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United States
Department of Energy

WESTERN AREA
POWER ADMINISTRATION
Boulder City Area

CONTRACT

CONTRACT NO. DE-MS65-86WP39574

BETWEEN

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
Boulder Canyon Project

AND

ARIZONA POWER AUTHORITY

FOR

ELECTRIC SERVICE

HOOVER ENERGY DEFINITIONS

The Western-Authority Contract for Electric Service contains the following definitions:

"Firming Energy": Supplemental energy purchased by Western at the request of a Contractor to meet any deficiency in Firm Energy under Section 105(a)(2) of the Hoover Power Plant Act.

"Firm Energy": Energy obligated from Hoover Powerplant pursuant to Section 105(a)(1)(A) or Section 105(a)(1)(B), or both, of the Hoover Power Plant Act (Hoover A Energy and Hoover B Energy).

"Excess Energy": Energy in excess of 4,501,001,000 kWh in any Year of Operation obligated from the Hoover Powerplant pursuant to Section 105(a)(1)(C) of the Hoover Power Plant Act (Hoover C Energy).

The Authority-District contracts contain the following definitions concerning energy:

"Hoover Energy": Shall mean Hoover A Energy and Hoover B Energy. (A District's Hoover Energy entitlement will be set forth in an Exhibit C.)

"Hoover A Energy": Shall mean the Energy portion of Hoover A Power.

"Hoover A Power": Shall mean the Capacity and associated Energy offered to the Authority pursuant to Section 105(a)(1)(A) of the 1984 Hoover Act and purchased by the Authority pursuant to the Boulder Canyon Project Agreement.

"Hoover B Energy": Shall mean the Energy portion of Hoover B Power.

"Hoover B Power": Shall mean the Capacity and associated Energy offered to the Authority pursuant to Section 105(a)(1)(B) of the 1984 Hoover Act and purchased by the Authority pursuant to the Boulder Canyon Project Agreement.

Hoover A Energy and Hoover B Energy as defined in the Authority-District contracts do not include Firming Energy, inasmuch as Firming Energy is available pursuant to a different Section in the Hoover Power Plant Act from the Sections which define Hoover A Energy and Hoover B Energy.

The Authority does not offer Firming Energy as defined in the Western-Authority Contract. However, in accordance with Section 6(b) of the Authority-District Contract, "the Authority will offer, pursuant to a written agreement or agreements between the Contractor and the Authority to firm Contractor's entitlement" If such firming energy is obtained from the Authority, and the Authority obtains such energy as Firming Energy from Western, it will be necessary for the District to schedule such firming energy for a 12-month period June 1 through May 31 (in accordance with paragraph 5.5.3 of the Western-Authority Contract).

If firming energy is purchased from the Authority in addition to the Firming Energy obtained by the Authority from Western, it is not clear if a District would be required to schedule such "additional energy" for a 12-month period; this would presumably depend upon the separate agreement between a District and the Authority for firming energy.

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FOR

ELECTRIC SERVICE

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1. PREAMBLE: This CONTRACT, effective as of the first day of January, 1987, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), the Act of Congress approved December 21, 1928 (45 Stat. 1057), the Act of Congress approved July 19, 1940 (54 Stat. 774), the Act of Congress approved April 11, 1956 (70 Stat. 105), the Act of Congress approved September 30, 1968 (82 Stat. 885), the Act of Congress approved August 4, 1977 (91 Stat. 565), the Act of Congress approved August 17, 1984 (98 Stat. 1333), and acts amendatory or supplementary to the foregoing acts, between THE UNITED STATES OF AMERICA, hereinafter called the "United States," acting by and through the Administrator, Western Area Power Administration, hereinafter called "Western," an agency of the Department of Energy, represented by the officer executing this Contract, a duly appointed successor, or a duly authorized representative, hereinafter called the "Contracting Officer," with the concurrence of the Secretary of the Interior, insofar as his responsibilities and authority under the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774), and the Hoover Power Plant Act of

1 : 1984 (98 Stat. 1333) are involved in section 17, subsections 11.3 and
2 : 11.4, paragraphs 5.1.1 and 5.2.6, and subparagraphs 5.1.1.1, 5.1.1.2,
3 : 5.2.4.1, 6.2.3.1, 6.2.3.2, 6.2.3.3, and 6.2.3.4 of the Contract, acting
4 : through the Bureau of Reclamation, and the ARIZONA POWER AUTHORITY, a
5 : body corporate and politic, acting for the State of Arizona, hereinafter
6 : called the "Contractor," its successors and assigns; Western and the
7 : Contractor being sometimes hereinafter individually called "Party," and
8 : both sometimes hereinafter collectively called "Parties";

9 : WITNESSETH:

10 : 2. EXPLANATORY RECITALS:

11 : 2.1 WHEREAS, the United States is furnishing Boulder Canyon
12 : Project electric service to the Contractor under the terms of Contract
13 : No. I1r-1455, dated November 23, 1945, which will terminate at midnight,
14 : May 31, 1987, under its own terms; and

15 : 2.2 WHEREAS, the provisions of the General Regulations for Lease
16 : of Power of April 25, 1930, and the General Regulations for Generation
17 : and Sale of Power in Accordance with the Boulder Canyon Project
18 : Adjustment Act, approved and promulgated on May 20, 1941, hereinafter
19 : called the "1941 Regulations," are terminated by the General Regulations
20 : for the Charges for the Sale of Power From the Boulder Canyon Project,
21 : hereinafter called the "1986 Regulations," promulgated by the
22 : Administrator (51 Fed. Reg. 43124 et seq., November 28, 1986), and the
23 : General Regulations for Power Generation, Operation, Maintenance, and
24 : Replacement at the Boulder Canyon Project, Arizona/Nevada, hereinafter
25 : called the "1986 Reclamation Regulations," promulgated by the Deputy
26 : Assistant Secretary - Water and Science of the Department of the Interior

on June 3, 1986 (51 Fed. Reg. 23960 et seq., July 1, 1986); and

2.3 WHEREAS, the Administrator has promulgated General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (48 Fed. Reg. 20881 et seq., May 9, 1983) and, in accordance with the Hoover Power Plant Act, has published Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (49 Fed. Reg. 50584 et seq., December 28, 1984; Corrections, 50 Fed. Reg. 7823, February 26, 1985) which along with the 1986 Regulations, serve as the regulations for contract renewal and for the sale of Power from the Boulder Canyon Project; and

2.4 WHEREAS, the Hoover Power Plant Act provides that Schedule A long-term Contingent Capacity and Firm Energy shall be offered to the Contractor in a renewal Contract, and Western herein offers such Schedule A Contingent Capacity and Firm Energy, and this Contract evidences the offer and the acceptance of such offer; and

2.5 WHEREAS, the Hoover Power Plant Act provides that Schedule B Contingent Capacity and Firm Energy and Schedule C Excess Energy shall be offered to the Contractor, and Western herein offers such Schedule B Contingent Capacity and Firm Energy, and also offers such Schedule C Excess Energy, and this Contract evidences such offers and the acceptance of such offers; and

2.6 WHEREAS, the Contractor has executed a Release of Claims and a Voluntary Stipulation of Dismissal with Prejudice consistently with the Hoover Power Plant Act which are attached hereto as Attachments 3 and 4, respectively;

NOW, THEREFORE, in consideration of the mutual covenants set forth

herein, the Parties agree as follows:

3. CHARACTER AND TERM OF CONTRACT:

3.1 This Contract constitutes the renewal of the contract between the United States and the Contractor for the sale of electrical energy from the Boulder Canyon Project (Contract No. I1r-1455 dated November 23, 1945), and fulfills the obligations provided in section 105(a)(1) of the Hoover Power Plant Act, section 5(b) of the Boulder Canyon Project Act, and Article 17 of Contract No. I1r-1455.

3.2 This Contract shall become effective on the date first written above and, subject to prior termination as otherwise provided in this Contract, shall remain in effect until midnight, September 30, 2017, without prejudice to any rights to extension hereof which the Contractor may have under the Boulder Canyon Project Act, as amended and supplemented, provided that the Contractor is not in default hereunder on September 30, 2017.

3.3 The date of initial service hereunder for Schedule A and Schedule B Contract Capacity, Firm Energy, and Excess Energy service is June 1, 1987, immediately after midnight of May 31.

4. DEFINITIONS: The following terms, when used herein, shall have the meanings specified:

4.1 Administrator: The Administrator of the Western Area Power Administration.

4.2 Arizona: The State of Arizona, represented, for purposes of this Contract, by the Arizona Power Authority.

4.3 Authorized Representative: A representative of a Party designated in accordance with section 13 hereof.

1 : 4.4 Billing Period: The service period beginning on the first day
2 : and extending through the last day of any calendar month.

3 : 4.5 Boulder Canyon Project: All works authorized by the Boulder
4 : Canyon Project Act, the Hoover Power Plant Act, and any future additions
5 : authorized by Congress, to be constructed and owned by the United States,
6 : but exclusive of the main canal and appurtenances authorized by the
7 : Boulder Canyon Project Act, known as the All-American Canal.

8 : 4.6 Boulder Canyon Project Act: The Act of Congress approved
9 : December 21, 1928 (45 Stat. 1057), as amended and supplemented.

10 : 4.7 Boulder Canyon Project Adjustment Act: The Act of Congress
11 : approved July 19, 1940 (54 Stat. 774), as amended and supplemented.

12 : 4.8 Boulder City Area Projects: The Boulder Canyon Project, the
13 : Parker-Davis Project, and the United States entitlement in the Navajo
14 : Generating Station (a feature of the Central Arizona Project).

15 : 4.9 Colorado River Dam Fund: The special fund in the United
16 : States Treasury established by section 2(a) of the Boulder Canyon Project
17 : Act and available for carrying out the provisions of said Act, the
18 : Boulder Canyon Project Adjustment Act, and the Hoover Power Plant Act.

19 : 4.10 Conformed Criteria: The Conformed General Consolidated Power
20 : Marketing Criteria or Regulations for Boulder City Area Projects,
21 : published in the FEDERAL REGISTER on December 28, 1984 (49 Fed. Reg.
22 : 50584 et seq.); as modified by the Conformed General Consolidated Power
23 : Marketing Criteria or Regulations for Boulder City Area Projects;
24 : Corrections, published in the FEDERAL REGISTER on February 26, 1985
25 : (50 Fed. Reg. 7823, February 26, 1985).

26 : 4.11 Conservation and Renewable Energy Program: The program

1 : described in subsection 9.1.

2 : 4.12 Contingent Capacity: The aggregate of Schedule A Contingent
3 : Capacity and Schedule B Contingent Capacity.

4 : 4.13 Contract Capacity: The amount of capacity to which the
5 : Contractor is entitled pursuant to paragraphs 5.2.3 and 5.2.5.

6 : 4.14 Contractors: The entities entering into contracts with
7 : Western for electric service pursuant to the Hoover Power Plant Act.

8 : 4.15 Credit Amount: As defined in paragraph 6.5.8.

9 : 4.16 Credit Carryforward: As defined in paragraph 6.5.9.

10 : 4.17 Credit Difference: The amount of any difference between
11 : (i) the amounts accrued for payment with respect to Indebtedness and
12 : Periodic Interest Costs during a Fiscal Year and (ii) the amounts
13 : included in the last Credit Schedule with respect to such Fiscal Year.

14 : 4.18 Credit Schedule: As defined in paragraph 6.5.5.

15 : 4.19 Day: A calendar day.

16 : 4.20 Excess Capacity: The amount of capacity to which the
17 : Contractors are entitled pursuant to paragraph 5.2.2.

18 : 4.21 Excess Energy: Energy in excess of 4,501.001 million
19 : kilowatthours in any Year of Operation obligated from the Hoover
20 : Powerplant pursuant to section 105(a)(1)(C) of the Hoover Power Plant
21 : Act.

22 : 4.22 Federal Projects on the Colorado River: The Boulder Canyon
23 : Project, the Parker-Davis Project, and the Glen Canyon, Flaming Gorge,
24 : and Wayne Aspinall units of the Colorado River Storage Project.

25 : 4.23 Firm Energy: Energy obligated from Hoover Powerplant pursuant
26 :

: 1 : to section 105(a)(1)(A) or section 105(a)(1)(B), or both, of the Hoover
: 2 : Power Plant Act.

: 3 : 4.24 Firming Energy: Supplemental energy purchased by Western at
: 4 : the request of a Contractor to meet any deficiency in Firm Energy under
: 5 : section 105(a)(2) of the Hoover Power Plant Act.

: 6 : 4.25 Fiscal Year: The twelve (12)-month period so designated by
: 7 : Federal law. Until changed by Federal law, Fiscal Year means the period
: 8 : commencing October 1 of each year, immediately after midnight of
: 9 : September 30, and ending at midnight of September 30 of the following
: 10 : year; Provided, the first Fiscal Year under subsection 6.5 shall be the
: 11 : four (4)-month period commencing June 1, 1987, immediately following
: 12 : midnight on May 31, 1987, and ending at midnight on September 30, 1987.

: 13 : 4.26 Hoover Powerplant: The powerplant at Hoover Dam, consisting
: 14 : of seventeen (17) main generating units and appurtenant facilities.

: 15 : 4.27 Hoover Power Plant Act: The Act of Congress approved
: 16 : August 17, 1984 (98 Stat. 1333).

: 17 : 4.28 Interim Contract: The Interim Contract Relating to the
: 18 : Uprating Program at Hoover Powerplant dated March 11, 1986 (Contract
: 19 : No. 6-07-30-P1009) entered into by the Schedule B Contractors and the
: 20 : United States.

: 21 : 4.29 Loaded Synchronized Generation: The quantity of Synchronized
: 22 : Generation that is supplying energy.

: 23 : 4.30 Master Schedule: The schedule, described in subsection 5.5
: 24 : prepared by Western each year and furnished to the Contractors setting
: 25 : forth Western's estimate of Power available by months from the Boulder
: 26 : Canyon Project for the twelve (12)-month period beginning on June 1 of

: 1 : any year and extending through May 31 of the next year for each of the
: 2 : Contractors.

: 3 : 4.31 NERC Holidays: Holidays recognized by the North American
: 4 : Electric Reliability Council which are listed in Exhibit B.

: 5 : 4.32 Nevada: The State of Nevada, represented, for purposes of
: 6 : this Contract, by the Colorado River Commission of Nevada.

: 7 : 4.33 Normal Business Day: As defined in Exhibit B.

: 8 : 4.34 Off-Peak Hours: As defined in Exhibit B.

: 9 : 4.35 On-Peak Hours: As defined in Exhibit B.

: 10 : 4.36 Output Capability: The capacity available from Hoover
: 11 : Powerplant at the Boulder Canyon Project point(s) of delivery at any
: 12 : given time with all units and equipment in service.

: 13 : 4.37 Power: Contract Capacity, Firm Energy, and Excess Energy.

: 14 : 4.38 Rated Capacity: The capacity of the Hoover Powerplant at the
: 15 : Boulder Canyon Project point(s) of delivery at a net effective head of
: 16 : 498 feet with all units and equipment in service.

: 17 : 4.39 Reclamation: Department of the Interior, Bureau of
: 18 : Reclamation.

: 19 : 4.40 Reclamation Contract: Each Reclamation contract (other than
: 20 : the Interim Contract) for the advance of funds for the Upgrading Program
: 21 : at Hoover Powerplant between Reclamation and a Schedule B Contractor.

: 22 : 4.41 Schedule A Contingent Capacity: The capacity shown in the
: 23 : schedule appearing in section 105(a)(1)(A) of the Hoover Power Plant Act
: 24 : as shown in Table 1 in paragraph 5.2.3.

: 25 : 4.42 Schedule A Contract Capacity: The quantity of capacity
: 26 : calculated in accordance with paragraphs 5.2.3 and 5.2.5.

1 : 4.43 Schedule A Contractor: An entity listed in Table 1 in
2 : paragraph 5.2.3 that enters into a contract with Western pursuant to
3 : section 105(a)(1)(A) of the Hoover Power Plant Act.

4 : 4.44 Schedule B Contingent Capacity: The capacity shown in the
5 : schedule appearing in section 105(a)(1)(B) of the Hoover Power Plant Act
6 : supplemented as to users in California by the allocation appearing in
7 : 50 Fed. Reg. 47830, et seq., as shown in Table 2 in paragraph 5.2.3.

8 : 4.45 Schedule B Contract Capacity: The quantity of capacity
9 : calculated in accordance with paragraphs 5.2.3 and 5.2.5.

10 : 4.46 Schedule B Contractor: An entity listed in Table 2 in
11 : paragraph 5.2.3 that enters into a contract with Western pursuant to
12 : section 105(a)(1)(B) of the Hoover Power Plant Act and enters into a
13 : Reclamation Contract.

14 : 4.47 Schedule C: The schedule so captioned appearing in
15 : section 105(a)(1)(C) of the Hoover Power Plant Act, reproduced in
16 : paragraph 5.3.4 and supplemented as to users in California by the 1986
17 : Regulations, as shown in paragraph 5.3.5.

18 : 4.48 Scheduling Entity: Western or an entity designated by the
19 : Contractor which is interconnected with Western at a Boulder Canyon
20 : Project point of delivery.

21 : 4.49 Summer Season: The seven (7)-month period beginning on the
22 : first (1st) day of the March Billing Period of any year, extending
23 : through the last day of the September Billing Period of that year.

24 : 4.50 Synchronized Generation: Contract Capacity available from any
25 : of the generating units synchronized to Western's power system.

26 : 4.51 Transition Period: The period commencing June 1, 1987,

: 1 : immediately after midnight of May 31, and ending at midnight,
: 2 : September 30, 1987.

: 3 : 4.52 Uncontrollable Forces: As defined in Article 28 of the
: 4 : General Power Contract Provisions.

: 5 : 4.53 Unloaded Synchronized Generation: The difference between
: 6 : scheduled Synchronized Generation and Loaded Synchronized Generation.

: 7 : 4.54 Up-rating Period: The time period necessary for completion of
: 8 : the Up-rating Program.

: 9 : 4.55 Up-rating Program: The program authorized by section 101(a) of
: 10 : the Hoover Power Plant Act for increasing the capacity of existing
: 11 : generating equipment and appurtenances at the Hoover Powerplant,
: 12 : including replacements, identified and described in the report of
: 13 : Reclamation entitled, "Hoover Powerplant Up-rating, Special Report,"
: 14 : issued in May 1980, as supplemented by the report entitled, "January 1985
: 15 : Supplement (Revised September 1985) to Hoover Powerplant Up-rating,
: 16 : Special Report-May 1980."

: 17 : 4.56 Western Capacity: The capacity to which Western is entitled
: 18 : pursuant to paragraph 5.2.1.

: 19 : 4.57 Winter Season: The five (5)-month period beginning on the
: 20 : first (1st) day of the October Billing Period of any year and extending
: 21 : through the last day of the February Billing Period in the next year.

: 22 : 4.58 WSCC: The Western Systems Coordinating Council, an
: 23 : affiliation of electric utility systems established to promote reliable
: 24 : operation of interconnected bulk power systems through the coordination
: 25 : of planning and operation of generating and interconnected transmission
: 26 : facilities.

: 1 : 4.59 Year of Operation or Operating Year: The Fiscal Year as
: 2 : defined in subsection 4.25.

: 3 : 5. ELECTRIC SERVICE TO BE FURNISHED:

: 4 : 5.1 Power Generation and Delivery Responsibilities:

: 5 : 5.1.1 Responsibilities of Reclamation: Power generation,
: 6 : and the associated operation, maintenance, and making of replacements,
: 7 : however necessitated, of facilities and equipment at the Hoover
: 8 : Powerplant, are the responsibilities of Reclamation.

: 9 : 5.1.1.1 Subject to the statutory requirement that
: 10 : Hoover Dam and Lake Mead shall be used: first, for river regulation,
: 11 : improvement of navigation and flood control; second, for irrigation and
: 12 : domestic uses and satisfaction of present perfected rights mentioned in
: 13 : section 6 of the Boulder Canyon Project Act; and third, for power,
: 14 : Reclamation shall release water, make available generating capacity, and
: 15 : generate energy, in such quantities, and at such times, as are necessary
: 16 : for the delivery of the capacity and energy to which Contractors are
: 17 : entitled.

: 18 : 5.1.1.2 Reclamation reserves the right to
: 19 : reschedule, temporarily discontinue, reduce, or increase the delivery of
: 20 : water for the generation of electrical energy at any time for the purpose
: 21 : of maintenance, repairs, or replacements, and for investigations and
: 22 : inspections necessary thereto, or to allow for changing reservoir and
: 23 : river conditions, or for changes in kilowatthours generation per acre-
: 24 : foot, or by reason of compliance with the statutory requirement referred
: 25 : to in subparagraph 5.1.1.1; Provided, however, That Reclamation shall,
: 26 : except in case of emergency, give Western reasonable notice in advance of

: 1 : any change in delivery of water and Western shall promptly forward such
: 2 : notice to the Contractors, and that Reclamation shall make such
: 3 : inspections and perform such maintenance and repair work at such times
: 4 : and in such manner as to cause the least inconvenience possible to the
: 5 : Contractors and that Reclamation shall prosecute such work with diligence
: 6 : and, without unnecessary delay, resume delivery of water as scheduled.

: 7 : 5.1.2 Responsibilities of Western: Western shall operate,
: 8 : maintain, replace and repair the Federal electric delivery system in
: 9 : order to deliver the Contractor's Contract Capacity, Firm Energy, and
: 10 : Excess Energy entitlements from the Hoover Powerplant to the Boulder
: 11 : Canyon Project point(s) of delivery. Western shall set rates which will
: 12 : recover costs as set forth in the 1986 Regulations. Western shall
: 13 : measure and account for Power deliveries, render bills, and maintain
: 14 : books of account to ensure the financial integrity of the Boulder Canyon
: 15 : Project.

: 16 : 5.1.2.1 Western shall accept Power from Reclamation
: 17 : and, subject to the terms and conditions stated in this Contract,
: 18 : schedule, deliver, and measure said Power to the Contractor, from and
: 19 : after the date of initial service as provided in subsection 3.3, at the
: 20 : point(s) of delivery and voltage(s) set forth in Exhibit A.

: 21 : 5.1.2.2 Power being fungible, Western shall be
: 22 : permitted to satisfy its obligations under this Contract by use of
: 23 : generation from Hoover Powerplant or other sources of generation
: 24 : available to Western; Provided, That the measure of the Contractor's
: 25 : rights to Power hereunder shall be the quantity of capacity and energy
: 26 : available from Hoover Powerplant. Power made available to the Contractor

: 1 : shall be deemed to be from Hoover Powerplant. Subject to the Contract
: 2 : rights of all Contractors being preserved, except as provided in
: 3 : paragraph 5.6.2, Western will utilize the Boulder Canyon Project to
: 4 : optimize the operation of the Boulder City Area Projects and the Federal
: 5 : Projects on the Colorado River. Western shall be obligated to provide
: 6 : regulation, ramping and spinning reserves to the Contractor in quantities
: 7 : that can be provided by Hoover Powerplant, except as provided in
: 8 : paragraph 5.6.2; Provided, That Western may provide regulation, ramping
: 9 : and spinning reserves from other Federal Projects on the Colorado River
: 10 : if such regulation, ramping and spinning reserves can be made available
: 11 : from such other projects in the same quantity and quality as if such
: 12 : regulation, ramping and spinning reserves were provided by Hoover
: 13 : Powerplant, subject to the limitations of paragraph 5.6.2.

: 14 : 5.1.2.3 If integrated operation of the Boulder Canyon
: 15 : Project with other Boulder City Area Projects or other Federal Projects on
: 16 : the Colorado River confers a direct power benefit upon such other Boulder
: 17 : City Area Projects or such other Federal projects, or if a direct power
: 18 : benefit is conferred by other Boulder City Area Projects or other Federal
: 19 : Projects on the Colorado River upon the Boulder Canyon Project, Western
: 20 : shall equitably apportion such benefits and appropriate charges among the
: 21 : Boulder Canyon Project, other Boulder City Area Projects, and other Federal
: 22 : Projects on the Colorado River. Western shall provide the Contractor an
: 23 : opportunity to review, discuss, and comment on any integration agreement
: 24 : with a length of three (3) years or longer prior to execution of such
: 25 : agreement.

: 26 : 5.2 Undertaking of Western to Schedule Contract Capacity: Western

1 : shall schedule and measure, and the Contractor shall accept, the
2 : Contractor's Contract Capacity as set forth in this Contract.

3 : 5.2.1 Western Capacity: If the Uprating Program results in
4 : Rated Capacity equal to or greater than 1,951,000 kilowatts, Western,
5 : subject to reduction as provided in paragraph 5.2.5, shall be entitled to
6 : use the Output Capability in excess of 1,951,000 kilowatts, hereinafter
7 : called Western Capacity, only for the purpose of meeting Western's
8 : contractual obligations to provide firm capacity at the Federal Projects
9 : on the Colorado River. Any such capacity not used by Western for the
10 : purpose specified above shall be made available to Schedule A and
11 : Schedule B Contractors as determined in paragraphs 5.2.2 and 5.2.3.

12 : 5.2.2 Determination of Excess Capacity: Excess Capacity
13 : exists to the extent that the Output Capability less any Western Capacity
14 : is greater than the Rated Capacity. As provided in paragraph 5.2.3,
15 : Excess Capacity shall be shared pro rata among the Schedule A Contractors
16 : and the Schedule B Contractors. For the purposes of this paragraph, the
17 : value of Rated Capacity shall not exceed 1,951,000 kilowatts. The
18 : determination of Excess Capacity is mathematically depicted as follows:
19 : Excess Capacity = Output Capability - Western Capacity - Rated Capacity

20 : 5.2.3 Determination of Contractor's Contract Capacity:

21 : 5.2.3.1 If the Rated Capacity is less than
22 : 1,951,000 kW, the Contractor, subject to reduction as provided in
23 : paragraph 5.2.5, is entitled to capacity determined as follows:

24 : Schedule A Contractor's Contract Capacity = $\left[\text{Contractor's Table 1 Capacity} \right] \times \left[1 + \frac{\text{Excess Capacity}}{\text{Rated Capacity}} \right]$
25 :
26 :

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189

$\times \frac{70.8}{1603.2} = 197.4$

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$$\frac{(37.3757) 1603.2 - 1448.0}{100} = 60.6$$

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$$\text{Schedule B Contractor's Contract Capacity} = \frac{\left[\begin{array}{l} \text{Contractor's Table 2} \\ \text{Percentage} \end{array} \right] \left[\text{Rated Capacity} - 1,448,000 \text{ kW} \right]}{100} \times \left[1 + \frac{\text{Excess Capacity}}{\text{Rated Capacity}} \right]$$

$$1 + \frac{70.8}{1603.2}$$

5.2.3.2 If the Rated Capacity is equal to or greater than 1,951,000 kW, the Contractor, subject to reduction as provided in paragraph 5.2.5, is entitled to capacity determined as follows:

$$\text{Schedule A Contractor's Contract Capacity} = \left[\begin{array}{l} \text{Contractor's} \\ \text{Table 1 Capacity} \end{array} \right] \times \left[1 + \frac{\text{Excess Capacity}}{1,951,000 \text{ kW}} \right]$$

$$\text{Schedule B Contractor's Contract Capacity} = \left[\begin{array}{l} \text{Contractor's} \\ \text{Table 2 Capacity} \end{array} \right] \times \left[1 + \frac{\text{Excess Capacity}}{1,951,000 \text{ kW}} \right]$$

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TABLE 1

SCHEDULE A CONTINGENT CAPACITY
 AND SCHEDULE A CONTINGENT
 CAPACITY ALLOCATIONS EXPRESSED AS A PERCENTAGE
 OF TOTAL SCHEDULE A CONTINGENT CAPACITY

<u>Contractor</u>	<u>Schedule A Contingent Capacity</u> (kW)	<u>(%)</u>
Metropolitan Water District of Southern California	247,500	17.0925
City of Los Angeles	490,875	33.9002
Southern California Edison Company	277,500	19.1644
City of Glendale	18,000	1.2431
City of Pasadena	11,000	0.7597
City of Burbank	5,125	0.3539
Arizona Power Authority	189,000	13.0525
Colorado River Commission of Nevada	189,000	13.0525
United States, for Boulder City	<u>20,000</u>	<u>1.3812</u>
Totals	1,448,000	100.0000

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TABLE 2

SCHEDULE B CONTINGENT CAPACITY ^{1/}
 RESULTING FROM THE UPRATING PROGRAM AND SCHEDULE B
 CAPACITY ALLOCATIONS EXPRESSED AS A PERCENTAGE
 OF TOTAL SCHEDULE B CONTINGENT CAPACITY

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<u>Contractor</u>	<u>Schedule B Contingent Capacity</u> (kW) ^{1/}	<u>(%)</u>
Arizona: Arizona Power Authority	188,000	37.3757
Nevada: Colorado River Commission	188,000	37.3757
California:		
City of Anaheim	40,000	7.9523
City of Azusa	4,000	0.7952
City of Banning	2,000	0.3977
LA City of Burbank	15,000	2.9821
City of Colton	3,000	0.5964
LA City of Glendale	2,000	0.3976
LA City of Pasadena	9,000	1.7893
City of Riverside	30,000	5.9642
City of Vernon	<u>22,000</u>	<u>4.3738</u>
Totals	503,000	100.0000

^{1/} Based on Rated Capacity greater than or equal to 1,951,000 kW

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1 : 5.2.4 Determination of Reductions in Contract Capacity and
2 : Western Capacity: Reductions in Contract Capacity and Western Capacity
3 : may result due to forced or planned outages, the Upgrading Program as
4 : scheduled by Reclamation, river operation or reservoir drawdown.

5 : 5.2.4.1 Any reduction in capacity due to a reduction
6 : in generating capacity or in the use of capacity of the Hoover
7 : Powerplant, whether scheduled or unscheduled, shall be determined by
8 : Reclamation.

9 : 5.2.4.2 Any reduction in capacity due to a reduction
10 : in transfer capability, whether scheduled or unscheduled, of the Boulder
11 : Canyon Project transmission or delivery system, shall be determined by
12 : Western.

13 : 5.2.5 Allocation of Reductions in Contract Capacity and
14 : Western Capacity: Reductions in the Contractor's Contract Capacity and
15 : Western Capacity shall be allocated as follows:

16 : 5.2.5.1 Any such reductions in capacity shall first
17 : be made from Excess Capacity available and shall be borne pro rata by the
18 : Schedule A and Schedule B Contractors receiving Excess Capacity.

19 : 5.2.5.2 Any such reductions in capacity shall
20 : secondly be borne by the Western Capacity to the extent that such Western
21 : Capacity exists.

22 : 5.2.5.3 Any further such reductions in capacity
23 : shall then be borne by:

24 : (i) Schedule B Contractors on a pro rata basis if the
25 : reduction is due to the Upgrading Program as scheduled by Reclamation. To
26 : the extent such reduction exceeds the Contract Capacity of the Schedule B

after using excess

1 : Contractors, the remaining reduction shall be borne by Schedule A
2 : Contractors on a pro rata basis.

3 : (ii) Schedule A and Schedule B Contractors on a pro
4 : rata basis if the reduction is due to a reason other than the scheduling
5 : of the reduction pursuant to the Upgrading Program. To the extent such
6 : reduction exceeds the Contract Capacity of the Schedule B Contractors,
7 : the remaining reduction shall be borne by Schedule A Contractors on a pro
8 : rata basis.

9 : 5.2.6 Determination of Operability of Upgrading Program
10 : Increments and Rated Capacity of Hoover Powerplant: Reclamation shall
11 : determine when each increment of the Upgrading Program becomes operable.
12 : Western and Reclamation shall then determine the Rated Capacity and
13 : Western shall provide written notice thereof to the Contractor.

14 : 5.2.7 Schedule B Contingent Capacity Resulting From the
15 : Upgrading Program: As each increment of the Upgrading Program becomes
16 : operable, the increase in Rated Capacity shall be made available to each
17 : Schedule B Contractor as determined in paragraphs 5.2.3 and 5.2.5.

18 : 5.2.8 Limitations on Energy Deliveries: Electric energy
19 : shall be delivered to the Contractor in quantities which the Contractor
20 : may from time to time schedule, up to the Contract Capacity the
21 : Contractor is entitled to receive. The simultaneous rate of delivery of
22 : Firm Energy and Excess Energy at the point(s) of delivery shall not
23 : exceed the Contractor's Contract Capacity. Said Contract Capacity shall
24 : be available in any hour within the Billing Period except for reductions
25 : pursuant to paragraphs 5.2.3 and 5.2.5. During the Upgrading Period or
26 : during any period when the quantity of Contract Capacity available to the

: 1 : Contractor is not sufficient to deliver the Contractor's Firm Energy and
: 2 : Excess Energy entitlements, the simultaneous rate of delivery at the
: 3 : point(s) of delivery may be allowed to exceed the Contractor's Contract
: 4 : Capacity on an interruptible basis, subject to the availability of
: 5 : generating capability.

: 6 : 5.2.9 Reinstatement of Uprating Program: If the Uprating
: 7 : Program is terminated by Reclamation prior to completion and is
: 8 : subsequently reinstated in whole or in part, as each increment of the
: 9 : Uprating Program becomes operable, the increase in Rated Capacity shall
: 10 : be allocated pursuant to the provisions of paragraph 5.2.7.

: 11 : 5.3 Undertaking of Western to Schedule Firm Energy and Excess
: 12 : Energy: Western shall schedule, deliver, and measure, and the Contractor
: 13 : shall accept Firm Energy and Excess Energy, as follows:

: 14 : 5.3.1 Schedule A Firm Energy: The allocations of Schedule A
: 15 : Firm Energy are as follows:
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TABLE 3
SCHEDULE A FIRM ENERGY

Contractor	Firm Energy (Thousands of kWh)		
	Summer	Winter	Total
Metropolitan Water District of Southern California	904,382	387,592	1,291,974
City of Los Angeles	488,535	209,658	698,193
Southern California Edison Company	175,486	75,208	250,694
City of Glendale	47,398	20,313	67,711
City of Pasadena	40,655	17,424	58,079
City of Burbank	14,811	6,347	21,158
Arizona Power Authority	452,192	193,797	645,989
Colorado River Commission of Nevada	452,192	193,797	645,989
United States, for Boulder City	<u>56,000</u>	<u>24,000</u>	<u>80,000</u>
Totals	2,631,651	1,128,136	3,759,787

5.3.2 Schedule B Firm Energy: The allocations of Schedule B Firm Energy are as follows:

TABLE 4
SCHEDULE B FIRM ENERGY

Contractor	Firm Energy (Thousands of kWh)		Total
	Summer	Winter	
Arizona: Arizona Power Authority	148,000	64,000	212,000
Nevada: Colorado River Commission	288,000	124,000	412,000
California:			
City of Anaheim	36,255	15,745	52,000
City of Azusa	3,486	1,514	5,000
City of Banning	1,394	606	2,000
City of Burbank	3,794	1,648	5,442
City of Colton	2,789	1,211	4,000
City of Glendale	2,894	1,257	4,151
City of Pasadena	2,525	1,096	3,621
City of Riverside	27,191	11,809	39,000
City of Vernon	<u>19,522</u>	<u>8,478</u>	<u>28,000</u>
Subtotals, California Contractors	<u>99,850</u>	<u>43,364</u>	<u>143,214</u>
Totals	535,850	231,364	767,214

5.3.3 Total of Schedule A and Schedule B Firm Energy: The quantity of Firm Energy allocated to each Contractor expressed as a percentage of the aggregate of Schedule A and Schedule B Firm Energy allocated to all Contractors is as follows:

TABLE 5

TOTAL OF SCHEDULE A AND SCHEDULE B FIRM ENERGY

Contractor	FIRM ENERGY	
	Thousands of kWh	Percent
Arizona: Arizona Power Authority	857,989	18.9527
Nevada: Colorado River Commission	1,057,989	23.3706
U.S. (Boulder City)	80,000	1.7672
California:		
Anaheim	52,000	1.1487
Azusa	5,000	0.1104
Banning	2,000	0.0442
Burbank	26,600	0.5876
Colton	4,000	0.0884
Glendale	71,862	1.5874
Los Angeles	698,193	15.4229
Metropolitan Water District of Southern California	1,291,974	28.5393
Pasadena	61,700	1.3629
Riverside	39,000	0.8615
Southern California Edison Company	250,694	5.5377
Vernon	<u>28,000</u>	<u>0.6185</u>
Subtotals, California Contractors	<u>2,531,023</u>	<u>55.9095</u>
Totals	4,527,001	100.0000

5.3.4 Schedule C Excess Energy: The priority of entitlement to Excess Energy is set forth in Schedule C, as follows:

SCHEDULE C EXCESS ENERGY

	Priority of Entitlement to Excess Energy	State
First:	Meeting Arizona's first priority right to delivery of Excess Energy which is equal in each year of operation to 200 million kilowatthours: <u>Provided</u> , however, That in the event Excess Energy in the amount of 200 million kilowatthours is not generated during any year of operation, Arizona shall accumulate a first right to delivery of Excess Energy subsequently generated in an amount not to exceed 600 million kilowatthours, inclusive of the current year's 200 million kilowatthours. Said first right of delivery shall accrue at a rate of 200 million kilowatthours per year for each year Excess Energy in the amount of 200 million kilowatthours is not generated, less amounts of Excess Energy delivered.	Arizona
Second:	Meeting Hoover Dam contractual obligations under Schedule A of section 105(a)(1)(A) and under Schedule B of section 105(a)(1)(B) not exceeding 26 million kilowatthours in each year of operation.	
Third:	Meeting the energy requirements of the three States, such available Excess Energy to be divided equally among the States.	Arizona Nevada California

5.3.5 Third Priority Excess Energy for Use in California:

Third priority Excess Energy available for use in California shall be made available in accordance with the following allocation which reflects the application of the formula set out in section 904.10(b) of the 1986 Regulations:

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TABLE 6
PERCENTAGE OF
THIRD PRIORITY EXCESS ENERGY
FOR USE IN CALIFORNIA

<u>Contractor</u>	<u>Percent</u>
Anaheim	2.7265
Azusa	0.2687
Banning	0.1245
Burbank	1.3804
Colton	0.2065
Glendale	2.2692
Los Angeles	34.6455
Metropolitan Water District of Southern California	36.0368
Pasadena	2.0685
Riverside	2.0449
Southern California Edison Company	16.7408
Vernon	1.4877
	<hr/>
Total	100.0000

5.4 Energy Entitlement:

5.4.1 Seasonal Allocations: The Contractor's Firm Energy and Excess Energy entitlements for the Summer Season and the Winter Season, and for each Billing Period of the ensuing twelve (12)-month period shall be set forth in the Master Schedule. Total Firm Energy and Excess Energy available shall be the gross energy that would have been produced at the Hoover Powerplant without any loss of efficiency for

: 1 : providing ramping, reserves, and regulation (S_L in Exhibit C) less
: 2 : station service use (exclusive of motoring energy) less transformer and
: 3 : transmission losses to the point(s) of delivery at the Hoover Powerplant
: 4 : switchyards and Mead Substation.

: 5 : 5.4.2 Allocation of Excess Energy: Whenever Excess Energy is
: 6 : available, Western shall deliver Excess Energy in accordance with the order
: 7 : of priority set forth in Schedule C, shown in paragraph 5.3.4. After the
: 8 : first and second priority entitlement to Excess Energy has been obligated
: 9 : for delivery, Western shall make available one-third of the third-priority
: 10 : Excess Energy to Arizona, one-third to Nevada, and one-third to the
: 11 : California Contractors according to the allocation in paragraph 5.3.5.

: 12 : 5.4.3 Excess Energy During Transition Period: During the
: 13 : Transition Period, Excess Energy is available if energy generated at the
: 14 : Hoover Powerplant during that period exceeds 1,799.605 million
: 15 : kilowatthours ($3,167.501 \times 4,501.001 / 4,527.001 \times 4/7$). For purposes of
: 16 : apportioning such Excess Energy during the Transition Period to the
: 17 : priorities under Schedule C, the first priority shall be limited to 79.965
: 18 : million kilowatthours ($200.000 \times 3,167.501 / 4,527.001 \times 4/7$) and the second
: 19 : priority limited to 10.396 million kilowatthours ($26.000 \times$
: 20 : $3,167.501 / 4,527.001 \times 4/7$).

: 21 : 5.4.4 Deficiencies in Firm Energy:

: 22 : 5.4.4.1 During the Transition Period, Firm Energy
: 23 : shall be the quantity of 1,810.001 million kilowatthours generated at the
: 24 : Hoover Powerplant ($3,167.501 \times 4/7$). To the extent that the actual
: 25 : generation at Hoover Powerplant during the Transition Period (less
: 26 : deliveries thereof to Arizona required by its first priority under

: 1 : Schedule C whenever actual generation in the Transition Period is in
: 2 : excess of 1,799.605 million kilowatthours) is less than 1,810.001 million
: 3 : kilowatthours, such deficiency shall be borne by each Contractor
: 4 : according to the percentages shown in paragraph 5.3.3.

: 5 : 5.4.4.2 The difference between 4,527.001 million
: 6 : kilowatthours and 4,501.001 million kilowatthours of energy generation
: 7 : during any Fiscal Year following the Transition Period is deemed to be a
: 8 : deficiency in Firm Energy. To the extent that the actual generation at
: 9 : Hoover Powerplant in any Fiscal Year (less deliveries thereof to Arizona
: 10 : required by its first priority under Schedule C whenever actual
: 11 : generation in any Fiscal Year is in excess of 4,501.001 million
: 12 : kilowatthours) is less than 4,527.001 million kilowatthours, such
: 13 : deficiency shall be borne by each Contractor according to the percentages
: 14 : shown in paragraph 5.3.3.

: 15 : 5.4.5 Change in Characterization of Energy: When Excess
: 16 : Energy is forecast, scheduled, and delivered during the Transition Period
: 17 : or any Fiscal Year, and later during such period it is forecast that only
: 18 : Firm Energy or a reduced quantity of Excess Energy deliveries can be made,
: 19 : the amount of over-delivered Excess Energy shall be accounted for in an
: 20 : energy delivery deviation account. The return of energy to Western by the
: 21 : Contractor receiving such over-delivered Excess Energy shall be made
: 22 : pursuant to written metering and scheduling instructions developed pursuant
: 23 : to paragraph 5.7.3 hereof. Unless otherwise agreed, this amount of energy
: 24 : shall be: (i) returned at mutually agreed upon points and rates of
: 25 : delivery within twelve (12) months after the date of notice of the change
: 26 : in characterization of energy and (ii) returned during On-Peak Hours.

Billing Period =
Calendar Month

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Deliveries of such energy returned by the Contractor shall not affect the rights of other Contractors.

5.4.6 Minimum Schedules: The Contractor may be required by Western to schedule its pro rata share of the minimum rate of delivery of energy during Off-Peak Hours as provided in this paragraph.

5.4.6.1 The Contractor's hourly minimum rate of delivery of energy as a result of Reclamation complying with required minimum water releases shall be the lesser of (i) twenty-five percent (25%) of the Contractor's total Firm Energy for the Billing Period involved divided by the Off-Peak Hours for that period; or (ii) the Contractor's proportional share of total Firm Energy and Excess Energy for the Billing Period involved multiplied by the overall minimum rate of delivery of energy for required minimum water releases. Scheduled power purchases will not affect the minimum rate of delivery required by minimum water releases.

5.4.6.2 In addition to the minimum rate of delivery requirements under subparagraph 5.4.6.1, if the Contractor has requested the purchase of Firming Energy, the Contractor's hourly minimum rate of delivery of energy purchased by Western for the Contractor pursuant to this paragraph shall be the Contractor's proportional share of the total energy purchased by Western for all Contractors requesting such purchases times the overall minimum rate of delivery of all such purchased energy as determined by Western.

5.4.7 Purchases of Firming Energy: At the request of the Contractor and at the Contractor's expense, Western shall purchase energy to meet that Contractor's Firm Energy deficiency. The price of Firming

: 1 : Energy shall be billed monthly at Western's estimated annual average
: 2 : purchase price for firming energy, adjusted to the actual price, without
: 3 : interest, as soon after the end of the Fiscal Year as such prices can be
: 4 : determined. Such firming arrangements are to be evidenced by prior
: 5 : written agreement between the Parties. The price to the Contractor for
: 6 : Firming Energy purchased for the Contractor shall not include the Lower
: 7 : Colorado River Basin Development Fund Contribution Charge.

: 8 : 5.4.8 Lay off of Energy: Western shall, at the Contractor's
: 9 : request, attempt to lay off all or part of the Firm Energy or Excess Energy
: 10 : the Contractor declares to be available for lay off, first to other
: 11 : Contractors in the same state (for California, in accordance with the
: 12 : percentages set forth in paragraph 5.3.5) and then to the other
: 13 : Contractors, and then to any potential purchaser. No other Contractor
: 14 : shall be obligated to accept any lay off of Firm Energy or of Excess
: 15 : Energy. The rate to be paid by a purchaser agreeing to accept lay off of
: 16 : Firm Energy or of Excess Energy shall be the rate that would have been paid
: 17 : by the Contractor requesting the lay off of such energy or at the best
: 18 : lesser rate obtainable. A Contractor requesting Western to lay off Firm
: 19 : Energy or Excess Energy shall not be relieved of its obligation to pay for
: 20 : such Firm Energy or Excess Energy except as provided in Article 28 of the
: 21 : General Power Contract Provisions, but any revenues received by Western
: 22 : under this paragraph shall be credited against the requesting Contractor's
: 23 : obligation.

: 24 : 5.5 Procedure for Scheduling Quantities of Energy Available:

: 25 : 5.5.1 Integration of Boulder Canyon Project: Western will
: 26 : use the Boulder Canyon Project with other resources available in order to

: 1 : make the deliveries of Power from the Boulder Canyon Project more useful
: 2 : to the Contractors. Western will identify the terms of transactions that
: 3 : will permit Western to accomplish this goal. In the event that said
: 4 : terms are agreed upon by Western and the Contractor as evidenced by the
: 5 : Contractor's acceptance of the Master Schedule as provided in
: 6 : paragraph 5.5.7, Western will finalize the arrangements for the
: 7 : transactions. Acceptance of such integration shall be at the sole
: 8 : discretion of the Contractor as provided in this subsection 5.5. Such
: 9 : integration shall not impair the rights of any other Contractor.

: 10 : 5.5.2 Preparation of Draft Release Pattern Schedule: Prior
: 11 : to May 1 of each year, Western shall furnish to the Contractor for review
: 12 : (i) Reclamation's estimated annual operation schedule for the Hoover
: 13 : Powerplant showing estimated power generation and estimated maintenance
: 14 : and Upgrading Program outages; (ii) a draft release pattern schedule
: 15 : showing the best forecast of energy and a tabulation of forecasted
: 16 : capacity available to the Contractors during the ensuing twelve (12)-
: 17 : month period beginning on June 1, by months, from the Boulder Canyon
: 18 : Project; and (iii) a listing of proposed transactions, including Firming
: 19 : Energy purchases, and the resulting energy projected to be available to
: 20 : the Contractors during the ensuing twelve (12)-month period beginning on
: 21 : June 1, by months, through integration of the Boulder Canyon Project with
: 22 : other projects and sources available to Western.

: 23 : 5.5.3 Contractor's Proposed Delivery Schedule: Within
: 24 : fifteen (15) days after receipt of the information listed in
: 25 : paragraph 5.5.2, the Contractor shall submit to Western comments on the
: 26 : draft release pattern schedule and outage schedule, and submit proposed

: 1 : schedules of the Contractor's use of capacity, Firm Energy, Firming
: 2 : Energy, Excess Energy, by months, for the twelve (12)-month period
: 3 : beginning on June 1 and extending through May 31 of the next year.

: 4 : 5.5.4 Preliminary Release Pattern Schedule and Preliminary
: 5 : Integration Schedule: Western shall thereupon prepare and furnish to the
: 6 : Contractors a preliminary release pattern schedule and preliminary
: 7 : integration schedule for the ensuing twelve (12)-month period beginning
: 8 : on June 1, taking into consideration to the extent possible the
: 9 : Contractor's proposed schedules.

: 10 : 5.5.5 Submission of Alternative Schedules by Contractor:
: 11 : The Contractor shall have ten (10) days from receipt of the preliminary
: 12 : release pattern schedule and preliminary integration schedule to submit
: 13 : alternative schedules for delivery of its Firm Energy, Firming Energy,
: 14 : and Excess Energy.

: 15 : 5.5.6 Issuance of Final Release Pattern Schedule and
: 16 : Integration Schedule: Western shall meet with all interested Contractors
: 17 : to review the preliminary release pattern schedule, preliminary
: 18 : integration schedule, alternative schedules, power rates as provided in
: 19 : section 7, and any other items suggested by a Contractor. Western shall
: 20 : provide written notice to each Contractor of the date and location of
: 21 : such meeting. After Western has considered the information provided by
: 22 : the Contractor(s) prior to or at such meeting, it shall issue the final
: 23 : release pattern schedule and integration schedule.

: 24 : 5.5.7 Contractor's Options: Within five (5) days after
: 25 : receipt of the final release pattern schedule and integration schedule,
: 26 : the Contractor shall then (i) choose between the aforementioned final

1 : release pattern schedule or integration schedule and (ii) specify the
2 : quantity of Firming Energy, if any, to be purchased by Western on behalf
3 : of the Contractor. The Contractor's choice of such schedules shall
4 : become the Master Schedule for that Contractor for the ensuing twelve
5 : (12)-month period, beginning June 1. If the Contractor chooses the
6 : release pattern schedule, its rights under this Contract shall not be
7 : diminished or impaired. Western shall furnish a Master Schedule to each
8 : Contractor showing the combined deliveries to all Contractors. The then
9 : current Master Schedule shall become an attachment to Exhibit B.

10 : 5.5.8 Revisions of Master Schedule: In the event of forced
11 : outages, or a change in forecasted river operations or in scheduled
12 : outages that necessitates a revision of the then effective Master
13 : Schedule, a revised Master Schedule shall be furnished to the Contractors
14 : as soon as possible after the data become available. Western shall
15 : consider any information submitted by the Contractor regarding such
16 : revised Master Schedule and shall make changes in such revised Master
17 : Schedule as Western deems appropriate.

18 : 5.6 Use of Generation:

19 : 5.6.1 Scheduling Generation: Within the constraints of
20 : outages, river operations, or reservoir drawdown, and to the extent the
21 : Contractor does not exceed its energy entitlement, emergencies excepted,
22 : the Contractor shall have the right to schedule Loaded Synchronized
23 : Generation and Unloaded Synchronized Generation, the sum of which shall
24 : not exceed the Contractor's Contract Capacity. Synchronized Generation
25 : shall be scheduled in advance no later than the last Normal Business Day
26 : prior to delivery, emergencies excepted, and accounted for on the basis

: 1 : of such advance schedules, all in accordance with metering and scheduling
: 2 : instructions agreed upon pursuant to paragraph 5.7.3 hereof. The
: 3 : metering and scheduling instructions will provide for modifying such
: 4 : schedules to the needs of day-to-day or hour-by-hour operation.

: 5 : 5.6.2 Regulation, Ramping, and Spinning Reserves: Subject
: 6 : to paragraph 5.6.1, the Contractor, through use of a dynamic signal from
: 7 : the Contractor or a Scheduling Entity to a control center designated by
: 8 : Western, or through such other methods and procedures agreed upon by the
: 9 : Contractor and Western, shall have the right to use previously scheduled
: 10 : Synchronized Generation for regulation, ramping from zero to full
: 11 : scheduled Synchronized Generation and the reverse, and spinning reserves;
: 12 : Provided, That a Contractor's use of Schedule B Contract Capacity for
: 13 : regulation, ramping, and spinning reserves shall not (i) have a
: 14 : detrimental effect on power system equipment at Hoover Powerplant or on
: 15 : river operations, as determined by Reclamation pursuant to
: 16 : subparagraph 5.2.4.1; (ii) impair the rights of other Contractors to use
: 17 : Schedule A Contract Capacity for regulation, ramping, and spinning
: 18 : reserves; or (iii) have a detrimental effect on Western's ability to
: 19 : utilize the Boulder Canyon Project to optimize the operation of the
: 20 : Boulder City Area Projects and Federal Projects on the Colorado River.
: 21 : If the Contractor's use of Schedule B Contract Capacity for regulation,
: 22 : ramping, and spinning reserves does impair such rights or have such
: 23 : detrimental effect, the Contractor's use of Schedule B Contract Capacity
: 24 : for regulation, ramping, and spinning reserves will be restricted to the
: 25 : extent necessary and for as long as the condition continues to exist or
: 26 : until the impairment or detrimental effect is corrected. Western shall

: 1 : promptly consult with the Contractors and determine with the Contractors
: 2 : how such impairment or detrimental effect may be corrected. If
: 3 : restriction on the use of the Contractor's Schedule B Contract Capacity
: 4 : is due to the impairment of Western's ability to utilize the Boulder
: 5 : Canyon Project to optimize the operation of the Boulder City Area
: 6 : Projects and Federal Projects on the Colorado River, Western shall not
: 7 : reduce the Contractor's use of Schedule B Contract Capacity for
: 8 : regulation, ramping, and spinning reserves below seventy-five percent
: 9 : (75%) of the Contractor's Schedule B Contract Capacity for regulation,
: 10 : ramping, and spinning reserves.

: 11 : 5.6.3 Scheduling Under Emergency Conditions: During
: 12 : emergencies, the Contractor shall have the right for up to twelve (12)
: 13 : hours, to schedule capacity in excess of previously scheduled amounts, up
: 14 : to its Contract Capacity to the extent capacity is available. In the
: 15 : event that delivery of energy during emergencies causes the Contractor's
: 16 : monthly energy entitlement to be exceeded, the energy delivered in excess
: 17 : of the monthly energy entitlement shall be returned to Western during
: 18 : On-Peak Hours within seven (7) days of the occurrence of the emergency or
: 19 : as otherwise agreed. For purposes of this paragraph and paragraph 5.6.1,
: 20 : an emergency will be determined by the Contractor based upon standard
: 21 : utility practice.

: 22 : 5.6.4 Accounting for Use of Unloaded Synchronized
: 23 : Generation: The Contractor's use of energy to support the use of
: 24 : Unloaded Synchronized Generation for regulation, ramping, and spinning
: 25 : reserves in any Billing Period shall be accounted for by a reduction
: 26 : during On-Peak Hours in the Contractor's energy entitlement in the

: 1 : following Billing Period, or as soon thereafter as practicable, unless
: 2 : the written metering and scheduling instructions agreed to pursuant to
: 3 : paragraph 5.7.3 set forth procedures for returning such energy from
: 4 : sources available to the Contractor other than the Hoover Powerplant
: 5 : during On-Peak Hours in the following Billing Period or as soon
: 6 : thereafter as practicable. The amount of the reduction during On-Peak
: 7 : Hours in the Contractor's monthly energy entitlement shall be the
: 8 : Contractor's proportional share of the energy used to support Unloaded
: 9 : Synchronized Generation for the benefit of all Schedule A and Schedule B
: 10 : Contractors, and shall be determined in accordance with Exhibit C. The
: 11 : procedure for reducing the Contractor's energy entitlement or for
: 12 : returning energy under this paragraph shall be set forth in the written
: 13 : metering and scheduling instructions.

: 14 : 5.6.5 Scheduling Entity: In addition to the Authorized
: 15 : Representative(s) designated in section 13, if the Contractor desires to
: 16 : use Hoover capacity dynamically, the Contractor shall designate, by
: 17 : written notice to Western, a Scheduling Entity responsible for scheduling
: 18 : the Contractor's Hoover capacity entitlement. Said Scheduling Entity
: 19 : must be designated at least sixty (60) days prior to energy deliveries to
: 20 : said Scheduling Entity on behalf of the Contractor. The Contractor may
: 21 : change its Scheduling Entity upon sixty (60) days' written notice to
: 22 : Western, said change to become effective at the beginning of the Billing
: 23 : Period immediately following the end of such notice period. In the event
: 24 : that the Contractor designates a Scheduling Entity which is also
: 25 : designated by other Contractors, energy deliveries shall be prorated
: 26 : among the Contractors for whom the Scheduling Entity dynamically

: 1 : schedules generation, unless otherwise agreed to in writing by the
: 2 : Contractor(s) and such Scheduling Entity and approved by Western. Said
: 3 : prorations shall be for a Billing Period and in the proportions that
: 4 : their respective Firm Energy and Excess Energy entitlements bear to the
: 5 : aggregate Firm Energy and Excess Energy entitlements of the Contractors
: 6 : for whom the Scheduling Entity dynamically schedules generation. In the
: 7 : event that the Contractor dynamically schedules generation through a
: 8 : Scheduling Entity that is a Hoover Contractor, energy reductions as
: 9 : provided in paragraph 5.6.4 shall, as between Western and the Scheduling
: 10 : Entity, be borne by the Scheduling Entity in the absence of other
: 11 : agreement approved by Western. In the event that the Contractor
: 12 : dynamically schedules generation through a Scheduling Entity that is not
: 13 : a Hoover Contractor, energy reductions shall be borne by the Contractor.
: 14 : The procedures for metering and scheduling dynamically shall be included
: 15 : in the written metering and scheduling instructions pursuant to
: 16 : paragraph 5.7.3 hereof.

: 17 : 5.6.6 Interim Agreement for Power Generation Control at
: 18 : Hoover Powerplant: Western, Reclamation, and the Department of Water and
: 19 : Power of the City of Los Angeles entered into the Interim Agreement for
: 20 : Power Generation Control at Hoover Powerplant dated December 31, 1984.
: 21 : The implementation of said agreement shall not be permitted to impair the
: 22 : Contractor's rights to delivery of capacity and energy hereunder. Such
: 23 : rights include the use by the Contractor of Synchronized Generation for
: 24 : regulation, ramping, and spinning reserves.

: 25 : 5.7 Coordination of Power System:

: 26 : 5.7.1 Reactive Power: Except as the Authorized

1 : Representatives of the Parties may from time to time otherwise agree,
2 : each Party shall provide or cause to be provided the reactive
3 : kilovoltamperes required for the supply of its reactive power
4 : requirements and its share of the reactive requirements for voltage
5 : control at points of interconnection between Western and the Contractor,
6 : or between Western and the Contractor's supplier(s), subcontractor(s),
7 : agent(s), or customers. The Parties shall coordinate the utilization of
8 : generation control equipment, capacitors, or reactors to maintain
9 : transmission voltages and reactive flows at acceptable levels for full
10 : system performance and stability. It is each Party's responsibility to
11 : effectuate agreement with its supplier(s), subcontractor(s), agent(s), or
12 : customers to satisfy its obligations hereunder.

13 : 5.7.2 Spinning Reserves: Each Party shall provide or cause
14 : to be provided its spinning reserve requirements for its load; Provided,
15 : That such reserves shall meet or exceed the minimum reserve criteria
16 : established by the WSCC or a successor organization.

17 : 5.7.3 Metering and Scheduling Instructions: Deliveries of
18 : Power shall be made pursuant to written metering and scheduling
19 : instructions developed and agreed upon by the Authorized Representatives,
20 : or between Western and the Scheduling Entity subject to the approval of
21 : the Authorized Representative of the Contractor, prior to June 1, 1987,
22 : detailing the operating arrangements and scheduling and accounting
23 : procedures to be used. Such written metering and scheduling instructions
24 : shall be developed in conformity with the following principles:

25 : 5.7.3.1 Metering and scheduling instructions are
26 : intended to implement the terms of the Contract but not to modify or

: 1 : amend it and are, therefore, subordinate to this Contract.

: 2 : 5.7.3.2 It is the Contractor's responsibility to
: 3 : effectuate agreement(s) with any third party or parties which may be
: 4 : necessary to enable the Contractor to accept deliveries hereunder.

: 5 : 5.7.3.3 In the event the Contractor's Authorized
: 6 : Representative or Scheduling Entity fails or refuses to execute the
: 7 : initial metering and scheduling instructions or any revised instructions
: 8 : which Western determines to be necessary, Western shall develop and
: 9 : temporarily implement revised instructions until mutually acceptable
: 10 : instructions have been developed and executed by Western, the Scheduling
: 11 : Entity, and the Authorized Representative of the Contractor.

: 12 : 6. BILLINGS, PAYMENT, AND SCHEDULE OF RATES:

: 13 : 6.1 General: The Contractor shall pay monthly for electric
: 14 : service hereunder in accordance with the rates developed pursuant to the
: 15 : 1986 Regulations, other applicable regulations and, to the extent
: 16 : applicable, DOE Order RA 6120.2, as each may hereafter be amended or
: 17 : supplemented, and included in a rate schedule to be developed and
: 18 : attached hereto as Attachment No. 1 and by this reference made a part
: 19 : hereof. Any change of rates shall likewise be developed pursuant to the
: 20 : foregoing regulations and order.

: 21 : 6.2 Payment for Capacity: The Contractor shall pay for Contract
: 22 : Capacity as follows:

: 23 : 6.2.1 The Contractor shall pay for all of its proportionate
: 24 : share of Schedule A Contingent Capacity (1,448,000 kilowatts) and its
: 25 : proportionate share of Schedule B Contingent Capacity completed under the
: 26 : Uprating Program (Rated Capacity less 1,448,000 kilowatts, not to exceed

: 1 : 503,000 kilowatts) at the then effective capacity charge when the
: 2 : aggregate Contract Capacity available to all Contractors is equal to or
: 3 : greater than 1,000,000 kilowatts at any time during a Billing Period.

: 4 : 6.2.2 In the event that the aggregate Contract Capacity
: 5 : available to all Contractors is less than 1,000,000 kilowatts during an
: 6 : entire Billing Period, the Contractor shall pay the then effective
: 7 : capacity charge for the maximum quantity of Contract Capacity available
: 8 : to it at any time during the Billing Period.

: 9 : 6.2.3 Revenue Insufficiency During Periods of Reduced
: 10 : Generation: In order to permit Reclamation to operate and maintain the
: 11 : facilities of the Boulder Canyon Project when generation has been reduced
: 12 : to a point where the revenues are insufficient to meet the cost of
: 13 : operation and maintenance, the Contractor shall pay a pro rata portion of
: 14 : any monthly deficiency as provided in this paragraph.

: 15 : 6.2.3.1 If Reclamation estimates that for two or
: 16 : more consecutive Billing Periods, hereinafter referred to as the "Period
: 17 : of Insufficiency," revenues from the sale of Power from the Hoover
: 18 : Powerplant will be insufficient to pay all of the operation and
: 19 : maintenance costs of the Boulder Canyon Project for the Period of
: 20 : Insufficiency, Reclamation shall notify Western and Western shall notify
: 21 : the Contractor of the anticipated insufficiency. In making such
: 22 : estimates, Reclamation shall first apply all funds available under
: 23 : section 2(a) of the Boulder Canyon Project Adjustment Act, as amended,
: 24 : including anticipated revenues during the Period of Insufficiency and any
: 25 : other appropriated funds including emergency funds which are made
: 26 : available to Reclamation under any other applicable provision of law, to
: meet the insufficiency. If Reclamation determines that such available

1 : funds are inadequate to pay operation and maintenance costs, Reclamation
2 : shall notify Western indicating the estimated monthly deficiency to the
3 : end of the Period of Insufficiency. Western shall bill the Contractor
4 : for its pro rata share of the monthly deficiency in addition to the bill
5 : for capacity and energy actually made available. Such pro rata share
6 : shall be based fifty percent (50%) on the Contractor's percentage
7 : allocation of Contingent Capacity and fifty percent (50%) on the
8 : Contractor's percentage allocation of Firm Energy. The bill shall be
9 : rendered and paid in the normal billing cycle as set forth in Article 12
10 : of the General Power Contract Provisions attached hereto, and shall be a
11 : prepayment for power. Such prepayments shall be returned to the
12 : Contractor through deficiency payment credits on the monthly power bills
13 : issued by Western to the Contractor. The amount of the deficiency
14 : payment credit shall be equal to the proportionate share prepaid by the
15 : Contractor times the total monthly credit to all Contractors. The
16 : prepayments shall be returned as soon as practicable, but in no event
17 : later than September 30, 2017.

18 : 6.2.3.2 The maximum obligation of the Contractor for
19 : such deficiencies shall be (a) zero on June 1, 1987, and shall increase
20 : as of the first day of each month at the rate of 1/36th of the
21 : Contractor's pro rata share of twelve million dollars (\$12,000,000) plus
22 : escalation as provided in the last sentence of this subparagraph 6.2.3.2
23 : until the total required to meet the Contractor's pro rata share of the
24 : twelve million dollars (\$12,000,000), as so escalated has been reached,
25 : minus (b) any deficiency payments made pursuant to subparagraph 6.2.3.1,
26 : plus (c) 1/36th of each deficiency payment as provided in the next

: 1 : sentence until the total required to meet the Contractor's pro rata share
: 2 : of the twelve million dollars (\$12,000,000), as so escalated has been
: 3 : reached. In the event that the Contractor has been required to make
: 4 : deficiency payments pursuant to subparagraph 6.2.3.1, the obligation of
: 5 : the Contractor under this subparagraph 6.2.3.2 shall increase monthly at
: 6 : the rate of 1/36th of each payment or payments made during each period or
: 7 : periods of insufficiency pursuant to subparagraph 6.2.3.1; Provided,
: 8 : however, the Contractor's buildup of the obligation in (a) above and (c)
: 9 : above shall not accrue during any Billing Period unless the capacity
: 10 : available from the Hoover Powerplant is equal to, or in excess of, one
: 11 : million kilowatts (1,000,000 kW) and associated energy during the entire
: 12 : immediately preceding Billing Period. The Contractor's pro rata share of
: 13 : twelve million dollars (\$12,000,000), which is the estimated cost of
: 14 : operation and maintenance of the Boulder Canyon Project for Fiscal Year
: 15 : 1991, may be escalated as follows:

: 16 : On or before April 15, 1988 and on or before April 15th of
: 17 : each year thereafter, Reclamation shall include in cost
: 18 : data provided the Contractor under 43 CFR 431.5 estimates
: 19 : of the operation and maintenance costs of the Boulder
: 20 : Canyon Project for each of the next five Fiscal Years
: 21 : thereby giving the Contractor four years' notice of any
: 22 : resultant increase or decrease in the above estimated cost
: 23 : and the Contractor's pro rata share thereof.

: 21 : 6.2.3.3 Within thirty (30) days after a billing to
: 22 : the Contractor under subparagraph 6.2.3.1, Reclamation shall initiate and
: 23 : pursue a request for appropriation of estimated deficiencies in funds to
: 24 : meet the operation and maintenance costs of Boulder Canyon Project.
: 25 : Amounts so appropriated shall be recovered as required by such
: 26 :

: 1 : appropriation language or as required in the Contract as annual operation
: 2 : and maintenance costs.

: 3 : 6.2.3.4 In the event of damage to the Hoover
: 4 : Powerplant and/or associated facilities, Reclamation shall, within sixty
: 5 : (60) days of the damage, make a determination of the extent of the
: 6 : damage. If such determination shows that: (i) the damage will result in
: 7 : more than six (6) consecutive billings under 6.2.3.1, (ii) it is
: 8 : economically feasible to repair such damage, and (iii) the estimated cost
: 9 : of repair is in excess of one million dollars (\$1,000,000), Reclamation
: 10 : shall promptly request a readvance from the United States Treasury
: 11 : pursuant to section 5 of the Boulder Canyon Project Adjustment Act, in
: 12 : the amount deemed necessary to repair such damage to the powerplant
: 13 : and/or associated facilities.

: 14 : 6.3 Payment for Energy Deliveries: The Contractor shall pay for
: 15 : Firm Energy and Excess Energy as follows:

: 16 : 6.3.1 The quantities of Firm Energy and Excess Energy deemed
: 17 : to be delivered and to be paid for shall be the quantities measured or
: 18 : scheduled to the Contractor by Western under this Contract.

: 19 : 6.3.2 All Excess Energy shall be offered at the then
: 20 : effective Firm Energy rate.

: 21 : 6.3.3 The Contractor shall pay the then effective energy
: 22 : charge and Lower Colorado River Basin Development Fund Contribution
: 23 : Charge on all energy measured or scheduled during the Billing Period,
: 24 : except as otherwise provided in paragraphs 5.4.7 and 5.4.8.

: 25 : 6.4 Prepayment of Certain Expenses during the Transition Period:

: 26 : 6.4.1 The Contractors shall prepay during the Transition

: 1 : Period their proportionate shares of operation, maintenance, and
: 2 : replacement expenses not to exceed in the aggregate three million dollars
: 3 : (\$3,000,000.00). The Contractor's pro rata share of operation,
: 4 : maintenance, and replacement expenses shall be based fifty percent (50%)
: 5 : on the Contractor's percentage allocation of Contingent Capacity and
: 6 : fifty percent (50%) on the Contractor's percentage allocation of Firm
: 7 : Energy. Statements shall be submitted by Western to each Contractor no
: 8 : later than thirty (30) days prior to the date on which such funds must be
: 9 : made available to Western. Remittance by each Contractor shall be made
: 10 : to Western by the last day of the Billing Period prior to the month the
: 11 : funds are needed; for example, funds needed for the month of June 1987
: 12 : must be made available to Western on or before May 31, 1987.

: 13 : 6.4.2 Western shall deposit such funds into the Colorado
: 14 : River Dam Fund. Such funds shall be available to Reclamation for
: 15 : operation, maintenance, and routine replacements of the Boulder Canyon
: 16 : Project.

: 17 : 6.4.3 Funds prepaid by the Contractor pursuant to
: 18 : paragraph 6.4.1 shall be returned to the Contractor through credits on
: 19 : the monthly power bills issued by Western to the Contractor. The amount
: 20 : of the credit shall be equal to the proportionate share prepaid by the
: 21 : Contractor times the total monthly credit to all Contractors. Such funds
: 22 : prepaid by the Contractor shall be returned to the Contractor through
: 23 : credits by September 30, 1988.

: 24 : 6.5 Credits for Prepayment of Power Charges: Pursuant to the
: 25 : Hoover Power Plant Act, the Schedule B Contractor is entitled to credits
: 26 : on the power bills rendered under this Contract to reflect the funds

: 1 : advanced by the Schedule B Contractor under the Reclamation Contract or
: 2 : the Interim Contract, or both, and the interest costs incurred by the
: 3 : Schedule B Contractor with respect to such funds; Provided, That a
: 4 : Schedule B Contractor shall not receive any credits or portions thereof
: 5 : on its power bills for any Billing Period unless sufficient funds are
: 6 : legally available for (i) the payment of operation, maintenance, and
: 7 : replacement costs of the Boulder Canyon Project; (ii) repayments to the
: 8 : Treasury, with interest, of advances or any readvances made to the
: 9 : Colorado River Dam Fund that may not be legally deferred; and (iii) in-
: 10 : lieu-of-tax payments to the States of Arizona and Nevada. Any such
: 11 : credits or portions thereof not provided on power bills due to
: 12 : insufficient funds as provided in the preceding sentence shall be
: 13 : included in the Credit Carryforward. Such credits shall be computed and
: 14 : given in accordance with the following provisions:

: 15 : 6.5.1 Within thirty (30) days after the incurrence of any
: 16 : Indebtedness described in paragraph 6.5.2(i), or thirty (30) days after
: 17 : the execution and delivery of this Contract, whichever is later, the
: 18 : Schedule B Contractor shall deliver to Western and Reclamation a schedule
: 19 : setting forth the estimated amounts payable by or on behalf of the
: 20 : Schedule B Contractor in each Fiscal Year with respect to all
: 21 : Indebtedness then outstanding and all related Periodic Interest Costs,
: 22 : calculated as provided in this subsection 6.5.

: 23 : 6.5.2 As used in this subsection 6.5, "Advance" or
: 24 : "Advances" shall include an Advance or Advances made or anticipated to be
: 25 : made pursuant to the Reclamation Contract or the Interim Contract or
: 26 : both. As used in this subsection 6.5, "Indebtedness" shall include:

: 1 : (i) the amount of all borrowed money and all guarantees, assumptions, and
: 2 : other contingent liabilities incurred to finance Advances and the amount
: 3 : of all borrowed money, guarantees, assumptions, and liabilities incurred
: 4 : to finance Funded Interest Costs; and (ii) the amount of funds furnished
: 5 : to Reclamation by the Schedule B Contractor as Advances, to the extent
: 6 : such funds are specified by the Schedule B Contractor as being derived
: 7 : from sources other than described in clause (i) above; whether incurred
: 8 : or provided by the Schedule B Contractor or by any entity acting on
: 9 : behalf of, or as assignee of, the Schedule B Contractor.

: 10 : 6.5.3 As used in this subsection 6.5, "Interest Costs" shall
: 11 : include all amounts used or anticipated to be used for interest payments,
: 12 : issuance expenses, discounts, reserves, credit support and similar fees,
: 13 : remarketing fees, and other financing expenses (to the extent such other
: 14 : financing expenses are incurred to service or reduce interest payments
: 15 : with respect to Indebtedness); whether incurred by the Schedule B
: 16 : Contractor or by any entity acting on behalf of, or as assignee of, the
: 17 : Schedule B Contractor. As used in this subsection 6.5: "Funded Interest
: 18 : Costs" shall include that portion of Interest Costs paid or anticipated
: 19 : to be paid from the proceeds of Indebtedness; and all other Interest
: 20 : Costs shall constitute "Periodic Interest Costs."

: 21 : 6.5.4 With respect to Indebtedness described in
: 22 : paragraph 6.5.2(ii): (i) the amount of such Indebtedness shall be deemed
: 23 : to be payable in equal installments on the last day of each Billing
: 24 : Period from the date of the Advance or June 1, 1987, whichever is later,
: 25 : to September 30, 2017; and (ii) the Periodic Interest Costs with respect
: 26 : thereto shall be deemed to be payable monthly on the last day of each

NOT
APP

: 1 : Billing Period, assuming an annual interest rate equal to the average
: 2 : annual rate for Periodic Interest Costs of all Schedule B Contractors for
: 3 : all Indebtedness described in paragraph 6.5.2(i) based upon the then
: 4 : current Credit Schedules provided by such Schedule B Contractors.

: 5 : 6.5.5 Not less than ninety (90) days (sixty (60) days if the
: 6 : Schedule B Contractor shall not have outstanding Indebtedness described
: 7 : in paragraph 6.5.2(i)) prior to the beginning of each Fiscal Year, the
: 8 : Schedule B Contractor shall provide to Western and Reclamation a schedule
: 9 : ("Credit Schedule") setting forth the Schedule B Contractor's estimate of
: 10 : the amounts described in subparagraphs 6.5.8.1 and 6.5.8.2 with respect
: 11 : to each Billing Period for the remaining term of this Contract and a copy
: 12 : of each Credit Schedule received by Western from each Schedule B
: 13 : Contractor shall be provided promptly by Western to all Contractors for
: 14 : their information; Provided, That if the sum of the amounts described in
: 15 : subparagraphs 6.5.8.1 and 6.5.8.2 with respect to any Billing Period as
: 16 : so estimated by the Schedule B Contractor (excluding any portion thereof
: 17 : scheduled to be paid from debt service or other reserves with respect to
: 18 : Indebtedness), together with any addition thereto pursuant to
: 19 : subparagraph 6.5.5.2 (together, the "Scheduled Accrual"), would exceed
: 20 : the Maximum Accrual with respect to such Billing Period, notwithstanding
: 21 : subparagraphs 6.5.8.1 and 6.5.8.2:

: 22 : 6.5.5.1 The Schedule B Contractor shall provide with
: 23 : such Credit Schedule a separate schedule which shall adjust the Credit
: 24 : Schedule with respect to such Billing Period to set forth instead the
: 25 : Maximum Accrual with respect to such Billing Period;

: 26 : 6.5.5.2 The amount by which the Scheduled Accrual

: 1 : with respect to any Billing Period exceeds the Maximum Accrual with
: 2 : respect to such Billing Period shall be added to the Scheduled Accrual
: 3 : for the next succeeding Billing Period; and

: 4 : 6.5.5.3 The amount to be included in the calculation
: 5 : of the Credit Amount for any Billing Period pursuant to
: 6 : subparagraphs 6.5.8.1 and 6.5.8.2 shall reflect any adjustments required
: 7 : by this paragraph 6.5.5.

: 8 : 6.5.5.4 As used in this subsection 6.5, "Maximum
: 9 : Accrual" shall mean at any date of preparation of a Credit Schedule and
: 10 : with respect to any Billing Period, the maximum amount which would accrue
: 11 : for payment by or on behalf of the Schedule B Contractor with respect to
: 12 : Indebtedness and Periodic Interest Costs in such Billing Period if all of
: 13 : the Indebtedness then outstanding were structured so that:

: 14 : 6.5.5.4(a) Principal were payable annually over a
: 15 : period (determined by the Schedule B Contractor) equal to not less than
: 16 : (i) in the case of Indebtedness incurred on or prior to September 30,
: 17 : 2012, twenty-four (24) years or ninety percent (90%) of the period from
: 18 : the issuance of such Indebtedness until September 30, 2017, whichever is
: 19 : shorter; or (ii) in the case of Indebtedness incurred after September 30,
: 20 : 2012, eighty percent (80%) of the period from the issuance of such
: 21 : Indebtedness until September 30, 2017;

: 22 : 6.5.5.4(b) Commencing with the second Fiscal Year in
: 23 : which principal would be so payable, the amount of principal and interest
: 24 : scheduled to accrue for payment in any Fiscal Year would not exceed one
: 25 : hundred twenty percent (120%) of the average amount of principal and
: 26 : interest scheduled to accrue for payment in all Fiscal Years commencing

on or after October 1, 1987, in which principal is to be paid. The calculation of interest accruals required by this paragraph shall be made based on the coupon interest rates then established for the Indebtedness, with the Schedule B Contractor's estimate of coupon interest rates to be used to the extent rates are to be established in the future.

6.5.6 Proceeds of Indebtedness and investment income earned on the proceeds of Indebtedness prior to completion of the Uprating Program, remaining at the completion or termination of construction of the Uprating Program (to the extent not then required for reserves required by the terms of the instruments establishing such Indebtedness) shall be used by or on behalf of the Schedule B Contractor to purchase or redeem Indebtedness at the earliest date after such completion or termination at which (i) such Indebtedness is required by its terms to be purchased or redeemed, or (ii) such Indebtedness may be purchased or redeemed and, in the judgment of the Schedule B Contractor, such redemption or purchase (when compared to leaving the Indebtedness outstanding to maturity) would produce an overall net reduction in credits to the Schedule B Contractor pursuant to this Contract. Promptly after any such purchase or redemption, the Schedule B Contractor shall provide to Western a revision of the Schedule B Contractor's then current Credit Schedule reflecting the impact of such purchase or redemption. Investment income earned on the proceeds of Indebtedness after the completion of the Uprating Program (to the extent not used or to be used for Advances or for Interest Costs, and net of any required rebate thereof) shall be applied, as earned, as a reduction of Periodic Interest Costs. Each Schedule B Contractor shall use its best efforts to cause

: 1 : the reserves required by the terms of the instruments establishing its
: 2 : Indebtedness and any Advance Credits Account required by paragraph 6.5.11
: 3 : to be invested from time to time at the highest yield consistent with
: 4 : law, prudent investment policy, and the instruments establishing the
: 5 : requirements for such reserves.

: 6 : 6.5.7 Each Schedule B Contractor shall provide to Western
: 7 : and Reclamation, as soon as practicable after the end of each Fiscal
: 8 : Year, a statement of the Credit Difference with respect to such Fiscal
: 9 : Year. Western shall add to or reduce the Schedule B Contractor's
: 10 : succeeding Credit Amounts, as appropriate, as soon as possible to reflect
: 11 : any such Credit Difference.

: 12 : 6.5.8 The "Credit Amount" with respect to any Billing Period
: 13 : shall consist of the sum of the following:

: 14 : 6.5.8.1 The amount accruing for payment by or on
: 15 : behalf of a Schedule B Contractor with respect to Indebtedness and
: 16 : Periodic Interest Costs in such Billing Period (excluding any portion
: 17 : thereof scheduled to be paid from debt service or other reserves with
: 18 : respect to Indebtedness), as shown by the most recent Credit Schedule
: 19 : furnished to Western by said Schedule B Contractor; and

: 20 : 6.5.8.2 With respect to the month of July 1987, the
: 21 : Credit Amount shall also include the amount accruing for payment by or on
: 22 : behalf of the Schedule B Contractor with respect to Indebtedness and
: 23 : Periodic Interest Costs prior to July 1, 1987, as shown by the most
: 24 : recent Credit Schedule furnished to Western by the Schedule B Contractor;
: 25 : and

: 26 : 6.5.8.3 The amount of any "Credit Carryforward" to

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be included in the Credit Amount for such Billing Period pursuant to paragraph 6.5.9 hereof; and

6.5.8.4 The amount (positive or negative) of any Credit Difference not yet applied by Western pursuant to paragraph 6.5.7 hereof.

6.5.9 Western shall apply, as a credit against the power bill of the Schedule B Contractor under this Contract rendered in any Billing Period, the Credit Amount for such Billing Period (based on paragraph 6.5.8 hereof); Provided, That the Credit Amount so applied shall not reduce the power bill rendered in any Billing Period below \$0.00. To the extent that, after applying the Credit Amount for any Billing Period to the power bill of the Schedule B Contractor rendered in such Billing Period, there shall remain a portion of the Credit Amount which has not been so applied, including any amount not applied as credits pursuant to the proviso in subsection 6.5, the portion of the Credit Amount so remaining shall constitute a "Credit Carryforward" and shall be included in the Credit Amount for the next succeeding Billing Period, subject to paragraphs 6.5.12, 6.5.13, and 6.5.14 hereof. The amount to be credited on the power bill rendered in any Billing Period shall be deemed to be due from Western to the Schedule B Contractor on the date of payment by the Contractor of such power bill (or, if the amount of such power bill shall be \$0.00, on the date such power bill is rendered by Western). The Parties understand that the credits to be given under this subsection 6.5 are to be given to the Schedule B Contractor without duplication, i.e., the Schedule B Contractor shall not be entitled to a credit hereunder for any portion of the funds advanced

: 1 : by it or the costs incurred by it to the extent it previously has
: 2 : received a credit hereunder for such portion of the funds advanced or
: 3 : costs incurred by it.

: 4 : 6.5.10 If Western shall derive revenues from the sale of
: 5 : Power from the Boulder Canyon Project in any Fiscal Year in excess of its
: 6 : revenue requirements therefor, Western may set aside and apply such
: 7 : excess revenues or portions thereof as credits on the power bills of the
: 8 : Schedule B Contractor in the next succeeding Fiscal Year, such credits
: 9 : ("Advance Credits") to be in addition to those to be provided based upon
: 10 : the Credit Schedule of the Schedule B Contractor for such Fiscal Year;
: 11 : Provided, however, That (i) the power bill rendered to the Schedule B
: 12 : Contractor in any Billing Period shall not be reduced to below \$0.00 and
: 13 : (ii) no Advance Credits shall be provided to the Schedule B Contractor
: 14 : when the Advance Credits previously provided (net of any prior reduction
: 15 : as provided in paragraph 6.5.12) shall exceed the total amounts of
: 16 : credits shown by the Credit Schedule of the Schedule B Contractor for the
: 17 : then current Fiscal Year and the four (4) next succeeding Fiscal Years.

: 18 : 6.5.11 The Schedule B Contractor shall collect charges from
: 19 : its purchasers of Power so that the Advance Credits, when received from
: 20 : Western, will not reduce the power bills to such purchasers. The
: 21 : Schedule B Contractor will establish and maintain a reserve account (the
: 22 : "Advance Credits Account"), into which it will deposit all moneys
: 23 : collected from such purchasers attributable to Advance Credits, and the
: 24 : investment income on such Advance Credits Account shall be used in the
: 25 : same manner as other investment income is to be used under
: 26 : paragraph 6.5.6.

: 1 : 6.5.12 If the Credit Amount applied in any Billing Period
: 2 : shall be less than the amount to be provided based upon the Credit
: 3 : Schedule of the Schedule B Contractor for the then current Fiscal Year
: 4 : (thus creating a Credit Carryforward), the amount then held in the
: 5 : Advance Credits Account shall be applied by the Schedule B Contractor to
: 6 : its Indebtedness and Periodic Interest Costs in an amount equal to the
: 7 : amount of such deficiency, and the Credit Carryforward and outstanding
: 8 : Advance Credits Account shall be reduced by an equal amount.

: 9 : 6.5.13 If, at the commencement of any Fiscal Year beginning
: 10 : prior to October 1, 2015, there shall remain a Credit Carryforward which
: 11 : shall equal or exceed twenty-five percent (25%) of the sum of the monthly
: 12 : Credit Amounts set forth in the last Credit Schedule for the immediately
: 13 : preceding Fiscal Year, the Schedule B Contractor may require that the
: 14 : amount of such Credit Carryforward be applied as a prepayment for one or
: 15 : more purchases of additional energy from Western, which energy shall be
: 16 : obtained by Western from any lawfully available source and be scheduled
: 17 : by Western for delivery to the Schedule B Contractor at the Boulder
: 18 : Canyon Project point(s) of delivery or other agreed upon point(s) of
: 19 : delivery as promptly as practicable, to the extent that such deliveries
: 20 : can be effected without adversely affecting any other Contractor's rights
: 21 : of delivery under contracts made pursuant to the Hoover Power Plant Act,
: 22 : at a mutually agreeable time or times, and at a price per kilowatthour
: 23 : equal to Western's then existing average annual purchase price for energy
: 24 : or such other price as shall be mutually agreed upon by Western and the
: 25 : Schedule B Contractor. The foregoing notwithstanding, the Schedule B
: 26 : Contractor may (to the extent permitted by law and to the extent

: 1 : determined by the Schedule B Contractor to be permitted by the terms of
: 2 : outstanding Indebtedness binding upon it) accept cash payments from
: 3 : Western, in lieu of any such purchase, and its Credit Carryforward shall
: 4 : be reduced by the amount of any cash payment so received.

: 5 : 6.5.14 If, on or after October 1, 2015, there shall remain or
: 6 : arise any Credit Carryforward or Credit Difference, as soon as
: 7 : practicable after such Credit Carryforward or Credit Difference becomes
: 8 : known to Western, the amount thereof shall be treated as follows:

: 9 : 6.5.14.1 Any positive amount shall constitute a
: 10 : prepayment for one or more purchases of additional energy from Western,
: 11 : which energy shall be scheduled by Western for delivery to the Schedule B
: 12 : Contractor at the Boulder Canyon Project point(s) of delivery or other
: 13 : agreed upon point(s) of delivery as promptly as practicable, to the
: 14 : extent that such deliveries can be effected without adversely affecting
: 15 : any other Contractor's rights of delivery under contracts made pursuant
: 16 : to the Hoover Power Plant Act, at a mutually agreeable time or times, and
: 17 : at a price per kilowatthour equal to Western's then existing average
: 18 : annual purchase price for energy or such other price as shall be mutually
: 19 : agreed upon by Western and the Schedule B Contractor. The foregoing
: 20 : notwithstanding, the Schedule B Contractor may (to the extent permitted
: 21 : by law and to the extent determined by the Schedule B Contractor to be
: 22 : permitted by the terms of outstanding Indebtedness binding upon it)
: 23 : accept cash payments from Western, in lieu of any such purchase, and any
: 24 : positive amount shall be reduced by the amount of any cash payment so
: 25 : received.

: 26 : 6.5.14.2 Any negative amount will be billed by

: 1 : Western promptly to the Schedule B Contractor, which shall pay the amount
: 2 : within thirty (30) days after receipt of the billing.

: 3 : 7. DETERMINATION OF REVENUE REQUIREMENTS, REPAYMENT PERIODS, AND RATES:

: 4 : Western shall fix rates and collect all electric service revenues due the
: 5 : Boulder Canyon Project in accordance with applicable statutes and
: 6 : regulations as set forth in section 904.5 of the 1986 Regulations, and in
: 7 : Department of Energy Order RA 6120.2, as they may be amended or
: 8 : supplemented, and deposit such revenues into the Colorado River Dam Fund.

: 9 : 8. RESALE OF ELECTRIC ENERGY:

: 10 : 8.1 Distribution Principles: The purpose of making low-cost,
: 11 : Federally-generated power available is to encourage the most widespread
: 12 : use thereof, and therefore:

: 13 : 8.1.1 The benefits of Federally-generated power shall be
: 14 : made available at fair and reasonable terms to all of the Contractor's
: 15 : customers at the lowest possible rates consistent with sound business
: 16 : principles; and

: 17 : 8.1.2 The Contractor shall furnish to Western a copy of each
: 18 : schedule of rates in effect on the date of execution of this Contract and
: 19 : a copy of each schedule of rates thereafter adopted; and

: 20 : 8.1.3 The Contractor shall provide Western an annual
: 21 : statement indicating that the charges to its customers are consistent
: 22 : with the principles set forth in paragraph 8.1.1 hereof; and

: 23 : 8.1.4 The Contractor shall provide Western an annual report
: 24 : or, in lieu of the annual report, an annual statement indicating the
: 25 : financial operations of the Contractor's electric system.

: 26 : 8.2 Sales to Resale Customers: The Contractor shall require its

: 1 : resale customers to implement the distribution principles of
: 2 : paragraph 8.1.1 hereof, and whenever the Contractor executes, modifies,
: 3 : or amends a contract with a resale customer, it shall include in such
: 4 : contract requirements similar to those set forth in paragraph 8.1.1. No
: 5 : Contractor shall sell for profit any of the Power contracted for
: 6 : hereunder to any Contractor or to any resale customer of the Contractor
: 7 : for resale by that resale customer.

: 8 : 8.3 Place of Use: All Power purchased by the Contractor under
: 9 : this Contract shall be used only in the State in which that Contractor is
: 10 : located, except as provided in paragraph 5.4.8.

: 11 : 9. CONSERVATION AND RENEWABLE ENERGY PROGRAM:

: 12 : 9.1 The Contractor and each of its resale customers shall develop
: 13 : and implement a Conservation and Renewable Energy Program in accordance
: 14 : with the terms of the "Final Guidelines and Acceptance Criteria for
: 15 : Customer Conservation and Renewable Energy Programs," published in the
: 16 : FEDERAL REGISTER on August 21, 1985 (50 Fed. Reg. 33892, et seq.), and
: 17 : any subsequent amendments thereto, hereinafter called the "Guidelines and
: 18 : Acceptance Criteria."

: 19 : 9.2 The following paragraphs set out the provisions to effect a
: 20 : Conservation and Renewable Energy Program.

: 21 : 9.2.1 If requested and if within its capabilities, Western
: 22 : will provide guidance and assistance in the development of a Conservation
: 23 : and Renewable Energy Program.

: 24 : 9.2.2 The Contractor and each of its resale customers will
: 25 : develop a Conservation and Renewable Energy Program suitable for its
: 26 : respective geographic area and type of utility operation and will submit

1 : said program to Western within twelve (12) months after the date of
2 : execution of this Contract. Resale customer programs shall be submitted
3 : to Western through the Contractor.

4 : 9.2.3 Conservation and Renewable Energy Programs shall
5 : consist of a designated number of activities, as stipulated in the
6 : Guidelines and Acceptance Criteria. Credit will be given for past
7 : accomplishments if they are ongoing and current under the Guidelines and
8 : Acceptance Criteria. Approval and periodic review and verification of
9 : any program shall take place in accordance with the Guidelines and
10 : Acceptance Criteria.

11 : 9.2.4 The initial Conservation and Renewable Energy Program
12 : submitted by the Contractor to Western for itself or one of its resale
13 : customers will either be approved or disapproved within three (3) months
14 : of receipt. If an initial submittal is disapproved, a notification of
15 : deficiencies in the program will be given in writing by Western.
16 : Deficiencies must be remedied within twelve (12) months of the date of
17 : notification. If an existing Conservation and Renewable Energy Program
18 : is revoked at any time after approval, a notification outlining the
19 : deficiencies in such program will be given in writing to the Contractor
20 : and, if applicable, to the resale customer by Western. Deficiencies must
21 : be remedied within twelve (12) months of the date of notification.

22 : 9.2.5 If deficiencies in the Contractor's program are not
23 : corrected within twelve (12) months of Western's notification of
24 : deficiencies in the Contractor's program, the Contractor's Power
25 : entitlement, as set forth in this Contract, may be reduced by ten percent
26 : (10%) at the discretion of the Administrator.

: 1 : 9.2.6 If deficiencies in the program of any of the
: 2 : Contractor's resale customers are not corrected within twelve (12) months
: 3 : of Western's notification of deficiencies in the program, the Contractor
: 4 : shall, upon direction from the Administrator, reduce the Contractor's
: 5 : resale customer's power entitlement by ten percent (10%). The Contractor
: 6 : shall reallocate, in accordance with the Contractor's applicable
: 7 : regulations, the Power entitlement so reduced among its other resale
: 8 : customers whose programs are approved; Provided, That in the event the
: 9 : Contractor fails to reduce such resale customer's Power entitlement by
: 10 : ten percent (10%), pursuant to written notice by Western, Western may
: 11 : reduce the Contractor's Power entitlement by a like amount.

: 12 : 10. GENERAL POWER CONTRACT PROVISIONS MADE PART OF CONTRACT: The General
: 13 : Power Contract Provisions effective July 15, 1985, attached hereto as
: 14 : Attachment No. 2, are hereby made a part of this Contract with the same
: 15 : force and effect as if expressly set forth herein; Provided, That
: 16 : (i) Articles 4, 10, 15 through 26, and 29.1 shall not apply to this
: 17 : Contract; (ii) Article 28 shall not be applicable to the minimum payments
: 18 : required in subsection 6.2; (iii) Article 35 shall not apply to this
: 19 : Contract so long as the Contractor is entitled to credits pursuant to
: 20 : subsection 6.5 hereof, but any claim arising by reason of the
: 21 : inapplicability of Article 35 shall be limited to the recovery of the
: 22 : amount of credits described in subsection 6.5 that have not been returned
: 23 : to the Contractor as prescribed in that subsection and; (iv) Article 40
: 24 : is not intended to alter the responsibilities of the Contractor to comply
: 25 : with laws and regulations governing employment of American Indians.

: 26 :

11. DISPUTES:

11.1 Western Actions Reviewable: All decisions, directions, and determinations of Western under this Contract, including those decisions, directions, or determinations which call for the exercise of discretion, are subject to review as provided in this section. However, the Contractor shall comply with any such decision, direction, or determination unless and until it is reversed or modified by the Administrator, by a court, or by arbitration, pursuant to subsection 11.2. Unless the Contractor exercises its rights under subsection 11.2, such decisions, directions, and determinations are binding on the Contractor.

11.2 Disputes Falling Under the Responsibility of the Administrator of Western: Any disputes or disagreements as to interpretation or performance of the provisions of Title I of the Hoover Power Plant Act, applicable regulations, or this Contract, that fall under the responsibility of the Administrator, shall be determined in accordance with section 904.13 of the 1986 Regulations.

11.3 Reclamation Actions Reviewable: All decisions, directions, and determinations of Reclamation under this Contract, including those decisions, directions, or determinations which call for the exercise of discretion, are subject to review as provided in this section. However, the Contractor shall comply with any such decision, direction, or determination unless and until it is reversed or modified by the Secretary of the Interior, by a court, or by arbitration, pursuant to subsection 11.4. Unless the Contractor exercises its rights under

1 : subsection 11.4, such decisions, directions, and determinations are
2 : binding on the Contractor.

3 : 11.4 Disputes Falling Under the Responsibility of the Secretary of
4 : the Interior: Any disputes or disagreements as to interpretation or
5 : performance of the provisions of Title I of the Hoover Power Plant Act,
6 : applicable regulations, or this Contract that fall under the
7 : responsibility of the Secretary of the Interior shall be determined in
8 : accordance with section 431.8 of the 1986 Reclamation Regulations.

9 : 12. EXHIBITS MADE PART OF CONTRACT: Inasmuch as the delivery conditions,
10 : Contract Capacity, and accounting for use of Unloaded Synchronized
11 : Generation may change during the term hereof, they will be set forth in
12 : respective Exhibits A, B, and C as agreed upon from time to time between
13 : the Authorized Representatives. The initial Exhibits A, B, and C are
14 : attached hereto and made a part hereof, and each shall be in force and
15 : effect in accordance with its respective provisions until superseded by a
16 : subsequent exhibit executed by the Authorized Representatives. Each
17 : superseding exhibit shall be attached to and become part of this
18 : Contract.

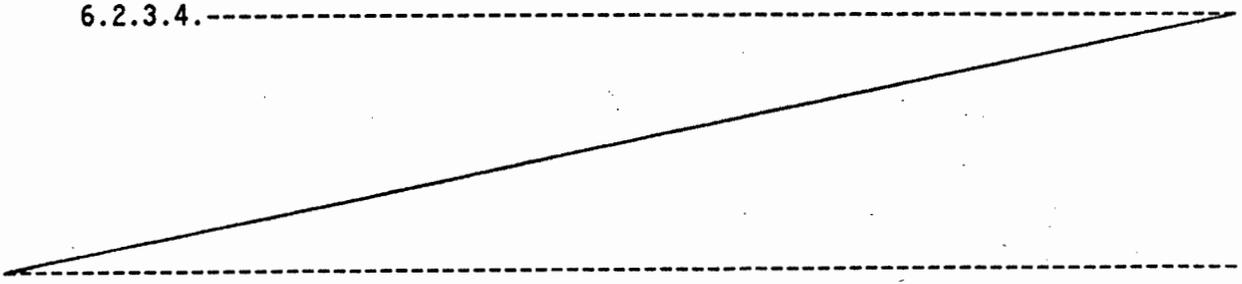
19 : 13. AUTHORIZED REPRESENTATIVES: Each Party, by written notice to the other,
20 : shall designate the representative(s) who is (are) authorized to act on
21 : its behalf with respect to those matters contained herein which are the
22 : functions and responsibilities of its Authorized Representative(s). In
23 : case a Party designates more than one representative, the notice shall
24 : state the particular matter(s) upon which each designated representative
25 : is authorized to act. Either Party may change the designation of its
26 : Authorized Representative(s) upon oral notice given to the other and

: 1 : confirmed promptly by written notice.
:
: 2 : 14. EFFECT OF SECTION HEADINGS: Section headings appearing in this Contract
:
: 3 : are inserted for convenience only and are not interpretations of text.
:
: 4 : 15. FUTURE REGULATIONS, MODIFICATIONS, WAIVERS, DEFAULTS:
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: 5 : 15.1 Future Regulations: From time to time additional or
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: 6 : amendatory regulations may be promulgated as deemed necessary for the
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: 7 : administration of the Boulder Canyon Project in accordance with
:
: 8 : applicable law; Provided, That no right under this Contract shall be
:
: 9 : impaired, or obligation thereunder be extended thereby.
:
: 10 : 15.2 Modifications, Extensions, Waivers: Any modification,
:
: 11 : extension, or waiver of any provision or requirement of any regulation or
:
: 12 : contract granted for the benefit of any one or more Contractors in
:
: 13 : connection with electric service from the Boulder Canyon Project shall
:
: 14 : not be denied to any other Contractor.
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: 15 : 15.3 Default or Failure of Performance by Contractors: A default
:
: 16 : or failure of performance by any one or more Contractors shall not have
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: 17 : the effect of diminishing another Contractor's rights under its Contract
:
: 18 : or enlarging its obligations or costs if it is not itself in default.
:
: 19 : 16. PRIORITY OF CLAIMS OF THE UNITED STATES: Claims of the United States
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: 20 : arising out of this Contract shall have priority over all others, secured
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: 21 : or unsecured.
:
: 22 : 17. ACCESS TO BOOKS AND RECORDS: The Authorized Representative(s) of each
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: 23 : Party shall have access for any purpose at all reasonable times to
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: 24 : applicable portions of all books and records of the other Contractors,
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: 25 : Reclamation, and Western relating to transactions associated with this
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Contract with the right at any time during office hours to make copies of the same.

18. REFERENCE TO SECTION, SUBSECTION, PARAGRAPH, OR SUBPARAGRAPH: A reference to a section, subsection, paragraph, or subparagraph shall include all the subparts of such referenced section, subsection, paragraph, or subparagraph.
19. EFFECT OF CONCURRENCE OF RECLAMATION: Section 17, subsections 11.3 and 11.4, paragraphs 5.1.1 and 5.2.6, and subparagraphs 5.1.1.1, 5.1.1.2, 5.2.4.1, 6.2.3.1, 6.2.3.2, 6.2.3.3, and 6.2.3.4 of this Contract provide for activities that are beyond the scope of Western's statutory authority but are within the statutory authority of Reclamation. The concurrence in this Contract by Reclamation signifies its contractual commitment to discharge the obligations of the United States, acting through Reclamation as provided in section 17, subsections 11.3 and 11.4, paragraphs 5.1.1 and 5.2.6, and subparagraphs 5.1.1.1, 5.1.1.2, 5.2.4.1, 6.2.3.1, 6.2.3.2, 6.2.3.3, and 6.2.3.4. The execution of this Contract by Western signifies its contractual commitment to discharge the obligations of the United States, acting through Western, as provided for in all sections, subsections, paragraphs, and subparagraphs of this Contract except section 17, subsections 11.3 and 11.4, paragraph 5.1.1, and subparagraphs 5.1.1.1, 5.1.1.2, 5.2.4.1, 6.2.3.1, 6.2.3.2, 6.2.3.3, and 6.2.3.4.



1 : IN WITNESS WHEREOF, this Contract No. DE-MS65-86WP39574 has been
2 : executed by duly authorized representatives of the Contractor, Western,
3 : and Reclamation.

4 : THE UNITED STATES OF AMERICA
5 : WESTERN AREA POWER ADMINISTRATION

6 : Date: February 6, 1987

7 : By Thomas A. Hill

8 : Title Area Manager

9 : Address Boulder City Area

10 : Western Area Power Administration

11 : P.O. Box 200

12 : Boulder City, Nevada 89005

13 : CONCURRENCE OF
14 : THE UNITED STATES OF AMERICA
15 : BUREAU OF RECLAMATION

16 : Date: February 6, 1987

17 : By [Signature]

18 : Title Regional Director

19 : Address Lower Colorado Region

20 : Bureau of Reclamation

21 : P.O. Box 477

22 : Boulder City, Nevada 89005

23 : ARIZONA POWER AUTHORITY

24 : Date: 1-20-87

25 : By Dwight Patterson

26 : Title Chairman

Address 1810 West Adams Street

P.O. Box 6694

Phoenix, Arizona 85005

ATTEST:

Ginger Schwartz
Ginger Schwartz
Secretary

(SEAL)

RESOLUTION

BE IT RESOLVED by the Commission of the Arizona Power Authority, that
 Dwight Patterson, Chairman of the Arizona Power Authority and
 Ginger Schwartz, its Secretary, be and they are hereby authorized to execute
 for and on behalf of the the Arizona Power Authority, the attached Contract
 No. DE-MS65-86WP39574 for electric service with the WESTERN AREA POWER
 ADMINISTRATION, which Contract was duly presented to the Commission on
JANUARY 20, 1987, and which Contract is hereby approved.

State of ARIZONA)
 County of MARICOPA) ss

I, Ginger Schwartz, the duly appointed and qualified Secretary of the
 Arizona Power Authority, do hereby certify that the foregoing is a true,
 accurate, and complete copy of a Resolution duly passed and adopted at a
 regular meeting of the Commission of the Arizona Power Authority, held on
JANUARY 20, 1987.

Dated: JANUARY 20, 1987

By: *Ginger Schwartz*
 Ginger Schwartz
 Title: Secretary

(SEAL)

DELIVERY CONDITIONS

1. This EXHIBIT A, under and as part of Contract No. DE-MS65-86WP39574 effective January 1, 1987, hereinafter called the "Contract," shall be effective as of January 1, 1987, and shall remain in effect until superseded by another Exhibit A as approved by the Authorized Representatives of the Parties; Provided, That this Exhibit A or any superseding Exhibit A shall be terminated by the expiration of the Contract.
2. POINT(S) OF DELIVERY: Western shall deliver Power to the Contractor at the point(s) at which the facilities of the Contractor or its Scheduling Entity are attached to the facilities of Western at the point(s) of delivery and nominal delivery voltages set forth below, or at other mutually agreed upon point(s) of delivery.

<u>Point(s) of Delivery and Measurement</u>	<u>Voltage (kV)</u>
Mead Bus	230-kV

CONTRACT CAPACITY AND ENERGY ENTITLEMENTS

1. This EXHIBIT B, under and as part of Contract No. DE-MS65-86WP39574 effective January 1, 1987, hereinafter called the "Contract," shall be effective as of January 1, 1987, and shall remain in effect until superseded by another Exhibit B as approved by the Authorized Representatives of the Parties; Provided, That this Exhibit B or any superseding Exhibit B shall be terminated by the expiration of the Contract.
2. CONTRACT CAPACITY: The Contractor's Schedule A Contract Capacity and Schedule B Contract Capacity shall be set forth in the Master Schedule, to become attached hereto.
3. DETERMINATION OF ENERGY ENTITLEMENT: The Contractor's Transition Period and Fiscal Year energy entitlement pursuant to the Contract shall be determined by the following formula:

$$EE = (P/100 \times B) + C + D - L$$

Where,

EE = Contractor's energy entitlement for the respective period.

P = Contractor's percentage of total Schedule A Firm Energy and Schedule B Firm Energy.

B = Total available Firm Energy for the respective period, exclusive of requested firming purchases.

C = Excess Energy for the respective period available to the Contractor pursuant to Schedule C.

D = Contractor's requested firming purchase pursuant to paragraph 5.4.7.

L = Reduction in energy entitlement pursuant to paragraph 5.6.4.

4. The following terms, when used in the Contract or Exhibits, shall have the meanings specified:

4.1 NERC Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

4.2 Normal Business Day: Monday through Friday inclusive, except for NERC Holidays as defined in subsection 4.1 hereof.

4.3 Off-Peak Hours: All day on Sundays and NERC Holidays, and the following hours on Mondays through Saturdays:

4.3.1 10 p.m. to 6 a.m., Pacific time, during the period 8 hrs
beginning on the last Sunday of April until the last Sunday of October of any year.

4.3.2 11 p.m. to 7 a.m., Pacific time, during the period 8 hrs
beginning on the last Sunday of October until the last Sunday of April of the succeeding year.

4.4 On-Peak Hours: All other times.

ACCOUNTING FOR USE OF
UNLOADED SYNCHRONIZED GENERATION

1. This EXHIBIT C, under and as part of Contract No. DE-MS65-86WP39574 effective January 1, 1987, hereinafter called the "Contract," shall be effective as of January 1, 1987, and shall remain in effect until superseded by another Exhibit C as approved by the Authorized Representatives of the Parties; Provided, That this Exhibit C or any superseding Exhibit C shall be terminated by the expiration of the Contract.
2. Energy used to supply Unloaded Synchronized Generation to the Contractor for regulation, ramping, and spinning reserves pursuant to subsection 5.6 of the Contract shall be returned in accordance with the following formula: $L = (M_L + S_L) \times \frac{R_C}{R_T}$

Where L = megawatthour reduction in the energy entitlement to the Contractor in the following Billing Period or as soon as practicable

M_L = megawatthours used for operation of generating units in a motoring mode for all Contractors that schedule Unloaded Synchronized Generation during the Billing Period

S_L = computed energy, expressed in megawatthours, lost due to reduced plant efficiency caused by operation of generating units in a partially loaded spinning mode for all Contractors that schedule Unloaded Synchronized Generation during the Billing Period

R_C = cumulative sum, expressed in megawatthours, of the Contractor's Unloaded Synchronized Generation during the Billing Period

R_T = cumulative sum, expressed in megawatthours, of all Contractors' Unloaded Synchronized Generation during the Billing Period

- 2.1 The value of M_L will be determined by metering total energy used for motoring units for all Contractors during the Billing Period.
- 2.2 The value of S_L will be determined by multiplying an appropriate predetermined factor set forth in section 3 hereto times the megawatthours of all Contractors' Unloaded Synchronized Generation.
3. In order to develop a history of the amount of Unloaded Synchronized Generation associated with energy lost by operating generating units in a partially loaded spinning mode (S_L), the factor S_L shall initially be deemed to be zero percent (0%) of total plant capacity through September 30, 1988. On October 1, 1988, and every year thereafter, this factor will be revised annually at the determination of Western based upon prior year operations. Supporting data justifying any such revision will be provided upon written request of the Contractor.
4. Scheduling of such energy shall be pursuant to the metering and scheduling instructions agreed upon pursuant to paragraph 5.7.3 of the Contract.

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
BOULDER CANYON PROJECT

SCHEDULE OF RATES FOR POWER SERVICE

RECEIVED

OCT 30 1987

R. W. BECK & ASSOC.
PHOENIX, ARIZONA

Approved by FERC
on "interim
basis" -- being
reviewed by FERC
for "final disposition"
(From Earl Hodge)

Effective:

June 1, 1987, that being the first day of the June 1987 billing period.

Available:

In the area served by the Boulder Canyon Project.

Applicable:

To power customers served by the Boulder Canyon Project supplied through one meter at one point of delivery, unless otherwise provided by contract.

Character and Conditions of Service:

Alternating current, 60 hertz, three-phase, delivered and metered at the voltages and points established by contract.

Monthly Rate:

CAPACITY CHARGE: The Base Charge capacity rate is \$.75/kW-month for each kW of rated capacity to which each contractor is entitled by contract during the billing period.

ENERGY CHARGE: The Base Charge energy rate is 3.410 mills/kWh for each kWh measured or scheduled at the point of delivery during the billing period, except for purchased power.

The Lower Basin Development Fund Contribution Charge is 4.5 mills/kWh for each kWh measured or scheduled to an Arizona purchaser and 2.5 mills/kWh for each kWh measured or scheduled to a California or Nevada purchaser, except for purchased power.

Billing for Unauthorized Overruns:

For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual power obligations, such overruns shall be billed at 10 times the above Base Charge capacity and energy rates. The Lower Basin Development Fund Contribution Charge shall be also applied to each kWh of overrun.

Adjustments:

None.

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 GENERAL POWER CONTRACT PROVISIONS

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WESTERN AREA POWER ADMINISTRATION
GENERAL POWER CONTRACT PROVISIONS

I. APPLICABILITY.

1. Applicability.

1.1. These General Power Contract Provisions shall be a part of the contract to which they are attached. These provisions set forth general conditions applicable to the contract. Specific terms set forth in the contract have precedence over any provision herein.

1.2. If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with the General Power Contract Provisions, Articles 16, 25, 27, 30, 31, 39, 40, and 41.

II. DELIVERY OF SERVICE.

2. Character of Service.

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

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

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

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Article 28 herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions,

which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

5. Multiple Points of Delivery.

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

6. Metering.

6.1. The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western or by the Contractor acting as the designated representative of Western. The Contractor shall ensure that metering equipment furnished and maintained by the Contractor or another power supplier, as provided in the contract, meets the metering standards of Western if such metering equipment will be used for billing or other accounting purposes by Western.

6.2. Meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted, and representatives of the interested parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested at least once each year by the party responsible for meter maintenance and at any reasonable time upon request by either party hereto, a supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance. Meters found with broken seals shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Article 6.3 below.

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

6.4. If acceptable inspections and tests of a meter needed by Western for billing or other accounting purposes disclose an error exceeding two percent (2%), then correction based upon the inaccuracy found shall be made of the records of services furnished during the period that such inaccuracy has existed as determined by the Contracting Officer; Provided, That if such period of inaccuracy cannot be determined, correction shall be made for the period beginning with the monthly billing period immediately preceding the billing period during which the test was made.

6.5. Any correction in billing resulting from correction in meter records shall normally be made in the next monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties hereto arising out of inaccuracy of metering equipment.

7. Existence of Transmission Service Contract.

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

8. Conditions of Transmission Service.

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

8.2. The Contractor shall maintain a power factor at each point of delivery from Western's transmission agent as required by the transmission agent.

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

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

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

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

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

III. RATES, BILLING, AND PAYMENT.

10. Change of Rates.

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

11. Minimum Seasonal or Annual Capacity Charge.

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

12. Billing and Payment.

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

12.2. If Western is unable to issue a timely monthly bill, it may elect to render an estimated bill for that month to be followed by the final bill. Such estimated bill shall be subject to the same payment provisions as a final bill.

12.3. Payments are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western; Provided, That payments received by mail will be accepted as timely and without assessment of the charge provided for in Article 13 provided a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

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

13. Nonpayment of Bills in Full When Due.

13.1. Bills not paid in full by the Contractor by the due date specified in Article 12 hereof shall bear an initial charge of two percent (2%) of the amount unpaid. Each day thereafter, a charge of five hundredths percent (0.05%) of the principal sum unpaid shall be added until the amount due, including the two percent (2%) initial charge, is paid in full. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

13.2. Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The

rights reserved to Western herein shall be in addition to all other remedies available to Western either at law or in equity, for the breach of any of the terms hereof.

14. Adjustments for Fractional Billing Period.

For a fractional part of a billing period at the beginning or end of electric service, at the beginning or end of irrigation pumping service each year, a fractional billing period under a new rate schedule, and for fractional periods due to withdrawals of electric services, the demand or capacity charge and minimum charges shall each be proportionately adjusted in the ratio that the number of hours that electric service is available to the Contractor in such fractional billing period bears to the total number of hours in the billing period involved.

15. Adjustments for Curtailments to Firm Service.

15.1. Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of 1 hour or longer in duration each. Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Article 13 (Nonpayment of Bills In Full When Due). For purposes of billing adjustments under this article, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

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

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

IV. USE OF FIRM POWER.

16. Resale of Firm Electric Service.

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

V. FACILITIES.

17. Design Approval.

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

18. Inspection and Acceptance.

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

19. As-Built Drawings.

Within a reasonable time, as determined by the Contracting Officer, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor's drawings of Western facilities shall use drawing

title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by the Contracting Officer. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by the Contracting Officer.

20. Equipment Ownership Markers.

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

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

21. Third-Party Use of Facilities.

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

22. Changes to Western Control Facilities.

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

23. Modification of Western Facilities.

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

24. Transmission Rights.

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

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

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

26. Construction and Safety Procedures.

26.1. The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply with all applicable safety laws and building and construction codes, including the provisions of Western's current "Power Systems Safety Manual," "Construction, Safety, and Health Standards," and "Power System Clearance Procedures" in effect upon the signing of the contract; Except, That, in lieu of the safety program required herein, the Contractor may provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

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

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

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

26.5. In the event the Contractor, its employees, agents, or subcontractors fail to comply with any provision of this article, or Article 18 herein, the Contracting Officer or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

VI. GENERAL PROVISIONS.

27. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13(a) of the Boulder Canyon Project Act of December 21, 1928, (45 Stat. 1057) and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

28. Uncontrollable Forces.

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

29. Liability.

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

29.2 The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended.

30. Environmental Compliance.

Facilities to be constructed under the contract by any party shall be constructed subject to compliance with laws, executive orders, and regulations applicable to that party, including the National Environmental Policy Act of 1969 and the Archeological Resources Protection Act of 1979.

31. Cooperation of Contracting Parties.

If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Articles 12 (Billing and Payment) and 13 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

32. Transfer of Interest in Contract by Contractor.

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

33. Waivers.

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

34. Notices.

Any notice, demand, or request required by the contract or the provisions of these articles to be in writing shall be considered properly given when delivered in person, or sent by either registered or certified mail, postage prepaid, or prepaid telegram addressed to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice.

35. Contingent Upon Appropriations.

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

36. Officials Not to Benefit.

No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of the contract or to any benefit that may have arisen from the contract, but this restriction shall not be construed to extend to the contract if made with a corporation or company for its general benefit.

37. Convenant Against Contingent Fees.

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

38. Operating Guidelines and Procedures.

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

39. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), (the Act), is subject to the following terms and all other applicable provisions and exceptions of the Act and the regulations of the Secretary of Labor.

39.1 Overtime Requirements.

A Contractor or subcontractor shall not require or permit any laborer or mechanic to work in excess of 8 hours in any calendar day, or 40 hours in any workweek, on any part of the contract work subject to the Act; unless, the laborer or mechanic receives compensation at a rate not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in any workweek, whichever produces the greater amount of overtime.

39.2 Violation, Liability for Unpaid Wages, and Liquidated Damages.

If the terms of paragraph 39.1. above are violated, the Contractor and any subcontractor responsible for the violation shall be liable to any affected employee for unpaid wages. In addition, the Contractor and subcontractor shall be liable to the United States for liquidated damages. These damages are computed for each individual laborer or mechanic at \$10 for each calendar day on which the employee was required or permitted to be employed in violation of paragraph 39.1. above.

39.3. Withholding for Unpaid Wages and Liquidated Damages.

The Contracting Officer may withhold from the Contractor, from any moneys payable on account of work performed by the Contractor or subcontractor, such amounts as may administratively be determined to be necessary to satisfy any liabilities of the Contractor or subcontractor for unpaid wages and liquidated damages as provided in paragraph 39.2. above.

39.4. Subcontracts.

The Contractor and subcontractor shall insert paragraphs 39.1 through 39.4. of this article in all subcontracts.

39.5. Records.

The Contractor shall maintain payroll records containing the information specified in 29 CFR 516.2(a). These records shall be preserved for 3 years from contract completion. The Contractor will make the records available for inspection by authorized representatives of the Contracting Officer and the Department of Labor, and will permit such representatives to interview employees during working hours on the job.

40. Equal Employment Practices.

During the performance of the contract, and to the extent required by applicable law, the Contractor agrees as follows:

40.1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Article.

40.2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin.

40.3. The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Article, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

40.4. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor and to the Age Discrimination Act of 1967 as amended by Public Law 93-259 of April 18, 1974.

40.5. The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

40.6. In the event the Contractor fails to comply with any of the provisions of this article, the contract may be cancelled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

40.7. The Contractor will include the provisions of paragraphs 40.1. through 40.7. in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Contracting Officer, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

41. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. 4082(c)(2) and Executive Order 11755, December 29, 1973.

HOOVER UPGRATING CAPACITY AND CONSTRUCTION OUTAGE SCHEDULE

	06/01/87	10/01/87	02/01/88	06/01/88	10/01/88	02/01/89	06/01/89	10/01/89	02/01/90	06/01/90	10/01/90	08/01/91	10/01/91	02/01/92	10/01/92
Capacity @ 560'	1,644.0	1,674.0	1,704.0	1,764.0	1,794.0	1,854.0	1,814.0	1,814.0	1,849.0	1,855.0	1,855.0	1,855.0	1,887.3	1,906.5	1,939.0
Capacity @ 498'	1,575.4	1,603.2	1,631.0	1,681.0	1,699.4	1,761.0	1,821.0	1,821.0	1,855.0	1,855.2	1,855.2	1,855.2	1,887.3	1,918.9	1,951.0
Excess	68.6	70.8	73.0	83.0	94.6	93.0	93.0	93.0	94.0	103.8	103.8	103.8	104.2	87.6	88.0
At 498'															
Total Capacity	1,575.4	1,603.2	1,631.0	1,681.0	1,699.4	1,761.0	1,821.0	1,821.0	1,855.0	1,855.2	1,855.2	1,855.2	1,887.3	1,918.9	1,951.0
Hoover "A" Allocation	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0	1,448.0
Hoover "B" - No Outage % Of Total	127.4 8.09%	155.2 9.68%	183.0 11.22%	233.0 13.86%	251.4 14.79%	313.0 17.77%	373.0 20.48%	373.0 20.48%	407.0 21.94%	407.2 21.95%	407.2 21.95%	407.2 21.95%	439.3 23.28%	470.9 24.54%	503.0 25.78%
Construction Outage From Excess	100.0 68.6	100.0 70.8	200.0 73.0	100.0 83.0	200.0 94.6	200.0 93.0	0.0 0.0	150.0 93.0	60.0 60.0	0.0 0.0	82.5 82.5	187.5 103.8	197.5 104.2	82.5 82.5	0.0 0.0
Net Outage From "B"	31.4	29.2	127.0	17.0	105.4	107.0	0.0	57.0	0.0	0.0	0.0	93.7	93.3	0.0	0.0
Adjusted Hoover "B" Without Outage Net Outage Capacity	127.4	155.2	183.0	233.0	251.4	313.0	373.0	373.0	407.0	407.2	407.2	407.2	439.3	470.9	503.0
Net Hoover "B"	96.0	126.0	56.0	216.0	146.0	206.0	373.0	316.0	407.0	407.2	407.2	313.5	346.0	470.9	503.0
Allocate Excess Total Excess Used to Cover Outage	68.6	70.8	73.0	83.0	94.6	93.0	93.0	93.0	94.0	103.8	103.8	103.8	104.2	87.6	88.0
Excess Available	0.0	0.0	0.0	0.0	0.0	0.0	93.0	0.0	34.0	103.8	21.3	0.0	0.0	5.1	0.0
Allocated to Hoover "B"	0.0	0.0	0.0	0.0	0.0	0.0	74.0	0.0	25.5	81.0	15.6	0.0	0.0	3.8	0.0
Total After Outage Total Hoover "B"	1,448.0 96.0	1,448.0 126.0	1,448.0 56.0	1,448.0 216.0	1,448.0 146.0	1,448.0 206.0	1,522.0 352.0	1,448.0 316.0	1,474.5 414.5	1,529.0 430.0	1,464.6 411.8	1,448.0 313.5	1,448.0 346.0	1,451.8 472.2	1,448.0 503.0
→ Total	1,544.0	1,574.0	1,604.0	1,664.0	1,594.0	1,654.0	1,914.0	1,764.0	1,889.0	1,959.0	1,876.5	1,761.5	1,794.0	1,924.0	1,951.0
Allocated To Arizona Hoover "A" (13.0525%) Hoover "B" (37.3757%)	189.0 35.9	189.0 47.1	189.0 20.9	189.0 80.7	189.0 54.6	189.0 77.0	188.7 146.5	189.0 118.1	182.5 154.9	188.6 160.7	181.2 154.0	189.0 117.2	189.0 129.3	189.5 176.5	189.0 188.0
→ Total	224.9	236.1	209.9	269.7	243.6	266.0	345.2	307.1	347.4	360.3	345.2	306.2	318.3	366.0	377.0
Total Before Outage Total Hoover "A" Total Hoover "B" (1)	1,511.1 132.9	1,511.9 162.1	1,512.8 191.2	1,519.5 244.5	1,528.6 265.4	1,524.5 329.5	1,522.0 392.0	1,522.0 392.0	1,521.4 427.6	1,529.0 430.0	1,529.0 430.0	1,529.0 430.0	1,527.9 463.6	1,514.1 492.4	1,513.3 525.7
Total	1,644.0	1,674.0	1,704.0	1,764.0	1,794.0	1,854.0	1,914.0	1,914.0	1,949.0	1,959.0	1,959.0	1,959.0	1,991.5	2,006.5	2,039.0
Allocated To Arizona Hoover "A" (13.0525%) Hoover "B" (37.3757%)	197.7 45.7	197.2 60.2	197.5 71.5	198.3 91.4	198.5 99.2	199.0 123.2	198.7 146.5	198.7 146.5	188.8 159.8	188.6 160.7	189.6 160.7	189.6 160.7	189.6 173.3	187.8 184.0	187.5 196.5
Total	246.9	257.9	269.0	289.7	298.7	322.2	345.2	345.2	358.4	360.3	360.3	360.3	372.7	381.6	394.0
Purchased By Arizona (Capacity at 498') Hoover "A" (13.0525%) Hoover "B" (37.3757%) (2)	189.0 47.6	189.0 58.0	189.0 68.4	189.0 87.1	189.0 94.0	189.0 117.0	189.0 139.4	189.0 139.4	189.0 152.1	189.0 152.2	189.0 152.2	189.0 152.2	189.0 164.2	189.0 176.0	189.0 188.0
Total	236.6	247.0	257.4	276.1	283.0	306.0	328.4	328.4	341.1	341.2	341.2	341.2	353.2	365.0	377.0

{1} e.g.: {127.4} + {68.6} (1575.4) (127.4)
 {2} e.g.: {127.4} + {373.757}

260.17



PLANT RATING AT UPPER LIMIT (560')

	06/01/87	10/01/87	02/01/88	06/01/88	10/01/88	02/01/89	06/01/89	10/01/89	02/01/90	06/01/90	10/01/90	08/01/91	10/01/91	02/01/92	10/01/92
A1	100.0	100.0	100.0	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
A2	100.0	100.0	100.0	100.0	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
A3	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	115.0	115.0
A4	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	115.0
A5	100.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0
A6	100.0	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
A7	100.0	100.0	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
A8	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
A9	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	70.0	70.0	70.0	70.0	70.0	70.0
N1	100.0	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
N2	100.0	100.0	100.0	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
N3	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
N4	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
N5	100.0	100.0	100.0	100.0	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
N6	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
N7	100.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0
N8	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	130.0	130.0
Total	1590.0	1,644.0	1,674.0	1,704.0	1,764.0	1,794.0	1,854.0	1,914.0	1,914.0	1,949.0	1,959.0	1,959.0	1,959.0	1,991.5	2,039.0

2039/1590 = 28%

PLANT RATING AT (498')

+28%

+37%

	06/01/87	10/01/87	02/01/88	06/01/88	10/01/88	02/01/89	06/01/89	10/01/89	02/01/90	06/01/90	10/01/90	08/01/91	10/01/91	02/01/92	10/01/92
A1	92.4	92.4	92.4	92.4	92.4	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2
A2	92.4	92.4	92.4	92.4	92.4	92.4	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2
A3	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	114.6	114.6
A4	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	82.5	114.6
A5	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4
A6	96.2	96.2	96.2	118.4	118.4	110.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4
A7	100.0	100.0	100.0	100.0	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4
A8	44.6	44.6	44.6	44.6	44.6	44.6	44.6	44.6	44.8	44.8	44.8	44.8	44.8	44.8	44.8
A9	59.6	59.6	59.6	59.6	59.6	59.6	59.6	59.6	59.6	59.8	59.8	59.8	59.8	59.8	59.8
N1	98.4	98.4	98.4	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2
N2	98.4	98.4	98.4	98.4	98.4	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2
N3	98.4	98.4	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2
N4	98.4	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2
N5	100.0	100.0	100.0	100.0	100.0	100.0	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2
N6	92.4	92.4	92.4	92.4	92.4	92.4	92.4	92.4	126.2	126.2	126.2	126.2	126.2	126.2	126.2
N7	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2	126.2
N8	94.6	94.6	94.6	94.6	94.6	94.6	94.6	94.6	94.6	94.6	94.6	94.6	94.6	126.2	126.2
Total	1515.6	1,575.4	1,603.2	1,631.0	1,681.0	1,699.4	1,761.0	1,821.0	1,821.0	1,855.0	1,855.2	1,855.2	1,855.2	1,887.3	1,918.9

1954/1515.6 = +29%

(1) Completed 10-11-88

