

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 02-04

For the Purpose of Approving a Master Electric Service and Facilities Improvement Agreement with PacifiCorp, and authorizing the Chairman and the Secretary/Treasurer to execute the Agreement.

WHEREAS, OCC Expansion Project requires electrical service and the installation of electrical improvements; and

WHEREAS, pursuant to the regulations of the Oregon Public Utilities Commission, PacifiCorp is the provider of electrical utility services to the OCC; and

WHEREAS, the Expansion Project staff have reviewed the project specifications and have negotiated with PacifiCorp to obtain electrical service and installation of electrical improvements on the most favorable terms available;

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approves the contract with PacifiCorp, attached as Exhibit A, and authorizes the Chair and Secretary/Treasurer to execute the Agreement in a form substantially similar to the contract attached hereto with PacifiCorp to provide electrical service and installation of electrical improvements for the Oregon Convention Center Expansion.

Passed by the Commission on January 23, 2002.



Chair



Secretary-Treasurer

Approved As To Form:
Daniel B. Cooper, General Counsel

By: _____
Kathleen A. Pool
Senior Assistant Counsel

MERC STAFF REPORT

Agenda Item/Issue: Contract with Pacific Power (PacifiCorp) for Electric Power Distribution Maintenance and Equipment Warranty Services for the Oregon Convention Center Expansion.

Resolution No: 02-04

Date: January 23, 2002

Presented by: Karl Schulz, Senior Project Manager

Background: The Expansion of the Oregon Convention Center requires that the supplying of electrical power for the Expansion be established in order to supply electrical service for the Parking Structure opening in April. The only utility company available to provide distribution and service for the Expansion is Pacific Power (PacifiCorp), electrical service provider for the Oregon Convention Center. Pacific Power requires a contract for the establishment of electrical services for the Expansion Project.

Negotiations were established in 2000 to review the contract for services for the Expansion. Preliminary negotiations included capitalization of installation costs and long-term maintenance agreements. The contract language proposed was intended to guarantee power services for the OCC operations and to incorporate reduced capital costs solution and long-term maintenance costs to minimize financial impacts to the Project. Contract negotiations established the costs for the capitalized construction cost, maintenance, and service costs.

Action Taken: MERC, OCC, and Expansion staff carefully reviewed the advantages and disadvantages of the contract proposed by Pacific Power. The requirements as defined in the contract were allowed by Public Utilities Commission regulation. After much deliberation, it was determined that capitalization of costs through Pacific Power for the electrical distribution equipment was to the best advantage of OCC. In addition, a maintenance agreement that would warranty the equipment being installed by Pacific Power would be in the best interest of the OCC to protect the OCC budget from potential emergency cost to replace the new equipment in case of failure. This proposed service agreement would be set for a minimum of ten years. After that period of time, the contract can remain in place or be terminated upon negotiating with Pacific Power.

Fiscal Impact: Based on Public Utilities Commission regulations of contracts, Pacific Power can set the rate for maintenance and equipment cost recovery, which is a factor of the actual equipment costs. That rate structure is incorporated into the contract being presented for consideration. The contract establishes that the minimum monthly charge to the Convention Center must exceed the factor amount, which calculates to be \$4204.62. As long as the actual power costs exceeds this minimum, the OCC would only be required to pay for the actual amount of electricity used. Based on projected usage by the OCC, regular monthly usage would exceed the minimum charge. Therefore, there would not be any additional charges to the OCC for this maintenance contract, and this contract will create no fiscal impact.

Outstanding is still the evolution of deregulation since this contract would require the OCC to purchase power from Pacific Power for ten years. It is possible that a service provider could be established earlier to compete against PacifiCorp's rates for electrical services. However, there would still be a requirement to pay PacifiCorp for use of distribution systems. Therefore, the cost for power and the savings would be minimum and the payback would not exceed savings using other suppliers because capitalized costs are funded by an allowance by Pacific Power. Based on this analysis, it has been determined that a contract with Pacific Power would be equivalent to any other form of contract that could be negotiated after deregulation.

Recommendation: Since deregulation of electrical distribution services and the impacts of the markets cannot be determined at this time, it is therefore recommended that the MERC Commission approve the contract with Pacific Power (PacifiCorp) to establish a fixed fee for providing equipment maintenance service for the electrical power distribution system for the Oregon Convention Center facility, based on rates regulated by the Public Utilities Commission. By approving this contract, electrical services for the Expansion can be contracted and provided without impacting the completion of the Expansion project schedule. Furthermore, it is requested that the MERC Commission authorize the Chairman and Secretary/Treasurer to execute this contract with Pacific Power (PacifiCorp) in a form substantially similar to the contract as attached to Resolution #02-04, and in accordance with the terms and conditions therein.

Service ID#: CC:11206

Contract #: Request #:01761728

**MASTER ELECTRIC SERVICE AGREEMENT
and
FACILITIES IMPROVEMENTS AGREEMENT
between
PACIFICORP
and**

THE METROPOLITAN EXPOSITION-RECREATION COMMISSION

This MASTER ELECTRIC SERVICE AND FACILITIES IMPROVEMENTS AGREEMENT (this "Agreement"), entered into on this _____ day of January, 2002, is by and between PacifiCorp, an Oregon corporation ("PacifiCorp"), and the Metropolitan Exposition-Recreation Commission, a municipal Commission of Metro organized under Metro Code Chapter 6 and the Metro Charter ("Customer"), each sometimes referred to herein as "Party" or collectively as "Parties."

WHEREAS, PacifiCorp is a provider of retail electric energy and power to retail electric customers, and

WHEREAS, Customer desires to purchase all firm power and energy requirements for the Facility under this Agreement while reserving the right to obtain Direct Access service from an alternative Electricity Service Supplier consistent with Oregon law and the terms of this Agreement,

WHEREAS, PacifiCorp desires to be the exclusive provider of all firm power and energy to Customer's Facility, and

WHEREAS, in order for Customer to obtain power and energy to the Facility it will be necessary for PacifiCorp to construct certain improvements described in Exhibit A.

NOW, THEREFORE, the parties hereto agree as follows:

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ARTICLE I. DEFINITIONS:

The following terms, when used herein with initial capitalization, whether in the singular or in the plural, shall have the meanings specified in this Article I:

“Agreement” means this Master Electric Service Agreement and Facilities Improvements Agreement and any renewals thereof or amendments thereto.

“Allowance” means that portion of cost of the Improvements that PacifiCorp will bear without requiring an advance from Customer, which is based on estimated annual usage and delivery of and charge for electric power and energy to the Facility under the applicable Electric Service Schedules. For the purposes of this Agreement, the estimated annual usage of and charge for electric power and energy to the Facility is \$245,280, and the Allowance is \$245,280.

“Billing Demand” means the Demand in kilowatts for the fifteen-minute period of Customer’s greatest use during the Billing Period, determined to the nearest kilowatt, as shown by or computed from PacifiCorp’s meter readings at the Point of Delivery.

“Billing Period” means the period of approximately thirty (30) days intervening between regular successive meter readings.

“Commission” means the Public Utility Commission of the state of Oregon.

“Completion Date” means the date by which PacifiCorp shall use commercially reasonable efforts to complete the Improvements, which shall be April 1, 2002.

“Contract Demand” means the specified Demand in kW that Customer requires to meet its load requirements and that PacifiCorp agrees to supply and have available for delivery to Customer,

which shall be 1,600 kW unless otherwise agreed in writing in accordance with the terms of this Agreement.

“Contract Minimum Billing” means the minimum amount Customer will pay to PacifiCorp each Billing Period, as defined in Section 7.02.

“Delivery Service Schedule” means PacifiCorp's currently effective Large General Service 1000 kW and Over Delivery Service Schedule 48, on file with and approved by the Commission, as it may be amended or superseded from time to time with the approval of the Commission.

“Demand” means the rate in kilowatts at which electric energy is generated, transferred, or used. Demand measurements are calculated based on integrated average usage over consecutive fifteen-minute periods of time, unless specified otherwise in the applicable Electric Service Schedule or Electric Service Regulations.

“Electric Service Regulations” means PacifiCorp's currently effective electric service regulations, titled “Pacific Power & Light Company General Rules and Regulations,” on file with and approved by the Commission, as they may be amended or superseded from time to time with the approval of the Commission.

“Electric Service Schedule” means the Delivery Service Schedule, the Supply Service Schedule, and such other applicable and available electric service schedules on file with and approved by the Commission and selected by or made applicable to the Customer pursuant to the Electric Service Regulations and the terms of the Electric Service Schedules. Any requested change in Electric Service Schedule made by Customer will be effective only when submitted in writing.

“Facility” means the facility to which PacifiCorp shall provide electric power and energy, which is located at 77 N.E. Martin Luther King Boulevard, Portland, Oregon, and consists of metered facilities for the expansion of the Oregon Convention Center.

“Facilities Charges” means the facilities charges permitted to be charged under Electric Schedule 300 as on file with and approved by the Commission, as it may be amended or superseded from time to time with the approval of the Commission. For the purposes of this Agreement, the monthly Facilities Charges are determined to be \$4,204.62.

“Firm Power and Energy” means electric power expressed in kW and associated energy expressed in kWh intended to have assured availability to Customer to meet all or any agreed-upon portion of Customer’s load requirements.

“Improvements” means the items to be constructed as described on Exhibit A attached hereto, the cost of which is estimated to be \$261,467.

“Open Access Effective Date” means the date on which, pursuant to the provisions of 1999 Oregon Laws Chapter 865, as amended, and as implemented by the Commission, industrial

customers such as Customer are first authorized to obtain electric power and energy from a supplier of electricity other than the electric utility in whose service territory such industrial customers are located.

“Point of Delivery” means the point of delivery for all Firm Power and Energy delivered to Customer, and shall be at PacifiCorp’s point of metering used for billing in Multnomah County, Oregon.

“Supply Service Schedule” means PacifiCorp's currently effective Cost-Based Supply Schedule 200, on file with and approved by the Commission, as it may be amended or superseded from time to time with the approval of the Commission.

ARTICLE II. TERM AND TERMINATION; EARLY TERMINATION CHARGE

Section 2.01 Term

This Agreement shall be effective upon execution by both parties, and shall remain in full force and effect for a period of five (5) years following the date of the completion of the Improvements and PacifiCorp’s initial delivery of electric power and energy to Customer in accordance with this Agreement. This Agreement shall automatically be renewed from year to year subject to the same terms and conditions, for a period not to exceed ten (10) additional years, unless either party submits written termination notice to the other party not less than thirty (30) nor more than sixty (60) days prior to expiration of the initial term or any renewal term; provided, however, Customer may not terminate this Agreement so long as it is receiving electric service from PacifiCorp. For the purposes of this Agreement, after the Open Access Effective Date, the five-year term and any renewals shall apply only to service taken under the Delivery Service Schedule and, to the extent mandated by applicable law and subject to the terms of the Electric Service Schedules and the Electric Service Regulations, Customer shall not be required to purchase electric power and energy under this Agreement after the Open Access Effective Date.

If Customer has not authorized construction and has not diligently pursued the completion of the Improvements, for any reason, within one (1) year after the effective date of this Agreement, PacifiCorp may elect to terminate its obligation to cause the Improvements to be constructed. In such event, Customer shall reimburse PacifiCorp for any reasonable costs and obligations PacifiCorp has incurred in connection with the Improvements. If Customer has paid for any portion of the Improvements, PacifiCorp shall refund the prepayment without interest or penalties, less any costs and obligations incurred by PacifiCorp, within thirty (30) days of termination.

Section 2.02 Early Termination Charges

In the event Customer terminates service under the Delivery Service Schedule, or defaults (resulting in termination of service) within the first five (5) years from the effective date of this Agreement, Customer shall pay at once upon such termination the product of the Contract Minimum Billing multiplied by the number of Billing Periods remaining in the initial five-year term, together with the termination charge specified in the next sentence of this Section 2.02 and

any other charges permitted or required by the applicable Electric Service Regulations or Electric Service Schedules. In addition to the amounts specified above, if Customer terminates service or defaults (resulting in termination of service) during the first ten (10) years of this Agreement, Customer shall pay a termination charge equal to the Allowance less 1/10th of the Allowance for each year service was taken.

Section 2.03 Extension of Agreement

Ninety (90) days prior to the expiration or termination of this Agreement, the parties may agree to meet to attempt to negotiate an extension of this Agreement under mutually satisfactory terms and conditions.

Section 2.04 Continuing Services

Notwithstanding the term and termination provisions in this Article II and so long as Customer is receiving electric power and energy at the Facility, nothing in this Agreement shall be construed to excuse Customer from Customer's obligations under the PacifiCorp tariff and the Commission's rules and regulations, to maintain service under the Delivery Service Schedule or such other applicable and available PacifiCorp delivery service schedule on file with and approved by the Commission and selected by or made applicable to the Customer pursuant to the Electric Service Regulations and the terms of the Electric Service Schedules.

ARTICLE III. PACIFICORP'S OBLIGATIONS REGARDING PACIFICORP FACILITIES

Section 3.01 Design, Construction, and Ownership

PacifiCorp shall design, construct, install, operate and maintain the Improvements for the Customer in accordance with PacifiCorp's reasonable standards. PacifiCorp will own the Improvements, together with PacifiCorp's existing electric facilities that serve or will serve Customer, and neither Customer nor any other person shall have the right to operate or maintain PacifiCorp's electric facilities or the Improvements.

Section 3.02 Allowance

PacifiCorp shall grant the Allowance as specified in Article I, based upon Customer's good faith estimate of the Facility's usage of electric power and energy.

Section 3.03 Completion of Improvements

PacifiCorp shall use commercially reasonable efforts to complete the Improvements by the Completion Date.

ARTICLE IV. CUSTOMER'S OBLIGATIONS REGARDING FACILITIES

Section 4.01 Costs in Excess of Allowance

Customer shall pay PacifiCorp, upon demand, for the costs of the Improvements in excess of the Allowance.

Section 4.02 Rights of Way

PacifiCorp shall select the right of way for all necessary lines with the cooperation of Customer. Customer shall prepare in a form satisfactory to PacifiCorp and shall tender to PacifiCorp all instruments, documents, and writings necessary or useful in routing and constructing the lines, including but not limited to all necessary rights-of-way, licenses and easements, or PacifiCorp may elect to procure such rights of way, licenses and easements. All such expenses shall be included in determining the cost of the Improvements.

Section 4.03 Site Preparation

If any site preparation is necessary, Customer shall prepare and clear any sites for the Improvements to PacifiCorp's reasonable satisfaction, including the provision of all conduits, pull ropes, transformer pads, and vaults, or PacifiCorp may elect to do so. All such expenses shall be included in determining the cost of the Improvements.

Section 4.04 Compliance with PacifiCorp Requirements

Customer shall comply with all of PacifiCorp's tariffs, procedures, specifications, and reasonable requirements.

Section 4.05 Access to PacifiCorp Facilities

Customer shall not have physical access to PacifiCorp's electric facilities or the Improvements and shall engage in no activities on or related to PacifiCorp's electric facilities or the Improvements.

ARTICLE V. WARRANTIES; LIMITATIONS OF LIABILITY

Section 5.01 PacifiCorp

PacifiCorp warrants that its work in constructing and maintaining the Improvements shall be consistent with prudent utility practices. **PACIFICORP DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND SIMILAR WARRANTIES.** PacifiCorp's liability for any action arising out of its activities relating to this Agreement, PacifiCorp's provision of electric service, the Improvements or PacifiCorp's electric facilities, shall be limited to repair or replacement of any non-operating or defective portion of the Improvements or PacifiCorp's electric facilities. Under no circumstances shall PacifiCorp be liable for economic losses, costs or damages, including but not limited to special, indirect, incidental, consequential, punitive, exemplary or consequential damages.

Section 5.02 Customer

Customer warrants that it has estimated, in good faith, the Facility's usage of electric power and energy which was used to calculate the Allowance and the Contract Minimum Billing.

ARTICLE VI. DELIVERY OF FIRM POWER AND ENERGY

Section 6.01 Scope of Deliveries

PacifiCorp shall deliver such amounts of Firm Power and Energy to the Point of Delivery as Customer requires to meet its load requirements up to, but not in excess of, Contract Demand, subject to the provisions of Article 9.

Section 6.02 Request for Additional Contract Demand

Upon PacifiCorp's receipt of Customer's written request for power and energy above the Contract Demand, PacifiCorp shall use commercially reasonable efforts to attempt to supply such additional power under terms and conditions acceptable to both parties. Within fifteen (15) days of the request PacifiCorp shall advise Customer in writing whether the additional power and energy is or can be made available and the terms on which it can be made available. If PacifiCorp and Customer agree in writing that PacifiCorp shall provide Customer with Firm Power and Energy in excess of the Contract Demand commitments, the amount of agreed deliveries shall become the new Contract Demand amending and superseding the Contract Demand specified in this Agreement.

Section 6.03 Commencement of Deliveries

PacifiCorp shall make initial deliveries as soon as practicable after the Completion Date.

Section 6.04 Delivery Voltage

PacifiCorp shall deliver Firm Power and Energy at the Point of Delivery in the form of three-phase, alternating current at a nominal frequency of 60 Hertz, and at a nominal voltage of 277/480 volts. For additional information on the delivery voltage, see the section "Voltage Level and Range" in the PacifiCorp Engineering Handbook.

Section 6.05 Resale of Power

Customer shall not resell any electric power and energy delivered under this Agreement to any other person or entity, except as expressly provided in PacifiCorp's General Rules and Regulations: Types of Service, Rule 2(j), or superceding regulations on file with and approved by the Commission.

ARTICLE VII. BILLING, PRICES AND PAYMENT FOR POWER AND ENERGY

Section 7.01 Billing

All billing statements for service under this Agreement shall show the amount due for the type and quantity of power and energy purchased or delivered and the associated charges in accordance with the applicable Electric Service Schedules and any charges permitted or required under the applicable Electric Service Regulations, the sum of which shall establish the total amount due from Customer for the Billing Period. Provided, if the sum of such charges would be less than the Contract Minimum Billing described below, the total amount due from Customer for the Billing Period under this Agreement will be the Contract Minimum Billing, subject to the conditions of Section 7.02.

Section 7.02 Contract Minimum Billing

Monthly bills for electric service shall be rendered and paid in accordance with the rates and terms of PacifiCorp's filed and approved Electric Service Schedules; provided, that in order to compensate PacifiCorp for its installation of the Improvements to serve Customer, so long as Customer is taking service under the Delivery Service Schedule, but in no event for a period of less than the first sixty (60) Billing Periods under this Agreement, each month, Customer shall pay not less than the Contract Minimum Billing, which shall be the greater of (1) charges for service during the Billing Period under the provisions of the applicable Electric Service Schedules, or (2) 80% of Customer's charges for service during the Billing Period, plus the Facilities Charges, even if the amount of electrical energy actually consumed would have resulted in a lesser charge under the applicable Electric Service Schedules.

Section 7.03 Payments

All bills shall be paid by the date specified on the bill, and late charges shall be imposed upon any delinquent amounts. Customer may make payments by check, EDI, or wire transfer to an account designated by PacifiCorp. The Customer account number must be included with each payment. If Customer disputes any portion of Customer's bill, Customer shall pay the total bill and shall designate the disputed portion. PacifiCorp shall decide the dispute within sixty (60) days after Customer's notice of dispute. Any refund PacifiCorp determines Customer is due shall bear interest at the rate then specified by the Commission or, if no rate is specified, the then effective prime rate as established by the Morgan Guaranty Trust Bank of New York.

Initially, the bank account for Customer's electronic payments to PacifiCorp shall be designated as follows:

WIRE TRANSFER PAYMENTS

Bank:	Bank One Chicago, IL.
ABA #:	071000013
To Credit:	<u>PacifiCorp</u>
Account #:	5547423
OBI Text:	_____

Section 7.04 Deposits

PacifiCorp may request deposits to the extent permitted under the Electric Service Regulations and the Electric Service Schedules. In the event of a default by Customer in any of its obligations under this Agreement, the applicable Electric Service Regulations, or the applicable Electric Service Schedules, PacifiCorp may exercise any or all of its rights and remedies under this Agreement, the Electric Service Regulations, or the Electric Service Schedules and under any applicable laws, rules and regulations with respect to any such deposits.

ARTICLE VIII. METERING

Section 8.01 Metering Equipment

PacifiCorp shall provide, maintain and test meters and metering equipment required for billing purposes. The parties shall specify the locations for PacifiCorp's installation of metering equipment in Customer's premises, and Customer shall allow PacifiCorp access to such locations without charge during reasonable business hours.

Section 8.02 Telecommunications Facilities

Upon PacifiCorp's request, Customer shall install a dedicated telephone line for meter reading purposes without charge to PacifiCorp. Customer shall pay all charges related to line operation.

Section 8.03 Secondary Metering

If the Point of Delivery is on the primary side of Customer's transformers, PacifiCorp may elect to install its meter on the secondary side of the transformers, whereupon transformer and other losses occurring between the Point of Delivery and the meter shall be computed and added to the meter readings to determine the demand and energy consumption.

Section 8.04 Transformer Loss Curves

If Customer takes service at primary voltage and if secondary metering is used, Customer shall, prior to commencement of service, provide PacifiCorp with transformer loss curves and test data to allow PacifiCorp to calculate transformer losses for billing purposes.

ARTICLE IX. OPERATIONAL CONSTRAINTS

Section 9.01 Notification

Customer shall notify PacifiCorp prior to increasing its consumption of electric power and energy in a manner that would exceed the normal operating limits of the Improvements or PacifiCorp's Electric System and Customer shall provide sufficient time for PacifiCorp to accommodate such loads. Customer shall also notify PacifiCorp prior to any significant change in load characteristics or installation of devices (such as power factor correction capacitors, dynamic brakes, adjustable speed drives, etc.) that could impact the operation of PacifiCorp's electric system or Customer's interaction with PacifiCorp's electric system.

Section 9.02 Normal Operating Limits

The PacifiCorp Engineering Handbook Power Quality Section provides detailed information, guidelines, and requirements pertaining to operational constraints and power quality. Additionally, Customer shall comply with PacifiCorp's Oregon Electric Service Requirements. Customer accepts PacifiCorp's normal operating limits as given in the applicable PacifiCorp Engineering Handbook section, including without limitation the sections entitled "Voltage Level and Range," "Planning Standards for Voltage Level," "System Reliability Criteria," and "Customer Service Reliability Guidelines." All measurements of currents and voltages under this Article IX shall be taken at the Point of Delivery.

Section 9.03 Reactive Requirements

Customer shall pay a Reactive Power Charge for excessive reactive power flows in accordance with the Electric Service Schedules. Customer shall control and limit the flow of reactive power between PacifiCorp's system and Customer's system so as to maintain an average Power Factor of not less than 93% lagging at all times, measured as the ratio of real power in kilowatts to apparent power in kilovolt-amperes over any fifteen-minute period of time.

Section 9.04 Voltage Drops

In order to receive electric service from PacifiCorp, Customer shall continuously comply with PacifiCorp's flicker guidelines and with the operating criteria set forth in the PacifiCorp Engineering Handbook. If operation outside of these limits is desired, Customer must contact PacifiCorp for engineering studies to be done prior to changing operations.

Section 9.05 Harmonic Distortion

Customer shall operate the Facility in such a manner so that harmonic distortion and notching falls within PacifiCorp's adopted guidelines and standards as described in the PacifiCorp Engineering Handbook, Harmonic Distortion Section. .

Section 9.06 Voltage Imbalance

Customer shall operate the Facility in such a manner so that the PacifiCorp system voltage balance falls within PacifiCorp adopted guidelines and standards as described in the PacifiCorp Engineering Handbook, Power Quality Section.

Section 9.07 Voltage Transients

Customer shall operate the Facility in such a manner so that the PacifiCorp system does not experience transient magnification issues, such as those outlined in PacifiCorp's adopted guidelines and standards as described in the PacifiCorp Engineering Handbook, Power Quality Section.

Section 9.08 Remediation

In the event that the Customer's operations fall outside of the technical requirements of this Agreement, or the Commission's requirements, or adversely affects the operations of PacifiCorp's transmission or distribution system, or other PacifiCorp customers, PacifiCorp shall give written notice of the corrective actions required, and Customer shall have the opportunity for a period of fourteen (14) days to discuss PacifiCorp's requirements. After such fourteen-day period, PacifiCorp shall give Customer its final determination of PacifiCorp's required corrective action. Although PacifiCorp will discuss the corrective action with Customer, final determination of the corrective action required shall be made by PacifiCorp, based on compliance with PacifiCorp's Engineering Handbook guidelines and standards.

Should Customer fail to begin to take corrective action required by PacifiCorp within thirty (30) days after written notice from PacifiCorp or fail to pursue completion of such corrective action with diligence, PacifiCorp may perform such services or supply and install such equipment as it deems necessary to provide corrective action, whereupon Customer shall compensate PacifiCorp

for all sums expended, all materials utilized, and all services contracted or performed, by paying a sum equal to 110% of all costs, expenses, material, and labor charges incurred by PacifiCorp, including PacifiCorp's internal material and labor charges and standard overhead costs. Customer shall pay such sums within fifteen (15) days after PacifiCorp has mailed an itemized statement of its charges therefore. If Customer desires to operate outside of these limits, Customer shall pay for studies done by PacifiCorp to determine the impact on other PacifiCorp Customers and whether the proposed operation is acceptable to PacifiCorp.

Provided, should PacifiCorp at any time reasonably determine that Customer's operations pose a threat to the safety of PacifiCorp's employees or the public, pose an imminent threat to the integrity of PacifiCorp's electric system, or may materially interfere with the performance of PacifiCorp's service obligations, PacifiCorp may perform such work and/or take such action that it deems necessary, including disconnection, without first giving notice to Customer and without subjecting itself to any liability. As soon as practicable thereafter, PacifiCorp will advise Customer in writing of the work performed or the action taken and will endeavor to arrange for the accommodation of Customer's operations, subject to the terms of this Agreement, the Electric Services Regulations, the guidelines and standards contained in the PacifiCorp Engineering Handbook, PacifiCorp's Oregon Electric Service Requirements, and all other applicable rules or regulations. Customer shall be responsible for paying PacifiCorp, upon demand, for all costs incurred by PacifiCorp for all work, action, and accommodation performed by PacifiCorp under this paragraph.

ARTICLE X. INTEGRATION; AMENDMENT

This Agreement contains the entire agreement of the parties with respect to the subject matter, and replaces and supercedes in the entirety all prior agreements between the parties related to the same subject matter. Except pursuant to Sections 11 and 14.2 below, this Agreement may be modified only by a subsequent written amendment or agreement executed by both parties.

ARTICLE XI. JURISDICTION OF REGULATORY AUTHORITIES

PacifiCorp's currently applicable, effective Electric Service Schedules, and Electric Service Regulations are attached hereto, incorporated herein and by reference made a part hereof. Customer acknowledges that it is familiar with the Electric Service Schedules and Electric Service Regulations; both Parties agree to abide by them and all amendments and changes thereto so approved by the Commission. In the event that the Commission or any other state, federal, or municipal authority determines that any provision of this Agreement conflicts with or is in violation of the Electric Service Schedules or the Electric Service Regulations, amends or supersedes the Electric Service Schedules or the Electric Service Regulations, or issues any rules, regulations, or orders which require PacifiCorp to alter or amend any of the provisions of this Agreement or to terminate or curtail the delivery of Firm Power and Energy to Customer, this Agreement automatically shall be amended to comply with such determination, amendment, rule, regulation or order, and neither Party shall be liable to the other Party for damages or losses of

any kind whatsoever which the other Party may sustain as a result of such determination, amendment, rule, regulation, or order, including consequential damages.

ARTICLE XII. FORCE MAJEURE

Neither Party shall be subject to any liability or damages for inability to provide or receive service to the extent that such failure shall be due to causes beyond the control of either PacifiCorp or Customer, including, but not limited to the following: (a) the operation and effect of any rules, regulations and orders promulgated by any Commission, municipality, or governmental agency of the United States, or subdivision thereof (so long as the Claiming party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such government action); (b) restraining order, injunction or similar decree of any court; (c) war; (d) flood; (e) earthquake; (f) act of God; (g) civil disturbance; or (h) strikes or boycotts. Should any of the foregoing occur, the minimum billings and early termination charges that would otherwise be applicable under this Agreement shall be waived for the duration of the occurrence and Customer shall have no liability for service until Customer is able to resume service. Provided, the party claiming Force Majeure shall make every reasonable attempt to remedy the cause thereof as diligently and expeditiously as possible. Time periods for performance obligations of parties herein shall be extended for the period during which Force Majeure was in effect. In the event that a Force Majeure event occurs, and Customer does not resume service at pre-event levels within six (6) months of the beginning of the event, the Agreement will be treated as terminated by Customer pursuant to Section 2.02 above.

ARTICLE XIII. ASSIGNMENT

The obligations under this Agreement are obligations at all times of Customer. Customer's rights and obligations under this Agreement may not be assigned without PacifiCorp's consent except in connection with a sale, assignment, lease or transfer of Customer's interest in its Customer Facility, or real or personal property related thereto subject to (1) such successor's qualification as a customer under PacifiCorp's policies and the Electric Service Regulations, the Electric Service Schedules, and (2) the written agreement of such successor to be bound by this Agreement, the Electric Service Regulations, the Electric Service Schedules and assume the obligation of Customer from the date of assignment. PacifiCorp may condition this assignment by the posting of a deposit as permitted under the Electric Service Regulations and the Electric Service Schedules. If PacifiCorp consents to any such sale, assignment, lease or transfer, Customer shall remain liable for any liabilities and obligation under this Agreement, the Electric Service Regulations and the Electric Service Schedules through the date of assignment.

ARTICLE XIV. INFORMATION

Section 14.01 Furnishing Information

PacifiCorp shall obtain Customer's publicly available year-end financial statements from Metro, which Customer shall certify to be true and correct and in accordance with GAAP. Customer

shall submit such additional information as PacifiCorp may reasonably request from time to time in furtherance of the purposes of this Agreement.

Section 14.02 Accuracy of Information

Customer represents that all information it has furnished or will furnish to PacifiCorp, for purposes of establishing Customer's credit standing under the terms of this Agreement, will be accurate and complete in all material respects. Customer also represents that Customer has not omitted and will not knowingly omit any fact in connection with the information subject to this Section 14.02, which materially and adversely affects the business, operations, property or condition of the Facility or the obligations of PacifiCorp under this Agreement. Should PacifiCorp base its willingness to enter into any portion of this Agreement or any decision with respect to credit, deposits or any other material matter, on inaccurate information furnished by Customer, PacifiCorp shall have the right to revoke its decision with respect to such matter and modify this Agreement and/or its decision, to reflect the determination which PacifiCorp would have made had PacifiCorp received accurate information.

ARTICLE XV. NOTICE

Any notice required to be given hereunder shall be deemed to have been given when it is sent, with postage prepaid, by registered or certified mail, return receipt requested, to the parties hereto at their respective addresses on the signature page hereto.

ARTICLE XVI. REMEDIES; WAIVER

Either Party may exercise any or all of its rights and remedies under this Agreement, the applicable Electric Service Regulations and under any applicable laws, rules and regulations. PacifiCorp's liability for any action arising out of its activities relating to this Agreement or PacifiCorp's electric utility service shall be limited to the cost of installation, repair, or replacement of the Improvements or any non-operating or defective portion of PacifiCorp's electric utility facilities. Under no circumstances shall PacifiCorp be liable for any economic losses, costs or damages, including but not limited to special, indirect, incidental, consequential, punitive, or exemplary damages. No provision of this Agreement or the Electric Service Regulations shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. No failure by any Party to insist upon the strict performance of any provision of this Agreement, the Electric Service Regulations or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of such provision or of any other provision. No waiver of any provision of this Agreement or the Electric Service Regulations shall be deemed a waiver of any other provision of this Agreement, the Electric Service Regulations or a waiver of such provision with respect to any subsequent breach, unless expressly provided in writing.

ARTICLE XVII. ATTORNEY'S FEES

In any suit or action, arising out of or related to this Agreement, the Electric Service Regulations, or the applicable Electric Service Schedules, involving a claim, counterclaim or cross-claim made by either Party against the other Party, the substantially prevailing Party shall be entitled to recover the costs and fees (including, without limitation, reasonable attorneys' fees, the fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other costs of discovery) incurred by such substantially prevailing Party in such suit or action, including, without limitation, any post-trial or appellate proceeding, or in the collection or enforcement of any judgment or award entered or made in such suit or action.

ARTICLE XVIII. SET-OFF

If either Party should default under any of its obligations under this Agreement, the non-defaulting Party shall be entitled, at its option and in its discretion without notice to the defaulting Party, to (a) set-off amounts due and owing to the non-defaulting Party by the defaulting Party under this Agreement, against any amounts due and owing by the non-defaulting Party or any of its affiliates, to the defaulting Party or any of its affiliates, under any agreements, instruments or undertakings between the non-defaulting Party or any of its affiliates, and the defaulting Party or any of its affiliates and/or (b) withhold payment of any amount due the defaulting Party or its affiliates, by the non-defaulting Party or its affiliates--such amount to be determined by the non-defaulting Party, in the non-defaulting Party's reasonable discretion, as sufficient to cover the defaulting Party's unliquidated obligations, once liquidated, to the extent that the defaulting Party's obligations under this Agreement are not yet liquidated. The remedy provided for in this Article XVIII shall be (a) without prejudice to and in addition to any right of set-off, combination of accounts, lien or other right to which the non-defaulting Party is at any time otherwise entitled (whether by operation of law, contract or otherwise) and (b) exercisable against any trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of setoff shall not have been exercised by the non-defaulting Party prior to such default.

ARTICLE XIX. GOVERNING LAW; JURISDICTION; VENUE

All provisions of this Agreement and the rights and obligations of the parties hereto shall in all cases be governed by and construed in accordance with the laws of the State of Oregon applicable to contracts executed in and to be wholly performed in Oregon by persons domiciled in the State of Oregon. Each party hereto agrees that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Electric Service Schedules, the Electric Service Regulations or the transactions contemplated hereby or thereby, may only be brought before the Commission, the Federal courts located within the State of Oregon, or state courts of the State of Oregon, and each party hereby consents to the exclusive jurisdiction of such forums (and of the appellate courts therefrom) in any such suit, action or proceeding. Furthermore, each party hereto waives, to the extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or

proceeding in any such forum or that any such suit, action or proceeding which is brought in any such forum has been brought in any inconvenient forum. If for any reason, service of process cannot be found in the state of Oregon, process in any such suit, action or proceeding may be served on a party anywhere in the world, whether within or without the jurisdiction of any such forum.

ARTICLE XX. WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ELECTRIC SERVICE SCHEDULES, THE ELECTRIC SERVICE REGULATIONS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

ARTICLE XXI. HEADINGS

The descriptive headings contained in this Agreement are included for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by persons duly authorized as of the date first above written.

PACIFICORP

CUSTOMER

By: _____

By: _____

Name: George Schreck

Name: Mark B. Williams

Title: Director of Commercial and Legal Activities

Title: General Manager

Address:

Address:

825 N.E. Multnomah _____

77 N.E. Martin Luther King Boulevard

Suite 1700 _____

Portland, Oregon 97208 _____

Portland, OR 97232 _____

EXHIBIT A

Improvements

PURPOSE AND NECESSITY:

To provide primary metered facilities for the expansion of the Oregon Convention Center.

DESCRIPTION OF IMPROVEMENT:

Customer will fund the cost of the Improvement

DESCRIPTION OF ASSET:

Install 3,085ft UG primary cable - Holiday #6

Install 1,575ft UG primary cable - Holiday #4

Install 6 T-OP, 25KV, 600 AMP Elbow terminations at two switch positions and 6 HS terminations.

Set primary metering with CT's, PT's and meter

Install 2 station type transformer in Customer owned vault including the primary cable from the switchgear to the transformers (2-3/c#4/DALJCT), and the service cable from the transformers to the collector bus (9-3/c#1000AXLP-9/1/c#750AXLP NEUT), per transformer.

COMPANY FUNDED

Customer Allowance	\$245,280
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CUSTOMER FUNDED

Excess of Allowance	<u>\$16,187</u>
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Total Project Cost:	\$261,467
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