **Committed Power Purchase Amounts Used to Serve Total Retail Load**

3.1.1 **Shape of Committed Power Purchase Amounts**
BPA shall calculate Ellensburg's Committed Power Purchase Amounts using the Flat Annual Shape monthly shape and the selected Diurnal shape listed below. BPA shall update the table below consistent with section 3.4.2 of the body of this Agreement.

Shape of Committed Power Purchase Amounts		
Monthly Shape	**Diurnal Shape Choice**	
Flat Annual Shape	**HLH Diurnal Shape**	**Flat Within-Month Shape**
X		X
X		X
X		X
X		X

3.1.2 **Committed Power Purchase Amounts**
Ellensburg does not have any Committed Power Purchase Amounts at this time.

3.2 **Committed Power Purchase Amounts for 9(c) Export Decrements**
Ellensburg does not have any Committed Power Purchase Amounts for 9(c) export decrements at this time.

4. **DEDICATED RESOURCE AMOUNTS USED TO SERVE PLANNED NLSLs AND NLSLs**

Ellensburg does not have any Dedicated Resource amounts serving a Planned NLSL or an NLSL at this time, in accordance with sections 3.5.8 and 20.3 of the body of this Agreement.

5. **TOTAL DEDICATED RESOURCE AMOUNTS**

Ellensburg does not have any Dedicated Resource amounts at this time.

6. **LIST OF RESOURCES NOT USED TO SERVE TOTAL RETAIL LOAD**

Pursuant to section 17 of the body of this Agreement, Ellensburg does not own any Generating Resources that are: (1) not Specified Resources listed in section 2 of Exhibit A, and (2) greater than 1.000 megawatt of nameplate capability.

7. **LIST OF CONSUMER-OWNED RESOURCES**

7.1 **Consumer-Owned Resources Serving On-Site Consumer Load**

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving On-Site Consumer Load at this time.

7.2 **Consumer-Owned Resources Serving Load Other than On-Site Consumer Load**

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving load other than On-Site Consumer Load at this time.

7.3 **Consumer-Owned Resources Serving Both On-Site Consumer Load and Load Other than On-Site Consumer Load**

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving both On-Site Consumer Load and load other than On-Site Consumer Load at this time.

7.4 **Consumer-Owned Resources Serving Planned NLSL or NLSL**

Pursuant to section 20.3.10 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving a Planned NLSL or an NLSL at this time.

8. **TABLES FOR HLH DIURNAL SHAPE**

8.1 **Specified Resources**

If Ellensburg elects the HLH Diurnal Shape for its Specified Resources, then Ellensburg shall fill in a table with monthly LLH and HLH amounts for each year of the upcoming Rate Period for each Specified Resource. The monthly LLH and HLH distributions shall be the same across all years of a Rate Period. Ellensburg shall submit the tables to BPA when Ellensburg makes its reshaping elections. BPA shall update the appropriate Dedicated Resource amounts pursuant to Ellensburg's submitted elections and consistent with section 3.4.2 of the body of this Agreement.

8.2 **Committed Power Purchase Amounts**

If Ellensburg elects the HLH Diurnal Shape for its Committed Power Purchase Amounts, then Ellensburg shall submit to BPA in writing its elected ratios of megawatt-hours per hour in HLH to megawatt-hours per hour in LLH by October 31 of a Rate Case Year. Ellensburg shall submit to BPA twelve monthly ratios and such monthly ratios shall apply for all years of the corresponding Rate Period. BPA shall update the table below pursuant to Ellensburg's submitted elections and consistent with section 3.4.2 of the body of this Agreement. BPA shall calculate Ellensburg's Committed Power Purchase Amounts using the ratios in the table below.

HLH Diurnal Shape for Committed Power Purchase Amounts												
Rate Period	**HLH to LLH Ratios (HLH:LLH)**											
	Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
FY 2029 – FY 2030												
FY 2031 – FY 2032												
FY 2033 – FY 2034												
FY 2035 – FY 2036												
FY 2037– FY 2038												
FY 2039 – FY 2040												
FY 2041– FY 2042												
FY 2043 – FY 2044												

9. REVISIONS

BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg's elections regarding the application and use of all resources owned by Ellensburg and Ellensburg's retail consumers and (2) BPA's determinations relevant to this exhibit and made in accordance with this Agreement. All other changes to this Exhibit A will be made by mutual agreement of the Parties.

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Exhibit B
CONTRACT HIGH WATER MARKS

1. CONTRACT HIGH WATER MARK (CHWM)

1.1 CHWM Amount
By September 30, 2026, BPA shall fill in the table below with Ellensburg's CHWM. Once established, BPA may only adjust Ellensburg's CHWM as permitted pursuant to section 1.2 of this exhibit.

CHWM (annual aMW) 1/:	
Note: BPA shall round the number in the table above to three decimal places. 1/ CHWM amount effective October 1, 2028.	

1.2 CHWM Adjustments
BPA shall determine any adjustments to Ellensburg's CHWM pursuant to this section 1.2. BPA shall notify Ellensburg of any adjustments and the date such adjustment will be effective.

1.2.1 Corrections for NLSLs
If after BPA establishes Ellensburg's CHWM pursuant to section 7 of the body of this Agreement, BPA determines that a load included in Ellensburg's Total Retail Load in the CHWM calculation was an NLSL or became an NLSL in FY 2023, then BPA shall adjust Ellensburg's CHWM by removing the FY 2023 load associated with the NLSL from Ellensburg's weather normalized Total Retail Load. BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM and its effective date. BPA shall provide Ellensburg written notice of the CHWM adjustment and its effective date, and will provide Ellensburg with a revised Exhibit B. In the event of an adjustment, and subject to any applicable statute of limitations, Ellensburg shall pay any charges calculated by BPA to account for the ineligible PF rate purchases dating back to October 1, 2028.

1.2.2 Annexed Load
If Ellensburg annexes load from a utility that has a CHWM Contract, then BPA shall increase Ellensburg's CHWM in an amount determined as follows:

(1) If Ellensburg and the other utility involved in the annexation agree on the amount of the CHWM transfer to Ellensburg, then BPA shall adopt that amount if BPA determines such amount is reasonable.

(2) If Ellensburg and the other utility cannot agree on the amount of the CHWM transfer to Ellensburg, or if BPA determines the amount agreed to in section 1.2.2(1) of this exhibit is unreasonable, then BPA shall calculate the amount of

Ellensburg's CHWM transfer using the following formula; provided however that BPA may adjust the calculated amount to reflect (A) the division of Dedicated Resources between the utilities and (B) other pertinent information provided by Ellensburg and the other utility:

$$\left[\frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Other utility's pre-annexation Total Retail Load minus total NLSLs, if any}} \right] \times \left[\text{Other utility's pre-annexation CHWM} \right]$$

In no event shall the total CHWM amount of Ellensburg and the other utility after the transfer exceed the total CHWM amount of Ellensburg and the other utility prior to the transfer.

BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM which will be effective on the date that Ellensburg begins service to the Annexed Load.

1.2.3 **Ceded Load**
If another utility with a CHWM Contract annexes load of Ellensburg, then BPA shall reduce Ellensburg's CHWM in an amount determined as follows:

(1) If Ellensburg and the other utility involved in the annexation agree on the amount of the CHWM transfer to the other utility, then BPA shall adopt that amount if BPA determines such amount is reasonable.

(2) If Ellensburg and the other utility cannot agree on the amount of the CHWM transfer to the other utility, or if BPA determines the amount agreed to in section 1.2.3(1) of this exhibit is unreasonable, then BPA will calculate the amount of Ellensburg CHWM transfer using the following formula; provided however, BPA may adjust the calculated amount to reflect (A) the division of Dedicated Resources between the utilities and (B) other pertinent information advanced by Ellensburg and the other utility:

$$\left[\frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Ellensburg's pre-annexation Total Retail Load minus total NLSLs, if any}} \right] \times \left[\text{Ellensburg's pre-annexation CHWM} \right]$$

In no event shall the total CHWM amount of Ellensburg and the other utility after the transfer exceed the total CHWM amount of Ellensburg and the other utility prior to the transfer.

BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM which will be effective on the date that the annexing utility begins service to the Annexed Load.

1.2.4 **Court Order on Annexation**
BPA shall adjust Ellensburg's CHWM due to annexation if BPA's Administrator determines that a court order requires BPA to do so. BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM and its effective date. BPA shall provide Ellensburg written notice of the CHWM adjustment and revised Exhibit B as soon as reasonably practical.

1.2.5 **Small Utility Adjustment**
BPA shall determine in its sole discretion whether Ellensburg qualifies for the Small Utility Adjustment. If Ellensburg is eligible for the Small Utility Adjustment, then BPA shall also determine Ellensburg's Maximum Potential CHWM for purposes of this section 1.2.5. For purposes of this section 1.2.5, "Maximum Potential CHWM" means the lesser of: (1) double Ellensburg's CHWM as calculated in the FY 2026 CHWM Calculation Process, or (2) 5 aMW. By September 30, 2026, BPA shall fill in the table below indicating such eligibility and Ellensburg's Maximum Potential CHWM.

Eligible for Small Utility Adjustment	Maximum Potential CHWM

If Ellensburg is eligible for the Small Utility Adjustment as indicated above, then during each Above-CHWM Load Process BPA shall determine whether an adjustment is needed and calculate such adjustment as provided below. Any such adjustment would be added to Ellensburg's CHWM.

(1) BPA will determine whether Ellensburg's Preliminary Net Requirement exceeds its CHWM.

(2) If Ellensburg's Preliminary Net Requirement is less than its CHWM, then BPA shall make no adjustment to Ellensburg's CHWM.

(3) If Ellensburg's Preliminary Net Requirement exceeds its CHWM, then BPA shall calculate a CHWM adjustment in an amount equal to the difference between Ellensburg's Preliminary Net Requirement and its CHWM not to exceed Ellensburg's Maximum Potential CHWM stated above.

(4) If a proposed CHWM adjustment under section 1.2.5(3) above would exceed Ellensburg's Maximum Potential CHWM, then

BPA shall reduce such adjustment to an amount resulting in a CHWM that equals Ellensburg's Maximum Potential CHWM.

(5) If Ellensburg's CHWM has been adjusted pursuant to section 1.2.5(4) above, then BPA shall make no additional change to Ellensburg's CHWM except as otherwise provided for in this Exhibit B.

For any Rate Period that BPA adjusts Ellensburg's CHWM pursuant to this section 1.2.5, BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM to be effective at the start of the next Rate Period. BPA shall provide Ellensburg written notice of the CHWM adjustment and revised Exhibit B. For purposes of the Tier 1 Marginal Energy True-Up rate, Ellensburg's CHWM shall be the Maximum Potential CHWM as stated above.

2. REVISIONS

BPA shall unilaterally revise this exhibit pursuant to section 1 of this exhibit. All other changes to this Exhibit B will be made by mutual agreement of the Parties.

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Exhibit C
PURCHASE OBLIGATIONS

1. FIRM REQUIREMENTS POWER AT TIER 1 RATES

The portion of Ellensburg's purchase obligation that is priced at Tier 1 Rates is established in section 8.1(1) of the body of this Agreement.

2. FIRM REQUIREMENTS POWER AT TIER 2 RATES

2.1 **One-Time Above-CHWM Load Service Elections**

Pursuant to section 9.2 of the body of the Agreement, Ellensburg shall elect one of the following four options below to serve its Above-CHWM Load which shall apply for the term of the Agreement except when Ellensburg elects to change its Tier 2 Long-Term Rate purchase election amount pursuant to the terms and conditions of sections 2.3.2 and 2.3.3 of this exhibit.

BPA shall revise this exhibit by March 31, 2027, to indicate Ellensburg's initial election and purchase obligation by adding an "X" to the box next to the applicable option below.

Initial Election ☐ (1) **Option A. All Tier 2 Long-Term Rate option**

Ellensburg shall purchase and BPA shall serve all of Ellensburg's Above-CHWM Load with Firm Requirements Power priced at the Tier 2 Long-Term Rate.

Initial Election ☐ (2) **Option B. Fixed Tier 2 Long-Term Rate option then flexible option**

Ellensburg shall purchase and BPA shall provide up to a fixed Average Megawatt amount of Ellensburg's Above-CHWM Load with Firm Requirements Power sold at the Tier 2 Long-Term Rate. Any remaining Above-CHWM Load will be served with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirements Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

At the time of election as stated in section 9.3 of the body of this Agreement, Ellensburg shall notify BPA of the fixed Average Megawatt amount of its Above-CHWM Load BPA will serve up to with Firm Requirements Power sold at a Tier 2 Long-Term Rate. BPA shall update the following table to state such amount.

Fixed aMW Amounts - Tier 2 Long-Term Election								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: The amount in the table should be rounded to three decimal places.								

Initial Election ☐ (3) **Option C. Fixed flexible option then Tier 2 Long-Term Rate option**

Ellensburg shall elect up to a fixed Average Megawatt amount of Above-CHWM Load that will be served with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirements Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

At the time of election, Ellensburg shall notify BPA of the fixed Average Megawatt amount of its Above-CHWM Load that will be served up to under the flexible option for the duration of the contract. BPA shall update the following table to state such amounts.

Ellensburg shall purchase and BPA shall serve any remaining Above-CHWM Load with Firm Requirements Power sold at the Tier 2 Long-Term Rate.

Fixed aMW Amounts - Flexible Election								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: the amount in the table should be rounded to three decimal places.								

Initial Election ☐ (4) **Option D. All flexible option**

Ellensburg's Above-CHWM Load shall be served with (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirement Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

If Ellensburg fails to notify BPA of its Above-CHWM Load service election pursuant to section 9.2 of the body of this Agreement, then Ellensburg shall be deemed to have elected option D under section 2.1 of this exhibit and Ellensburg shall serve all of its Above-CHWM Load amounts with the options stated in section 2.1(4) above.

Ellensburg's total Tier 2 Rate purchase obligation amount(s) that BPA shall provide and Ellensburg shall purchase consistent with sections 3.1 and 3.2 of the body of this Agreement shall be stated in the table below in section 2.9.

2.2 **Rounding Option**

If Ellensburg elects option B, C, or D under section 2.1 above, then by July 31, 2027, Ellensburg may elect to have BPA serve up to 0.999 aMW of its Above-CHWM Load through the Tier 1 Rate design, pursuant to the PRDM, for the term of the Agreement. No later than March 31, 2028, BPA shall indicate Ellensburg's election for all Rate Periods through the term of the Agreement in the table below.

By July 31 of each Forecast Year, Ellensburg may notify BPA if it wants to change its rounding option election, and BPA shall update the table below to reflect such change by March 31 following Ellensburg's notification.

Rate Period	Rounding Option Elected
BP-29	
BP-31	
BP-33	
BP-35	
BP-37	
BP-39	
BP-41	
BP-43	
Note: Add X if customer elects rounding option.	

2.3 **Tier 2 Long-Term Rate**

2.3.1 **Election Opportunity and Tier 2 Long-Term Rate Purchase Obligation Amount**
Ellensburg may elect to purchase Firm Requirements Power at the Tier 2 Long-Term Rate to serve its Above-CHWM Load by selecting options A, B or C under section 2.1 of this exhibit. If Ellensburg elects option A, B or C, then BPA shall update the table below by March 31 of each Rate Case Year to state the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate for the upcoming Rate Period as follows.

If Ellensburg elects option A under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall equal Ellensburg's Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period, as stated in the table in this section 2.3.1.

If Ellensburg elects option B under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall be the lesser of Ellensburg's Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period, or the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

If Ellensburg elects option C under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall equal the amount of Ellensburg's Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, that exceeds the fixed Average Megawatt amount to be served under the flexible option as stated in the table in section 2.1(3) above.

Tier 2 Long-Term Rate Purchase Obligation Amount								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: Fill in the table above with the annual Average Megawatts, rounded to three decimal places.								

2.3.2 **Right to Reduce Tier 2 Long-Term Rate Election Amount Without a Fee**
Ellensburg shall have a one-time right to request to reduce its Tier 2 Long-Term Rate election amount under options A, B, or C, without any charges or fees, if: (1) Ellensburg submits a written request to BPA prior to August 1, 2027, and (2) BPA has not acquired power for the purposes of serving Ellensburg's Tier 2 Long-Term Rate purchase obligation.

BPA, in its sole discretion, shall determine whether Ellensburg's request to reduce its Tier 2 Long-Term Rate election amount meets the notice requirements. BPA shall notify Ellensburg if the request does not meet the notice requirements.

If BPA determines that Ellensburg's request meets the notice requirements, then BPA shall reduce Ellensburg's Tier 2 Long-Term Rate election amount. By March 31, 2028, BPA shall: (1) update the applicable table(s) in section 2 of this exhibit with Ellensburg's updated Tier 2 Long-Term Rate election amount, and (2) update Ellensburg's election in section 2.1 if applicable.

2.3.3 **Right to Reduce Tier 2 Long-Term Election Amount with a Fee**

2.3.3.1 **Changes to Tier 2 Long-Term Elections**
Regardless of any reduction made pursuant to section 2.3.2 above, over the remaining term of the Agreement Ellensburg shall have a one-time right to reduce its Tier 2 Long-Term Rate election amount under section 2.1 above, including reducing such amount to zero.

2.3.3.2 **Notification and Service Options**
Ellensburg shall notify BPA in writing of its one-time election to reduce the amount of power Ellensburg is obligated to purchase under section 2.3.3.1 above no less than three years

prior to the start of the Rate Period that its election would be effective.

Ellensburg's election under section 2.3.3.1 above shall be binding for the remaining term of the Agreement.

If Ellensburg elects to reduce its Tier 2 Long-Term Rate election amount pursuant to section 2.3.3.1 above, then Ellensburg shall serve the amount of the reduction with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirement Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

Ellensburg shall notify BPA of its intent to serve its Above-CHWM Load with one of the four options listed in section 2.3.3.2 consistent with the terms and conditions stated in section 2 of Exhibit C.

2.3.3.3 **Exhibit Updates**
By March 31 following Ellensburg's election notice under section 2.3.3.2 above, BPA shall: (1) update the applicable table(s) in section 2 of this exhibit, with Ellensburg's updated Tier 2 Long-Term Rate election amount, and (2) update Ellensburg's election in section 2.1 of this exhibit. BPA will update Exhibit A with any changes to Ellensburg's Dedicated Resource amounts.

2.3.3.4 **Charges to Change Tier 2 Long-Term Election Amount**
Ellensburg shall pay any charges that apply as a result of Ellensburg exercising the one time right to change its Tier 2 Long-Term Rate election amount under this section 2.3.3. BPA shall calculate such charges pursuant to the PRDM and the applicable Power Rate Schedules and GRSPs. BPA shall not make payment to Ellensburg as a result of BPA reducing the fixed up to Average Megawatt amounts of Firm Requirements Power that Ellensburg is obligated to purchase at Tier 2 Long-Term Rates.

2.4 **Tier 2 Short-Term Rate**
Subject to the limitations in section 2.4.1 below, Ellensburg may elect to purchase Firm Requirements Power at Tier 2 Short-Term Rates by electing option B, C or D under section 2.1 above.

If Ellensburg elects options B, C or D, then by July 31, 2027, and by July 31 of each Forecast Year, Ellensburg shall notify BPA of the amount of its Above-CHWM Load it requests for BPA to serve, if any, at the Tier 2 Short-Term Rate for the following Rate Period. Subject to the limitations in section 2.4.2 below, BPA shall update the table below by March 31 of each

Rate Case Year to state the amount of power Ellensburg is obligated to purchase at the Tier 2 Short-Term Rate as follows.

If Ellensburg elects option B under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate shall not exceed the difference between Ellensburg's Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, and the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

If Ellensburg elects option C under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate, shall not exceed the lesser of Ellensburg's Above-CHWM Load amount calculated for each Fiscal Year of the applicable Rate Period or the fixed up to Average Megawatt amount to be served under the flexible option as stated in the table in section 2.1(3) above.

If Ellensburg elects option D under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate, shall not exceed Ellensburg's Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period.

Tier 2 Short-Term Rate Purchase Obligation Amounts								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: Fill in the table above with annual Average Megawatts, rounded to three decimal places.								

2.4.1 **Limitations on Tier 2 Short-Term Rate Amounts**

BPA shall attempt to acquire power to serve Ellensburg's total amount of load requested to be served with Firm Requirements Power at the Tier 2 Short-Term Rate. If BPA is unable to acquire power, at any price, and cannot meet all customers' requests to purchase power at the Tier 2 Short-Term Rate, then each applicable Rate Period BPA: (1) shall notify Ellensburg of the unavailability of power at the Tier 2 Short-Term Rate and (2) may limit the amount of Firm Requirements Power at the Tier 2 Short-Term Rate that Ellensburg can purchase. If BPA receives multiple requests to provide Firm Requirements Power at the Tier 2 Short-Term Rate for the same Rate Period, and if BPA is only able to acquire power to serve a portion of the total requests for power priced at the Tier 2 Short-Term Rate, then BPA shall proportionally reduce all requests for the Rate Period on a pro rata basis.

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, BPA shall notify customers of the unavailability or pro-rata reduction of power available at the Tier 2 Short-Term Rate.

2.4.2 **Determining Pro-Rata Shares of Amounts at Tier 2 Short-Term Rate**
If necessary pursuant to section 2.4.1 above, BPA shall determine Ellensburg's pro-rata amount of power available for purchase at a Tier 2 Short-Term Rate for the applicable Rate Period based on (1) the actual amounts BPA is able to acquire to meet all customers' aggregate requests for service at a Tier 2 Short-Term Rate and (2) the total amount of Firm Requirements Power requested at the Tier 2 Short-Term Rate in section 2.4 each Rate Period. BPA will adjust individual amounts of Firm Requirements Power at the Tier 2 Short-Term Rate downward by the ratio between sections 2.4.2.(1) and 2.4.2.(2) above to calculate the amounts of the proportional share adjustment.

In the event BPA adjusts amounts at the Tier 2 Short-Term Rate downward, Ellensburg shall apply Dedicated Resources to serve the portion of its election at the Short-Term Tier 2 Rate that BPA is unable to supply. BPA will update amounts in Exhibit A in accordance with section 2.6 below.

2.4.3 **Failure to Make an Election**
If Ellensburg fails to make an election and does not notify BPA of its Tier 2 Short-Term Rate election amounts pursuant to section 2.4 above, then BPA shall enter "zero" for the applicable Fiscal Years of the Rate Period. Ellensburg shall serve its remaining Above-CHWM Load amounts with Dedicated Resources to meet its Above-CHWM Load and any amounts will be updated in Exhibit A in accordance with section 2.6 below.

2.4.4 **Liability**
In no event shall BPA make payment to Ellensburg as a result of Ellensburg electing to reduce the amounts of Firm Requirements Power that Ellensburg is obligated to purchase at Tier 2 Short-Term Rates. In no event shall BPA make payment to Ellensburg if it is unable to secure power to meet requests for purchases at the Tier 2 Short-Term Rate.

2.5 **Tier 2 Vintage Rate Alternative**
If Ellensburg elects option B, C, or D under section 2.1 above, then Ellensburg is eligible to purchase Firm Requirement Power at a Tier 2 Vintage Rate, if offered by BPA, as described in this section 2.5. For purposes of this section 2.5, "Vintage Resource" means the output of a physical resource that BPA determines, in its sole discretion, to acquire for a period of greater than three years and that forms the cost basis for pricing Firm Requirements Power subject to an established Tier 2 Vintage Rate. BPA may offer to sell Firm Requirements Power at a Tier 2 Vintage Rate whenever it acquires a Vintage Resource.

BPA shall notify customers with a CHWM Contract at least 60 calendar days prior to making a Request For Offer (RFO) for a Vintage Resource. Within 30 calendar days of such notice, Ellensburg shall notify BPA of the amount of Firm Requirements Power it will purchase from BPA at a Tier 2 Vintage Rate associated with the Vintage Resource.

Following the close of the RFO, BPA shall determine, in its sole discretion, whether to proceed with acquiring the Vintage Resource. If BPA decides to proceed with acquiring the Vintage Resource, then BPA will notify Ellensburg of the available quantity, if any, of Firm Requirement Power that customer is eligible to purchase at the Tier 2 Vintage Rate, and the estimated Tier 2 Vintage Rate. Ellensburg shall execute a Statement of Intent, as stated in section 2.5.1 below, to purchase identified amounts of Firm Requirements Power at the applicable Tier 2 Vintage Rate. The Statement of Intent will include the process and timing to elect the Vintage Alternative and execute a Statement of Intent.

2.5.1 **Statement of Intent**
If Ellensburg elects to purchase Firm Requirements Power from BPA at Tier 2 Vintage Rates, then Ellensburg shall sign a Statement of Intent provided by BPA which will state the amount of power Ellensburg commits to purchase at a Tier 2 Vintage Rate. The Statement of Intent will be binding unless BPA does not complete the acquisition of the Vintage Resource consistent with section 2.5.3 below.

2.5.2 **Tier 2 Vintage Rate**
BPA shall determine the applicable Tier 2 Vintage Rate in accordance with the PRDM and applicable Power Rate Schedules and GRSPs. BPA will restate in the Statement of Intent the applicable Tier 2 Vintage Rate for the Vintage Resource.

2.5.3 **BPA Acquisition of Vintage Resource**
If BPA acquires the Vintage Resource, then BPA shall notify Ellensburg that the acquisition is complete and update the table in section 2.5.8 below with the amount of Firm Requirements Power sold at a Tier 2 Vintage Rate and the contract number for the Statement of Intent. If BPA does not complete the acquisition of the Vintage Resource, then BPA shall notify Ellensburg, and the Statement of Intent will become null and void. If BPA does not complete the acquisition, then Ellensburg's current elections for service to its Above-CHWM Load above shall continue to apply.

2.5.4 **Additional Provisions Applicable to the Statement of Intent**

2.5.4.1 **Additional Terms and Conditions in Statement of Intent**
In addition to paying the Tier 2 Vintage Rate, Ellensburg will also be subject to such additional terms and conditions associated with its selection of the Tier 2 Vintage Rate as

described in the Statement of Intent. Such additional terms may include, but are not limited to, liquidated damages, if applicable, associated with the purchase of the Vintage Resource.

2.5.4.2 **Duration of Statement of Intent**
The Tier 2 Vintage Resource amounts applied to serve Ellensburg's Above-CHWM Load under this Agreement will not apply beyond the expiration of this Agreement, except as stated in the Statement of Intent.

2.5.4.3 **Maximum Amount of Firm Requirements Power at Tier 2 Vintage Rate**
The maximum amount of Firm Requirements Power Ellensburg is eligible to purchase at a Tier 2 Vintage Rate will be equal to the annual maximum forecast of Ellensburg's flexible Above-CHWM Load amounts of Ellensburg's election under section 2.1, minus any Dedicated Resources serving Ellensburg's Above-CHWM Load. BPA will develop the annual maximum forecast of Ellensburg's flexible Above-CHWM Load amounts at the time BPA issues the RFO for the Vintage Resource. Such forecast shall apply for the term of BPA's acquisition of the Vintage Resource or the term of this Agreement, whichever terminates first.

2.5.4.4 **Commencement of the Vintage Resource**
Ellensburg's Statement of Intent shall include procedures for how BPA will address the availability and timing of a Vintage Resource, if the timing of such Vintage Resource is not concurrent with the timing of any elections made by Ellensburg in sections 2.1 and 2.4 of this exhibit.

2.5.5. **Multiple Requests for Vintage Resource**
Ellensburg's Statement of Intent shall include procedures for how BPA will address multiple requests for Firm Requirements Power sold by BPA at a Tier 2 Vintage Rate if the aggregate amount of customer requests exceeds the amount of the Vintage Resource.

2.5.6 **Tier 2 Vintage Amounts in Excess of Above-CHWM Load**
If Ellensburg purchases an amount of power from BPA at a Tier 2 Vintage Rate that exceeds its current Above-CHWM Load, then BPA, in its sole discretion, may either:

(1) determine any amount of power that exceeds Ellensburg's Above-CHWM Load as surplus power and provide such to Ellensburg at a surplus rate equivalent to the applicable Tier 2 Vintage Rate to be managed by Ellensburg; or

(2) in accordance with section 10 of this exhibit, and pursuant to the PRDM, provide a remarketing service for the power that exceeds Ellensburg's Above-CHWM Load until Ellensburg's Above-CHWM Load can accommodate the contracted amount of power purchased at the Tier 2 Vintage Rate.

2.5.7 **Treatment of Tier 2 Vintage Rate and Tier 2 Short-Term Rate Purchase Obligations**
In addition to the right to purchase power at a Tier 2 Vintage Rate established in this section 2.5, Ellensburg may have the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates regardless of whether Ellensburg is purchasing power at Tier 2 Short-Term Rates, if BPA determines, in its sole discretion, to offer Ellensburg a Statement of Intent that would provide Ellensburg the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates.

Any election by Ellensburg to purchase Firm Requirements Power at Tier 2 Vintage Rates shall not relieve Ellensburg of any obligation to purchase Firm Requirements Power at another Tier 2 Rate.

Any amounts of power that Ellensburg is obligated to purchase at a Tier 2 Vintage Rate or Tier 2 Short-Term Rate that exceeds its Above-CHWM Load will be treated pursuant to section 2.5.6 above.

2.5.8 **Tier 2 Vintage Rate Elections, Amounts and Exhibit Updates**
If applicable, BPA shall update the table below within 90 calendar days of signing the Statement of Intent, with Ellensburg's Tier 2 Vintage Rate purchase obligation amounts.

Ellensburg's Annual Amounts at Tier 2 Vintage Rate. Statement of Intent Contract No. «##PS-#####»								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: Fill in the table above with annual Average Megawatts, rounded to three decimal places. Leave FY blank when not purchasing at a Tier 2 Vintage Rate. Include SOI number(s) in table title.								

By September 15 of each Fiscal Year or immediately following the establishment of a Tier 2 Vintage Rate for which Ellensburg signed a Statement of Intent, BPA shall update the table in section 2.8.2 with Ellensburg's Tier 2 Vintage Rate purchase obligation amounts.

2.6 **Obligation to Apply Dedicated Resources**
Ellensburg shall apply Dedicated Resources to serve the portion of its Above-CHWM Load that exceeds the sum of all Ellensburg's purchase obligations at

Tier 2 Rates under sections 2.3, 2.4, and 2.5 above. BPA shall add Ellensburg's Dedicated Resources to section 2 and section 3 of Exhibit A.

2.7 **Above-CHWM Load Liability**
If Ellensburg annexes load from another customer with a CHWM Contract that had Above-CHWM Load served with Firm Requirements Power purchased at a Tier 2 Long-Term Rates, Tier 2 Short-Term Rate or a Tier 2 Vintage Rate, then Ellensburg shall pay any costs that BPA determines apply as a result of such annexation. BPA shall determine such costs, if any, during the 7(i) Process that follows Ellensburg's notice of annexation. BPA shall include such cost identified through the 7(i) Process on Ellensburg's bill. In no event shall BPA make payment to Ellensburg as a result of Ellensburg reducing its amounts of Firm Requirements Power.

2.8 **This section intentionally left blank.**

2.9 **Amounts of Power to be Billed at Tier 2 Rates**
By March 31, 2028 and by March 31 of each Rate Case Year thereafter, BPA shall update the table in section 2.9 of this exhibit, consistent with Ellensburg's elections for the upcoming Rate Period, with: (1) the planned annual average amounts of Firm Requirements Power that Ellensburg shall purchase at the Tier 2 Long-Term Rate, Tier 2 Short-Term Rate, and Tier 2 Vintage Rate, if applicable, and (2) any remarketed Tier 2 Rate purchase amounts in accordance with section 10 of the body of this Agreement.

By March 31, 2028, and by March 31 of each Rate Case Year thereafter, BPA shall update the table below with such amounts for each year of the upcoming Rate Period consistent with sections 2.3, 2.4 and 2.5 of this exhibit. The difference between Above-CHWM Load and Tier 2 Rate amounts will be served pursuant to section 2.6 of this exhibit.

Annual Amounts Priced at Tier 2 Rates (aMW)								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
No Tier 2 at this time								
Remarketed or Surplus Power Vintage Rate Amounts								
Firm Requirements Power at Tier 2 Rates								

Annual Amounts Priced at Tier 2 Rates (aMW)								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
No Tier 2 at this time								
Remarketed or Surplus Power Vintage Rate Amounts								
Firm Requirements Power at Tier 2 Rates								

Notes:
1. List each applicable Tier 2 rate in the table above. For the first applicable Tier 2 rate replace **No Tier 2 at this time** with the name of the applicable Tier 2 rate. For each additional Tier 2 rate, add a new row above the **Remarketed Amounts** row. If Ellensburg elects not to purchase at Tier 2 rates, then leave **No Tier 2 at this time** in the table and leave the remainder of the table blank.
2. Fill in the table above with annual Average Megawatts rounded to three decimal places.
3. Fill in Firm Requirements Power at Tier 2 Rates as the sum of all Tier 2 Rate amounts less any Remarketed or Surplus Tier 2 Vintage Rate amounts.

3. REVISIONS

BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg's elections regarding service to its Above-CHWM Load, and (2) BPA's determinations relevant to this exhibit and made in accordance with this Agreement. All other changes to this Exhibit C will be made by mutual agreement of the Parties.

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Exhibit D
ADDITIONAL PRODUCTS AND SPECIAL PROVISIONS

1. CF/CT AND NEW LARGE SINGLE LOADS

1.1 **CF/CT Loads**
Ellensburg has no loads identified that were CF/CTs as of September 1, 1979, as defined in Section 3(13)(A) of the Northwest Power Act.

1.2 **Potential NLSLs**
Ellensburg has no identified Potential NLSLs.

1.3 **Planned NLSLs**

1.3.1 **Planned NLSLs Served by BPA**
Ellensburg has no Planned NLSLs served by BPA.

1.3.2 **Planned NLSLs Served with Dedicated Resource or Consumer-Owned Resource Amounts**
Ellensburg has no Planned NLSLs served with Dedicated Resource or Consumer-Owned Resource amounts.

1.4 **NLSLs**

1.4.1 **NLSLs Served by BPA**
Ellensburg has no NLSLs served by BPA.

1.4.2 **NLSLs Served by Dedicated Resource or Consumer-Owned Resource Amounts**
Ellensburg has no NLSLs served with Dedicated Resource or Consumer-Owned Resource amounts.

1.4.3 **Renewable Resource/Cogeneration Exception**
Ellensburg's end-use consumer is not currently applying an on-site renewable resource or cogeneration facility to an NLSL.

2. REVISIONS
BPA shall unilaterally revise section 1, CF/CT and New Large Single Loads to reflect BPA's determinations made in accordance with section 20.3 of the body of the Agreement and section 1 of this Exhibit D. All other changes to this Exhibit D will be made by mutual agreement of the Parties.

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Exhibit E
METERING

1. METERING

BPA POD Name	BPA POD Number	BPA POM Name	BPA POM Number	POD Location Description	POD Voltage kV	POM Location Description	Direction for PF Billing Purposes	WECC Balancing Authority	Manner Of Service	Manner Of Service Description	Metering Loss Adjust-ment	Exception

2. REVISIONS

Each Party shall notify the other with any requests to update this exhibit. The Parties shall coordinate and seek mutual agreement on any such requested exhibit revisions. Upon such agreement, or if the agreement is unreasonably withheld or delayed, BPA shall revise this exhibit to accurately reflect what BPA determines are the actual characteristics of PODs and meter information described in this exhibit. Unless the Parties otherwise agree, BPA shall not revise the exhibit any sooner than 60 calendar days after the request to update this exhibit. BPA shall provide Ellensburg with a revised Exhibit E. The effective date will be the date stated at the top of the revised exhibit.

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Exhibit F
SCHEDULING

1. DEFINITIONS

1.1 "Balancing Authority" means the responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

1.2 "Balancing Authority Area" means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.3 "Electronic Tag" or "E-Tag" means an electronic record that contains the details of a transaction to transfer energy from a source point to a sink point where the energy is scheduled for transmission across one or more Balancing Authority Area(s), consistent with all relevant WECC, NAESB, NERC and FERC requirements.

1.4 "Heavy Load Hours" or "HLH" means hours ending 0700 through 2200 hours Pacific Prevailing Time (PPT), Monday through Saturday, excluding holidays as designated by the North American Electric Reliability Corporation (NERC).

1.5 "Interchange Points" means the points where Balancing Authority Areas interconnect and at which the interchange of energy between Balancing Authority Areas is monitored and measured.

1.6 "Light Load Hours" or "LLH" means: (1) hours ending 0100 through 0600 and 2300 through 2400 hours PPT, Monday through Saturday, and (2) all hours on Sundays and holidays as designated by NERC.

1.7 "Open Access Transmission Tariff" or "OATT" means the terms and conditions of point-to-point and network integration transmission services, ancillary services, and generator interconnections offered by BPA or a Third-Party Transmission Provider.

1.8 "Transmission Curtailment" means an event that is initiated by a transmission provider through a curtailment to the E-Tag as a result of transmission congestion or an outage on the path used to deliver Ellensburg's Dedicated Resource.

1.9 "Transmission Curtailment Management Service" or "TCMS" means the service BPA will provide to customers with a qualifying resource when a Transmission Curtailment occurs between such resource and the customer load.

1.10 "Transmission Event" means a Planned Transmission Outage or a Transmission Curtailment.

1.11 "Transmission Scheduling Service" or "TSS" means the power scheduling service that BPA provides to Ellensburg that allows BPA to manage certain aspects of Ellensburg's BPA NT Agreement with Transmission Services, to allow BPA to use the inherent flexibilities of Ellensburg's network rights in combination with other network customers' rights to manage BPA's power resources efficiently, and to provide seamless scheduling for Transfer Service customers.

2. TRANSMISSION SCHEDULING SERVICE

If Ellensburg:

(1) acquires BPA's Resource Support Services; and/or

(2) purchases power from BPA at a Tier 2 Rate,

then Power Services shall provide and Ellensburg shall purchase Transmission Scheduling Service. In such case, the Parties shall revise this exhibit to include the terms and conditions of such service.

If Ellensburg is not required to purchase Transmission Scheduling Service, pursuant to the paragraph above, then Ellensburg, with six months' notice, may purchase Transmission Scheduling Service from Power Services and the Parties shall modify this exhibit to add the terms and conditions of such service.

3. AFTER THE FACT

BPA and Ellensburg shall reconcile all transactions, schedules and accounts at the end of each month (as early as possible within the first ten calendar days of the next month). BPA and Ellensburg shall verify all transactions pursuant to this Agreement as to product or type of service, hourly amounts, daily and monthly totals, and related charges.

4. REVISIONS

BPA may unilaterally revise this exhibit:

(1) to implement changes that BPA determines are reasonably necessary to allow it to meet its power and scheduling obligations under this Agreement, or

(2) to comply with requirements of Western Electricity Coordinating Council (WECC), North American Energy Standards Board (NAESB), or NERC, WRAP or their successors or assigns.

BPA shall provide a draft of any unilateral revisions of this exhibit to Ellensburg, with reasonable time for comment, prior to BPA providing written notice of the revision. Such revisions will be effective no sooner than 45 calendar days after BPA provides written notice of the revisions to Ellensburg unless, in BPA's sole judgment, less notice is necessary to comply with an emergency change to the requirements of WECC, NAESB, NERC, WRAP or their successors or assigns. In such circumstances, BPA shall specify the effective date of such revisions.

All other changes to this Exhibit F will be made by mutual agreement of the Parties.

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Exhibit G
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Exhibit H
RENEWABLE ENERGY CERTIFICATES AND ENVIRONMENTAL ATTRIBUTES

1. PURPOSE AND INTENT; DISCLAIMER

The Parties acknowledge that: different jurisdictions, regulatory programs, and entities (federal, state, county, cities, and others) have different definitions for environmental attributes, renewable energy credits/certificates, emissions credits, and similar instruments; the various jurisdictions, programs, and entities are inconsistent in how they define and address these concepts; and these concepts are continually evolving. Accordingly, through this Agreement BPA does not attempt to define these concepts other than by reference to how they may be defined by others, and BPA does not represent or warrant that the items conveyed in this Exhibit H are suitable for a particular purpose or regulatory program. Whatever the regulatorily-defined environmental and non-power characteristics are of the power that customers buy from BPA, the purpose and intent of this Exhibit H is to convey to Ellensburg, in accordance with this Exhibit H, all Environmental Attributes, if any, and to the extent they exist, associated and commensurate with the physical amount of power Ellensburg buys from BPA and the Attribute Pools associated with Ellensburg's purchase obligation under this Agreement. This Exhibit H accomplishes this by BPA: (1) agreeing to register applicable generation, (2) providing for the creation of an Environmental Attribute Accounting Process, (3) producing Inventories of RECs based on power generated, (4) committing to transfer Ellensburg's share of RECs based on its BPA power purchases and as determined in accordance with this Exhibit H to Ellensburg, (5) committing to provide an emissions accounting and non-emitting generation accounting for customers' use, and (6) undertaking the other actions identified in this exhibit below.

2. DEFINITIONS

2.1 "Attribute Pools" means the results calculated in the Environmental Attribute Accounting Process whereby the physical resources and forecasted power deliveries associated with each of BPA's rates and firm power obligations are determined for the upcoming Rate Period.

2.2 "Emissions Allowance" means an authorization in a given jurisdiction to emit a specified amount of carbon dioxide equivalent or other measurement of greenhouse gases, and documented as an emissions credit, certificate, or similar instrument.

2.3 "Environmental Attribute Accounting Process" means the public process BPA will conduct each Rate Case Year, after the conclusion of each routine power rate 7(i) Process, during which the allocation methodology and Attribute Pools for BPA's Environmental Attributes for the upcoming Rate Period will be determined.

2.4 "Environmental Attributes" means the environmental and non-power characteristics of power, however defined or titled and arising under any federal, state, or local law or regulation, including but not limited to current or future certificates, credits, benefits, and avoided emissions attributable to the generation of energy from a resource. Environmental Attributes do not include the tax credits associated with such resource. One megawatt-hour of energy generation from a resource is associated with one megawatt-hour of Environmental Attributes.

2.5 "Inventory" or "Inventories" means the Environmental Attributes, including RECs, that are attributable to the output of generation resources, by Attribute Pool(s).

2.6 "Renewable Energy Certificates" or "Renewable Energy Credits" or "RECs" means the tradeable certificates, credits, documentation, or other evidence that demonstrates: (1) that the electricity was generated from a renewable or non-emitting energy generating unit and (2) proof of ownership of the Environmental Attributes of such generated electricity in a REC tracking system. Some jurisdictions and regulatory programs may interpret a REC to include the emissions avoided by the generation of electricity by a renewable or non-emitting generating unit. For purposes of such situations, the Parties' intent is that the RECs conveyed herein include the associated Environmental Attributes; however, this conveyance is not intended to impact BPA's reporting in any generation-based emission programs where REC retirement is not required. One megawatt-hour of energy generation from a resource registered with the tracking system under section 5 is associated with one REC.

2.7 "Retire" or "Retirement" means an action taken to remove a REC from circulation within a REC tracking system.

3. ENVIRONMENTAL ATTRIBUTE INVENTORY AND ACCOUNTING

The Parties acknowledge that the Environmental Attribute accounting outlined below will be provided consistent with physical deliveries of power.

3.1 Registration of Renewable Energy Generating Units

BPA shall take all reasonable steps to register the applicable renewable energy generating units in BPA's system mix, including any hydro resources, with the tracking system selected under section 5 of this Exhibit H.

3.2 Environmental Attribute Accounting Process

Starting after issuance of the Final ROD of the BP-29 power rate 7(i) Process, and after the issuance of the Final ROD in each subsequent routine power rate 7(i) Process thereafter through the term of the Agreement, BPA shall conduct an Environmental Attribute Accounting Process for each upcoming Rate Period.

3.3 REC Inventory Accounting

No later than April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall calculate its Inventory for RECs for each Attribute Pool created during the prior calendar year in the applicable Environmental Attribute Accounting Process for the applicable Rate Period.

3.4 **Emission Accounting**
No later than June 1, 2029 and by each June 1 thereafter, and as an outcome of the Environmental Attribute Accounting Process, BPA will provide emission accounting information and, if applicable, will provide such information consistent with state rules.

3.5 **Non-Emitting Electric Generation Accounting**
No later than June 1, 2029 and by each June 1 thereafter, and as an outcome of the Environmental Attribute Accounting Process, BPA will provide non-emitting electric generation accounting information and, if applicable, will provide such information consistent with state rules.

4. CUSTOMER'S SHARE OF RECS

All capitalized terms used in this paragraph and the related underlying processes described in this paragraph shall be as defined, determined and calculated under Ellensburg's Regional Dialogue CHWM Contract. By April 15, 2029, BPA shall transfer to Ellensburg or manage a pro rata share of Available Tier 1 RECs from calendar year 2028 based on Ellensburg's FY 2028 RHWM divided by the total FY 2028 RHWMs of all customers with Regional Dialogue CHWM Contracts. BPA shall also transfer to Ellensburg its share of Tier 2 RECs, if applicable, generated during calendar year 2028. Ellensburg agrees that its REC transfer or management election (WREGIS account, WREGIS subaccount, or remarketing) for Fiscal Year 2028 shall apply for all calendar year 2028.

By April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall determine Ellensburg's share of RECs as a pro rata share of the actual megawatt-hours of power Ellensburg purchased from BPA the prior calendar year under this Agreement. Ellensburg's pro rata share of each Inventory of RECs shall be calculated as the actual megawatt hours of power Ellensburg purchased from BPA under this Agreement during the prior calendar year from the applicable Attribute Pool divided by the sum of all power purchased from BPA for the applicable Attribute Pool.

5. TRANSFER AND TRACKING OF RECS

By December 1, 2029, Ellensburg shall provide written notice to BPA stating which one of the three options below it elects for the transfer of Ellensburg's share of RECs, for the remaining term of the Agreement. However, Ellensburg may change its transfer election for the remaining term of the Agreement by providing written notice to BPA of such change by December 1, 2030 or by any December 1 over the remaining term of the Agreement.

(1) BPA shall transfer Ellensburg's share of RECs into Ellensburg's own Western Renewable Energy Generation Information System (WREGIS) account, which shall be established by Ellensburg; or

(2) BPA shall transfer Ellensburg's share of RECs into a BPA-managed WREGIS subaccount. Such subaccount shall be established by BPA on Ellensburg's

behalf and the terms and conditions of which shall be determined by the Parties in a separate agreement; or

(3) BPA shall transfer Ellensburg's share of RECs into a third party-managed WREGIS account. Ellensburg shall notify BPA of the third-party WREGIS account number in its notice provided pursuant to this section 5.

By April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall transfer Ellensburg's share of RECs from the prior calendar year to Ellensburg via WREGIS in accordance with its transfer election.

If Ellensburg's WREGIS account number has changed, then Ellensburg shall notify BPA of such change by December 1, 2028 and by each December 1 over the remaining term of this Agreement.

All references to WREGIS in this Exhibit H should be understood to mean WREGIS or a comparable commercial tracking system. BPA may change commercial tracking systems with reasonable advance notice to Ellensburg. In such case, the Parties shall establish a comparable process for BPA to provide Ellensburg its share of RECs.

6. FEES

BPA shall pay any reasonable fees associated with: (1) the transfer of Ellensburg's RECs into any WREGIS account or WREGIS subaccount and (2) the establishment of any WREGIS subaccounts in Ellensburg's name pursuant to section 5 of this exhibit. Ellensburg shall pay all other fees associated with any WREGIS or successor commercial tracking system, including WREGIS Retirement, reserve, and export fees.

7. EMISSION ALLOWANCES

7.1 BPA Compliance with Emission Allowance Program(s)

If over the term of this Agreement BPA incurs an emissions compliance obligation placed on electricity importers that provide power to Ellensburg's service territory, and if based on that compliance program:

(1) BPA is obligated to obtain Emission Allowances sufficient to cover power purchased under this Agreement to Ellensburg, and

(2) Ellensburg is eligible to receive Emission Allowances at no cost from Ellensburg's applicable jurisdiction and which can be used directly for compliance,

then Ellensburg shall transfer, or otherwise provide, Emission Allowances to BPA on the schedule and in the amount agreed to by BPA and Ellensburg that is sufficient to satisfy BPA's compliance obligations that arise in order to serve Ellensburg's load in its state.

The Parties shall revise section 7.2 below to include the specific terms and conditions, such as the calculation of the Emission Allowances to be transferred, and cost responsibilities, if any, associated with the transfer of Emission Allowances to BPA.

If Ellensburg elects to not revise this Exhibit H to include applicable special provisions in section 7.2 below, then BPA shall apply and Ellensburg shall pay the applicable Emissions Allowance costs through charges established in the BPA Power Rate Schedules and GRSPs.

7.2 **Transfer of Emission Allowances to BPA**
Placeholder for special provisions.

8. **REVISIONS**
BPA may unilaterally revise this exhibit:

(1) to add or remove the terms and conditions of Ellensburg's WREGIS subaccount following either Ellensburg's election of a WREGIS subaccount pursuant to section 5 of this exhibit or either Party's notice for termination of a WREGIS subaccount; and

(2) to incorporate any significant edits related to a change to the commercial tracking system, pursuant to the last paragraph of section 5 of this exhibit.

All other changes to this Exhibit H will be made by mutual agreement of the Parties. As discussed in section 1 of this exhibit, BPA and Ellensburg acknowledge that the regulatory concepts covered in this exhibit are not well settled and are continually evolving. Accordingly, if future regulatory concepts change such that the spirit and intent of this exhibit are not being met, then BPA agrees to discuss such situations with customers and, as needed, to attempt in good faith to agree on mutually acceptable amendments to this exhibit.

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Exhibit I
NOTICES AND CONTACT INFORMATION

1. NOTICES AND CONTACT INFORMATION

1.1 Notices

Any notice required under this Agreement that requires such notice to be provided under the terms of this section shall be provided in writing to the other Party in one of the following ways:

(1) delivered in person;

(2) by a nationally recognized delivery service with proof of receipt;

(3) by United States Certified Mail with return receipt requested;

(4) electronically, with verification of the electronic notice's origin, date, time of transmittal and receipt; or

(5) by another method agreed to by the Parties.

Notices are effective when received.

1.2 Contact Information

The Parties shall deliver notices to the following people and address(es):

If to Ellensburg:	**If to BPA:**
City of Ellensburg 501 N Anderson Street Ellensburg, WA 98926-3147 Attn: Buddy Stanavich Energy Services Director Phone: (509) 962-7225 E-Mail: stanavichm@ellensburgwa.gov	Bonneville Power Administration 1620 E Hawthorne Road PO Box 789 Mead, WA 99021 Attn: Hope Ross–PSE-MEAD-GOB Account Executive Phone: (509) 822-4590 E-Mail: heross@bpa.gov

Additional BPA Contact:

Bonneville Power Administration
1620 E Hawthorne Rod
PO Box 789
Mead, WA 99021
Attn: Mary Beth Evans – PSE-MEAD-GOB
Eastern Power Customer Services Manager
Phone: (509) 822-4584
E-Mail: mbevans@bpa.gov

2. OPERATIONAL CONTACT INFORMATION

As applicable, the Parties shall notify the following people using the following methods for operations related to this Agreement, including scheduling:

If to Ellensburg:

Not Applicable

Or another mutually agreed upon form of notification.

If to BPA:

Preschedule
E-Mail: PBLPresched@bpa.gov

Real Time: See E-Tag for contact

Or another mutually agreed upon form of notification.

3. REVISIONS

Each Party shall notify the other Party of changes to their contact information above. After such notice, BPA may unilaterally revise section 1.2 and section 2 of this exhibit to reflect such changes to the Parties' contact information. All other changes to this Exhibit I will be made by mutual agreement of the Parties.

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Exhibit J
SUPPORT SERVICES; ADDITIONAL RESOURCE AND ENERGY STORAGE DEVICE REQUIREMENTS

1. CUSTOMER RESOURCE ELECTIONS AND REQUIREMENTS SUMMARY

Elected Services by Resource					Resource Services and Requirements	
Resource Name	TSS Election		Applied to Tier 1 Allowance Amount	RSS Elections	Requires E-Tag	Flexible Resource Requirements
	TSS-Full	TSS-Partial				

2. TIER 1 ALLOWANCE AMOUNT

Ellensburg's total amount of Specified Resources that are applied to the Tier 1 Allowance Amount, as identified in section 2.1 of Exhibit A, are stated below. BPA shall calculate the Tier 1 Allowance Amount limit in accordance with section 3.5.2 of the body of this Agreement. If Ellensburg's CHWM changes, then BPA shall revise the Tier 1 Allowance Amount and Tier 1 Allowance Amount limit in the table below in accordance with section 3.5.2 of the body of this Agreement.

Tier 1 Allowance Amount (MW)	Tier 1 Allowance Amount Limit (MW)

3. RESOURCE SUPPORT SERVICES

3.1 BPA shall develop Support Services consisting of RSS and other Support Services to support eligible Dedicated Resources listed in section 2 and 3 of Exhibit A and eligible Consumer Owned Resources Serving On-site Consumer Load listed in section 7 of Exhibit A.

RSS may include, but are not limited to, providing forced outage services, services for generation that produces secondary energy, or services to support variable generation. Other Support Services may include, but are not limited to, scheduling services and curtailment management services. BPA shall offer an amendment to this Agreement with RSS and other Support Services contract provisions by July 31, 2026. Prior to that date, BPA shall provide Ellensburg a reasonable opportunity to provide input into the development or refinement of Support Services and the related contract provisions. BPA shall make RSS and other Support Services available starting in FY 2029.

3.2 If Ellensburg adds a New Resource to meet its obligations to serve Above-CHWM Load, consistent with the notice requirements in section 3.5.1 of the body of this Agreement, then Ellensburg may purchase RSS or a combination of RSS and other Support Services from BPA to support such resource.

4. EXISTING DISPATCHABLE RESOURCE CAPACITY SHAPING REQUIREMENTS

Ellensburg does not have any Existing Resources that are Dispatchable Resources.

5. RESOURCE ADEQUACY REQUIREMENTS AND SUBMITTALS

BPA acknowledges that the resource adequacy compliance requirements in this section 5 of Exhibit J are evolving. Accordingly, if future requirements change such that the intent of this section 5 is not being met, then BPA agrees to discuss such situations with customers and develop revisions to this section 5. In accordance with sections 17 and 22 of the body of the Agreement, the following shall apply.

5.1 Resource Adequacy Submittals for Dedicated Resources and Consumer-Owned Resources Serving On-Site Consumer Load

5.1.1 For all Ellensburg's Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load, Ellensburg shall submit to BPA the QCC values and JCAF(s) for the Generating Resource(s) Ellensburg will provide to meet its Dedicated Resource and Consumer-Owned Resource serving On-Site Consumer Load amounts for any Fiscal Year as follows.

For the winter WRAP season shown in the table below, such submittal shall be by November 1 prior to the Fiscal Year in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount.

For the summer WRAP season shown in the table below, such submittal shall be by June 1 prior to the Fiscal Year in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount.

WRAP Seasons	
Summer	June - September
Winter	November – March

5.1.2 Beginning October 1 immediately preceding the start of the winter season in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount, and beginning May 1 immediately preceding the start of the summer season in which Ellensburg has a Dedicated Resources or Consumer-Owned Resource serving On-Site Consumer Load amount, Ellensburg shall submit a generation schedule for such Generating Resource(s), in hourly amounts, no later than one month in advance of each operating day. Such generation schedule can be for each hour of the entire WRAP summer or winter season or for each hour of each individual future day of the season.

5.1.3 On each preschedule day of the applicable WRAP season, Ellensburg shall submit a generation schedule for the Generating Resource(s) Ellensburg will provide to meet its Dedicated Resource and Consumer-Owned Resource serving On-Site Consumer Load amounts, as applicable, in hourly amounts for the day of delivery.

5.1.4 If BPA determines that Ellensburg does not need to provide certain information required in sections 5.1.1, 5.1.2, and 5.1.3 above, then BPA shall revise the table below to list any resources and information that Ellensburg does not need to provide.

Resource Name	Resource and Information Exemptions

5.2 **Resource Adequacy Services**
Unless a self-supply option is available and elected by Ellensburg, Ellensburg shall purchase Support Services for the following resources for resource adequacy planning purposes: (1) New Resource amounts serving Above-CHWM Load and (2) Consumer-Owned Resources serving On-Site Consumer Load except for those listed in section 7.4 of Exhibit A, in accordance with the applicable Power Rate Schedules and GRSPs.

Ellensburg shall be responsible for any resource adequacy-related planning obligations for any Planned NLSL or NLSL served by Dedicated Resource amounts or Consumer-Owned Resources listed in section 7.4 of Exhibit A.

5.3 **WRAP Load Exclusions**

5.3.1 By July 31, 2027, and by July 31 of each Forecast Year thereafter, Ellensburg may request that BPA allow a load exclusion. Upon receipt of such request, BPA will analyze Ellensburg's request, including impacts to BPA's ability to maintain resource adequacy and reliability, and any potential cost shifts to BPA and other BPA customers. In its sole discretion, BPA may: (1) allow a requested load exclusion, (2) allow a requested load exclusion subject to conditions designed to offset any negative impacts the requested load exclusion may have on the reliability of the power system or to share costs; or (3) decline a requested load exclusion.

By October 15 of the Rate Case Year following the request, BPA shall provide Ellensburg notice of its decision regarding the requested load exclusion, including a summary of its analysis and any conditions. By January 31 of that Rate Case Year, the Parties shall revise section 5.3.2 of this exhibit to state the terms and conditions of any allowed load exclusion. Such load exclusions will be effective on October 1 following the Exhibit J revision and shall remain in effect for the duration of that Rate Period. If the Parties do not revise Exhibit J pursuant to this section by January 31 of the applicable

Rate Case Year, then BPA shall not allow the requested load exclusion for the upcoming Rate Period.

5.3.2 Ellensburg does not have a WRAP load exclusion at this time.

5.4 **Submittal Method**
No later than October 1, 2027, and in accordance with section 22.1.1 of the body of this Agreement, BPA shall update this section 5.4, and section 2 of Exhibit I as applicable, with BPA's preferred mode of communication for WRAP-related information.

5.5 **Pass-through Charges**
Pursuant to section 22.2 of the body of this Agreement, BPA shall pass through WRAP charges to Ellensburg in instances where the charge is related to one or more of the following: (1) non-performance of Ellensburg's resource as planned; (2) failure to meet the requirements of sections 5.1.1, 5.1.2, 5.1.3 and 5.2 above.

If BPA finds that only a portion of such WRAP charge is related to one of the conditions above, then BPA shall pass through only the portion related to such conditions. BPA shall not pass through charges that are related to the failure of BPA-provided Support Services.

For any single instance of a pass-through charge for WRAP, BPA shall waive a related charge that BPA determines to be duplicative to other charges assessed.

6. ENERGY STORAGE DEVICES
The data included in this section 6 is intended for informational purposes.

6.1 **Definitions**
For purposes of this section 6, the following terms shall have the meaning as defined.

6.1.1 "Cycle" means an Energy Storage Device has discharged an amount of energy equal to its maximum rated storage capacity and been recharged to 100 percent of that rated capacity.

6.1.2 "Cycles per Day" means the number of times, or fraction thereof, that an Energy Storage Device can complete a Charge Cycle within a normal 24-hour period.

6.1.3 "Hours of Maximum Discharge" means the number of hours, or fraction thereof, an Energy Storage Device can discharge at its Maximum Single Hour Discharge.

6.1.4 "Maximum Charge Rate" means the maximum rate at which an Energy Storage Device can be charged from either a full or partial discharge to either a higher level of charge or a full charge, in percentage of full charge per hour.

6.1.5 "Maximum Single Hour Discharge" means the maximum megawatt-hours that an Energy Storage Device is rated for discharge on a single hour.

6.1.6 "Round Trip Efficiency" means the percent of energy used in charging an Energy Storage Device that later can be discharged to the alternating current electrical system.

6.1.7 "Storage Capacity" means the megawatt-hours of energy an Energy Storage Device is designed and rated to be able to store and discharge to the alternating current electrical system on an ongoing basis.

6.2 **Notice of Energy Storage Device Connection**
Ellensburg shall provide notice to BPA of its or its consumer's intent to connect an Energy Storage Device to Ellensburg's distribution system. Such notice shall be provided no fewer than 30 calendar days prior to the Energy Storage Device connection and shall include the information specified in section 6.3.1.3 below. BPA will populate the table in section 6.3.1.3 within 60 calendar days of receiving the notice.

6.3 **List of Ellensburg and Consumer-Owned Energy Storage Devices**
Ellensburg does not have any Energy Storage Devices at this time.

7. REVISIONS
BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg's resource elections and requirements in section 1 of this exhibit; (2) Ellensburg's Tier 1 Allowance Amount in section 2 of this exhibit; (3) resource adequacy requirements in section 5 of this exhibit; and (4) updates or additions to Energy Storage Devices in section 6 of this exhibit. Additionally, BPA shall unilaterally revise section 3, Resource Support Services, of this exhibit to implement an established BPA rate for such products or services.

All other changes to this Exhibit J will be made by mutual agreement of the Parties.

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TO:	Buddy Stanavich, City of Ellensburg Nichole Baker, City of Ellensburg
FROM:	Ted Light, Lighthouse Energy Consulting
SUBJECT:	Ellensburg Provider of Choice Contract Elections
DATE:	May 18, 2026

Disclaimer: This memo presents an analytical assessment of potential Tier 2 power supply options intended to support discussion and policy decision-making. The results reflect modeled scenarios based on forecasts, assumptions, and probabilistic methods—not predictions of actual future costs. Future outcomes will depend on factors such as electricity demand, market prices, regulatory requirements, and BPA policies, all of which are inherently uncertain and may differ materially from those assumed in the analysis. Accordingly, the results should be used to compare relative risks, tradeoffs, and ranges of potential outcomes among options, rather than as precise estimates of future costs.

Overview

Beginning in October 2028, the City of Ellensburg will begin receiving service under a new "Provider of Choice" contract with the Bonneville Power Administration (BPA). As part of the contract, the City will need to determine how to serve loads above its allotment of power from the federal system, referred to as above-Contract High Water Mark (CHWM) or Tier 2 loads.

The City requested assistance from Lighthouse Energy Consulting in evaluating its options. This memo serves as a summary of those options and the work Lighthouse conducted to help the City consider the costs and risks with each option.

CHWM Mark Determination & Timeline

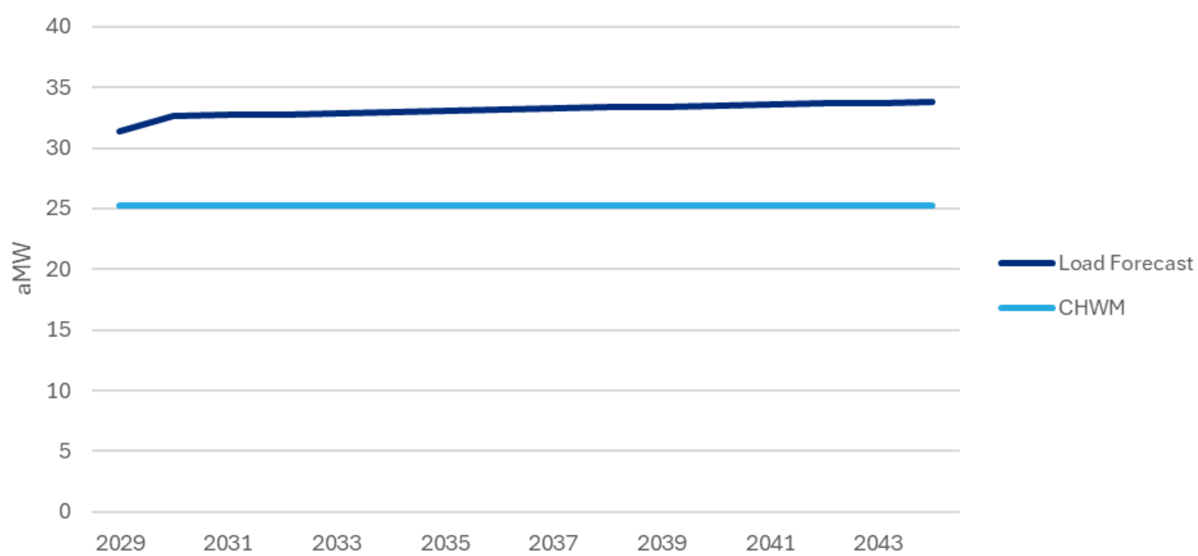
On May 4, BPA posted its preliminary final CHWM values for its customer utilities. This followed the release of draft CHWM values that were provided on March 10. BPA customers have until May 14 to dispute the results. If no customer disputes the process, the preliminary final CHWM values will become final values and BPA's customer utilities will have until July 14 to make any elections for above-CHWM loads.

The preliminary final CHWM value for the City is 25.231 aMW, which is unchanged from the draft value provided earlier in the year. Lighthouse reviewed the draft CHWM calculation for the City and found the result to be reasonable. A separate memo documented this review.

Ellensburg's CHWM Position

Based on the City's CHWM and its most recent load forecast, it will have a need to serve loads above its designated CHWM throughout the federal fiscal year 2029-2044 contract duration. Based on Figure 1, the City will have approximately 6 aMW of above-CHWM load in 2029. This increases to 7.4 aMW with an expected increase in load in 2030. The City's above-CHWM load then increases steadily over time as the City's projected load grows at approximately 0.3% per year while the CHWM values are fixed throughout the contract term.

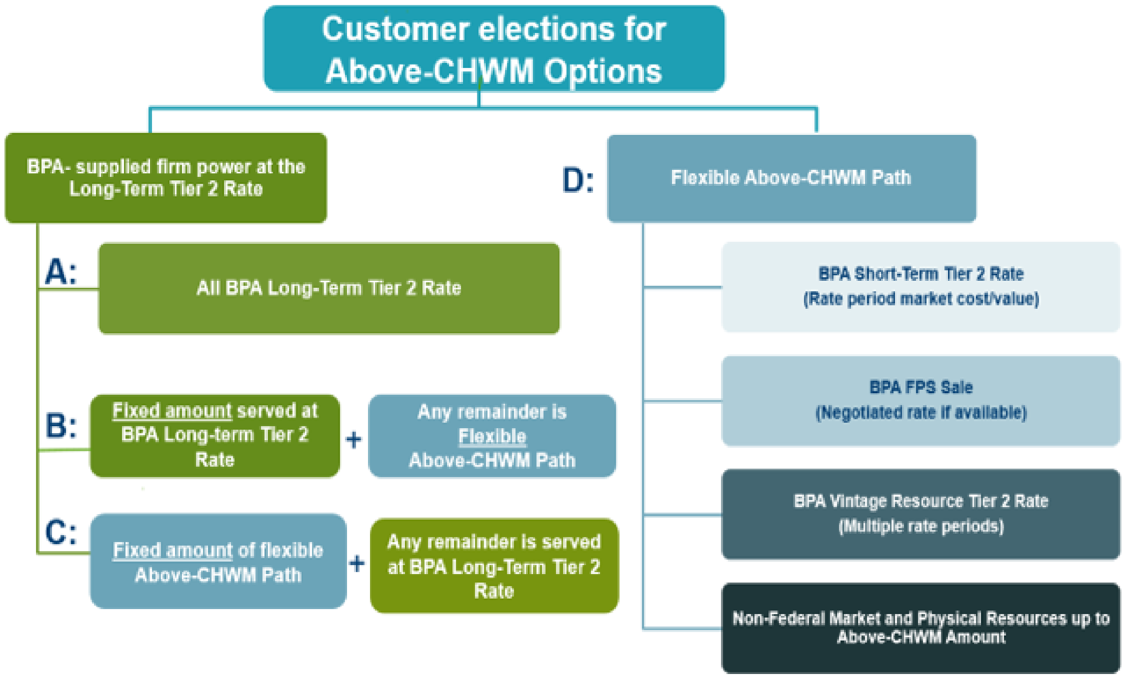
Figure 1 - Load Forecast and CHWM



Above Contract High Water Mark Options

BPA provided the following diagram which identifies the options for above-CHWM service. Customers make this election once for the contract duration, with limited options for changing the elections. In addition, customers selecting Options B or C must specify the fixed amount included as part of those service options.

Figure 2 - Above-CHWM Load Service Options



The sections below discuss the options and some of the advantages and disadvantages of each.

Option A: All BPA Long-Term Tier 2

The first option is one in which all above-CHWM load is served at BPA's long-term Tier 2 rate. Under this option, BPA would acquire resources or long-term contracts to meet customer demand.

Advantages

- Long-term resource acquisitions lock in prices and insulate customers from market price volatility
- BPA *may* be able to procure resources that are compliant with Washington's Clean Energy Transformation Act (CETA), although current federal policies may constrain this.
- This product may have built-in insurance. For example, if BPA releases an RFP for resources under this option but finds that market prices are lower, BPA may elect to use market purchases instead of higher-cost resources.

Disadvantages

- If market prices decline below the cost of acquired resources, customers electing this option would lose out on procuring power at those lower prices.
- Customers electing this option are limited to a one-time option to reduce their long-term election, which is subject to fees.

Option B: Fixed Amount of Long-Term then Flexible Option

Under this option, customers elect to purchase up to a fixed amount of power at the long-term rate and then any remaining above-CHWM load will be served by the options available under the flexible path, including the short-term rate or non-federal resources. The long-term election is fixed throughout the contract duration, although there is an allowance for a one-time change, subject to fees.

Advantages

- Provides price stability for the quantity elected at the long-term rate
- Can provide some exposure to market prices, although the exposure is limited to loads above the elected quantity
- BPA *may* be able to procure resources that are compliant with Washington's Clean Energy Transformation Act (CETA), although current federal policies may constrain this.
- Customers can more flexibly change resources within the flexible path, potentially shifting from short-term rates and customer-owned non-federal resources.

Disadvantages

- This option has some amount of exposure to markets and price spikes

Option C: Fixed Flexible Option then Long-Term

Option C requires customers to elect a fixed amount of power to be served under one of the flexible options, then any remaining above-CHWM load would be served with power sold at the long-term rate. The elected quantity is fixed throughout the contract duration although there is an option to change the long-term election amount, subject to fees.

Advantages

- Can provides some exposure to market prices, although the exposure is capped
- Customers can more flexibly change resources within the flexible path, potentially shifting from short-term rates and customer-owned non-federal resources.

Disadvantages

- Depending on the amounts elected, customers may be exposed to higher market prices

Option D: All Flexible Path

In Option D, customers elect to serve their above-CHWM loads through some combination of options, including:

- BPA's Short-term option
- BPA's vintage rate, if available
- Customer-owned dedicated resources

The short-term rate option is based on market prices and subject to changes based on current market conditions in each rate period. Customer-owned resources provide more utility control but come with additional responsibility. The power from customer-owned resources must be delivered to BPA's system in flat amounts or accompanied by BPA's Resource Support Services.

Advantages

- Can take full advantage of lower market prices if that occurs

Disadvantages

- Full utility above-CHWM load could be exposed to high market prices
- BPA's short-term option is likely to be based on market purchases, which are unlikely to comply with state clean energy requirements.

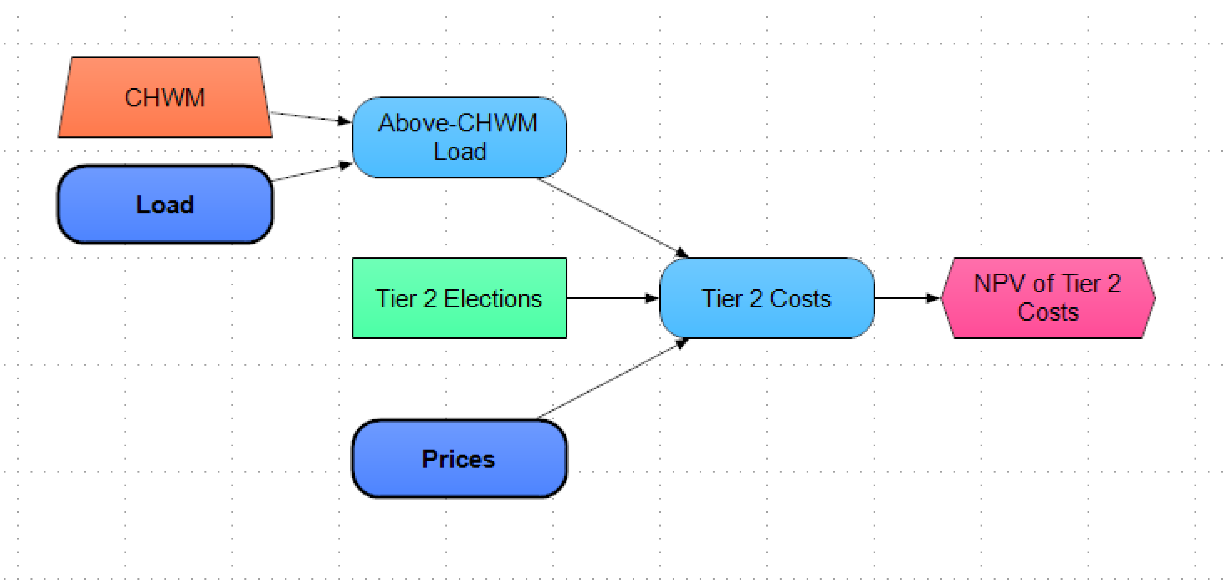
Analysis of Above-CHWM Service Options

At a high level, the tradeoffs of these product options are fairly straightforward: the long-term rate options provide price stability, albeit at a potentially higher price while the short-term rate options provide flexibility while experiencing the highs and lows of short-term market prices.

To quantify the tradeoffs of these approaches, Lighthouse built a model which would allow for the examination of these options while acknowledging the significant uncertainty involved. In addition to the selected service option, the actual outcome in any given year is highly dependent on the City's load as well as the market prices. Lighthouse used a software package called Analytica for this analysis, due to its ability to account for uncertainty.

Figure 3 shows the high-level structure of the model. The City's defined CHWM and load are combined to determine the above-CHWM load. The City's possible Tier 2 service options are combined with prices and the above-CHWM loads to calculate the cost of serving Tier 2 load for any given year. Finally, a net present value of costs over the contract period is calculated to combine the results across years.

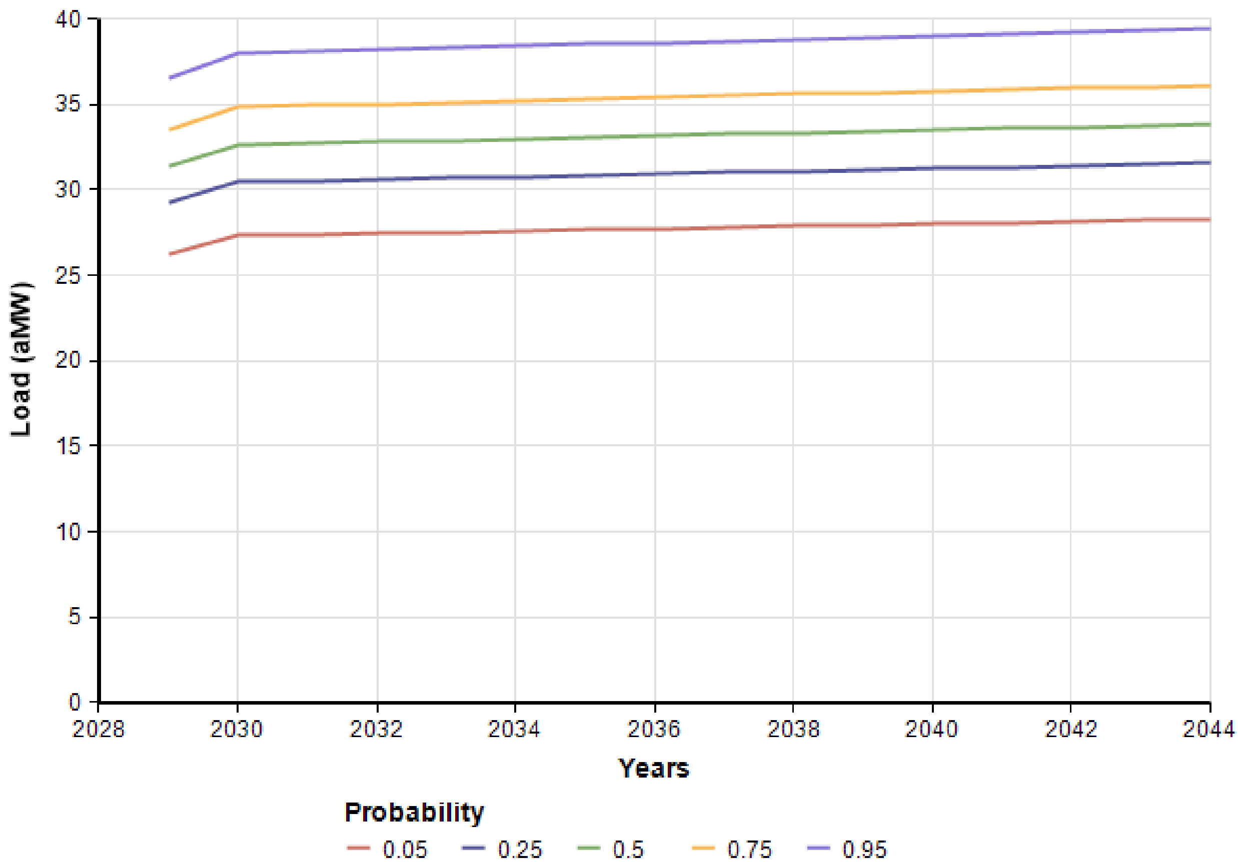
Figure 3 - Analytica Model Diagram



To account for uncertainty in future loads. Lighthouse added uncertainty bands around the City's load forecast. In Figure 4, the green line represents the City's current expected load. The lines above and below show the 5%, 25%, 75%, and 95% probability forecasts. For example, only 25% of the forecasts in a given year are less than the blue line shown below.

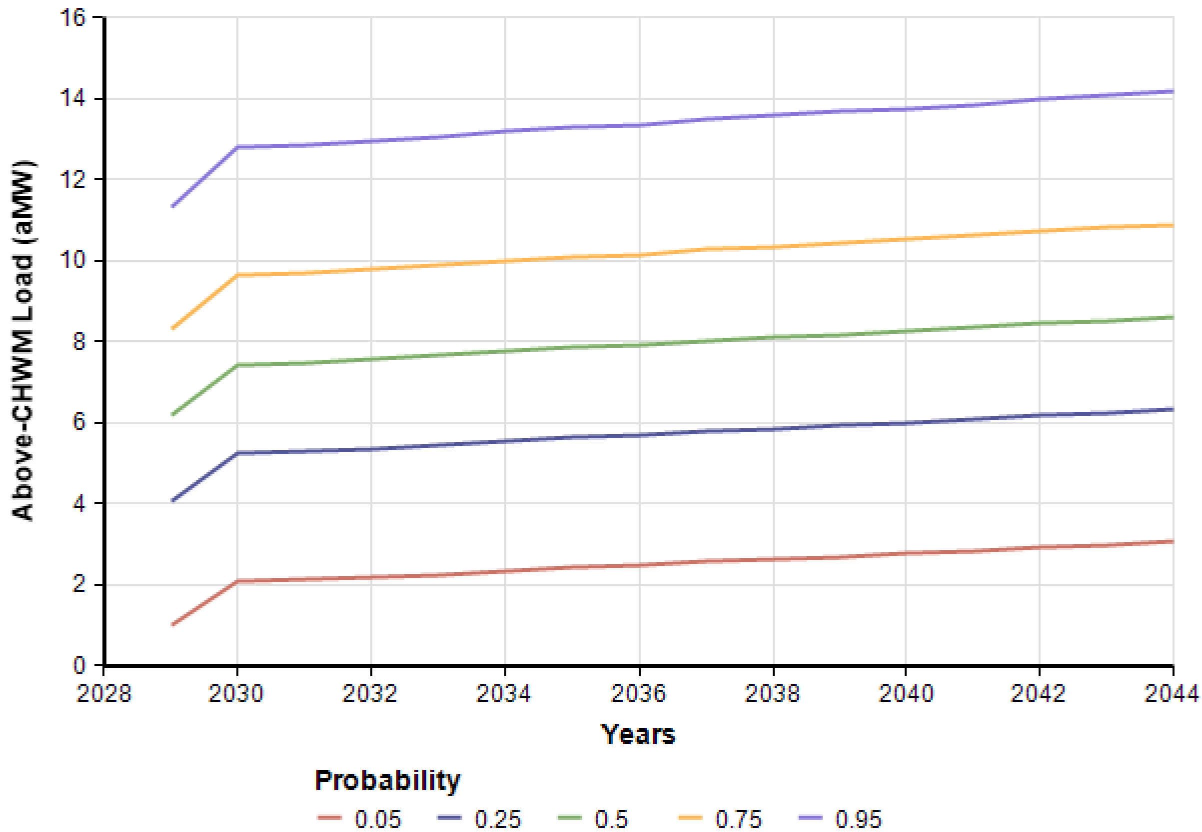
Note that in an earlier analysis of the City's loads under fuel switching driven by the state's Climate Commitment Act (CCA), Lighthouse estimated that the City would see less than one average megawatt of additional energy demand across the year (although the incremental demand in the winter months would be higher). Therefore, this distribution of forecasts covers a broader range than what might be expected from fuel switching driven by the CCA.

Figure 4 - Load Forecast Probability Bands



With this distribution in forecasted loads, Lighthouse then estimated the distribution of the City's above-CHWM loads, shown in Figure 5. Like before, the middle green line shows the 50% percentile, where the forecast has equal chances of being higher and lower.

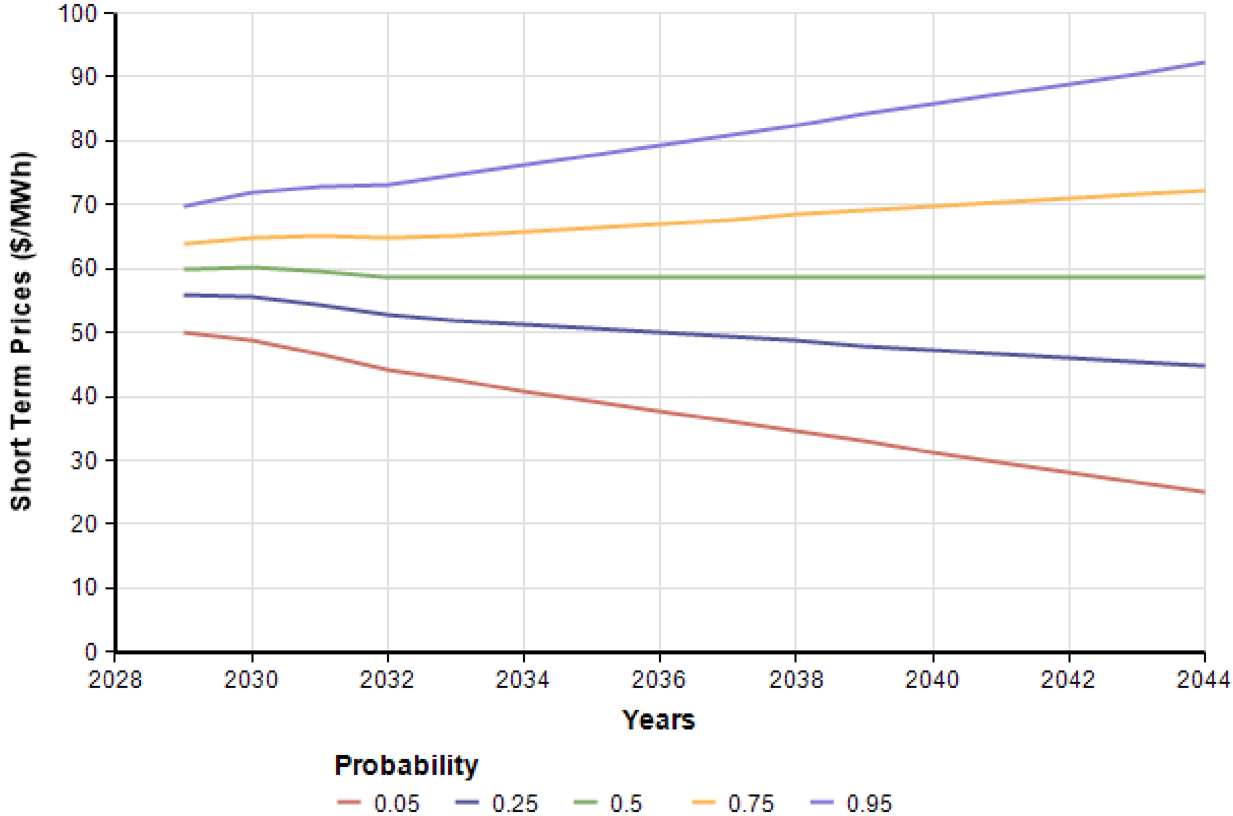
Figure 5 - Above-CHWM Load Probability Bands



Next Lighthouse developed estimates of prices for the different service options. For the flexible path, Lighthouse assumed that the City would select the short-term rate option. Lighthouse started with a forecast of monthly on- and off-peak futures pricing at the mid-Columbia trading hub from the Intercontinental Exchange. These prices were combined into a single annual value using an assumed proportion of monthly on- and off-peak loads. These prices were set as the long-term rate option. To account for the fact that short term prices could be higher or lower than current prices, Lighthouse defined the short-term prices to be a distribution of prices around these values.

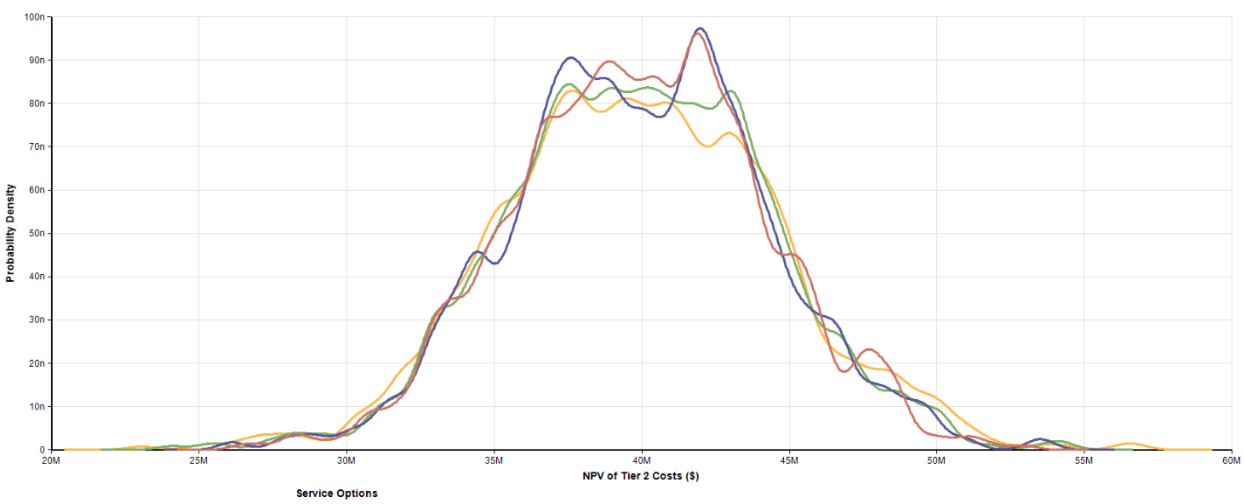
Figure 6 shows the probability bands for the short-term prices. Here, the green 50% probability line is also the assumed long-term prices. Future electricity prices are highly uncertain, so the intent here was to reflect a reasonable range of outcomes, with higher uncertainty in the long term. For context, BPA's current Tier 2 pricing is approximately $70 per megawatt-hour.

Figure 6 - Short-Term Price Probability Bands



Finally, Lighthouse needed to define the City's election amounts if it were to selection Options B or C. Due to the risk of selecting too high a value and facing losses from remarking, Lighthouse selected 6 aMW as the fixed amounts for service Options B and C.

Figure



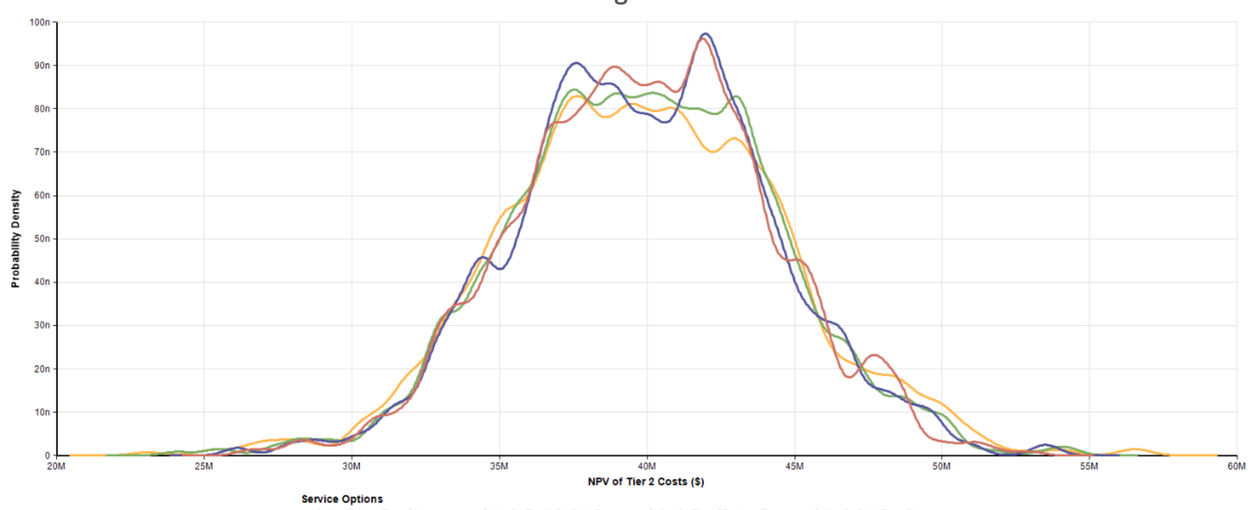
7 shows the probability density of the net present value of Tier 2 costs over the contract period, by service option. This shows the relative probability of Tier 2 service costs for the four service options,

given the range and probability of different loads and market prices. All four service options show a clustering of outcomes around $40 million based on the assumed loads and market prices and their most likely values, but there are subtle differences worth exploring.

For example, the yellow line represents the all short-term rate Option D. It has the lowest probability around the central $40 million point but has comparatively higher probabilities among the higher and lower cost outcomes. This mirrors the earlier discussion that this service option is fully exposed to market prices and is subject to the ups and downs of the market. If market prices are consistently low, this service option is best positioned to take advantage of those prices. Unfortunately, if prices are consistently high, Option D is also the most exposed.

In contrast, the salmon-colored line for Option A has relatively higher probabilities at lower and middle cost outcomes, reflecting the ability of this option to insulate utilities from higher market prices. Based on the selection of 6 aMW for the fixed amounts for options B and C, these options are fairly close in outcome to options A and D, respectively.

Figure



7 - Net Present Value of Tier 2 Costs

Another way to examine the results of this modeling exercise is to look at the summary statistics from the distributions above, shown in Table 1. These results mirror the earlier discussion, with Option D having the lowest minimum net present value and highest maximum cost. Similarly, Option A has one of the highest minimum cost amounts but the lowest maximum cost. With the load and price assumptions used in this analysis, Option A's worst outcome is nearly $4 million less than Option D over the contract period. Option D has the highest standard deviation, reflecting its inherent volatility, while Option A has the lowest, reflecting the price stability of long-term pricing.

Table 1 – Summary Statistics of Service Options

	Option A - Long Term Only	Option B - Fixed LT + Short Term	Option C - Fixed ST + Long Term	Option D - Short Term Only
Min	$26,440,718	$26,060,511	$24,060,020	$23,070,071
Median	$39,960,362	$39,930,167	$39,913,414	$39,827,616
Mean	$39,917,443	$39,918,836	$39,907,920	$39,909,313
Max	$52,981,462	$53,768,513	$54,257,522	$56,678,541
Std. Dev	$4,213,275	$4,288,244	$4,415,446	$4,713,435

Summary

This analysis has shown the tradeoffs of different service options that the City may consider for its Provider of Choice contract. While there are qualitative considerations that may influence the decision, Lighthouse's analysis has shown how those considerations may play out over a range of possible outcomes. Ultimately, the selection of a service option will depend on the City's risk appetite, with different options available along a spectrum of risk and reward. If the City wants to prioritize rate stability and limit its exposure to market volatility, Option A is the preferred choice. If the City wants market exposure to take full advantage of potential low market prices, Option D would be preferrable but comes with exposure to higher prices as well. Options B & C can be structured to provide a blend of these two approaches, with blends of short- and long-term pricing.

Regardless of the approach selected, the City can limit the cost of its Tier 2 load service through its energy efficiency programs. While state policy requirements and regional power planning may differ in the treatment of avoided cost, the City's Tier 2 power represents its marginal cost of power and any energy efficiency that can be acquired below this cost.

Agenda #5.B

Meeting Date: May 21, 2026
City of Ellensburg
Utility Advisory Committee Agenda Report

Agenda Subject:	Capital Facilities and Utilities Comprehensive Plan Chapter - Energy Services
Submitted by:	Stacey Henderson, Planning Manager, Nichole Baker, Energy Resources Manager
Department:	Energy Services

Suggested Motion/Action:
Informational

Background/Summary:
The Capital Facilities and Utilities Comprehensive Plan chapter provides the City of Ellensburg's policy framework for planning, maintaining, and funding public facilities and utility systems needed to serve current residents and projected growth over the next 20 years. It addresses City-managed systems such as water, wastewater, stormwater, electric, natural gas, telecommunications, library services, and police, and explains how capital planning is tied to land use, level of service standards, and Growth Management Act requirements.

The Capital Facilities and Utilities chapter describes how the City will maintain and expand core utility systems to support projected growth while preserving reliability, operational performance, and long-term financial stability. The electric utility serves approximately 11,000 customers and is planning for feeder extensions, increased demand from electrification and EV charging, and a potential west-side substation within the next five years, while the natural gas utility serves approximately 5,200 customers and a 2027 looping project to address localized pressure constraints. The chapter also highlights the City's telecommunications utility, which operates municipal fiber serving 50 locations and is positioned to support future service expansion, strategic planning, and broader digital connectivity goals.

Previous Council Action:
None

Analysis:

The City's electric utility serves approximately 11,000 customers through 47 miles of overhead conductor and 83 miles of underground cable. The system purchases all of its power from the Bonneville Power Administration, which delivers service through the City's four electrical substations. Based on the Washington Department of Commerce 2024 Fuel Mix Disclosure, the City's power supply is approximately 88% carbon free, consisting primarily of hydropower and nuclear resources. Current priorities include maintaining reliability, extending feeder capacity to serve growth areas, preparing for increased demand from solar integration, EV charging, electrification, and planning for a potential west-side substation within the next five years, depending on development. The utility also operates a renewable energy park and promotes energy conservation and efficiency.

The City's natural gas utility serves approximately 5,200 customers within the City and surrounding Kittitas County through more than 135 miles of distribution mains. Its service territory is established by the Washington Utilities and Transportation Commission and extends beyond the City limits and Urban Growth Area. The system currently maintains sufficient capacity for anticipated growth, although the City has identified localized pressure constraints on the far western edge of the system. A looping project scheduled for completion in 2027 is intended to improve pressure. The utility installs and maintains its infrastructure with City staff, has received repeated safety recognition from the American Public Gas Association, and provides service support for both customers and developers. Planned investments focus on reliability, safety, and targeted capacity improvements.

The City's telecommunications utility operates municipal fiber optic that has been formalized as a dedicated utility since 2014. The system currently serves 50 locations through more than 25 miles of overhead fiber and two miles of underground fiber, primarily supporting public agencies, schools, administrative facilities, and a limited number of commercial users. Although the utility does not currently provide direct residential service, the existing network provides a foundation for future expansion. Strategic planning focuses on reliability improvements such as hardware refresh, outdoor plant upgrades, and recurring strategic plan updates. The chapter also includes supporting telecommunications policies related to small cell deployment, public-private partnerships, broadband service standards, digital inclusion, and reducing barriers to infrastructure extension.

Financial Impact:

Budget Adjustment: No

Attachments:
1. 2026-0402-Eburg-Capital Facilties-Draft_(ES) (1)

6. Capital Facilities and Utilities

What you will find in this chapter

- Inventory of public facilities including locations and capacities.
- Forecasts of future needs for public facilities and utilities.
- Goals, policies, and programs that will help to ensure safety, efficiency, and affordability of City facilities and utilities.

Overview

Capital facilities and utilities are central to the quality of life, safety, and opportunities of Ellensburg residents and the City's ability to grow in the future. The City of Ellensburg is a full-service municipality, offering water, wastewater, natural gas, electric and telecommunications utilities, storm water drainage, a street transportation system, law enforcement, a public library, a parks and recreation system, and administrative services that keep it all running. Table 6-1 lists utilities and facilities in the City and their providers.

Table 6-1. Utilities, Facilities, and Providers in Ellensburg

Service/Facility	Provider
Water	City of Ellensburg
Wastewater	City of Ellensburg
Natural Gas	City of Ellensburg
Electric	City of Ellensburg
Telecommunications	City of Ellensburg, Charter Communications, Lightcurve
Stormwater Drainage	City of Ellensburg
Law Enforcement	City of Ellensburg
Parks and Recreation System	City of Ellensburg
Administrative Services	City of Ellensburg
Schools	Ellensburg School District, Central Washington University
Healthcare	Kittitas Valley Healthcare
Library	Kittitas County Public Library
Solid Waste	Waste Management (WM)
Central Transit	City of Ellensburg

Fire Protection and Emergency Services	Kittitas Valley Fire & Rescue (KVFR)

Ellensburg is served by an extensive system of publicly funded and operated facilities, from schools and parks to utility systems and transportation facilities. Many of these facilities, such as water towers and roads, help meet the basic needs of residents. Others, such as fire stations, make the community safer. Community resources like schools and libraries foster learning and educational development, which make the city a better place.

The community benefits from these investments on a daily basis. In order to sustain and improve on the benefits the community currently enjoys, the City must identify how it can best maintain existing facilities and create new facilities to serve the needs and desires of local residents and future development.

Background and Context

This section addresses existing capital facilities and utilities owned and largely managed by the City of Ellensburg, including water, wastewater, stormwater, electric, natural gas, telecommunications, library services, and police.

Demand for Ellensburg's capital facilities will grow over the next 20 years. New demand can be accommodated through increasing capacity and through managing demand. Demand management can be accomplished in a variety of ways, depending on the service or facility. For example, encouraging consumers to use less electricity during peak hours can decrease the need for future investments to meet peak demands.

Each capital facility system has its own functional plan, which includes a list of needed capital facilities. Facility needs are determined through Level of Service standards, operating criteria, or performance standards.

A key feature of the capital facilities planning process is asset management, which continually monitors the condition of existing facilities and infrastructure, identifies levels of maintenance needed, and determines when facilities need to be replaced. The City's capital facilities policies ensure that the City plans in advance for maintenance and infrastructure replacement to maintain Levels of Service. These policies also tie capital facilities planning to land use, making sure that assumptions about future growth are consistent.

Capital Facilities Inventory

Most city-owned and operated capital facility systems are governed by a dedicated functional plan. These plans contain detailed inventories of existing facilities and infrastructure as well as planned improvements. In addition to the facilities covered by functional plans, the City of Ellensburg maintains and uses a number of other facilities to perform administrative functions. Table 6-2 and Table 6-3 contain a list of both types of facilities, a description, and a reference to the functional plan, if applicable.

The functional plans listed in Tables 6-2 and 6-3 identify facility inventories, potential funding sources, and implementation strategies. For each relevant utility functional plan there are specific strategies that proactively address energy efficiency and water conservation.

Table 6-2. Inventory of City-Owned Capital Facilities

Facilities	Description	Functional Plan
Ellensburg City Hall	City departments and, council chambers	Capital Facilities Plan
Ellensburg City Shop	Shop and Warehouse, vehicle and equipment maintenance, facility maintenance and storage	Capital Facilities Plan
Ellensburg Library and Hal Holmes Center	Public library and meeting space	Level of Service Standards and Library Goals and Objectives (in process of being updated)
Parks and Recreation	Parks and community facilities, including 29 parks, adult activity center, Memorial pool, youth center and Racquet Center	2026 Park, Recreation, Open Space (PROS) and Sustainable Funding Plan
Ellensburg Police Department	Police headquarters	Annual reports
Water	Infrastructure for providing potable and fire response water including water storage tanks	2024 Water System Plan
Wastewater	Facilities that convey wastewater to the city treatment plant	2026 General Sewer Plan
Stormwater	Infrastructure that conveys and manages storm and surface water	Stormwater Management Plan
Electric	Infrastructure for meeting community electrical needs	2025 Electric System Plan
Natural Gas	Infrastructure for the natural gas distribution system	2021 Natural Gas System Plan (in process of being updated)
Telecommunications	Infrastructure providing a fiber optic network to 50 locations throughout Ellensburg	Telecomm System Plan (updated every 3 years)

Table 6-3. Inventory of Services Provided by Alternative Service Providers

Service/Facility	Provider	Contact
Telecommunications	Lightcurve	https://getlightcurve.com/
	Spectrum	https://www.spectrum.com/locations/wa/ellensburg
Schools	Ellensburg School District	https://www.esd401.org/
	Central Washington University	https://www.cwu.edu/

Healthcare	Kittitas Valley Healthcare	https://www.kvhealthcare.org/
Solid Waste	Waste Management (WM)	https://www.wmnorthwest.com/ellensburg/
Fire Protection and Emergency Services	Kittitas Valley Fire & Rescue (KVFR)	https://www.kvfr.org/
Public Transit	Ellensburg Central Transit	https://centraltransit.org

City-Owned Facilities and Utilities

Water

The City's Water System Plan, last updated in 2024, examines water source, storage, delivery, and quality and is the strategic plan for the management and operations of Ellensburg's water system. This chapter adopts the Water System Plan by reference, provides a summary of the City's water system and establishes a general policy context within which the water system plan will operate.

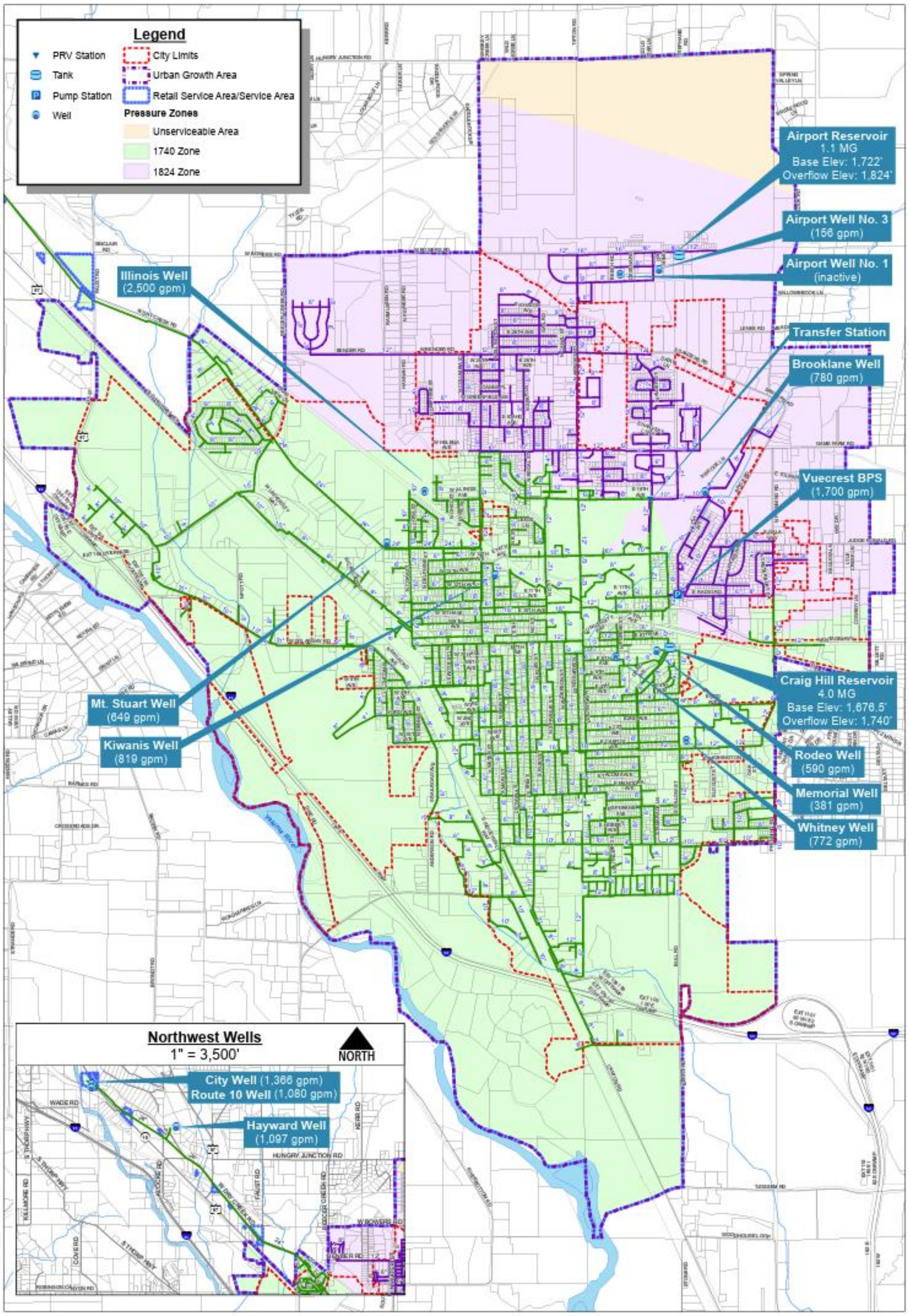
The water division of the City of Ellensburg operates and maintains approximately 96 miles of underground water distribution piping, two above ground reservoirs, eleven groundwater wells, one booster, and one transfer station. This extensive piping system serves over 4,800 residential and 700 non-residential customers by distributing safe, clean, and reliable water. The water division provides constant monitoring, testing, and system maintenance to ensure the highest quality of clean water is delivered to the community. Figure 6-1 shows the existing water system.

The City has sufficient water rights to accommodate the projected 20-year growth. These water rights will allow for additional municipal wells to be added to the system as the City's water users increase. The City of Ellensburg has shifted its focus from expanding baseline capacity to enhancing system resiliency. While current capacity is sufficient—bolstered by a new well completed two years ago and a recently finished booster pump project—future reliability will require the construction of an additional water reservoir and the drilling of another well within the next five years. To support these goals, a well-siting study is scheduled for 2026, with the new well installation anticipated between 2027 and 2030.

The City is also prioritizing long-term sustainability and infrastructure modernization. An Aquifer Storage and Recovery (ASR) feasibility study is currently underway and expected to conclude in late 2026, which may lead to a pilot project for funding in 2027. Additionally, the City is launching a water main replacement program and embarking on a major joint utility investment in an Advanced Metering Infrastructure (AMI) system. This $10–15 million project will modernize metering across gas, water, and electric services to improve operational efficiency and data accuracy. The City will continue to verify that all capital and private development projects are designed and constructed to ensure all appropriate fire flows are met for each prospective project.

Planned capital improvements for the water system are identified in the City's six-year Capital Improvement Plan (CIP), which is updated annually. The water system CIP prioritizes investments in system capacity, reliability, and long-term resiliency. Water system capital improvements are anticipated to be primarily funded through a combination of ending fund balance, revenue generated through rates, and long-term revenue bonds. Grants are not typically available for water utility capital improvements. At the end of 2024, the ending fund balance available for the water utility CIP was approximately $7 million. Recent financial data indicates the water utility generates approximately $8.3 million annually in revenue and maintains dedicated reserves for bond obligations, system development charges, and utility deposits. Capital improvements continue to be supported through a combination of rates and long-term revenue bonds.

Figure 6-1. Existing Water System Map



Wastewater

The City of Ellensburg operates a wastewater division operates and maintains 80 miles of underground sewer pipe. This extensive piping system serves approximately 5,100 residential and almost 500 non-residential customers by managing wastewater flows from sinks, showers, bathing, dish and clothes washers, toilets, and industrial processes. Wastewater flows from homes and businesses through sewer pipes that lead to the Wastewater Treatment Plant. The Wastewater Treatment Plan processes an average of 3.12 million gallons of wastewater each day.

In 2026 Ellensburg completed an update to the general sewer plan. This chapter adopts the General Sewer Plan by reference.

The existing system has a maximum treatment capacity that is greater than current growth prediction and any improvements identified for the Wastewater Treatment Facility are recommended in the 2026 report to be designed to provide a capacity equal to or greater than the existing design capacity of a population of 31,000. This recommendation is sufficient to meet the projected population growth of the Ellensburg population to 25,631 by 2046.

While the City's sewer utility currently maintains adequate capacity, a substantial list of capital improvements is planned over the next 10 to 15 years to modernize and expand the system. Key treatment facility upgrades slated for the next five to 10 years include a new aeration system, a larger influent pump station, headworks modifications, and a new UV system. These improvements will be paired with extensive electrical and motor control upgrades to bring the facility up to modern standards.

Beyond the treatment plant, the City is continuing long-term collection system improvements that have been in development for several years. Coordination with Central Washington University (CWU) remains a priority, as the university manages its own internal sewer piping while remaining a major user of the City's distribution and treatment infrastructure.

Planned capital improvements for the wastewater system are identified in the City's six-year CIP, with a focus on treatment capacity, regulatory compliance, and system modernization. Wastewater utility improvements are anticipated to be primarily funded through a combination of ending fund balance, revenue generated through rates, and long-term revenue bonds. Grants are not typically available for water utility capital improvements. At the end of 2024, the ending fund balance available for the wastewater utility CIP was approximately $6.3 million. The wastewater utility generates approximately $7.2 million annually and maintains reserves to meet bond obligations and capital investment needs.

Stormwater

The City of Ellensburg stormwater division maintains approximately 2,500 catch basins and 350 manholes in the public right-of-way, is comprised of approximately 49 miles of underground pipe, and discharges to ninety outfalls in local streams and irrigation facilities. In newer parts of the city bio-swales capture, slow velocity of, and treat stormwater prior to discharging into the City's stormwater system. The City of Ellensburg operates a stormwater utility whose revenues are used to comply with the stormwater permit, providing funding for required activities such as the Illicit Discharge Elimination Program and public education on the effects of stormwater on water in our rivers and streams.

Ellensburg's stormwater utility is managed through a five-year permit cycle, with annual updates to ensure compliance with state and local regulations. Currently integrated with the Street Department, the utility focuses primarily on system maintenance, stormwater conveyance, and water quality requirements.

In addition to managing the stormwater system, the City coordinates with the Kittitas County Flood Control Zone District on flood modeling and floodplain management associated with five major streams within city limits that significantly impact daily operations. While these systems are related, flood management is addressed through separate planning and interagency coordination. Ongoing challenges for the stormwater utility include the management of inflow and infiltration (I & I) and the maintenance of private system connections.

The stormwater utility generates approximately $2 million annually and is supported through a combination of user rates, dedicated reserves, and long-term revenue bonds. Planned capital improvements for the stormwater system are identified in the City's six-year CIP and support regulatory compliance, water quality, and ongoing system maintenance.

Electric

The City of Ellensburg was the first municipality in Washington State to have its own electrical distribution system, which was installed in 1891. The City's electric utility serves approximately 11,000 customers using 47 miles of overhead conductor and 83 miles of underground cable. New development within the system is served by underground electrical infrastructure installed in conduit, with looped distribution incorporated where feasible to improve system reliability and reduce the potential for outages. The existing aerial facilities are in excellent condition due to continuous maintenance work over the years. The electric utility offers a variety of services to the public. These services include assistance with applying or altering a service, as well as advising developers so they know what is required when applying for an electrical system for a subdivision, plat, or multi-family project. All requirements are based on existing city policies and standards, as well as national, state, and local electrical codes. The City's electric utility has an enviable safety record and has been recognized by the Northwest Public Power Association for its commitment to safety for many years.

The electric utility currently purchases the majority of its power from Bonneville Power Administration which delivers power to the City's four electrical substations. The Washington Department of Commerce 2024 Fuel Mix Disclosure indicated that the City is about 88% carbon free (75% hydropower and 13% nuclear) for the fuel that was used to generate the power.

While current substation capacity is sufficient, the primary challenge lies in expanding the distribution network through feeder extensions to support growing neighborhoods. Looking ahead, the system must adapt to increasing demands from solar integration, EV charging stations at major interchanges, and a general shift from natural gas to electric appliances. These strategic updates are outlined in the six-year Electric System Plan (2025−2030), which incorporates the projected Ellensburg population of 25,631 by 2046 into its system model. Dependent on development, another substation on the west side of the City will be needed within the next five years to meet projected demand.

The utility has a renewable energy park that hosts solar generation facilities that were constructed between 2006 and 2013 and expanded in 2016. The utility has a long history of promoting energy conservation and encourages itscustomers to take advantage of all the programs the City offers to assist them in using energy efficiently.

The electric utility is the City's largest enterprise operation, generating approximately $22.7 million in annual revenue. Planned capital improvements for the electric utility are identified in the City's six-year CIP and focus on system reliability, capacity, and infrastructure upgrades to support future growth. Electric utility capital improvements are anticipated to be primarily funded through a combination of ending fund balance, revenue generated through rates, and revenue bonds. Grants are not typically available for electric utility capital improvements. At the end of 2024, the ending fund balance available for the electric utility CIP was approximately $14.6 million.

Natural Gas

The City of Ellensburg was the first municipality west of the Mississippi River to have its own natural gas distribution system, installed in 1956−1957. Today, the system includes over 140 miles of distribution mains and serves approximately 5,200 customers within the City and surrounding Kittitas County. Unlike other City utilities, the natural gas service territory is defined by the Washington Utility and Transportation Commission and extends beyond the City limits and Urban Growth Area covering a total of 73.50 square miles.

The City receives its natural gas supply from the Williams Pipeline through a single measuring station, from which gas is distributed to customers. The utility installs and maintains its distribution system using its own City employees; it has an enviable safety record and has been recognized by the American Public Gas Association for its commitment to safety for many years. Public safety information is provided to customers throughout the year.

The natural gas utility provides a range of customer and development services, including assistance with establishing or modifying service and guidance for developers on requirements for extending natural gas infrastructure to new subdivisions and plats.

The City currently maintains ample natural gas capacity to support anticipated growth. While the system is well-positioned overall, the utility has identified localized pressure constraints associated with concentrated, high-volume loads on the far western edge of the system. To resolve these issues and improve reliability for large commercial customers, a significant looping project is scheduled for completion in 2027. This project will create additional connections within the gas distribution system, allowing gas to be supplied from multiple directions, which helps maintain consistent pressure and reduces the risk of service interruptions.

Planned capital improvements for the natural gas utility are identified in the City's six-year CIP, with an emphasis on system reliability, safety, and targeted capacity improvements. Natural gas utility improvements are anticipated to be primarily funded through a combination of ending fund balance, revenue generated through rates, revenue bonds, and restricted reserves, including funding associated with state and federal energy programs. Grants are not typically available for natural gas utility capital improvements. At the end of 2024 the ending fund balance for the natural gas CIP was approximately $7.7 million, and the utility generates approximately $15.4 million annually.

Telecommunications

Operation of Ellensburg's municipal fiber optic network has been ongoing since 1999, with infrastructure developed and maintained under various administrative arrangements. In 2014, the City formalized these efforts by establishing a dedicated telecommunications utility. The system currently services 50 locations with over 25 miles of overhead fiber optic cable and two miles of underground fiber optic cable.

Ellensburg's telecommunications utility functions as a municipal fiber optic backbone, primarily serving public agencies, schools, and administrative facilities, as well as a limited number of commercial users. While the utility does not currently provide direct residential service, the existing infrastructure provides a foundation for potential future expansion. To guide this future development, the City has hired a Telecommunications Business Manager tasked with creating a strategic approach for future planning and exploring the potential for service expansion.

Operationally, the utility provides internet services supported by an agreement with NoaNet for emergency fiber repairs and after-hours support. Service delivery does not currently include formal service-level guarantees; as the system evolves, the City may evaluate opportunities to establish formal service standards. Ellensburg's telecommunications market includes multiple private providers, offering residents and businesses a range of service options. The City's telecommunications utility complements these providers by supporting public sector connectivity and targeted service needs.

The telecommunications utility operates at a smaller financial scale than other City utilities, generating approximately $0.5 million annually. Unlike other utilities, capital improvements for telecommunications have historically been financed in part through general obligation debt. Planned capital improvements can be found in the City's six-year CIP. The planned telecommunications improvements for 2026–2031 total $1,033,000 and are intended to ensure the continued reliability of the municipal fiber optic network. The CIP focuses on hardware refreshment, outdoor plant improvements, and regular strategic plan updates every three years. Funding is consistently allocated toward maintaining existing equipment and extending lines for commercial customers to support the community's projected population of 25,631 by 2046.

Library

The City of Ellensburg operates a public library, founded in 1907 in partnership with Andrew Carnegie by the Women's Municipal Movement Society of Ellensburg. The Society donated two lots on the corner of 3rd Avenue and Ruby Street and opened the library in 1910. The library has maintained a historically and socially important location in Ellensburg's downtown core, and continues to serve as a central community resource, providing services to residents throughout Kittitas County.

The library's mission is:

> *"...to provide a safe and welcoming place where patrons can develop an appreciation for reading and learning; find information about their community and its opportunities; and investigate or explore a wide range of topics relevant to their work, school, and personal lives."*

All Kittitas County residents are able to use the Ellensburg Public Library. Kittitas County annually contributes general tax funds in support of the Ellensburg Library operations, and the City maintains reciprocal agreements with all other libraries in the county. The Hal Holmes Community Center, completed in 1982 and co-located with the library, is the City's multipurpose facility providing space for community events and activities, including performing and visual arts and educational events. The Hal Holmes Center's public meeting spaces provide for the programming space needs of both the library and the greater community.

The library contains a large local history collection that represents the community's interest in the City's past. The collection is partially housed in the main library and is accessible to the public, but much of the collection is inaccessible in basement archives.

A 2003 expansion, intended to serve Ellensburg and the region well into the future, greatly expanded the children's staff and circulation areas of the library and resulted in additional off-street parking located across the street from Hal Holmes Center.

The City's ownership of the property on the east side of Pine Street between 1st and 2nd Avenues allows for further expansion of the library on the same block it currently occupies, moving parking to the new property across the street. Presently, the majority of the parking serving the library is on-street parking. The small off-street parking lot on the south side of the Hal Holmes Center may be taken up with any future expansion needs of the library. As the community continues to grow and other conference and meeting spaces are constructed, the Center's meeting room space may be available to meet the expanded need for library functions. This built-in room for expansion will enable the library to maintain its historically and socially important place in the downtown core.

In addition to projected countywide growth, unique factors affect the physical space needs and the services offered at the Ellensburg Public Library. These needs are driven by the need to keep up with changing technology and by the desire to improve library services and programs for all ages, with an emphasis on children and young adult programs and services that meet the needs of an aging population. Foreseeable service and space needs include increased mobile services, expansion of the library's website and electronic resources, additional meeting space and study rooms, quiet shared reading spaces, and retention of existing off-street parking. Capital improvements related to library facilities are identified in the City's six-year CIP, in coordination with broader community facility planning efforts.

The Ellensburg Public Library goals and objectives and Level of Service Standards are hereby adopted into this Comprehensive Plan by reference. The goals, policies, and programs in this chapter provide the broad overall framework of Ellensburg Public Library services. Please refer to the Library Goals and Objectives and/or Level of Service Standards for more detail.

Police

The Ellensburg Police Department (EPD) provides law enforcement services to the City of Ellensburg with 29 sworn officers working in three divisions: patrol, motors, and investigations. The Department and its personnel are expected to respond to and effectively handle a variety of criminal, societal, technological, and international type events that impact our community. In addition, the Ellensburg Police Department provides many community oriented programs, including school-based partnerships, volunteer and reserve officer programs, business outreach, and community engagement and education initiatives.

EPD currently maintains the equipment and capacity necessary to manage average annual service calls and emergency responses effectively. Once fully staffed, the EPD anticipates it can satisfactorily meet service obligations for up to an additional 4,000 to 5,000 calls. However, further growth beyond this threshold will require a proportional increase in both commissioned and support staff to sustain quality standards.

The department is in a strong position regarding capital improvements, with no major facility projects currently anticipated. The primary system upgrades on the horizon involve 911 call-taking and radio systems, which are managed through a third-party provider. To ensure continued excellence and accountability, the EPD maintains accreditation through the Washington Association of Sheriffs and Police Chiefs (WASPC). Furthermore, the department utilizes local surveys to monitor constituent expectations and verify that service standards align with the community's needs.

Capital investments related to public safety facilities and systems are identified in the City's six-year CIP, supporting ongoing service delivery and operational needs.

The goals and policies in this chapter outline the broad framework of the Ellensburg Police Department; strategic planning and annual reports provide more detailed information regarding services offered and department statistics.

Animal Shelter

The Ellensburg Animal Shelter was constructed in 1974. Since its inception, it has become a regional facility providing services to other municipalities and unincorporated areas in Kittitas County. The shelter is open to the public six days a week and care for the animals housed at the shelter takes place seven days a week. The shelter takes in animals that are stray, neglected, abandoned, law enforcement impounds, and, as space allows, owner-surrendered animals. The majority of adoptable animals are transferred to organizations that have behavioral and medical resources. Since August 2022, the Yakima Humane Society has managed the operations of the Ellensburg Animal Shelter and Adoption Center through a formal partnership with the City. This collaboration helps shelter staff work directly with City officials and employees to provide essential pet welfare services and animal control for the community.

Capital improvements related to the animal shelter are identified in the City's six-year CIP, as needed to support ongoing operations and regional service responsibilities.

Parks

Ellensburg's existing park system includes 22 sites totaling approximately 350 acres, consisting of regional parks, community parks, neighborhood and pocket parks, special use facilities, trail corridors, and natural open space. About half of the City's parkland is developed with recreational amenities, while the remainder consists of undeveloped land and natural areas that provide environmental benefits and opportunities for future park development. This mix of developed and undeveloped parkland provides flexibility to meet evolving community needs while preserving important open space resources.

The park system currently provides a level of service (LOS) of approximately 16.5 acres of parkland per 1,000 residents, which is higher than many similarly sized communities. However, as the population grows, maintaining this level of service will require strategic investments in new parkland and facilities. Ellensburg has identified a target LOS of approximately 15.5 acres per 1,000 residents, which will require additional parkland and expanded recreational opportunities over the planning horizon.

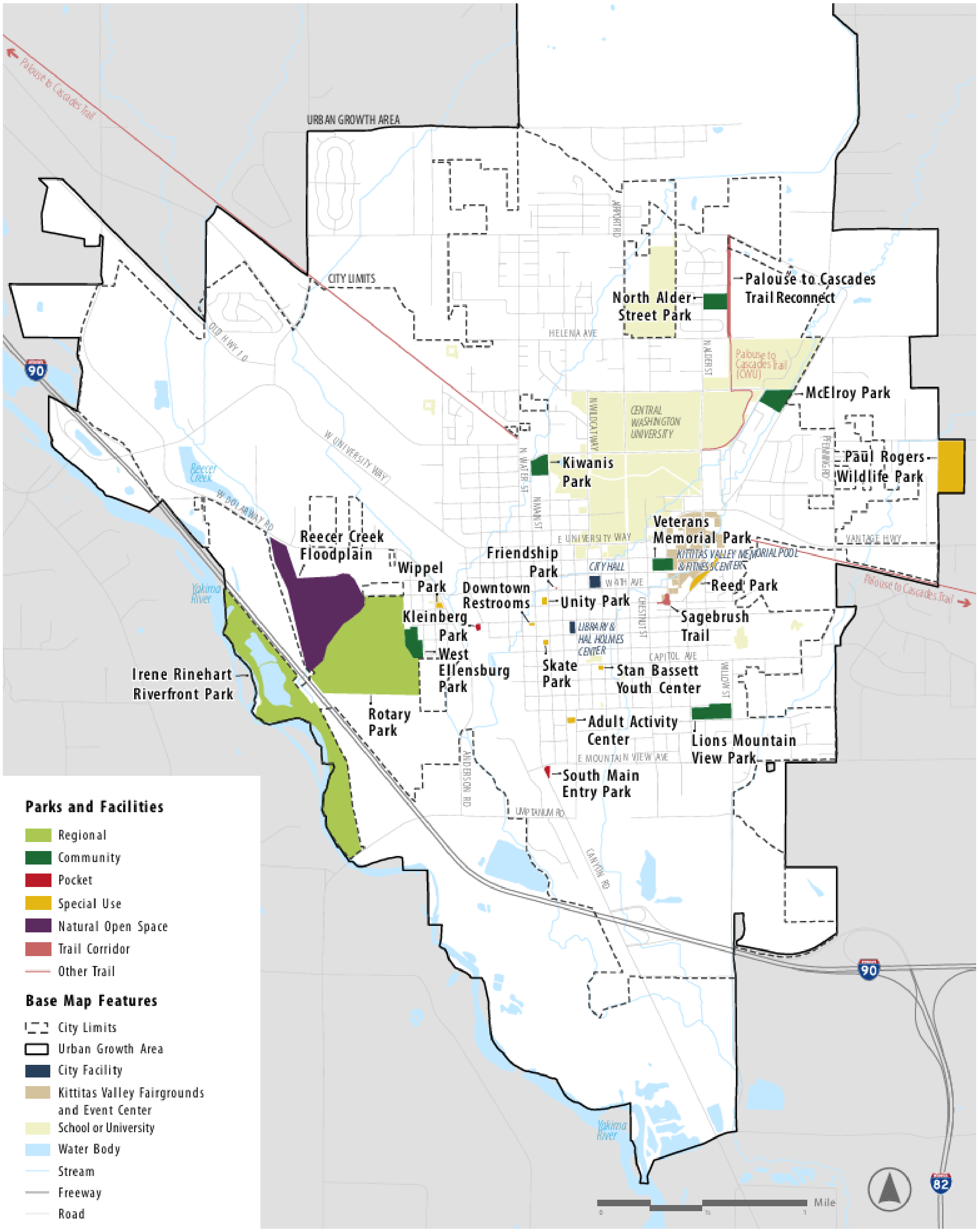
Existing parks serve a range of community-wide and neighborhood needs. Larger community and regional parks, such as Horseshoe Lake Park, provide a variety of recreational amenities, including water access, sports facilities, and gathering spaces. These are complemented by smaller neighborhood parks, such as Hoffmann Park and Eagle Park, which provide convenient access to recreational opportunities for nearby residents. In some areas, school fields and regional open spaces help supplement park access. While parks are generally well distributed, additional parks will be needed in areas of future growth to maintain access within a reasonable walking distance. Figure 6-2 illustrates the location of existing parks.

The City is also focused on reinvesting in and maintaining existing parks and facilities, many of which are approaching or have exceeded their expected lifespan, while expanding the system to serve future growth. System needs include upgrades to existing amenities, expanded recreational opportunities, improved accessibility, and enhanced trail connections between parks, neighborhoods, and regional destinations. Addressing these needs will require a phased and strategic approach to capital investment, including land acquisition, development of new parks, and renovation of existing sites. The City will continue to coordinate with regional partners, including schools and other agencies, to maximize access to recreational opportunities and leverage shared resources where appropriate.

Park system improvements are supported through a combination of impact fees, gas tax revenues, and other capital funding sources. Planned improvements are identified in the City's Parks, Recreation, and Open Space (PROS) Plan and the six-year CIP, which together guide investment in the park system.

Additional information on Ellensburg's park system can be found in the Parks chapter of this Comprehensive Plan. The PROS Plan provides more detailed analysis of level of service standards, system needs, planned capital improvement projects, and funding strategies.

Figure 6-2. Map of Existing Ellensburg Parks



Alternative Service Providers

Ellensburg residents also receive services from a mix of private companies, public commercial entities, and special districts. These services and their providers are summarized in the following sections.

Solid Waste

Waste Management (WM) serves as the sole waste hauler for the City of Ellensburg under a municipal franchise agreement, which is currently contracted through October 2029. The City's solid waste needs are currently met with significant regional capacity; local waste is transported to the Greater Wenatchee regional landfill, which has approximately 75 years of remaining life, with additional long-term capacity available at sites in Adams County and Arlington, Oregon. To maintain high service quality as Ellensburg grows toward a projected 2046 population of 25,631, WM continues to expand its local fleet and has recently invested $19 million in upgrades to its regional recycling "Smart Center" to improve automated sorting and capacity.

Future solid waste infrastructure planning is largely centered on a partnership with Kittitas County to develop a new transfer station. This project serves as a long-term site expansion that will allow WM to lease a larger footprint for container storage and driver operations. Additionally, in response to evolving state laws, WM is expanding its recycling and yard debris operations to ensure the utility is prepared for future regulatory requirements and increased volumes within the Urban Growth Area.

School District

The Ellensburg School District (District 401) provides educational infrastructure for Kittitas County, serving approximately 3,300 students across a network of elementary, middle, and high schools, alongside specialized learning centers. While the District anticipates a slight decrease in enrollment over the next decade, planning efforts remain focused on the modernization of existing assets rather than system expansion. Most facilities have been updated within the last 20 years; however, Valley View Elementary is scheduled for a comprehensive remodel within the next five years. To manage these long-term needs, the district maintains an annually updated six-year Capital Facilities Plan and a 30-year Long-Range Facilities Plan that aligns with state models.

In addition to building modernizations, the district is prioritizing site-specific infrastructure and regional partnerships. Active projects include the construction of a new high school bus line to improve traffic flow on Capitol Avenue and ongoing ADA accessibility upgrades at the district stadium. To address current gaps in athletic facilities, specifically for swimming and tennis, the district is seeking collaborative opportunities with the City to develop local solutions. Future growth is expected to be contained within existing district properties. Ellensburg School District facilities are listed in Table 6-4.

Table 6-4. Inventory of Ellensburg School District Schools

School Name	Grades Served	Students Attending
Ellensburg High School	9-12	1,065
Morgan Middle School	6-8	746

Valley View Elementary School	K-5	400
Mt. Stuart Elementary	K-5	323
Lincoln Elementary	K-5	333
Ida Nason Aronica Elementary	K-5	367
K-12 Ellensburg Learning Center	K-12	47

Fire/Emergency Management Services

Ellensburg previously operated a fire department with 20 paid staff and more than 20 volunteer firefighters. Fire and Emergency Medical Service responsibility is now shifted to the Fire Protection District #2 which merged with the City's fire department to become Kittitas Valley Fire and Rescue (KVFR). KVFR now employs 30 career firefighters, 70 volunteers, 12 reserves, and 9 residents. The community has a fire insurance rating of four, one step above the previous rating of five, significantly reducing insurance rates in the city. KVFR also provides emergency medical services at the Advanced Life Support and Basic Life Support providers.

The headquarters station (Station 29) is located on Mountain View Avenue, one of the City's main arterials. Station 29 responds to emergency calls in the South and West sections of the district. Station 21 is located on the East side of Ellensburg and covers emergency calls in the North and East sections of the district. Volunteer stations located in the rural areas of the district respond to calls in their areas. All stations can cover one another in times of heavy call volume or larger incidents.

Growth in Ellensburg's population to the north, and the increasing traffic on the community's arterial streets, are increasing pressure to develop a remote fire station to serve the northern areas.

Growth Projections

According to growth projections, which provide the foundation for the Comprehensive Plan, the city could experience an increase of up to 6,718 additional people or about 3,012 households over the next 20 years. This projection is based on the population target allocated to the City by Kittitas County (see Land Use chapter for additional discussion).

Growth will undoubtedly not occur precisely as projected over the next six years or even the 20-year planning period. For this reason, the GMA requires that the Capital Improvement Plan be updated at least every six years. This provides local governments the opportunity to re-evaluate their forecast in light of the actual growth experiences, revise their forecast if necessary, and adjust the number and/or timing of capital facilities that are needed.

The Capital Improvement Plan (Appendix A) is updated annually as part of the City's budget process, thereby ensuring that the plan reflects the most current statistics related to growth in Ellensburg, and that city-managed facilities and utilities are slated for upgrade in accordance with both the level of service standards and concurrency standards.

Level of Service Standards

"Level of service" is a term that describes the amount, type, or quality of facilities that are needed to serve the community at a desired and measured standard. This standard varies, based not only on the type of service that is being provided, but also the quality of services desired by the community. A community can decide to lower, raise, or maintain the existing Levels of Service for each type of capital facility and service. This decision will affect both the quality of service provided, as well as the amount of new investment or facilities that are needed, or will be needed in the future, to serve the community.

Level of service standards state the quality of service the community desires and for which service providers should plan. The adoption of level of service standards indicates that a community will ensure those standards are met, or can be met, at the time development occurs. If such standards cannot be met, the community may decide to decrease the standards, determine how the needed improvements will be paid for, or deny the development. The Growth Management Act requires communities adopt level of service standards for transportation facilities (see Transportation chapter); Ellensburg has also opted to establish service standards for the following City-managed capital facilities as outlined in Table 6-5.

Table 6-5. City of Ellensburg Adopted Level of Service Standards

Facility/Service	**Level of Service Standard**
Fire Protection	Follow the guidelines from the National Fire Protection Association #1720
Emergency Medical Services	Basic Life Support at 5 minutes/90% of the time Advanced Life Support at 9 minutes/90% of the time
Water Utility	The City of Ellensburg owns and operates a public water system inside and outside of the City Limits as allowed by the Washington State Department of Health.
Sewer Utility	Provide a collection system capable of conveying all wastewater discharges from residential, commercial, and industrial customers within the City limits and UGA
Stormwater System	Provide a public collection system capable of conveying a storm event with a 25-year return frequency without flooding or damage to structures; meet the requirements of the City's Stormwater Discharge Permit
Natural Gas Utility	Provide a minimum gas pressure of 20 psi at the customer's meter
Solid Waste Management	Weekly curbside refuse collection
Library Service	2026 Level of service document incorporated into the Comprehensive Plan by reference
Broadband Internet	150/150 Mbps for all residences and businesses; 1/1 Gbps for all anchor institutions (i.e. schools, hospitals, libraries, and government buildings)

Adequacy and Concurrency

According to the Growth Management Act, public facilities and services shall be adequate to serve the development at the time the development is first occupied, without decreasing the Level of Service described in the Comprehensive Plan. Adequate public facilities and services, such as water, sewer, power, and surface water management, are required in order to serve development. Additionally, the GMA mandates concurrency for transportation services to ensure that transportation improvements or strategies are in place at the time of development, or that a financial commitment is made to complete the improvement within six years. The City's Capital Facilities Plan identifies needed improvements and funding strategies to maintain adopted levels of service and ensure concurrency requirements are met.

The City's utility systems are planned and managed to meet current and projected demand at the adopted levels of service, as documented in the Capital Improvements Plan and supporting utility plans. The City uses the most current Department of Ecology stormwater manual to ensure that new development meets the established standards for surface water management and requirements of the National Pollutant Discharge Elimination System permit. If the City determines that any of the facilities or utilities will not be able to meet these city services, the City could choose to:

- Modify the Land Use Map through an amendment to the Comprehensive Plan;
- Modify the Level of Service standards through an amendment to the Comprehensive Plan; or
- Restrict development until service can be provided at the established level of service standards.

Other services such as police, fire, parks, and schools, must be adequate to serve new development at the time of occupancy. In some cases, maintaining adopted service levels may require phased improvements or facility expansions as growth occurs. The City and its service partners plan for these needs through ongoing coordination, capital planning, and monitoring of service demand.

Goals, Policies, and Programs

The following goals, policies, and programs are designed to work with the other elements to ensure that capital facilities and utilities are provided in a safe, reliable, and affordable manner, while keeping pace with projected growth in the City of Ellensburg.

Goal CFU-1: Ensure that public facilities, utilities, and streets are delivered in a safe and reliable manner and are in compliance with regulatory requirements.

Policy A — Ensure that design, construction, and maintenance of capital facilities and utilities efficiently and effectively meet community needs, providing equitable access and consistent service levels throughout the city, while complying with applicable state and federal requirements.

Program 1 — *Coordinate major capital facilities investments to implement the comprehensive plan.*

Program 2 — *Purchase land as needed for the location of capital and utility facilities.*

Program 3 *Maintain capital facility renewals and replacements in consideration of rising rates.*

Policy B Encourage the co-location of public and private utility distribution facilities, particularly within the UGA and designated service areas.

Program 1 *Practice co-location of new public and private utility distribution facilities in shared trenches when reasonable and feasible, and coordinate construction timing to minimize construction-related disruptions and reduce the cost of utility delivery.*

Policy C Provide services concurrently with, or in advance of, demand.

Program 1 *If probable funding falls short of meeting existing needs the land use element will be reassessed to ensure that the land use element, capital facilities element, and financing plan within the capital facilities element are coordinated and consistent.*

Program 2 *Continue to collect system development charges for water and sewer services as a financing tool to help fund needed infrastructure for new development.*

Program 3 *Any changes to electric, water, and sewer service areas should be based on expansion of the UGA.*

Program 4 *Purchase or produce commodities such as power, natural gas, and water supply concurrently with, or in advance of, demand.*

Program 5 *In response to future growth, expand the gas utility into the gas service territory as set by the Washington Utilities and Transportation Commission.*

Program 6 *Implement low-cost proactive investments, such as conduits, piping, and joint-utility extensions when opportunities arise, such as during street, utility, or redevelopment projects, where feasible, to reduce future costs and disruptions and to support future service needs.*

Policy D Provide public facilities and services in a manner that prioritizes existing service areas, protects essential resources, and supports safe, reliable service delivery to meet community needs.

Program 1 *Provide water, sewer, and storm drainage services with highest priority given to improving services in those areas where it already exists, next highest priority to infilling areas surrounded by utility service, and lowest priority to extension of services into unserved areas; with a focus on projects that address documented service deficiencies and public health and safety risks.*

Program 2 *Protect and conserve existing water rights and pursue opportunities for new water rights as necessary to support growth and long-term water supply resilience.*

Program 3 *Coordinate affordable and reliable collection of solid waste and recycling collection services that meets the needs of City residents.*

Program 4 *Facilitate a culture of safety through education and certification programs for utility service workers.*

Goal CFU-2: Maintain cost effective rates for providing utility and capital services while ensuring adequate system maintenance.

Policy A Support compact growth and infill development patterns that allow for efficient, cost-effective provision of public facilities and utility services.

Program 1 *Utilize and encourage the use of existing utility systems for new developments.*

Program 2 *Encourage and provide City utility services to UGA residents who sign necessary agreements for utility connection.*

Program 3 *Use utility extension agreements for the cost of extensions for water, sewer, and electricity, as a financing tool to help fund necessary infrastructure for new development.*

Policy B Manage expansion of the electrical utility into the UGA in response to future growth through asset acquisition or construction, coordination with existing providers, and appropriate cost responsibility for customers and developers.

Program 1 *Purchase existing assets from other utilities, recognizing that the cost will be incurred by customer/developer.*

Program 2 *Upon annexation, after the required seven-year period, purchase the assets from existing electric providers in the UGA or build new assets.*

Program 3 *Upon request and sufficient power supply, develop agreements with existing electric providers in the UGA for shared assets (wheeling) to serve customers/developers.*

Program 4 *Require, through the development process, that new development provide necessary on-site utility infrastructure and related improvements consistent with adopted standards.*

Policy C Maintain affordable rates by continuing to require annexation to the City, or approval of a utility extension agreement with the City to receive any City water, sewer, or electric service.

Program 1 *Require a standard outside utility agreement concerning provision of water, sewer, and electric services.*

Goal CFU-3: Develop facilities and encourage use of services in an environmentally sensitive manner.

Policy A — Promote water conservation, energy efficiency, and the use of cleaner and renewable energy sources consistent with adopted climate resiliency goals.

Program 1 — *Promote the use of solar technology within the community.*

Program 2 — *Assist residents with upgrading energy efficiency in homes and businesses through weatherization, and improvements to mechanical and lighting systems.*

Program 3 — *Promote the use of Energy Star and green building practices in new construction.*

Program 4 — *Promote efficient use of lighting to preserve our night skies, including but not limited to International Dark Sky practices.*

Program 5 — *Comply with City water use efficiency standards.*

Program 6 — *Support the County's operation of composting and recycling facilities in the City.*

Program 7 — *Work with state and regional air quality agencies and Kittitas County Public Health to provide outreach and education to Ellensburg residents and businesses on energy efficient wood stoves, incentive programs, and burn bans.*

Policy B — Design, construct, and maintain facilities to minimize their impact on surrounding neighborhoods and the environment.

Program 1 — *Promote the undergrounding of new and existing utility lines, where physically and financially feasible, as streets are improved and/or areas are redeveloped in coordination with other utilities and capital facility systems.*

Goal CFU-4: Support the use of data and technology as they evolve to better meet residents' needs and improve efficiency, accessibility, and responsiveness of services.

Policy A — Support information and communication technology that allows City officials to interact directly with the community and the City's infrastructure.

Program 1 — *Consider metering technology migration from the City's legacy automatic meter reading (AMR) to advance metering infrastructure (AMI) for electric, natural gas, and water utilities.*

Program 2 — *Use information and communication technology to monitor infrastructure and service performance and adopt new tools after they* *have been tested and demonstrated to be effective, to improve service efficiency.*

Policy B — Encourage new and cost-effective information and telecommunications technologies that would benefit residents and improve services.

Program 1 — *Facilitate communication technology deployments for evolving wireless services, such as the use of City utility poles, streetlight poles, traffic signals, and other City assets for small cell deployment.*

Program 2 — *Encourage public-private partnerships to take advantage of the City's fiber optic network to facilitate innovation and expand service delivery.*

Program 3 — *Leverage existing City telecommunications assets and utility service experience to deliver fiber optic broadband service to businesses and residents.*

Program 4 — *Establish service standards for City-provided broadband that are consistent with the City's level of customer service and reliability as the City's other utilities, in a manner that meets the state and federal goals for speed and equitable deployment, and is supported to address business concerns with service outage restoration.*

Goal CFU-5: Ensure essential public facilities are sited through a coordinated, equitable, and consistent process aligned with Countywide Planning Policies and state requirements.

Policy A — Support and work with the Kittitas County Conference of Governments (COG) to implement and maintain the process for siting essential public facilities that are of a countywide or statewide nature as set forth in the Countywide Planning Policies.

Program 1 — *Maintain an inventory of existing essential public facilities in the City of Ellensburg and its UGA.*

Program 2 — *Apply the siting process outlined by the Kittitas County Countywide Planning Policies to all essential public facilities identified by the City, the County, regional agreement, or by State or federal government when such facilities are proposed within the City or the UGA.*

Program 3 — *Maintain regulations that ensure essential public facility siting is consistent with all adopted City ordinances and the adopted City comprehensive plan.*

Program 4 — *Coordinate with Kittitas County and other public entities to establish an official map identifying precise arterial corridors, public parks and open spaces, and other public facility locations for current and future dedication and/or acquisition.*

Program 5 Assist in coordinating the construction of a public safety broadband network, utilizing City telecommunications utility assets if necessary and appropriate.

Goal CFU-6: Provide quality library materials and services to fulfill the current and projected educational, information, cultural, and recreational needs of the entire community in a location and environment that is welcoming and accessible.

Policy A Maintain and enhance the library collection to meet the lifelong learning needs and recreational interests of the entire community.

Policy B Seek funding to meet and maintain the Level of Service Standards for our growing population.

Policy C Maintain sufficient facilities to provide a range of library services that meet current and projected community needs.

Policy D Maintain and support ongoing library programming and community space at the Hal Holmes Center for library and community use.

Goal CFU-7: Uphold law and order while maintaining peace and safety for all residents, visitors, and public safety personnel through high-quality, professional public safety services.

Policy A Maintain accreditation through the Washington Association of Sheriffs and Police Chiefs.

Policy B Maintain sufficient facilities to provide public safety services that meet current and projected community needs.

Policy C Seek and provide innovative training opportunities for staff and volunteers.

Policy D Use social networking and other data sharing opportunities, as appropriate, to provide information and education to create better community understanding of Ellensburg Police Department services.

Policy E Provide community engagement opportunities and events that enable public interaction with the Ellensburg Police Department.

Policy F Seek proactive approaches to address public safety issues, including prevention, education, and partnerships that respond to identified community needs.

Action Items

Update Capital Improvement Plans Annually

Annually update Capital Improvement Plans with projected funding capacities and provide summary of probable funding sources.

Ensure Consistency Between Capital Facilities Plan and Comprehensive Plan

Regularly review and update the Capital Facilities Plan and financing plan to ensure consistency with the Comprehensive Plan and projected growth.

Establish Official Map of Public Facility Locations

Coordinate with Kittitas County and other public entities to establish an official map identifying precise arterial corridors, public parks and open spaces, and other public facility locations for current and future dedication and/or acquisition.

Inventory of Essential Public Facilities

Update and maintain an inventory of essential public facilities in the City of Ellensburg and its UGA.

Regularly Update Telecommunications Utility System Plan

Ensure a Functional Plan is regularly updated to identify facility inventories, potential funding sources, and implementation strategies for the Telecommunications Utility.

Reduce Barriers and Costs to Telecommunications Utility Infrastructure Extension

Coordinate with stakeholders and pursue "Dig Once" or pavement moratorium policies to encourage cost effective utility infrastructure development and extend the service life of City transportation assets, and One Touch Make Ready (OTMR) or "Climb Once" policies to simplify telecommunications infrastructure deployment.

Develop Digital Inclusion Plan

Convene partners to develop a digital inclusion plan to guide decision-making on telecommunications infrastructure and measure progress toward digital equity.

Integrate Climate and Resilience into Capital Planning

Incorporate climate adaptation, energy efficiency, and long-term system resilience considerations into capital facility and utility planning and investments.

Plan for Long-Term Water Supply

Monitor water demand and supply conditions and ensure Water System Plan takes into account long-term reliability and resilience.

Policy Connections

Utilities and capital facilities must keep pace with growth. The **Land Use** chapter identifies projected growth and development assumptions that guide the timing, location, and capacity of these services.

The **Housing** chapter identifies projected housing needs and growth patterns that inform planning for utility capacity, infrastructure investments, and service delivery.

The **Economic Development** chapter includes guidance on telecommunications utility infrastructure to support economic development.

The **Transportation** chapter provides information for Ellensburg's transportation system, including streets, non-motorized facilities, and public transit facilities, which are closely coordinated with utility and capital facility planning.

The **Parks and Recreation** chapter includes goals that create a framework for future parks, recreation, and open space decisions. More specific guidance is provided in the Parks, Recreation, and Open Space Plan.

The **Climate and Environment** chapter addresses the stewardship of natural resources, including ground and surface water, which informs infrastructure planning and utility service provision, and provides guidance on increasing resilience, which inform capital planning and investments.

Agenda #5.C

Meeting Date: May 21, 2026
City of Ellensburg
Utility Advisory Committee Agenda Report

Agenda Subject:	Natural Gas Supply and Asset Management Agreement
Submitted by:	Nichole Baker, Energy Resources Manager
Department:	Energy Services

Suggested Motion/Action:
Move to recommend Council authorize the Energy Services Director to sign the Asset Management Agreement with Tenaska Marketing Ventures once contract negotiations are complete.

Background/Summary:
The City issued RFP R26-05 on March 23, 2026, to procure natural gas supply and asset management services beginning July 1, 2026, following the pending expiration of its existing agreement with Shell Energy North America. The procurement is intended to ensure reliable, low-cost natural gas service for Ellensburg's municipal gas system while improving transparency in the purchasing process and seeking additional value from the optimization of transportation, storage, and interruptible load assets.

Ellensburg operates a municipally owned natural gas utility that serves approximately 5,200 meters. Calendar year 2025 sales totaled 708,011 MMBtu, with a peak winter demand of 5,329 MMBtu per day. The City's 2026 projected annual load is approximately 700,000 MMBtu and is highly weather-sensitive, reflecting a customer mix of roughly 34 percent residential, 33 percent commercial, 29 percent Central Washington University (CWU), and 4 percent industrial load.

The City holds long-term firm transportation contracts on Williams Northwest Pipeline totaling 7,750 MMBtu per day, with receipt points split between the Rockies and Sumas. In addition, the City maintains firm storage rights at Clay Basin and contracted LNG capacity at the Plymouth facility. The RFP reflects the City's interest in proposals that not only provide dependable gas supply and daily operational support, but also optimize transportation capacity, Clay Basin storage, Plymouth LNG storage, and interruptible load value beneficial to the utility. The City specifically invited vendors to propose revenue-sharing approaches, fixed annual release values, or other strategies that maximize value from surplus transportation and storage assets while preserving reliability.

Under the proposed arrangement, the selected vendor will be expected to provide core services including daily gas nominations, scheduling and balancing, monitoring and responding to Williams Northwest Pipeline notices and operational flow orders, financial tracking and reporting, support during force majeure events, optimization monitoring, and preliminary monthly invoice estimates needed to support the City's retail rate-setting process. The City also expects the successful vendor to assist with gas supply procurement strategy, including timing of purchases, least-cost basin supply decisions, and remarketing of excess firm supply when necessary.

Previous Council Action:
none

Analysis:
The proposal review was conducted by City staff using a structured best-value evaluation process of the four submitted proposals. The initial review confirmed that each proposer met baseline qualification and deliverability requirements before detailed comparison of cost and commercial terms. Proposals were then evaluated using common operating assumptions to normalize differences in pricing structure, including administrative fees, transaction costs, seasonal activity, and revenue-sharing provisions. This approach allowed the City to assess expected budget impact under likely operating conditions rather than relying solely on headline pricing. The review also considered overall commercial value, recognizing that the lowest apparent fee may not represent the strongest total value when shared revenues or other compensation are included. In addition, proposed contract terms and exceptions were identified separately to assess legal fit, implementation considerations, and risk. Overall, the process supports a recommendation based on comparative value, operational impact, and contractual suitability.

Based on the evaluation, City staff recommends awarding the Asset Management Agreement and Base Agreement to Tenaska Marketing Ventures, as its proposal provided the best overall value to the City when considering qualifications, deliverability on Northwest Pipeline, pricing and revenue-sharing structure, and proposed contract terms. The agreement has an initial term of five years and is currently under negotiation. The City also retains the right to reject any proposal, negotiate final terms, and award either all or selected portions of the RFP in accordance with the City’s best interests.

Financial Impact:

Budget Adjustment: No

Attachments:
1. City of Ellensburg-Tenaska Storage AMA w Agency (Clay Basin NWP Jun'26-May'31) (5-14-26 Tenaska draft)
2. City of Ellensburg-TGS 2006 NAESB w Special Provisions (Execution 4-14-2026)
3. City of Ellensburg-TMV-NAESB w Special Provisions (Execution 4-13-2026)

ASSET MANAGEMENT AGREEMENT

This Asset Management Agreement ("Agreement") is entered into effective as of the [___] day of [___], 2026 (the "Effective Date"), by and among Tenaska Gas Storage, LLC, a Delaware limited liability company ("TGS"), and Tenaska Marketing Ventures, a Nebraska general partnership ("TMV") (TGS and TMV are sometimes herein referred to collectively or individually as "Tenaska" as the context indicates), and City of Ellensburg ("City"). Tenaska and City may be referred to herein individually as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, City has entered into that certain natural gas storage agreement with MountainWest Pipeline LLC ("MountainWest") that is described on Exhibit "A" hereto (the "Storage Contract"); and

WHEREAS, City wishes to have Tenaska manage the natural gas storage capacity that is the subject of the Storage Contract (the "Storage Capacity"), and Tenaska is willing to provide such service; and

WHEREAS, City has entered into natural gas transportation agreements with Northwest Pipeline, LLC ("NWP" and together with MountainWest, collectively the "Gas Service Providers"), which are more fully described on Exhibit "B" attached hereto (the "Agency Contracts") (the Agency Contracts and the Storage Contract sometimes referred to herein separately as a "Contract" and collectively as the "Contracts"), and City shall authorize and appoint TMV to act as is agent with respect to the natural gas transportation capacity that is the subject of the Agency Contracts (the "Agency Transportation Capacity") upon the terms set forth herein; and

WHEREAS, City and Tenaska wish to further define their rights and obligations with respect to such management services.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term; Release Term. The term of this Agreement shall commence on the Effective Date and shall end on the last day of the Release Term (the "Term"). The "Release Term" shall commence on July 1, 2026 and shall continue through June 30, 2031.

2. Asset Management Arrangement.

(a) Capacity Release. For the Release Term, City shall release the Storage Capacity to TGS. The release will be conditioned such that City may call on TGS to deliver or inject a quantity of natural gas up to 100% of the daily contract demand of the Storage Capacity on any day during the Release Term (subject to the MSQ, MDIQ,MDWQ and other limitations and restrictions set forth in the Storage Contract and the MountainWest tariff and summarized on Exhibit "A" hereto). The release shall be at a zero demand charge to Tenaska.

(b) Order 712, et seq. AMA. This Agreement constitutes an asset management arrangement and shall comply with the Federal Energy Regulatory Commission's rules governing such arrangements at 18 CFR §284.8(h) (3) or any successor rule thereto.

(c) Nomination and Scheduling Compensation. For nomination and scheduling services described herein, City shall pay TMV a monthly fee equal to (a) the actual quantity (in MMBtus) of natural gas delivered by Tenaska to the City hereunder for all of the days during such calendar month *multiplied by* (b) $0.015 per MMBtu. Such fees shall be invoiced by TMV to City by the tenth (10th) day of the month following each month of the Release Term, and City shall pay such invoiced amounts on or before the twenty-fifth (25th) day of the month in which such invoice is received.

(d) Scheduling Services. TMV shall provide nomination and scheduling services for the transportation of natural gas to be delivered hereunder to the applicable delivery point. Such services will be performed consistent with the Agency Contracts and any applicable Gas Service Provider tariffs, operating conditions and protocols. TMV shall also provide imbalance management services with respect to the delivery of natural gas hereunder to the applicable delivery point, which shall include the following:

i. TMV will provide to City notices of pipeline issues, and in the event of an alert or actual Operational Flow Order or Force Majeure (as such terms are defined in the applicable Gas Service Provider's tariff), TMV will work with City to assist City in complying with all applicable tariff provisions.

ii. TMV will work with City to assist City with complying with any applicable tariff provision forecasts.

iii. TMV will provide default-balancing service to manage natural gas schedules to actual usage and minimize month-end excess of deficit quantities. TMV will work with City to minimize imbalances by the end of each month.

iv. In the event of City's violation of a Gas Service Provider's tariff, TMV will use commercially reasonable efforts to attempt to mitigate penalties incurred by City.

(e) Optimization; Sharing.

i. Optimization. During the Release Term, Tenaska shall use commercially reasonable efforts to optimize the Storage Capacity, including, without limitation, utilizing the natural gas held in the Storage Capacity to enter into gas purchase and sale transactions with third parties. For the avoidance of doubt, the Parties acknowledge and agree that neither such optimization activities, nor any Net Optimization Value (as defined below), shall be inclusive of any Storage Capacity withdrawal or injection transactions entered into directly between the Parties pursuant to Section 3(d) below.

ii. Sharing. The Parties agree that the net value of any funds received through optimization of the Storage Capacity during the Release Term (the "Net Optimization Value") shall be shared on a 50/50 basis with City receiving 50% and Tenaska receiving 50%.

iii. Monthly Statement; Payment. Within fifteen (15) calendar days following the end of each month during the Release Term, Tenaska shall provide City with a written statement accounting of the results of Tenaska's optimization efforts for said prior month, showing in reasonable detail the calculation of the Net Optimization Value, if any, and setting forth the City's portion of the Net Optimization Value (the "City Optimization Amount"), if any. The City Optimization Amount shall be due on the Payment Date (as such term is defined in the TMV NAESB (as defined in Section 3(a) below)) of the month immediately following each month of the Release Term, and any such amount may be netted against any amounts owing by City to Tenaska hereunder or under the TMV NAESB.

3. Sale and Delivery of Gas; Storage.

(a) Purchase and Sale Transactions. Any natural gas sold and purchased between the Parties pursuant to this Agreement will be sold as agreed to in one or more transaction confirmations pursuant to the terms of either (i) the Base Contract for Sale and Purchase of Natural Gas entered into between TMV and City dated [________], as amended from time to time (the "TMV NAESB"), or (ii) the Base Contract for Sale and Purchase of Natural Gas entered into between TGS and City dated [________], as amended from time to time (the "TGS NAESB"). All provisions of the TMV NAESB and the TGS NAESB, unless altered by this Agreement, shall apply to such purchase and sale transactions.

(b) Agency Arrangement. Concurrently with the execution of this Agreement, TMV and City shall execute and deliver to each other the Agency Delegation Northwest Pipeline LLC Form attached hereto as Exhibit "C" (the "Agency Appointment Agreements") pursuant to which City shall authorize and appoint TMV to act as its nominating and scheduling agent with respect to the Agency Transportation Capacity. City and TMV shall provide any notice and execute any documentation (electronic or otherwise) required by NWP and take any other required action to effectuate such agency appointments. As agent, TMV will, at the direction of City, be responsible for managing the Agency Transportation Capacity in order to affect delivery of natural gas purchased by City to the delivery point(s) pursuant to this Agreement. So long as TMV is acting within the scope of its agency under the terms hereof and of the Agency Appointment Agreements, City shall be bound by the decisions made by TMV. City shall be solely responsible for the payment of all charges incurred by Tenaska under, or as a result of acting as agent in accordance with, the Agency Contracts pursuant to the terms thereof and hereof, shall continue to receive all invoices from Northwest Pipeline related to the Agency Contracts, and shall make all other necessary arrangements with NWP to ensure that such invoicing and payment occurs. To the extent Tenaska has to pay any charges to NWP under the Agency Appointment Agreements, City agrees to reimburse Tenaska for the full amount thereof; provided, however, that Tenaska shall be responsible for reimbursing City for any penalty or imbalance charges or other charges actually incurred by NWP related to the Agency Contracts to the extent any such charges were due to TMV's negligence or willful misconduct or breach of the terms hereof or of the Agency Appointment Agreements.

(c) Gas Purchase and Sale Transactions. To effectuate natural gas purchase and sale transactions from time to time during the Release Term, Tenaska and City will enter into transaction confirmations pursuant to the terms of this Agreement (e.g. in accordance with the nomination and pricing provisions set forth below), and in the manner contemplated in the applicable NAESB (e.g. transactions entered into verbally to be subsequently confirmed in writing). For the sake of clarity, and regardless of anything in the applicable NAESB to the contrary, the Parties agree that each individual natural gas transaction entered into hereunder will be confirmed in a separate written confirmation. The nomination of natural gas and the pricing and other terms applicable to transactions entered into by the Parties pursuant to this Section 3(c) shall be as follows (terms used but not defined herein shall have the meanings ascribed to them in the applicable NAESB):

i. Definitions. For purposes of this Agreement, the following terms have the following meanings:

A. "Delivery Month" means each Month during the Release Term.

B. "FOM Rockies Index Price" means the first-of-the-month Index price (in $ per MMBtu) for the applicable Delivery Month as published in Inside FERC's Gas Market Report as the monthly Index price, reported in the Rockies/Northwest region for "CIG, Rockies" as published by S&P Global Platts, or its successor.

C. "FOM Sumas Index Price" means the first-of-the-month Index price (in $ per MMBtu) for the applicable Delivery Month as published in Inside FERC's Gas Market Report as the monthly Index price, reported in the Rockies/Northwest region for "Northwest, Canadian border (Sumas)" as published by S&P Global Platts, or its successor.

D. "GDD Rockies Index Price" means the daily Midpoint price (in $ per MMBtu) for the relevant delivery Day as published in Platts Gas Daily in the "Final Daily Price Survey", as reported in the Rockies/Northwest region for "CIG, Rockies", as published by S&P Global Platts or its successor.

E. "GDD Sumas Index Price" means the daily Midpoint price (in $ per MMBtu) for the relevant delivery Day as published in Platts Gas Daily in the "Final Daily Price Survey", as reported in the Rockies/Northwest region for "NW, Can. bdr. (Sumas)", as published by S&P Global Platts or its successor.

F. "Market-Based Fixed Price" means a prevailing market price reasonably quoted by Tenaska, taking into account market conditions on the relevant Day, the relevant nomination cycle, and applicable transportation and delivery charges.

G. "Summer Period" means the seven (7) month period commencing on April 1 and ending on October 31 of each calendar year.

H. "Variable Costs" means, if Tenaska utilizes alternate transportation arrangements other than the Agency Transportation Capacity, all variable costs, including but not limited to commodity and fuel charges, charged by NWP, calculated at NWP's then-current rates variable transportation costs incurred as if such quantity of natural gas were shipped from the applicable receipt point of such Agency Transportation Capacity to the applicable delivery point of such Agency Transportation Capacity using the Agency Contracts regardless of the actual path of delivery.

I. "Winter Period" means the five (5) month period commencing on November 1 and ending on March 31 of the following calendar year.

ii. Sumas Quantity. City has the right to call upon and Tenaska has an obligation to deliver to City a maximum of up to 3,208 MMBtu ("Sumas MDQ") of natural gas each Day during the Release Term upon and subject to the terms and conditions set forth below:

A. Sumas Monthly Baseload Quantity. Prior to 12:00 PM Central Prevailing Time on the Day that is the seventh (7th) business day prior to the first day of each Delivery Month ("Monthly Baseload Nomination Deadline"), City may nominate a quantity of natural gas to be delivered by Tenaska to City on each Day of such Delivery Month (the "Sumas Monthly Baseload Quantity"). The Sumas Monthly Baseload Quantity must be the same for each Day of the Delivery Month.

B. Sumas Daily Quantity. For each Day during the Release Term, City may nominate a daily swing volume to be delivered by Tenaska to City on such Day (the "Sumas Daily Quantity"). City must nominate the Sumas Daily Quantity to Tenaska by 8:00 AM Central Prevailing Time on the Day that natural gas is traded for next Day of natural gas flow on the Intercontinental Exchange electronic trading system ("ICE") (the "Daily Quantity Nomination Deadline"). For the Sumas Daily Quantity, City must nominate even, daily ratable quantities for any period traded as a single period on ICE such that an exercise of one quantity must be made for all Days traded as a single period on ICE.

C. Sumas Intraday Quantity. If on any Day during the Release Term City notifies Tenaska after the Daily Quantity Nomination Deadline that City desires to purchase a specified quantity of natural gas from Tenaska (i) for delivery on either the next following delivery Day or the current delivery Day, or (ii) on an intra-day basis on a weekend or holiday Day (any such quantity, a "Sumas Intraday Quantity"), then irrespective of anything to the contrary in any written transaction confirmation delivered pursuant to this Agreement or the applicable NAESB, Tenaska's obligation shall not be as described in the definition of the term "Firm", and Tenaska shall only be required to utilize its best efforts to supply such Sumas Intraday Quantity; provided, however, that Tenaska's efforts will at all times be subject to available natural gas supply, the nomination cycles and corresponding deadlines of applicable transporter on the Day of flow and other applicable rules and procedures of the applicable transporter.

D. Delivery Point for Sumas Quantity. On any Day during the Release Term, Tenaska may elect to deliver all or any portion of the Contract Quantity nominated pursuant to this Section 3(c)(ii) to one of the delivery points set forth below:

Delivery Point	**Meter**
Sumas	Meter #: 297
Ellensburg	Meter #: 442

E. Contract Price for Sumas Monthly Baseload Quantity.

I. Summer Period. For Sumas Monthly Baseload Quantity delivered during a Summer Period, the Contract Price shall be FOM Sumas Index Price *plus* $0.09 per MMBtu *plus* Variable Costs.

II. Winter Period. For Sumas Monthly Baseload Quantity delivered during a Winter Period, the Contract Price shall be FOM Sumas Index Price *plus* $0.375 per MMBtu *plus* Variable Costs.

F. Contract Price for Daily Quantity.

I. Summer Period. For Sumas Daily Quantity delivered during a Summer Period, the Contract Price shall be GDD Sumas Index Price *plus* $0.03 per MMBtu *plus* Variable Costs.

II. Winter Period. For Sumas Daily Quantity delivered during a Winter Period, the Contract Price shall be GDD Sumas Index Price *plus* \$0.10 per MMBtu *plus* Variable Costs.

G. Contract Price for Intraday Quantity. The Contract Price for the Sumas Intraday Quantity shall be a Market-Based Fixed Price.

iii. Rockies Quantity. City has the right to call upon and Tenaska has an obligation to deliver to City up to 4,542 MMBtu ("Rockies MDQ") of natural gas each Day during the Release Term upon and subject to the terms and conditions set forth below:

A. Rockies Monthly Baseload Quantity. Prior to the Monthly Baseload Nomination Deadline, City may nominate a quantity of natural gas to be delivered by Tenaska to City on each Day of such Delivery Month (the "Rockies Monthly Baseload Quantity"). The Rockies Monthly Baseload Quantity must be the same for each Day of the Delivery Month.

B. Rockies Daily Quantity. For each Day during the Release Term, City may nominate a daily swing volume to be delivered by Tenaska to City on such Day (the "Rockies Daily Quantity"). City must nominate the Rockies Daily Quantity to Tenaska by the Daily Quantity Nomination Deadline. For the Rockies Daily Quantity, City must nominate even, daily ratable quantities for any period traded as a single period on ICE such that an exercise of one quantity must be made for all Days traded as a single period on ICE.

C. Rockies Intraday Quantity. If on any Day during the Release Term City notifies Tenaska after the Daily Quantity Nomination Deadline that City desires to purchase a specified quantity of natural gas from Tenaska (i) for delivery on either the next following delivery Day or the current delivery Day, or (ii) on an intra-day basis on a weekend or holiday Day (any such quantity, a "Rockies Intraday Quantity"), then irrespective of anything to the contrary in any written transaction confirmation delivered pursuant to this Agreement or the applicable NAESB, Tenaska's obligation shall not be as described in the definition of the term "Firm", and Tenaska shall only be required to utilize its best efforts to supply such Rockies Intraday Quantity; provided, however, that Tenaska's efforts will at all times be subject to available natural gas supply, the nomination cycles and corresponding deadlines of applicable transporter on the Day of flow and other applicable rules and procedures of the applicable transporter.

D. Delivery Point for Rockies Quantity. On any Day during the Release Term, Tenaska may elect to deliver all or any portion of the Contract Quantity nominated pursuant to this Section 3(c)(iii) to one of the delivery points set forth below (subject to the MDQ applicable to each delivery point set forth in the table below):

Delivery Point	Meter	MDQ (MMBtu)
Shute Creek	Meter #: 541	1,142
Opal	Meter #: 543	1,500

Clay Basin	Meter #: 75	1,900
Ellensburg	Meter #: 442	4,542

E. Contract Price for Rockies Monthly Baseload Quantity.

I. Summer Period. For Rockies Monthly Baseload Quantity delivered during a Summer Period, the Contract Price shall be FOM Rockies Index Price *plus* \$0.125 per MMBtu *plus* Variable Costs.

II. Winter Period. For Rockies Monthly Baseload Quantity delivered during a Winter Period, the Contract Price shall be FOM Rockies Index Price *plus* \$0.35 per MMBtu *plus* Variable Costs.

F. Contract Price for Daily Quantity. For Rockies Daily Quantity, the Contract Price shall be GDD Rockies Index Price *plus* \$0.03 per MMBtu *plus* Variable Costs.

G. Contract Price for Intraday Quantity. The Contract Price for the Rockies Intraday Quantity shall be a Market-Based Fixed Price.

H. Rockies Quantity Limitation. The total of the Storage Nomination Quantity (as defined in Section 3(d)(iii)), the Rockies Monthly Baseload Quantity, the Rockies Daily Quantity and the Rockies Intraday Quantity that is nominated for any particular Day during the Release Term shall not exceed the Rockies MDQ.

iv. Buy-Back. To the extent that City desires to sell any portion of the Contract Quantity back to Tenaska, then City may notify Tenaska of such quantity during any business day. Tenaska shall quote to City a Market-Based Fixed Price at which Tenaska is willing to buy-back such quantity. If City wishes to sell such quantity back to Tenaska at such quoted Market-Based Fixed Price, then the parties shall enter into a separate transaction pursuant to the applicable NAESB which memorializes such transaction.

v. NWP Cuts/Curtailments. Irrespective of anything to the contrary in this Agreement, the applicable NAESB or any transaction confirmation entered into by the Parties under or pursuant to this Agreement or the applicable NAESB, to the extent NWP cuts or curtails any of the Agency Transportation Capacity (irrespective of whether NWP declares Force Majeure (as such term is defined in the relevant NWP's tariff), and irrespective of any other circumstances related to such cut or curtailment), then in such case, Tenaska and City shall each be relieved of their respective receipt and delivery obligations under the relevant transaction for the period of such cut or curtailment.

(d) Storage.

i. Storage Gas. Prior to the commencement of the Release Term, the Storage Capacity will be filled with a certain amount of natural gas (the "Storage Gas"), which will be owned by City. Concurrently with the release of the Storage Capacity from City to TGS pursuant to Section 2(a), City shall transfer title of the Storage Gas to TGS via a zero-cost sale which shall be memorialized in a transaction confirmation entered into pursuant to the TGS NAESB.

ii. Injections/Withdrawals. From time to time during the Release Term, City may nominate to TGS injections or withdrawals of various quantities of natural gas into or out of the Storage Capacity (as the case may be), subject to the MSQ, MDIQ and MDWQ limitations set forth on Exhibit "A" hereto. Any such injections or withdrawals shall be effectuated through a zero-cost sale from Tenaska to City (in the case of a withdrawal), or a zero-cost sale from City to Tenaska (in the case of an injection).

iii. Storage Nominations. City must notify TGS by 8:00 AM Central Prevailing Time on the Day that natural gas is traded for next Day of natural gas flow on ICE (the "Storage Nomination Deadline") of the quantity of natural gas (the "Storage Nomination Quantity") that City desires to withdraw and/or inject on such delivery day(s) (a "Storage Nomination"), subject to the MSQ, MDIQ and MDWQ limitations set forth on Exhibit "A" hereto. Storage Nominations for weekend and holiday periods traded as a single period on ICE must be received by Tenaska prior to the Storage Nomination Deadline on the last business day immediately preceding such period. If City subsequently wants to change a Storage Nomination, Tenaska shall use commercially reasonable efforts to accommodate such requested changes, and shall promptly notify City whether and to what extent such requested changes are commercially feasible, and of the final determined quantity of natural gas that shall be withdrawn and/or injected on each applicable delivery day. Notwithstanding anything in this Section 3(d) to the contrary, Tenaska's obligations pursuant to this Section 3(d) shall at all times be subject to the nomination deadlines and other applicable rules and procedures of MountainWest, and the terms and conditions of the Storage Contract.

iv. Storage Delivery Point. With respect to all injections and withdrawals pursuant to this Section 3(d), City shall deliver all injection quantities to TGS, and TGS shall deliver all withdrawal quantities to City at the interconnection between the natural gas storage facility in which the Storage Capacity resides and NWP.

v. Storage Balance. City shall nominate injections and withdrawals pursuant to Section 3(d) such that the storage balance of natural gas being held in the Storage Capacity as of the last day of the Release Term shall be equal to (i) the beginning balance of the Storage Gas transferred to Tenaska pursuant to Section 3(d)(i), *plus* (ii) the aggregate quantity of all injections of natural gas during the Release Term, *minus* (iii) the aggregate quantity of all withdrawals of natural gas during the Release Term. On the last day of the Release Term, Tenaska shall transfer title of the storage balance of natural gas being held in the Storage Capacity as of the last day of the Release Term to City via a zero-cost sale which shall be memorialized in a transaction confirmation entered into pursuant to the applicable NAESB.

vi. Cost Reimbursement. City shall reimburse Tenaska for any charges incurred by Tenaska from MountainWest related to any injections or withdrawals made by City pursuant to this Section 3(d). City shall reimburse Tenaska for any property taxes incurred by Tenaska related to the natural gas held in the Storage Capacity during the Release Term. City reserves the right to audit the calculation of tax reimbursement.

vii. Cuts/Curtailments. Irrespective of anything to the contrary in this Agreement, the applicable NAESB, or any transaction confirmation entered into by the Parties under or pursuant to this Agreement or the applicable NAESB, to the extent (A)

MountainWest cuts or curtails injections into and/or deliveries from the Capacity, or (B) NWP cuts or curtails deliveries at the delivery point set forth in Section 3(d)(iv) (irrespective of whether MountainWest or NWP declares Force Majeure (as such term is defined in MountainWest's and NWP's respective tariffs), and irrespective of any other circumstances related to such cut or curtailment), then in such case, the Parties shall each be relieved of their respective receipt and delivery obligations under the relevant natural gas purchase and sale transaction entered into pursuant to the applicable NAESB for the period of such cut or curtailment.

4. Regulatory Change. This Agreement is based on the current (i) tariff provisions and operating rules of the Gas Service Providers, and (ii) rules and policies of the Federal Energy Regulatory Commission ("FERC"). If any party implements a change to any of the aforementioned that materially, adversely affects the transactions contemplated by this Agreement (a "Regulatory Change"), then the Parties shall attempt to mutually negotiate revisions to this Agreement to eliminate the adverse impact of the Regulatory Change on the Party or Parties hereto. If the Parties are unable to successfully negotiate mutually agreeable revisions within thirty (30) days after the announcement of such Regulatory Change, then either Party may terminate this Agreement, by providing ten (10) days' written notice to the other Party. In the event of such termination, each Party shall have the right to exercise its respective remedies set forth in Section 5 below in the same manner as if it were the Non-Defaulting Party upon the occurrence of an Event of Default.

5. Default; Termination; Recall.

(a) To the extent either Party (i) fails to perform any material covenant or agreement set forth in this Agreement, and such failure is not cured within two (2) business days after written notice of such failure is received from the other Party, or (ii) without the prior written consent of the other Party, effectuates any change to the terms of a Contract (in each case, such Party shall be the "Defaulting Party"); or the TMV NAESB or TGS NAESB is terminated pursuant to its terms or any transaction that is governed by the TMV NAESB or TGS NAESB that is entered into in conjunction with or pursuant to this Agreement is terminated pursuant to its terms (in each case, such Party that receives notification of such termination shall be the "Defaulting Party"); or TMV's agency authorization appointment pursuant to Section 3(b) is terminated by City or NWP during the Release Term (in which case, City shall be the "Defaulting Party"), such shall constitute an "Event of Default" hereunder.

(b) Although the release of the Storage Capacity contemplated in this Agreement may be made on a recallable basis when it is made with MountainWest, City acknowledges and agrees that the intent of this Agreement is that City will not recall the Storage Capacity during the Release Term unless City has the right to terminate this Agreement pursuant to this Section 5. If City recalls the Storage Capacity at any time during the Release Term without having the right to terminate this Agreement pursuant to this Section 5, such shall be deemed an Event of Default.

(c) Upon the occurrence of an Event of Default, the Party that is not the Defaulting Party (the "Non-Defaulting Party"), may, upon two (2) business days' written notice to the Defaulting Party, exercise any or all of the following rights and remedies: (1) terminate this Agreement pursuant to this Section 5, and (2) terminate any transaction entered into pursuant to the applicable NAESB which was entered into in connection with, or which is related to, this Agreement, and may elect to liquidate such transaction pursuant to the terms of the applicable NAESB, in which case a Net Settlement Amount shall be calculated (but only with respect to such transaction(s)), and paid by the Party that owes it pursuant to the terms of the applicable NAESB. The Defaulting Party shall be liable to the Non-Defaulting Party for any losses or costs incurred by the Non-Defaulting Party related to the exercise of such remedies.

(d) If the Defaulting Party is City, Tenaska may terminate and liquidate or unwind any natural gas purchase and sale transaction entered into between Tenaska and any third party for which the Storage Capacity is or was to be utilized (a "Hedge Transaction"). Tenaska shall calculate the aggregate amount of all losses and costs incurred by Tenaska as a result of terminating or unwinding such Hedge Transactions, and City shall owe such amount to Tenaska.

(e) The Non-Defaulting Party shall calculate in good faith all amounts owed by the Defaulting Party pursuant to this Section 5 and shall send an invoice for such amount to the Defaulting Party. The Defaulting Party shall pay such amount by the close of business on the tenth day after such invoice is received. Interest on any unpaid portion of such amount shall accrue from the date due until the date such amount is paid at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

(f) Upon the effectiveness of the termination of this Agreement pursuant to this Section 5, City shall have the right to recall the Storage Capacity and Tenaska shall take any necessary action to effectuate such recall.

6. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party.

7. LIMITATION OF LIABILITY. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, INDIRECT OR EXEMPLARY DAMAGES, IN TORT, CONTRACT, OR OTHERWISE.

8. Waiver and Amendment. Except as expressly provided in this Agreement, neither the failure nor the delay on the part of either Party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, or of any other right, power or remedy; nor shall any single or partial exercise of any right, power or remedy preclude any further or other exercise thereof, or the exercise of any other right, power or remedy. Except as expressly provided herein, no waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the Party against whom it is sought to be enforced. No amendment of any of the provisions of this Agreement shall be valid unless it is in writing and signed by both Parties.

9. Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the balance of this Agreement shall remain in full force and effect and this Agreement shall be construed in all respects as if such invalid, illegal or unenforceable provision were omitted. If any provision is inapplicable to any person or circumstance, it shall, nevertheless, remain applicable to all other persons and circumstances.

10. No Partnership. The Parties agree that no joint venture, partnership, or other fiduciary relationship shall be deemed to exist or arise between them or their affiliates, with respect to, or as a result of, the terms of this Agreement and/or the transactions contemplated hereby.

11. Counterparts. This Agreement may be executed in counterparts, all of which will be considered one original.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

IN WITNESS WHEREOF, the Parties have executed this Asset Management Agreement effective as of the date first above written.

CITY OF ELLENSBURG

By:_____________________________________
Name:
Title:

TENASKA MARKETING VENTURES
By: TMV Holdings, LLC
Its Managing Partner

By:_____________________________________
Name:
Title:

TENASKA GAS STORAGE, LLC

By:_____________________________________
Name:
Title:

EXHIBIT "A"
Storage Capacity

Transporter	Contract #	Maximum Storage Quantity (MSQ)	Maximum Daily Injection Quantity (MDIQ)	Maximum Daily Withdrawal Quantity (MDWQ)
MountainWest Pipeline	**[931]**	127,800 MMBtu	1,142 MMBtu, subject to the Injection Allocation as defined in the Transporter's tariff.	The Withdrawal Allocation as defined in the Transporter's tariff.

EXHIBIT “B”
Agency Transportation Capacity

Transporter	Contract #	Maximum Daily Quantity (MDQ)	Receipt Point	Delivery Point
Northwest Pipeline, LLC	100011	1,900	Clay Basin (Meter #: 75)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100011	2,958	Sumas (Meter #: 297)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100011	1,142	Shute Creek (Meter #: 541)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100063	1,500	Opal (Meter #: 543)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100135	250	Sumas (Meter #: 297)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100305	1,500	Plymouth (Meter #: 196)	Ellensburg (Meter #: 442)

Transporter	Contract #	Maximum Storage Quantity (MSQ)
Northwest Pipeline, LLC	100603	8,965

EXHIBIT "C"
Agency Appointment Agreement

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: April 14, 2026

The parties to this Base Contract are the following:

PARTY A TENASKA GAS STORAGE, LLC	*PARTY NAME*	PARTY B CITY OF ELLENSBURG
14302 FNB Parkway Omaha, NE 68154-5212	*ADDRESS*	501 North Anderson St. Ellensburg, WA 98926
www.tenaska.com	*BUSINESS WEBSITE*	www.ci.ellensburg.wa.us
CT-066438	*CONTRACT NUMBER*	
00-430-3603	*D-U-N-S® NUMBER*	06-004-1985
☒ US FEDERAL: 47-0830247 ☐ OTHER:	*TAX ID NUMBERS*	☒ US FEDERAL: 91-600-1245 ☐ OTHER:
DELAWARE	*JURISDICTION OF ORGANIZATION*	
☐ Corporation ☒ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other: ______	*COMPANY TYPE*	☒ Corporation ☐ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other: ______
Tenaska Energy, Inc. and Tenaska Energy Holdings, LLC	*GUARANTOR (IF APPLICABLE)*	
CONTACT INFORMATION		
14302 FNB Parkway, Omaha, NE 68154 *ATTN:* *TEL#:* 402-758-6100 *FAX#:* 402-758-6274 *EMAIL:*	▪ *COMMERCIAL*	*ATTN:* *Buddy Stanavich, Energy Services Director* *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154-5212 *ATTN:* *VP*, Gas Scheduling *TEL#:* 402-758-6234 *FAX#:* 402-758-6274 *EMAIL:* *pbarry@tenaska.com*	▪ *SCHEDULING*	*ATTN:* *Nichole Baker, Energy Resources Manager* *TEL#:* 509-962-7271 *FAX#:* 509-925-8662 *EMAIL:* bakern@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154 *ATTN:* *Senior* Manager, Back Office Operations *TEL#:* 402-758-6172 *FAX#:* 402-758-6250 *EMAIL:* contractcomp@tenaska.com *Legal Contracts Fax: 402-758-8760;* *EMAIL: Legal-TMV@tenaska.com*	▪ *CONTRACT AND LEGAL NOTICES*	*ATTN:* *Buddy Stanavich, Energy Services Director* *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154-5212 *ATTN:* Vice President, Credit Risk *TEL#:* (402) 758-6178 *FAX#:* (402) 758-6290 *EMAIL:* *Credit-TMV@Tenaska.com*	▪ *CREDIT*	*ATTN:* *Jerica Pascoe, Finance Director* *TEL#:* 509-962-7205 *FAX#:* 509-925-7130 *EMAIL:* pascoej@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154 *TEL#:* 402-758-6172 *FAX#:* 402-758-6250 *ATTN:* Contract Compliance *EMAIL:* *confirmations@tenaska.com*	▪ *TRANSACTION CONFIRMATIONS*	*ATTN:* *Nichole Baker, Energy Resources Manager* *TEL#:* 509-962-7271 *FAX#:* 509-925-8662 *EMAIL:* bakern@ellensburgwa.gov
ACCOUNTING INFORMATION		
14302 FNB Parkway, Omaha, NE 68154 *ATTN:* *Vice President* & *Controller* *TEL#:* (402) 758-6236 *FAX#:* (402) 758-6253 *EMAIL:* *GasAccounting-TMV@tenaska.com*	▪ *INVOICES* ▪ *PAYMENTS* ▪ *SETTLEMENTS*	*ATTN:* *Buddy Stanavich, Energy Services Director* *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
BANK: U.S. Bank, Cincinnati, OH *ABA:* 042000013 *ACCT:* 130111671280 *OTHER DETAILS:*	*WIRE TRANSFER NUMBERS (IF APPLICABLE)*	*BANK:* *US Bank* *ABA:* 125000105 *ACCT:* 1 535 055 47 6868 *OTHER DETAILS:*
BANK: U.S. Bank, Cincinnati, OH *ABA:* 042000013 *ACCT:* 130111671280 *OTHER DETAILS:*	*ACH NUMBERS (IF APPLICABLE)*	*BANK:* *ABA:* *ACCT:* *OTHER DETAILS:*
ATTN: *ADDRESS:*	*CHECKS (IF APPLICABLE)*	*ATTN:* *ADDRESS:*

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure	☒ **Oral (default)** OR ☐ Written
Section 2.7 Confirm Deadline	☒ **2 Business Days after receipt (default)** OR ☐ _____ Business Days after receipt
Section 2.8 Confirming Party	☐ Seller (default) OR ☐ Buyer ☒ **TENASKA GAS STORAGE, LLC**
Section 3.2 Performance Obligation	☐ Cover Standard (default) OR ☒ **Spot Price Standard**
Note: The following Spot Price Publication applies to both of the immediately preceding.	
Section 2.31 Spot Price Publication	☒ **Gas Daily Midpoint (default)** OR ☐ ____________________
Section 6 Taxes	☒ **Buyer Pays At and After Delivery Point (default)** OR ☐ Seller Pays Before and At Delivery Point
Section 7.2 Payment Date	☒ **25th Day** of Month following Month of delivery (default) OR ☐ Day of Month following Month of delivery
Section 7.2 Method of Payment	☒ **Wire transfer (default)** ☒ Automated Clearinghouse Credit (ACH) ☐ Check
Section 7.7 Netting	☒ **Netting applies (default)** OR ☐ Netting does not apply
Section 10.2 Additional Events of Default	☒ No Additional Events of Default (default) ☐ Indebtedness Cross Default ☐ Party A: ____________ ☐ Party B: ____________ ☐ Transactional Cross Default Specified Transactions: ____________
Section 10.3.1 Early Termination Damages	☒ **Early Termination Damages Apply (default)** OR ☐ Early Termination Damages Do Not Apply
Section 10.3.2 Other Agreement Setoffs	☒ **Other Agreement Setoffs Apply (default)** ☐ Bilateral (default) ☒ Triangular OR ☐ Other Agreement Setoffs Do Not Apply
Section 15.5 Choice Of Law	**WASHINGTON**
Section 15.10 Confidentiality	☒ **Confidentiality applies (default)** OR ☐ Confidentiality does not apply

☒**Special Provisions** Number of sheets attached: _____nine (9)____ (to be determined)
☐ **Addendum(s):** ____________________

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

TENASKA GAS STORAGE, LLC	*PARTY NAME*	CITY OF ELLENSBURG
By: [signature]	*SIGNATURE*	By: ____________
Mark A. McQuade	*PRINTED NAME*	Buddy Stanavich
Chief Compliance Officer and General Counsel	*TITLE*	Energy Services Director

General Terms and Conditions
Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.
Oral Transaction Procedure:
1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.
Written Transaction Procedure:
1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

2.3. “Alternative Damages” shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.

2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.

2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2.13. “Credit Support Obligation(s)” shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.

2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party’s excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. “Guarantor” shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. “Indebtedness Cross Default” shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.
Cover Standard:
3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:
3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.
Buyer Pays At and After Delivery Point:
Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.
Seller Pays Before and At Delivery Point:
Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and

Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either “Other Agreement Setoffs Apply” or “Other Agreement Setoffs Do Not Apply” as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

Letterhead/Logo	Date: ______________________________, _____ Transaction Confirmation #: ________________

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated ________________________. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER:	**BUYER:**
____	____
____	____
____	____
Attn: ____	Attn: ____
Phone: ____	Phone: ____
Fax: ____	Fax: ____
Base Contract No. ___________________________________	Base Contract No. ___________________________________
Transporter: ____	Transporter: ____
Transporter Contract Number: _________________________	Transporter Contract Number: _________________________

Contract Price: $______/MMBtu or ____

Delivery Period: Begin: ____________, ____ End: __________, ____

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):	**Firm (Variable Quantity):**	**Interruptible:**
_______ MMBtus/day	_______ MMBtus/day Minimum	Up to ______ MMBtus/day
☐EFP	_______ MMBtus/day Maximum	
	subject to Section 4.2. at election of	
	☐Buyer or ☐ Seller	

Delivery Point(s): __________________________
(If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

Seller: ____	Buyer: ____
By: ____	By: ____
Title: ____	Title: ____
Date: ____	Date: ____

EXECUTION

SPECIAL PROVISIONS

These Special Provisions are part of, supplement, and amend the Base Contract by and between **Tenaska Gas Storage, LLC** and **City of Ellensburg**, dated April 14, 2026, and the General Terms and Conditions which are incorporated therein. In the event of any inconsistency between the Base Contract, the General Terms and Conditions and these Special Provisions, these Special Provisions shall govern. All capitalized terms used in these Special Provisions but not defined herein shall have the respective meanings ascribed to them in the Base Contract. Any reference to a Section in these Special Provisions refers to a Section of the Base Contract, amended as applicable by these Special Provisions. The headings and subheadings in these Special Provisions are used solely for convenience of reference and shall not be used to construe or interpret these Special Provisions.

SECTION 1 – PURPOSE AND PROCEDURES

1.2 (Oral Transaction Procedure): The fifth (5th) sentence shall be deleted in its entirety and replaced with the following: "Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction or EDI transmission by sending the other party a Transaction Confirmation by facsimile, or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral or EDI agreement of the parties. Any failure by the Confirming Party to send a Transaction Confirmation for any such transaction previously entered into shall not affect the enforceability of any such transaction nor shall such failure constitute or be deemed to constitute a breach of this Contract."

1.2 (Written Transaction Procedure): In the third (3rd) line, the word "EDI" **shall be deleted.**

1.3 Items (ii), (iii) and (iv) shall be deleted in their entirety and replaced with the following: "(ii) the agreement of the parties which may be evidenced by a recorded conversation or EDI, where the parties have selected the Oral Transaction Procedure of the Base Contract, and (iii) the Base Contract, the terms of the documents shall govern in the priority listed in this sentence. All transactions entered into by the parties pursuant to this Base Contract are entered into in reliance on the fact that the Base Contract, each Transaction Confirmation and each transaction entered into pursuant hereto constitute a single integrated agreement between the parties, and the parties would not otherwise have entered into the Base Contract or any transaction hereunder."

1.4 Section 1.4 shall be deleted in its entirety and replaced with the following: "1.4 The parties generally agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees. However, as required by Washington law, any party seeking to record the conversation must still obtain consent, which shall be obtained by announcing to all other parties engaged in the communication or conversation, in a reasonably effective manner, that such communication or conversation is about to be recorded, and such announcement must also be recorded. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract."

1.5 A new Section 1.5 shall be added as follows: "1.5 The parties hereby expressly waive all rights to, and expressly agree not to, contest any transaction entered into hereunder, or assert or otherwise raise any defenses or arguments related to any such transaction to the effect that such is not binding, valid or enforceable in accordance with its terms because either the employee(s) or representative(s) who entered into such transaction on behalf of a party, and who appeared to have the requisite authority to do so, did not, in fact, have such authority or because the provisions of certain applicable laws require such transaction to be in writing and/or executed by one or both parties."

SECTION 2 – DEFINITIONS

(a) "Base Contract": The definition of "Base Contract" shall be deleted in its entirety and replaced with the following: "Base Contract" shall mean collectively (i) the Base Contract executed by the parties to which these General Terms and Conditions are attached, (ii) these General Terms and Conditions which have been incorporated by reference with and into such Base Contract, and (iii) any Special Provisions and Addendum(s) identified in the Base Contract."

(b) **"Cover Standard": The definition of "Cover Standard" shall be deleted in its entirety and replaced with the following:** "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the Performing Party shall use commercially reasonable efforts to (i) if Buyer is the Performing Party, obtain Gas, or (ii) if Seller is the Performing Party, sell Gas, in either case, at a commercially reasonable price determined taking into account the relevant Delivery Point of the applicable transaction, the amount of notice provided by the Non-Performing Party, the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable, the quantities involved, and the anticipated length of failure by the Non-Performing Party.

(c) **"EDI": The definition of "EDI" shall be deleted in its entirety and replaced with the following: "**"EDI" shall mean an electronic data interchange between the parties."

(d) **"Termination Option": The definition of "Termination Option" shall be deleted in its entirety.**

(e) **The following new definitions shall be added immediately following the definition of "Transporter(s)":**

- "Affected Transaction" means a Firm transaction with a Delivery Period of at least 30 Days in respect of which there has occurred three (3) or more Failure Days in the Delivery Period.
- "Failure Day" means a Day on which the Non-Performing Party has failed to purchase and receive, or sell and deliver, as applicable, any portion of the Contract Quantity to be purchased and received or sold and delivered on such Day, which failure is not excused because of the Non-Performance (non-delivery or non-receipt, as applicable) of the Performing Party, or by Force Majeure.
- "Merger Event" means, with respect to a party, that such party consolidates or amalgamates with, or merges into or with, or transfers substantially all of its assets to another entity and (i) the resulting entity fails to assume all of the obligations of such party or other entity hereunder, or (ii) the benefits of any credit support provided pursuant to or related to this Contract fail to extend to the performance by such resulting, surviving or transferee entity of its obligations hereunder.
- "Non-Performance" means the failure by a party to purchase and receive (if the Buyer), or sell and deliver (if the Seller), Gas as required by any transaction under this Contract, which failure is not excused by (i) the non-performance (non-delivery or non-receipt, as applicable) of the other party; or (ii) Force Majeure.
- "Non-Performing Party" means a party in relation to which a Non-Performance has occurred.
- "Performing Party" means, if a Non-Performance has occurred, the party which is not the Non-Performing Party.

SECTION 3 – PERFORMANCE OBLIGATION

3.2 (Cover Standard):

- **In the first line, the first time the word** "The" **appears shall be deleted and replaced with the phrase** "Subject to Section 3.4, the"**.**
- **The phrase** "performing party" **shall be replaced with the phrase** "Performing Party" **each time it appears.**

3.2 (Spot Price Standard): In the first line, the first time the word "The" **appears shall be deleted and replaced with the phrase** "Subject to Section 3.4, the"**; and in the last sentence, the phrase** "performing party" **shall be replaced with the phrase** "Performing Party"**.**

3.4 Section 3.4 shall be deleted in its entirety and replaced with the following: "3.4 In addition to the rights set forth in Sections 3.2 and 3.3, unless otherwise specified on the applicable Transaction Confirmation, a Performing Party shall have the right ("Termination Right") to terminate, accelerate and liquidate an Affected Transaction by providing Notice to the Non-Performing Party designating an Early Termination Date, which date shall be between 1 and 5 Business Days following the most recent Non-Performance causing the Affected Transaction, but no earlier than the effective date of the Notice, on which date the Affected Transaction shall terminate. Following the exercise of its Termination Right, the Performing Party shall calculate the Net Settlement Amount pursuant to Section 10.3.2, but only in respect of the Affected Transaction, which amount shall be paid in accordance with Section 10.4, all as if an Early Termination Date had occurred, the Affected Transaction was the only transaction under this Base Contract, the Performing Party was the Non-Defaulting

Party and the Non-Performing Party was the Defaulting Party. The exercise of the Termination Right shall not be deemed to be an Event of Default or similar default with respect to the Affected Transaction, any other transactions entered into hereunder, or any other agreement between the parties. If the Performing Party fails to provide Notice to exercise its Termination Right within 5 Business Days of the occurrence of the last Non-Performance that gave rise to that Termination Right, the Termination Right shall expire, but without prejudice to any Termination Right that may subsequently arise upon the occurrence of a further Non-Performance in respect of that Transaction."

SECTION 7 – BILLING, PAYMENT, AND AUDIT

7.2 In the last sentence, the word "In" **shall be deleted and replaced with the phrase** "Subject to Section 7.3 and Section 10, in"**.**

7.3 The phrase "performing party" **shall be replaced with the phrase** "Performing Party" **each time it appears, and the phrase** "nonperforming party" **shall be replaced with the phrase** "Non-Performing Party" **each time it appears.**

7.4 Section 7.4 shall be deleted in its entirety and replaced with the following: "7.4 If the invoiced party, in good faith, disputes the amount of an invoice or any part thereof, then (i) for amounts due pursuant to Section 7.1, such invoiced party will pay such amount as it concedes to be correct and (ii) for amounts due pursuant to Section 7.3, such invoiced party must pay the entire amount of such invoice by the deadline set forth in Section 7.3. If the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section."

7.7 In the first sentence, the word "undisputed" **shall be deleted.**

SECTION 9 – NOTICES

9.1 The following phrase shall be added immediately following the word "addresses": "set forth on page 1 of the Base Contract or as otherwise"**.**

9.2 The following language shall be added immediately preceding the last period: "; provided, however, that any Notice delivered pursuant to Section 10.2, 10.3 or 10.4 via facsimile or electronic means shall also be delivered via overnight courier service, first class mail or hand delivery."

SECTION 10 - FINANCIAL RESPONSIBILITY

10.1 Section 10.1 shall be deleted in its entirety and replaced with the following: "10.1 If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y, or its Guarantor, if applicable), X may demand that Y deliver to X Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, cash collateral, a standby irrevocable letter of credit, a prepayment, guaranty or other mutually acceptable forms of security (including the issuer of any such security). Adequate Assurance of Performance shall not exceed the amount that would be owed to X as a Net Settlement Amount (as such term is defined in Section 10.3.2 hereof), as of the date X made the demand for Adequate Assurance of Performance from Y. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party. This Section 10.1 sets forth the entirety of the agreement of the parties regarding one party's right to request financial assurances from the other party, and each party expressly waives all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines."

10.2 Section 10.2 shall be deleted in its entirety and replaced with the following: "10.2 In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor (with respect to items (i) through (vi) below) shall:
(i) make an assignment or any general arrangement for the benefit of creditors;
(ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it;
(iii) otherwise become bankrupt or insolvent (however evidenced);
(iv) be unable to pay its debts as they fall due;
(v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets;
(vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract;
(vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party;
(viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due, provided that such amount is not the subject of a bona fide dispute pursuant to Section 7.4;
(ix) make any representation or warranty herein that was false or misleading in any material respect when made or when deemed made or repeated;
(x) fail to perform any material covenant or obligation set forth in this Contract (except to the extent constituting a separate Event of Default) if such failure is not remedied within three (3) Business Days after written notice;
(xi) be the subject of a Merger Event;
(xii) disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, this Contract or any transaction entered into pursuant to this Contract; or
(xiii) be the affected party with respect to any Additional Event of Default;

then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice (provided, however, that in no event shall any such withholding or suspension continue for longer than ten (10) Business Days with respect to any single transaction hereunder unless an Early Termination Date shall have been declared and Notice thereof provided pursuant to Section 10.3), and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder."

10.3.1 (Early Termination Damages Apply): The following shall be added at the end of this section: "In addition to all other amounts calculated hereunder but without duplication, the Defaulting Party shall reimburse the Non-Defaulting Party for reasonable out-of-pocket costs and expenses incurred by the Non-Defaulting Party in connection with terminating and liquidating the Terminated Transactions, including but not limited to: (a) costs and expenses associated with transportation, gathering, or storage of Gas incurred by the Non-Defaulting Party which cannot be avoided through the Non-Defaulting Party's reasonable efforts; (b) brokerage fees, unwinding costs, commissions and other similar costs and expenses incurred by the Non-Defaulting Party either in (i) terminating any Firm obligation, to the extent the Non-Defaulting Party has hedged such obligation, or (ii) entering into new arrangements that replace the Terminated Transactions that were hedged; and (c) attorneys' fees and court costs incurred by the Non-Defaulting Party in connection with enforcing its rights under this Contract."

10.3.2 (Other Agreement Setoffs Apply) (Bilateral Setoff Option): The last sentence shall be deleted in its entirety and replaced with the following: "Upon the designation of an Early Termination Date, the Non-Defaulting Party ("X") may, at its option and in its sole discretion, setoff (including by setoff, offset, combination of accounts, deduction, retention, counterclaim or withholding), against any amounts owed to the Defaulting Party ("Y"), in U.S. Dollars or any other currency by X under this Contract or any other agreements between X and Y, any amounts owed in U.S. Dollars or any other currency by Y to X under this Contract or any other agreements between X and Y. The obligations of Y and X under this Contract in respect of such amounts shall be deemed satisfied and discharged to the extent of any such setoff. X will give Y Notice of any setoff effectuated under this section but failure to give such Notice shall not affect the validity of the setoff. Nothing herein shall be effective to create a charge or other security interest. This setoff provision shall be in addition to but without duplication of, and not in limitation of, any other right or remedy available to the Non-Defaulting Party (including, without limitation, any right of setoff, offset, combination of accounts, deduction, counterclaim, retention or withholding), whether arising under this Contract, any Guaranty, any other agreement, under applicable law, in equity, or otherwise."

10.3.2 (Other Agreement Setoffs Apply) (Triangular Setoff Option): The last sentence shall be deleted in its entirety and replaced with the following: "Upon the designation of an Early Termination Date, the Non-Defaulting Party ("X") may, at its option and in its sole discretion, setoff (including by setoff, offset, combination of accounts, deduction, retention, counterclaim or withholding), against any amounts owed to the Defaulting Party ("Y"), in U.S. Dollars or any other currency by X or any of X's Affiliates under this Contract or any other agreements between X or any of its Affiliates and Y, any amounts owed in U.S. Dollars or any other currency by Y to X or any of X's Affiliates under this Contract or any other agreements between X or any of its Affiliates and Y. The obligations of Y and X under this Contract in respect of such amounts shall be deemed satisfied and discharged to the extent of any such setoff. X will give Y Notice of any setoff effectuated under this section but failure to give such Notice shall not affect the validity of the setoff. Nothing herein shall be effective to create a charge or other security interest. This setoff provision shall be in addition to but without duplication of, and not in limitation of, any other right or remedy available to the Non-Defaulting Party (including, without limitation, any right of setoff, offset, combination of accounts, deduction, counterclaim, retention or withholding), whether arising under this Contract, any Guaranty, any other agreement, under applicable law, in equity, or otherwise."

10.3.4 A new section 10.3.4 shall be added as follows: "10.3.4 Upon the designation of an Early Termination Date, to the extent that the Non-Defaulting Party is then holding (a) Adequate Assurance of Performance pursuant to Section 10.1 hereof, and/or (b) any margin or other collateral in connection with any Credit Support Obligation relating to this Contract (collectively, the "Collateral"), such Non-Defaulting Party may, at its option and in its sole discretion, exercise any of the following rights and remedies:

(i) any right or remedy available to a secured party under the Uniform Commercial Code in effect in the state specified in the "Choice of Law" section of the Base Contract, or other applicable laws with respect to the Collateral held by or for the benefit of the Non-Defaulting Party or otherwise;

(ii) the right to set off any Collateral held by or for the benefit of the Non-Defaulting Party against and in satisfaction of any amount due and payable by the Defaulting Party in respect of any of its obligations to the Non-Defaulting Party or any of the Non-Defaulting Party's affiliates; and

(iii) the right to draw on any outstanding letter of credit of which it is the beneficiary and which has been provided to such party as Collateral."

10.4 The following shall be added to the end of Section 10.4: "If the Defaulting Party disputes the Non-Defaulting Party's calculation of the amount owed pursuant to this Section 10.4, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party's calculation thereof, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Defaulting Party owes an amount pursuant to this Section 10.4, the Defaulting Party must pay such amount by the deadline described above. Within three (3) Business Days following resolution of the dispute regarding such amount, any underpayments or overpayments shall be paid or refunded with accrued interest at the interest rate set forth in Section 7.5 for the period from the date of underpayment or overpayment until the date paid."

10.5 Section 10.5 shall be deleted in its entirety and replaced with the following: "10.5 The parties agree that (i) all transactions entered into under this Contract constitute a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code") or a "swap agreement" within the meaning of the Bankruptcy Code; (ii) each party hereto is a "forward contract merchant" within the meaning of the Bankruptcy Code; (iii) all payments made or to be made by one party to the other party pursuant to this Contract constitute "settlement payments" within the meaning of the Bankruptcy Code; (iv) all transfers of Adequate Assurance of Performance or Collateral by one party to the other party under this Contract constitute "margin payments" within the meaning of the Bankruptcy Code; and (v) this Contract constitutes a "master netting agreement" within the meaning of the Bankruptcy Code. Each party further agrees that, for purposes of this Contract, the other party is not a "utility" as such term is used in 11 U.S.C. Section 366 of the Bankruptcy Code, and each party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such party is a debtor. In any such proceeding, each party further waives the right to assert that the other party is a provider of last resort."

10.8 A new section 10.8 shall be added as follows: "Notwithstanding any provision to the contrary contained in this Contract, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under this Section 10 until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel or in the event of a bankruptcy proceeding a non-appealable order), that all other obligations of any kind whatsoever of the Defaulting Party or any of its affiliates to make any payments to the Non-Defaulting Party or any of its affiliates under this Contract or any other agreements or instruments between such parties which are due and payable (or netted, set off, recouped, or the like) as of the Early Termination Date have been fully and finally performed and (ii) the Defaulting Party executes a release in a form reasonably satisfactory to the Non-Defaulting Party that acts as the final resolution of the transactions hereunder. To the extent that either party believes that bankruptcy court approval of the release is required, the Non-Defaulting Party may withhold payment until such time as appropriate court approval has been obtained and is final and non-appealable."

SECTION 11 – FORCE MAJEURE

11.2 Immediately preceding item (v), the word "and" **shall be deleted and the following shall be added immediately following item (v):** "; and (vi) cyberattacks or any other cyber event adversely impacting information systems or the information handled by such systems (whether of a party to this Contract or any other third party)."

11.3 Items (iv) and (v) shall be deleted in their entirety and replaced with the following: "(iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, if the reason provided by the Buyer's downstream purchaser for such loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder constitutes Force Majeure as defined in this Section 11; or (v) the loss or failure of Seller's Gas supply or depletion of reserves, except, in either case, if the reason provided by the Seller's upstream seller for such loss or failure of Seller's gas supply or depletion of reserves constitutes Force Majeure as defined in this Section 11."

11.7 A new Section 11.7 shall be added as follows: "11.7 Notwithstanding anything to the contrary herein, the parties agree that for any transaction entered into pursuant to this Contract in which the specified Delivery Point is a pooling point or hub, no event or circumstance that causes a party to fail to perform a Firm obligation shall constitute Force Majeure unless the applicable hub or pooling point operator for the applicable Delivery Point has also declared force majeure with respect to the same event or circumstance."

SECTION 15 – MISCELLANEOUS

15.1 Section 15.1 shall be deleted in its entirety and replaced with the following: "15.1 This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption for which the non-transferring party's prior written consent was not obtained, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder unless the parties expressly agree otherwise."

15.4 The following language shall be added to the end of Section 15.4: "This Base Contract replaces and supersedes any and all prior master agreements related to the purchase and sale of natural gas between the parties. Any effective transaction(s) entered into by the parties under such prior contracts shall remain in force and effect but shall be governed by the terms of this Base Contract as if originally entered into subject to the terms hereof."

15.8 The following language shall be added to the end of Section 15.8: "As of the date first mentioned on the Base Contract and the date of entering into each transaction hereunder, each party represents and warrants to the other party that:
(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all current valid and applicable state and federal regulatory authorizations, consents, or approvals required for it to legally perform its obligations under this Contract;
(c) this Contract, and each other document executed and delivered in accordance with this Contract constitutes its legally valid and binding obligations enforceable against it in accordance with their respective terms (subject to applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law);
(d) there are no proceedings similar to those described in Section 10.2 (i) through (v) pending or being contemplated by it or, to its knowledge, threatened against it;
(e) there is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Contract;
(f) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Contract;
(g) it is acting for its own account, has made its own independent decision to enter into this Contract and as to whether this Contract is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Contract;
(h) notwithstanding anything to the contrary in this Contract or any confidentiality agreement, nondisclosure agreement or similar agreement entered into between or among the parties and/or their respective Guarantors or Affiliates, any financial statements delivered pursuant to this Contract for the purpose of establishing or maintaining creditworthiness, including, without limitation, the creditworthiness of a party's Guarantor(s), (i) were prepared from the books and records of such party and/or its Guarantor(s), (ii) are in conformity with generally accepted accounting principles consistently applied, (iii) present fairly in all material respects the financial position of the party and/or its Guarantor(s) as of the dates set forth in such financial statements and the results of the party's and/or its Guarantor(s) operations, cash flow and the changes in financial position for the periods covered by such financial statements;
(i) with respect to each transaction hereunder that is an option, it is a producer, processor, commercial user of or merchant handling Gas, and it is entering into such transaction for purposes related to its business as such and the option contained in such transaction, if exercised, contains a binding obligation that results in the sale of a non-financial commodity for immediate or deferred shipment or delivery;
(j) it has entered into this Contract in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Gas referred to in any transaction hereunder to which it is a party and the material economic terms of each transaction are subject to individual negotiation by the parties; and
(k) it is an "eligible contract participant" as that term is defined in Section 1a(18) of the Commodity Exchange Act, as amended."

15.10 Section 15.10 shall be deleted in its entirety and replaced with the following: "To the extent permitted by law, unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party (a) any financial statements or other financial information of a party or such party's Guarantor(s) delivered pursuant to or in connection with this Contract or (b) the terms of this Contract and any transaction entered into hereunder or pursuant hereto to a third party (provided that the terms of a transaction may be disclosed to the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons have a need to know such information and shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) with respect to the terms of a transaction, to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction. With respect to terms provided in connection with any transaction, the obligations set forth in this Section 15.10 shall survive for a period of one (1) year following the expiration or termination of such transaction. With respect to terms provided in connection with this Contract, the obligations set forth in this Section 15.10 shall survive for a period of one (1) year following the expiration or termination of this Contract. With respect to any financial statements provided pursuant to this Contract, the obligations set forth in this Section 15.10 shall survive for a period of five (5) years following the date that such financial information was provided."

15.13 A new section 15.13 shall be added as follows: "15.13 This Contract and any Transaction Confirmation may be executed by facsimile and executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument."

15.14 A new section 15.14 shall be added as follows: "15.14 The language used in this Base Contract is the product of both parties' efforts and each party hereby irrevocably waives the benefit of any rule of contract construction which disfavors the drafter of a contract or the drafter of specific language in a contract."

15.15 A new section 15.15 shall be added as follows: "15.15 **WAIVER OF JURY TRIAL. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS CONTRACT."**

15.16 A new section 15.16 shall be added as follows: "15.16 If at any time during the term of any transaction entered into hereunder, any governmental authority (federal, state or local) (i) imposes any Tax which was not in effect as of the commencement date of such transaction and that, in the sole judgment of the affected party, is unduly burdensome, or (ii) shall take any action or assert any jurisdiction whereby the sale, purchase, delivery, receipt, or use of Gas as contemplated hereunder will be subjected to terms, conditions, or restraints that in the sole judgment of the affected party are unduly burdensome, unacceptable, illegal or unenforceable (in either case, a "Regulatory Change"), then in such case, the parties shall attempt to mutually negotiate revisions to the affected transaction(s) to eliminate the adverse impact of the Regulatory Change on the party or parties hereto. If the parties are unable to successfully negotiate mutually agreeable revisions within thirty (30) days after the announcement of such Regulatory Change, then either party may terminate any affected transaction, without any continuing obligation or liability of either party to the other with respect to such transaction(s), by providing ten (10) days' written notice to the other party."

15.17 A new section 15.17 shall be added as follows: "15.17 In the event either party is a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof (a "Governmental Entity"), the following shall apply:

(a) The following sentence shall be added to the end of Section 11.3: "With respect to Governmental Entities, Force Majeure does not include any action taken by the Governmental Entity in its governmental capacity."

(b) Governmental Entity warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (i) suit, (ii) jurisdiction of court (including a court located outside the jurisdiction of its organization), (iii) relief by way of injunction, order for specific performance or recovery of property, (iv) attachment of assets, or (v) execution or enforcement of any judgment."

[Remainder of page intentionally left blank. Signature page follows.]

EXECUTION

THE PARTIES DO HEREBY REPRESENT AND WARRANT THAT THE GENERAL TERMS AND CONDITIONS OF THE BASE CONTRACT HAVE NOT BEEN MODIFIED, ALTERED, OR AMENDED IN ANY RESPECT EXCEPT FOR THESE SPECIAL PROVISIONS WHICH ARE ATTACHED TO AND MADE A PART OF THE BASE CONTRACT.

TENASKA GAS STORAGE, LLC	**CITY OF ELLENSBURG**
By: ______________________	**By:** ______________________
Name: Mark McQuade	**Name:** ______________________
Title: Chief Compliance Officer and General Counsel	**Title:** ______________________

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: April 14, 2026

The parties to this Base Contract are the following:

PARTY A	PARTY NAME	PARTY B
TENASKA MARKETING VENTURES		**CITY OF ELLENSBURG**
14302 FNB Parkway Omaha, NE 68154-5212	*ADDRESS*	501 North Anderson St. Ellensburg, WA 98926
www.tenaska.com	*BUSINESS WEBSITE*	www.ci.ellensburg.wa.us
CT-067201	*CONTRACT NUMBER*	
62-424-0628	*D-U-N-S® NUMBER*	06-004-1985
☒ US FEDERAL: 47-0741451 ☐ OTHER:	*TAX ID NUMBERS*	☒ US FEDERAL: 91-600-1245 ☐ OTHER:
Nebraska	*JURISDICTION OF ORGANIZATION*	
☐ Corporation ☐ LLC ☐ Limited Partnership ☒ Partnership ☐ LLP ☐ Other:	*COMPANY TYPE*	☒ Corporation ☐ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other:
Tenaska Energy, Inc. and Tenaska Energy Holdings, LLC	*GUARANTOR (IF APPLICABLE)*	

CONTACT INFORMATION

14302 FNB Parkway, Omaha, NE 68154 *ATTN:* *TEL#:* 402-758-6100 *FAX#:* 402-758-6274 *EMAIL:*	▪ *COMMERCIAL*	*ATTN:* *Buddy Stanavich, Energy Services Director* *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* *stanavichm@ellensburgwa.gov*
14302 FNB Parkway, Omaha, NE 68154-5212 *ATTN:* *VP, Gas Scheduling* *TEL#:* 402-758-6234 *FAX#:* 402-758-6274 *EMAIL:* *pbarry@tenaska.com*	▪ *SCHEDULING*	*ATTN:* *Nichole Baker, Energy Resources Manager* *TEL#:* 509-962-7271 *FAX#:* 509-925-8662 *EMAIL:* *bakern@ellensburgwa.gov*
14302 FNB Parkway, Omaha, NE 68154 *ATTN:* *Senior* Manager, Back Office Operations *TEL#:* 402-758-6172 *FAX#:* 402-758-6250 *EMAIL:* *contractcomp@tenaska.com* *Legal Contracts Fax: 402-758-8760;* *EMAIL: Legal-TMV@tenaska.com*	▪ *CONTRACT AND LEGAL NOTICES*	*ATTN:* *Buddy Stanavich, Energy Services Director* *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* *stanavichm@ellensburgwa.gov*
14302 FNB Parkway, Omaha, NE 68154-5212 *ATTN:* Vice President, Credit Risk *TEL#:* (402) 758-6178 *FAX#:* (402) 758-6290 *EMAIL:* *Credit-TMV@Tenaska.com*	▪ *CREDIT*	*ATTN:* *Jerica Pascoe, Finance Director* *TEL#:* 509-962-7205 *FAX#:* 509-925-7130 *EMAIL:* *pascoej@ellensburgwa.gov*
14302 FNB Parkway, Omaha, NE 68154 *TEL#:* 402-758-6172 *FAX#:* 402-758-6250 *ATTN:* Contract Compliance *EMAIL:* *confirmations@tenaska.com*	▪ *TRANSACTION CONFIRMATIONS*	*ATTN:* *Nichole Baker, Energy Resources Manager* *TEL#:* 509-962-7271 *FAX#:* 509-925-8662 *EMAIL:* *bakern@ellensburgwa.gov*

ACCOUNTING INFORMATION

14302 FNB Parkway, Omaha, NE 68154 *ATTN:* *Vice President & Controller* *TEL#:* (402) 758-6236 *FAX#:* (402) 758-6253 *EMAIL:* *GasAccounting-TMV@tenaska.com*	▪ *INVOICES* ▪ *PAYMENTS* ▪ *SETTLEMENTS*	*ATTN:* *Buddy Stanavich, Energy Services Director* *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* *stanavichm@ellensburgwa.gov*
BANK: U.S. Bank, Cincinnati, OH *ABA:* 042000013 *ACCT:* 130111671272 *OTHER DETAILS:*	*WIRE TRANSFER NUMBERS (IF APPLICABLE)*	*BANK:* *US Bank* *ABA:* 125000105 *ACCT:* 1 535 055 47 6868 *OTHER DETAILS:*
BANK: U.S. Bank, Cincinnati, OH *ABA:* 042000013 *ACCT:* 130111671272 *OTHER DETAILS:*	*ACH NUMBERS (IF APPLICABLE)*	*BANK:* *ABA:* *ACCT:* *OTHER DETAILS:*
ATTN: *ADDRESS:*	*CHECKS (IF APPLICABLE)*	*ATTN:* *ADDRESS:*

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure
☒ **Oral (default)**
OR
☐ Written

Section 2.7 Confirm Deadline
☒ **2 Business Days after receipt (default)**
OR
☐ _____ Business Days after receipt

Section 2.8 Confirming Party
☐ Seller (default)
OR
☐ Buyer
☒ **TENASKA MARKETING VENTURES**

Section 3.2 Performance Obligation
☐ Cover Standard (default)
OR
☒ **Spot Price Standard**

Note: The following Spot Price Publication applies to both of the immediately preceding.

Section 2.31 Spot Price Publication
☒ **Gas Daily Midpoint (default)**
OR
☐ ______________________________

Section 6 Taxes
☒ **Buyer Pays At and After Delivery Point (default)**
OR
☐ Seller Pays Before and At Delivery Point

Section 7.2 Payment Date
☒ **25th Day** of Month following Month of delivery (default)
OR
☐ Day of Month following Month of delivery

Section 7.2 Method of Payment
☒ **Wire transfer (default)**
☒ Automated Clearinghouse Credit (ACH)
☐ Check

Section 7.7 Netting
☒ **Netting applies (default)**
OR
☐ Netting does not apply

Section 10.2 Additional Events of Default
☒ No Additional Events of Default (default)
☐ Indebtedness Cross Default
☐ Party A: ______________
☐ Party B: ______________
☐ Transactional Cross Default
Specified Transactions:
____

Section 10.3.1 Early Termination Damages
☒ **Early Termination Damages Apply (default)**
OR
☐ Early Termination Damages Do Not Apply

Section 10.3.2 Other Agreement Setoffs
☒ **Other Agreement Setoffs Apply (default)**
☐ Bilateral (default)
☒ Triangular
OR
☐ Other Agreement Setoffs Do Not Apply

Section 15.5 Choice Of Law
WASHINGTON

Section 15.10 Confidentiality
☒ **Confidentiality applies (default)**
OR
☐ Confidentiality does not apply

☒**Special Provisions** Number of sheets attached: _____nine (9)____ (to be determined)
☐ **Addendum(s):** ______________________________

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

TENASKA MARKETING VENTURES **By: TMV Holdings, LLC-Its Managing Partner**	***PARTY NAME***	**CITY OF ELLENSBURG**
By:______________________	***SIGNATURE***	By:______________________
Mark A. McQuade	***PRINTED NAME***	Buddy Stanavich
Chief Compliance Officer and General Counsel	***TITLE***	Energy Services Director

General Terms and Conditions
Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.
Oral Transaction Procedure:
1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.
Written Transaction Procedure:
1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

2.3. “Alternative Damages” shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.

2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.

2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2.13. “Credit Support Obligation(s)” shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.

2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party’s excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. “Guarantor” shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. “Indebtedness Cross Default” shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.
Cover Standard:
3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:
3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.
Buyer Pays At and After Delivery Point:
Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.
Seller Pays Before and At Delivery Point:
Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.
Early Termination Damages Apply:
10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions). For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and

Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.
Early Termination Damages Do Not Apply:
10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.
The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.
Other Agreement Setoffs Apply:
Bilateral Setoff Option: 10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties. **Triangular Setoff Option:** 10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.
Other Agreement Setoffs Do Not Apply:
10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

Letterhead/Logo	Date: ______________________________, _____ Transaction Confirmation #: _______________

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated ______________________. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER:	BUYER:
____ ____ ____ Attn: ____ Phone: ____ Fax: ____ Base Contract No. ______________________________ Transporter: ____________________________________ Transporter Contract Number: ____________________	____ ____ ____ Attn: ____ Phone: ____ Fax: ____ Base Contract No. ______________________________ Transporter: ____________________________________ Transporter Contract Number: ____________________

Contract Price: $______/MMBtu or ____

Delivery Period: Begin: ____________, ____ End: __________, ____

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):	**Firm (Variable Quantity):**	**Interruptible:**
_______ MMBtus/day ☐EFP	_______ MMBtus/day Minimum _______ MMBtus/day Maximum subject to Section 4.2. at election of ☐Buyer or ☐ Seller	Up to ______ MMBtus/day

Delivery Point(s): __________________________

(If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

Seller	Buyer
Seller: ____	Buyer: ____
By: ____	By: ____
Title: ____	Title: ____
Date: ____	Date: ____

EXECUTION

SPECIAL PROVISIONS

These Special Provisions are part of, supplement, and amend the Base Contract by and between **Tenaska Marketing Ventures** and **City of Ellensburg**, dated April 14, 2026, and the General Terms and Conditions which are incorporated therein. In the event of any inconsistency between the Base Contract, the General Terms and Conditions and these Special Provisions, these Special Provisions shall govern. All capitalized terms used in these Special Provisions but not defined herein shall have the respective meanings ascribed to them in the Base Contract. Any reference to a Section in these Special Provisions refers to a Section of the Base Contract, amended as applicable by these Special Provisions. The headings and subheadings in these Special Provisions are used solely for convenience of reference and shall not be used to construe or interpret these Special Provisions.

SECTION 1 – PURPOSE AND PROCEDURES

1.2 (Oral Transaction Procedure): The fifth (5th) sentence shall be deleted in its entirety and replaced with the following: "Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction or EDI transmission by sending the other party a Transaction Confirmation by facsimile, or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral or EDI agreement of the parties. Any failure by the Confirming Party to send a Transaction Confirmation for any such transaction previously entered into shall not affect the enforceability of any such transaction nor shall such failure constitute or be deemed to constitute a breach of this Contract."

1.2 (Written Transaction Procedure): In the third (3rd) line, the word "EDI" **shall be deleted.**

1.3 Items (ii), (iii) and (iv) shall be deleted in their entirety and replaced with the following: "(ii) the agreement of the parties which may be evidenced by a recorded conversation or EDI, where the parties have selected the Oral Transaction Procedure of the Base Contract, and (iii) the Base Contract, the terms of the documents shall govern in the priority listed in this sentence. All transactions entered into by the parties pursuant to this Base Contract are entered into in reliance on the fact that the Base Contract, each Transaction Confirmation and each transaction entered into pursuant hereto constitute a single integrated agreement between the parties, and the parties would not otherwise have entered into the Base Contract or any transaction hereunder."

1.4 Section 1.4 shall be deleted in its entirety and replaced with the following: "1.4 The parties generally agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees. However, as required by Washington law, any party seeking to record the conversation must still obtain consent, which shall be obtained by announcing to all other parties engaged in the communication or conversation, in a reasonably effective manner, that such communication or conversation is about to be recorded, and such announcement must also be recorded. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract."

1.5 A new Section 1.5 shall be added as follows: "1.5 The parties hereby expressly waive all rights to, and expressly agree not to, contest any transaction entered into hereunder, or assert or otherwise raise any defenses or arguments related to any such transaction to the effect that such is not binding, valid or enforceable in accordance with its terms because either the employee(s) or representative(s) who entered into such transaction on behalf of a party, and who appeared to have the requisite authority to do so, did not, in fact, have such authority or because the provisions of certain applicable laws require such transaction to be in writing and/or executed by one or both parties."

SECTION 2 – DEFINITIONS

(a) "Base Contract": The definition of "Base Contract" shall be deleted in its entirety and replaced with the following: "Base Contract" shall mean collectively (i) the Base Contract executed by the parties to which these General Terms and Conditions are attached, (ii) these General Terms and Conditions which have been incorporated by reference with and into such Base Contract, and (iii) any Special Provisions and Addendum(s) identified in the Base Contract."

(b) **"Cover Standard": The definition of "Cover Standard" shall be deleted in its entirety and replaced with the following:** "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the Performing Party shall use commercially reasonable efforts to (i) if Buyer is the Performing Party, obtain Gas, or (ii) if Seller is the Performing Party, sell Gas, in either case, at a commercially reasonable price determined taking into account the relevant Delivery Point of the applicable transaction, the amount of notice provided by the Non-Performing Party, the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable, the quantities involved, and the anticipated length of failure by the Non-Performing Party.

(c) **"EDI": The definition of "EDI" shall be deleted in its entirety and replaced with the following: "**"EDI" shall mean an electronic data interchange between the parties."

(d) **"Termination Option": The definition of "Termination Option" shall be deleted in its entirety.**

(e) **The following new definitions shall be added immediately following the definition of "Transporter(s)":**

- "Affected Transaction" means a Firm transaction with a Delivery Period of at least 30 Days in respect of which there has occurred three (3) or more Failure Days in the Delivery Period.
- "Failure Day" means a Day on which the Non-Performing Party has failed to purchase and receive, or sell and deliver, as applicable, any portion of the Contract Quantity to be purchased and received or sold and delivered on such Day, which failure is not excused because of the Non-Performance (non-delivery or non-receipt, as applicable) of the Performing Party, or by Force Majeure.
- "Merger Event" means, with respect to a party, that such party consolidates or amalgamates with, or merges into or with, or transfers substantially all of its assets to another entity and (i) the resulting entity fails to assume all of the obligations of such party or other entity hereunder, or (ii) the benefits of any credit support provided pursuant to or related to this Contract fail to extend to the performance by such resulting, surviving or transferee entity of its obligations hereunder.
- "Non-Performance" means the failure by a party to purchase and receive (if the Buyer), or sell and deliver (if the Seller), Gas as required by any transaction under this Contract, which failure is not excused by (i) the non-performance (non-delivery or non-receipt, as applicable) of the other party; or (ii) Force Majeure.
- "Non-Performing Party" means a party in relation to which a Non-Performance has occurred.
- "Performing Party" means, if a Non-Performance has occurred, the party which is not the Non-Performing Party.

SECTION 3 – PERFORMANCE OBLIGATION

3.2 (Cover Standard):

- **In the first line, the first time the word** "The" **appears shall be deleted and replaced with the phrase** "Subject to Section 3.4, the"**.**
- **The phrase** "performing party" **shall be replaced with the phrase** "Performing Party" **each time it appears.**

3.2 (Spot Price Standard): In the first line, the first time the word "The" **appears shall be deleted and replaced with the phrase** "Subject to Section 3.4, the"**; and in the last sentence, the phrase** "performing party" **shall be replaced with the phrase** "Performing Party"**.**

3.4 Section 3.4 shall be deleted in its entirety and replaced with the following: "3.4 In addition to the rights set forth in Sections 3.2 and 3.3, unless otherwise specified on the applicable Transaction Confirmation, a Performing Party shall have the right ("Termination Right") to terminate, accelerate and liquidate an Affected Transaction by providing Notice to the Non-Performing Party designating an Early Termination Date, which date shall be between 1 and 5 Business Days following the most recent Non-Performance causing the Affected Transaction, but no earlier than the effective date of the Notice, on which date the Affected Transaction shall terminate. Following the exercise of its Termination Right, the Performing Party shall calculate the Net Settlement Amount pursuant to Section 10.3.2, but only in respect of the Affected Transaction, which amount shall be paid in accordance with Section 10.4, all as if an Early Termination Date had occurred, the Affected Transaction was the only transaction under this Base Contract, the Performing Party was the Non-Defaulting

Party and the Non-Performing Party was the Defaulting Party. The exercise of the Termination Right shall not be deemed to be an Event of Default or similar default with respect to the Affected Transaction, any other transactions entered into hereunder, or any other agreement between the parties. If the Performing Party fails to provide Notice to exercise its Termination Right within 5 Business Days of the occurrence of the last Non-Performance that gave rise to that Termination Right, the Termination Right shall expire, but without prejudice to any Termination Right that may subsequently arise upon the occurrence of a further Non-Performance in respect of that Transaction."

SECTION 7 – BILLING, PAYMENT, AND AUDIT

7.2 In the last sentence, the word "In" **shall be deleted and replaced with the phrase** "Subject to Section 7.3 and Section 10, in"**.**

7.3 The phrase "performing party" **shall be replaced with the phrase** "Performing Party" **each time it appears, and the phrase** "nonperforming party" **shall be replaced with the phrase** "Non-Performing Party" **each time it appears.**

7.4 Section 7.4 shall be deleted in its entirety and replaced with the following: "7.4 If the invoiced party, in good faith, disputes the amount of an invoice or any part thereof, then (i) for amounts due pursuant to Section 7.1, such invoiced party will pay such amount as it concedes to be correct and (ii) for amounts due pursuant to Section 7.3, such invoiced party must pay the entire amount of such invoice by the deadline set forth in Section 7.3. If the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section."

7.7 In the first sentence, the word "undisputed" **shall be deleted.**

SECTION 9 – NOTICES

9.1 The following phrase shall be added immediately following the word "addresses": "set forth on page 1 of the Base Contract or as otherwise"**.**

9.2 The following language shall be added immediately preceding the last period: "; provided, however, that any Notice delivered pursuant to Section 10.2, 10.3 or 10.4 via facsimile or electronic means shall also be delivered via overnight courier service, first class mail or hand delivery."

SECTION 10 - FINANCIAL RESPONSIBILITY

10.1 Section 10.1 shall be deleted in its entirety and replaced with the following: "10.1 If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y, or its Guarantor, if applicable), X may demand that Y deliver to X Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, cash collateral, a standby irrevocable letter of credit, a prepayment, guaranty or other mutually acceptable forms of security (including the issuer of any such security). Adequate Assurance of Performance shall not exceed the amount that would be owed to X as a Net Settlement Amount (as such term is defined in Section 10.3.2 hereof), as of the date X made the demand for Adequate Assurance of Performance from Y. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party. This Section 10.1 sets forth the entirety of the agreement of the parties regarding one party's right to request financial assurances from the other party, and each party expressly waives all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines."

10.2 Section 10.2 shall be deleted in its entirety and replaced with the following: "10.2 In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor (with respect to items (i) through (vi) below) shall:
(i) make an assignment or any general arrangement for the benefit of creditors;
(ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it;
(iii) otherwise become bankrupt or insolvent (however evidenced);
(iv) be unable to pay its debts as they fall due;
(v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets;
(vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract;
(vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party;
(viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due, provided that such amount is not the subject of a bona fide dispute pursuant to Section 7.4;
(ix) make any representation or warranty herein that was false or misleading in any material respect when made or when deemed made or repeated;
(x) fail to perform any material covenant or obligation set forth in this Contract (except to the extent constituting a separate Event of Default) if such failure is not remedied within three (3) Business Days after written notice;
(xi) be the subject of a Merger Event;
(xii) disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, this Contract or any transaction entered into pursuant to this Contract; or
(xiii) be the affected party with respect to any Additional Event of Default;

then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice (provided, however, that in no event shall any such withholding or suspension continue for longer than ten (10) Business Days with respect to any single transaction hereunder unless an Early Termination Date shall have been declared and Notice thereof provided pursuant to Section 10.3), and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder."

10.3.1 (Early Termination Damages Apply): The following shall be added at the end of this section: "In addition to all other amounts calculated hereunder but without duplication, the Defaulting Party shall reimburse the Non-Defaulting Party for reasonable out-of-pocket costs and expenses incurred by the Non-Defaulting Party in connection with terminating and liquidating the Terminated Transactions, including but not limited to: (a) costs and expenses associated with transportation, gathering, or storage of Gas incurred by the Non-Defaulting Party which cannot be avoided through the Non-Defaulting Party's reasonable efforts; (b) brokerage fees, unwinding costs, commissions and other similar costs and expenses incurred by the Non-Defaulting Party either in (i) terminating any Firm obligation, to the extent the Non-Defaulting Party has hedged such obligation, or (ii) entering into new arrangements that replace the Terminated Transactions that were hedged; and (c) attorneys' fees and court costs incurred by the Non-Defaulting Party in connection with enforcing its rights under this Contract."

10.3.2 (Other Agreement Setoffs Apply) (Bilateral Setoff Option): The last sentence shall be deleted in its entirety and replaced with the following: "Upon the designation of an Early Termination Date, the Non-Defaulting Party ("X") may, at its option and in its sole discretion, setoff (including by setoff, offset, combination of accounts, deduction, retention, counterclaim or withholding), against any amounts owed to the Defaulting Party ("Y"), in U.S. Dollars or any other currency by X under this Contract or any other agreements between X and Y, any amounts owed in U.S. Dollars or any other currency by Y to X under this Contract or any other agreements between X and Y. The obligations of Y and X under this Contract in respect of such amounts shall be deemed satisfied and discharged to the extent of any such setoff. X will give Y Notice of any setoff effectuated under this section but failure to give such Notice shall not affect the validity of the setoff. Nothing herein shall be effective to create a charge or other security interest. This setoff provision shall be in addition to but without duplication of, and not in limitation of, any other right or remedy available to the Non-Defaulting Party (including, without limitation, any right of setoff, offset, combination of accounts, deduction, counterclaim, retention or withholding), whether arising under this Contract, any Guaranty, any other agreement, under applicable law, in equity, or otherwise."

10.3.2 (Other Agreement Setoffs Apply) (Triangular Setoff Option): The last sentence shall be deleted in its entirety and replaced with the following: "Upon the designation of an Early Termination Date, the Non-Defaulting Party ("X") may, at its option and in its sole discretion, setoff (including by setoff, offset, combination of accounts, deduction, retention, counterclaim or withholding), against any amounts owed to the Defaulting Party ("Y"), in U.S. Dollars or any other currency by X or any of X's Affiliates under this Contract or any other agreements between X or any of its Affiliates and Y, any amounts owed in U.S. Dollars or any other currency by Y to X or any of X's Affiliates under this Contract or any other agreements between X or any of its Affiliates and Y. The obligations of Y and X under this Contract in respect of such amounts shall be deemed satisfied and discharged to the extent of any such setoff. X will give Y Notice of any setoff effectuated under this section but failure to give such Notice shall not affect the validity of the setoff. Nothing herein shall be effective to create a charge or other security interest. This setoff provision shall be in addition to but without duplication of, and not in limitation of, any other right or remedy available to the Non-Defaulting Party (including, without limitation, any right of setoff, offset, combination of accounts, deduction, counterclaim, retention or withholding), whether arising under this Contract, any Guaranty, any other agreement, under applicable law, in equity, or otherwise."

10.3.4 A new section 10.3.4 shall be added as follows: "10.3.4 Upon the designation of an Early Termination Date, to the extent that the Non-Defaulting Party is then holding (a) Adequate Assurance of Performance pursuant to Section 10.1 hereof, and/or (b) any margin or other collateral in connection with any Credit Support Obligation relating to this Contract (collectively, the "Collateral"), such Non-Defaulting Party may, at its option and in its sole discretion, exercise any of the following rights and remedies:

(i) any right or remedy available to a secured party under the Uniform Commercial Code in effect in the state specified in the "Choice of Law" section of the Base Contract, or other applicable laws with respect to the Collateral held by or for the benefit of the Non-Defaulting Party or otherwise;

(ii) the right to set off any Collateral held by or for the benefit of the Non-Defaulting Party against and in satisfaction of any amount due and payable by the Defaulting Party in respect of any of its obligations to the Non-Defaulting Party or any of the Non-Defaulting Party's affiliates; and

(iii) the right to draw on any outstanding letter of credit of which it is the beneficiary and which has been provided to such party as Collateral."

10.4 The following shall be added to the end of Section 10.4: "If the Defaulting Party disputes the Non-Defaulting Party's calculation of the amount owed pursuant to this Section 10.4, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party's calculation thereof, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Defaulting Party owes an amount pursuant to this Section 10.4, the Defaulting Party must pay such amount by the deadline described above. Within three (3) Business Days following resolution of the dispute regarding such amount, any underpayments or overpayments shall be paid or refunded with accrued interest at the interest rate set forth in Section 7.5 for the period from the date of underpayment or overpayment until the date paid."

10.5 Section 10.5 shall be deleted in its entirety and replaced with the following: "10.5 The parties agree that (i) all transactions entered into under this Contract constitute a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code") or a "swap agreement" within the meaning of the Bankruptcy Code; (ii) each party hereto is a "forward contract merchant" within the meaning of the Bankruptcy Code; (iii) all payments made or to be made by one party to the other party pursuant to this Contract constitute "settlement payments" within the meaning of the Bankruptcy Code; (iv) all transfers of Adequate Assurance of Performance or Collateral by one party to the other party under this Contract constitute "margin payments" within the meaning of the Bankruptcy Code; and (v) this Contract constitutes a "master netting agreement" within the meaning of the Bankruptcy Code. Each party further agrees that, for purposes of this Contract, the other party is not a "utility" as such term is used in 11 U.S.C. Section 366 of the Bankruptcy Code, and each party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such party is a debtor. In any such proceeding, each party further waives the right to assert that the other party is a provider of last resort."

10.8 A new section 10.8 shall be added as follows: "Notwithstanding any provision to the contrary contained in this Contract, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under this Section 10 until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel or in the event of a bankruptcy proceeding a non-appealable order), that all other obligations of any kind whatsoever of the Defaulting Party or any of its affiliates to make any payments to the Non-Defaulting Party or any of its affiliates under this Contract or any other agreements or instruments between such parties which are due and payable (or netted, set off, recouped, or the like) as of the Early Termination Date have been fully and finally performed and (ii) the Defaulting Party executes a release in a form reasonably satisfactory to the Non-Defaulting Party that acts as the final resolution of the transactions hereunder. To the extent that either party believes that bankruptcy court approval of the release is required, the Non-Defaulting Party may withhold payment until such time as appropriate court approval has been obtained and is final and non-appealable."

SECTION 11 – FORCE MAJEURE

11.2 Immediately preceding item (v), the word "and" **shall be deleted and the following shall be added immediately following item (v):** "; and (vi) cyberattacks or any other cyber event adversely impacting information systems or the information handled by such systems (whether of a party to this Contract or any other third party)."

11.3 Items (iv) and (v) shall be deleted in their entirety and replaced with the following: "(iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, if the reason provided by the Buyer's downstream purchaser for such loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder constitutes Force Majeure as defined in this Section 11; or (v) the loss or failure of Seller's Gas supply or depletion of reserves, except, in either case, if the reason provided by the Seller's upstream seller for such loss or failure of Seller's gas supply or depletion of reserves constitutes Force Majeure as defined in this Section 11."

11.7 A new Section 11.7 shall be added as follows: "11.7 Notwithstanding anything to the contrary herein, the parties agree that for any transaction entered into pursuant to this Contract in which the specified Delivery Point is a pooling point or hub, no event or circumstance that causes a party to fail to perform a Firm obligation shall constitute Force Majeure unless the applicable hub or pooling point operator for the applicable Delivery Point has also declared force majeure with respect to the same event or circumstance."

SECTION 15 – MISCELLANEOUS

15.1 Section 15.1 shall be deleted in its entirety and replaced with the following: "15.1 This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption for which the non-transferring party's prior written consent was not obtained, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder unless the parties expressly agree otherwise."

15.4 The following language shall be added to the end of Section 15.4: "This Base Contract replaces and supersedes any and all prior master agreements related to the purchase and sale of natural gas between the parties. Any effective transaction(s) entered into by the parties under such prior contracts shall remain in force and effect but shall be governed by the terms of this Base Contract as if originally entered into subject to the terms hereof."

15.8 The following language shall be added to the end of Section 15.8: "As of the date first mentioned on the Base Contract and the date of entering into each transaction hereunder, each party represents and warrants to the other party that:
(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all current valid and applicable state and federal regulatory authorizations, consents, or approvals required for it to legally perform its obligations under this Contract;
(c) this Contract, and each other document executed and delivered in accordance with this Contract constitutes its legally valid and binding obligations enforceable against it in accordance with their respective terms (subject to applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law);
(d) there are no proceedings similar to those described in Section 10.2 (i) through (v) pending or being contemplated by it or, to its knowledge, threatened against it;
(e) there is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Contract;
(f) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Contract;
(g) it is acting for its own account, has made its own independent decision to enter into this Contract and as to whether this Contract is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Contract;
(h) notwithstanding anything to the contrary in this Contract or any confidentiality agreement, nondisclosure agreement or similar agreement entered into between or among the parties and/or their respective Guarantors or Affiliates, any financial statements delivered pursuant to this Contract for the purpose of establishing or maintaining creditworthiness, including, without limitation, the creditworthiness of a party's Guarantor(s), (i) were prepared from the books and records of such party and/or its Guarantor(s), (ii) are in conformity with generally accepted accounting principles consistently applied, (iii) present fairly in all material respects the financial position of the party and/or its Guarantor(s) as of the dates set forth in such financial statements and the results of the party's and/or its Guarantor(s) operations, cash flow and the changes in financial position for the periods covered by such financial statements;
(i) with respect to each transaction hereunder that is an option, it is a producer, processor, commercial user of or merchant handling Gas, and it is entering into such transaction for purposes related to its business as such and the option contained in such transaction, if exercised, contains a binding obligation that results in the sale of a non-financial commodity for immediate or deferred shipment or delivery;
(j) it has entered into this Contract in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Gas referred to in any transaction hereunder to which it is a party and the material economic terms of each transaction are subject to individual negotiation by the parties; and
(k) it is an "eligible contract participant" as that term is defined in Section 1a(18) of the Commodity Exchange Act, as amended."

15.10 Section 15.10 shall be deleted in its entirety and replaced with the following: "To the extent permitted by law, unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party (a) any financial statements or other financial information of a party or such party's Guarantor(s) delivered pursuant to or in connection with this Contract or (b) the terms of this Contract and any transaction entered into hereunder or pursuant hereto to a third party (provided that the terms of a transaction may be disclosed to the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons have a need to know such information and shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) with respect to the terms of a transaction, to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction. With respect to terms provided in connection with any transaction, the obligations set forth in this Section 15.10 shall survive for a period of one (1) year following the expiration or termination of such transaction. With respect to terms provided in connection with this Contract, the obligations set forth in this Section 15.10 shall survive for a period of one (1) year following the expiration or termination of this Contract. With respect to any financial statements provided pursuant to this Contract, the obligations set forth in this Section 15.10 shall survive for a period of five (5) years following the date that such financial information was provided."

15.13 A new section 15.13 shall be added as follows: "15.13 This Contract and any Transaction Confirmation may be executed by facsimile and executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument."

15.14 A new section 15.14 shall be added as follows: "15.14 The language used in this Base Contract is the product of both parties' efforts and each party hereby irrevocably waives the benefit of any rule of contract construction which disfavors the drafter of a contract or the drafter of specific language in a contract."

15.15 A new section 15.15 shall be added as follows: "15.15 **WAIVER OF JURY TRIAL. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS CONTRACT."**

15.16 A new section 15.16 shall be added as follows: "15.16 If at any time during the term of any transaction entered into hereunder, any governmental authority (federal, state or local) (i) imposes any Tax which was not in effect as of the commencement date of such transaction and that, in the sole judgment of the affected party, is unduly burdensome, or (ii) shall take any action or assert any jurisdiction whereby the sale, purchase, delivery, receipt, or use of Gas as contemplated hereunder will be subjected to terms, conditions, or restraints that in the sole judgment of the affected party are unduly burdensome, unacceptable, illegal or unenforceable (in either case, a "Regulatory Change"), then in such case, the parties shall attempt to mutually negotiate revisions to the affected transaction(s) to eliminate the adverse impact of the Regulatory Change on the party or parties hereto. If the parties are unable to successfully negotiate mutually agreeable revisions within thirty (30) days after the announcement of such Regulatory Change, then either party may terminate any affected transaction, without any continuing obligation or liability of either party to the other with respect to such transaction(s), by providing ten (10) days' written notice to the other party."

15.17 A new section 15.17 shall be added as follows: "15.17 In the event either party is a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof (a "Governmental Entity"), the following shall apply:

(a) The following sentence shall be added to the end of Section 11.3: "With respect to Governmental Entities, Force Majeure does not include any action taken by the Governmental Entity in its governmental capacity."

(b) Governmental Entity warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (i) suit, (ii) jurisdiction of court (including a court located outside the jurisdiction of its organization), (iii) relief by way of injunction, order for specific performance or recovery of property, (iv) attachment of assets, or (v) execution or enforcement of any judgment."

[Remainder of page intentionally left blank. Signature page follows.]

EXECUTION

THE PARTIES DO HEREBY REPRESENT AND WARRANT THAT THE GENERAL TERMS AND CONDITIONS OF THE BASE CONTRACT HAVE NOT BEEN MODIFIED, ALTERED, OR AMENDED IN ANY RESPECT EXCEPT FOR THESE SPECIAL PROVISIONS WHICH ARE ATTACHED TO AND MADE A PART OF THE BASE CONTRACT.

TENASKA MARKETING VENTURES **By: TMV Holdings, LLC** **Its Managing Partner**	**CITY OF ELLENSBURG**
By: ______________________	**By:** ______________________
Name: Mark McQuade	**Name:** ______________________
Title: Chief Compliance Officer and General Counsel	**Title:** ______________________

Energy Services Monthly Report

Date: 05/21/2026

Electric:

- The annual U.S. Energy Information Administration (EIA) form EIA-861 was submitted on April 30, 2026 for the municipal electric utility. The EIA-861 is required under Title 15 U.S.C. §772(b) and is used to monitor the current status and trends of the electric power industry, evaluate its future, and produce statistical data for public and policy us.
- Electric utility rate increases of 3.75% were adopted by Council on April 20, 2026 with the second reading of Ordinance 4983. The rate increase went into effect on May 1, 2026 for all customer sectors.
- The Clean Energy Transformation Act (CETA) RCW 19.405.120, Section 120 Low-income Program report was submitted to the Washington State Department of Commerce on April 24, 2026.
- On April 20, 2026 Council approved the Mayor to sign the Letter of Commitment for the Department of Energy Notice of Funding Opportunity, Central Washington Collaboration – Geothermal Resource Characterization & Confirmation. However, it has since been determined that $8 million is insufficient given the expected Basalt penetration requirements; accordingly, CWU is discontinuing pursuit of this funding opportunity. CWU will seek an estimate for drilling to 15,000 feet to obtain the data recommended by DNR and PNNL and will continue coordinating with partners in preparation for future opportunities.
- On May 4, 2026 Council approved the designation of up to $150,000 annually of Bonneville Power Administration (BPA) Energy Conservation funding to support the City's compliance obligation for the Clean Energy Transformation Act (CETA) RCW 19.405.120, Section 120 Low-income programs.
- The electric utility experienced an equipment failure that resulted in an outage to all the customers served by feeder #1 and feeder #2. The crew was able to locate and isolate the failure and return services to the affected customers. The affected areas were West Ellensburg, Main Street, Canyon Rd., the wastewater treatment plant, portions of Mt. View and Capitol west of

Sampson. The outage lasted approximately 5 hours and affected around 1500 customers.

Gas:

- Crews are performing annual atmospheric corrosion survey, residential meter change-outs, and pipeline patrol duties. Crews are performing customer driven work including new services, abandoned service, and service relocations. Crews continue with residential meter change outs as time allows.
- Staff participated in four UTC pipeline safety and program audits during the week of April 13-17th. On May 11th we received a letter from the UTC stating our 2026 Natural Gas Annual Review (Insp. No. 9208) had no issues noted and that the inspection is now closed.
- Staff is working with consultants on the SR 97/Hwy 10 main extension design.
- Staff is working with Kimley-Horn on the 6-year Gas System Plan.
- Staff participated in the LEAN process to improve upon the Commercial Building Permit Process.

Telecom:

- On May 4th, 2026, NTIA City Wells project completion report informed to council. Grant project closeout has been filed. 4th & 5th final A-19's submitted to the State for reimbursement in the amount of $227,516.47 for the 4th and $6,590.72 for the 5th A-19. These have been approved and payment from Washington State Department of Commerce has been disbursed to City.
- Quote has been requested and provided to Joel Greer for Fieldhouse Dark Fiber service. Total quoted amount that was presented to install Dark Fiber Service to Fieldhouse was $28,756.51.
- Staff and KVH consultant successfully completed filing with Universal Service Administration Company (USAC) and received credit for KVH’s Internet and Dark Fiber services in the amount of $4,477.98 to apply to their upcoming billing statement.