

Amended Service Agreement No. 98TX-10128

AMENDED SERVICE AGREEMENT

for

NETWORK INTEGRATION

TRANSMISSION SERVICE

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through the

BONNEVILLE POWER ADMINISTRATION

and

ORCAS POWER AND LIGHT COOPERATIVE

1. This Service Agreement is entered into, by and between the Bonneville Power Administration Transmission Services (Transmission Provider) and Orcas Power and Light Cooperative (Transmission Customer).
2. The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Transmission Provider's Open Access Transmission Tariff (Tariff).
3. The Transmission Customer has provided to the Transmission Provider a deposit, unless such deposit has been waived by the Transmission Provider, for Transmission Service in accordance with the provisions of Section 29.2 of the Tariff.
4. Service under this agreement shall commence on the later of (1) the requested Service Commencement Date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
5. The Transmission Provider agrees to provide and the Transmission Customer agrees to pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.
6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated in Exhibit D.
7. The Tariff, Exhibit A (Specifications for Network Integration Transmission Service), Exhibit B (Direct Assignment and Use-of-Facilities Charges), Exhibit C (Ancillary Services), and Exhibit D (Notices) are incorporated herein and made a part hereof. Capitalized terms not defined in this agreement are defined in the Tariff.

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- 8. This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
- 9. This Service Agreement shall insure to the benefit of and be binding upon the Parties and their respective successors.
- 10. The Transmission Customer and the Transmission Provider agree that provisions of Section 3201(i) of Public Law 104-134 (Bonneville Power Administration Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.
- 11. Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Transmission Customer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the Service Agreement the same as if the specific language had been written into the Service Agreement, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

ORCAS POWER AND LIGHT
COOPERATIVE

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: *Randy J Cornelius*

By: *Melanie M Jackson*

Name: Randy J. Cornelius
(Print / Type)

Name: Melanie M. Jackson
(Print / Type)

Title: GM

Title: Transmission Account Executive

Date: 3/16/12

Date: March 22, 2012

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**EXHIBIT A
SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

TRANSMISSION SERVICE REQUEST

Assign Ref is: 427608

1. TERM OF TRANSACTION

For Assign Ref(s): 427608

Service Agreement Start Date: at 0000 hours on July 1, 1999.

Service Agreement Termination Date: at 0000 hours on October 1, 2031.

2. NETWORK RESOURCES

Pursuant to section 29.2 and 30.2 of Transmission Provider's Tariff, Transmission Customer has designated the following Network Resources:

(a) **Generation Owned by the Transmission Customer**

Resource Name	Start Date	Stop Date	Designated Capacity (MW)	Point of Receipt & Source	Balancing Authority	Associated Assign Ref
N/A						

(b) **Generation Purchased by the Transmission Customer**

Source (Contract No.) or Resource Name	Start Date	Stop Date	Designated Capacity (MW)	Point of Receipt & Source	Balancing Authority	Associated Assign Ref
Power Services Regional Dialogue Contract No. 09PB-13085	10/1/11	9/30/28	Net Requirements	BPAPOWER & FCRPS	BPAT	N/A

(c) **Local Resource Behind the Meter (owned or purchased)**

Resource Name	Start Date	Stop Date	Designated Capacity (MW)	Balancing Authority	Associated Assign Ref
N/A					

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3. POINT(S) OF RECEIPT

(a) **Federal Generation Point(s) of Receipt**

Transmission Customer Point of Receipt: Federal Columbia River Power System (FCRPS);

POR Number: 3453;

Balancing Authority: BPAT;

Location: FCRPS;

Voltage: 500 kV;

Metering: scheduled quantity;

Exceptions: none.

(b) **Non-Federal Generation Point(s) of Receipt**
Not applicable.

4. POINT(S) OF DELIVERY

(a) **Description of Network Point(s) of Delivery**
Not applicable. See section 4(b).

(b) **Description of Transfer Point(s) of Delivery**
For purposes of this section the following definitions shall apply:

“Transfer Point of Delivery” means the point where the Transmission Provider delivers power to the Intervening System.

“Point of Receipt from Intervening System” means the point where the Transmission Provider or a Third Party receives power from the Intervening System prior to delivery of power to the Point of Delivery.

Transfer Point of Delivery: Sedro Woolley 230 kV;

BPA POD Name: BPAT.PSEI;

BPA POD Number: 3861;

Balancing Authority: PSEI;

Location: the point at Structure No. 26/7 of the Transmission Provider's Murray-Custer 230 kV line, where the facilities of the Transmission Provider and Puget Sound Energy, Inc. are connected;

Voltage: 230 kV;

Metering: not applicable;

Point of Receipt from Intervening System: Fidalgo 115 kV;

BPA POD Name: BPAT.PSEI;

BPA POD Number: 3461;

Balancing Authority: BPAT;

Location: the point in the Transmission Provider's Fidalgo Substation where the 115kV facilities of the Transmission Provider and Puget Sound Energy Inc. connect;

Voltage: 115 kV;

Metering: not applicable;

Transmission Customer Point of Delivery: Lopez Island 69 kV;

BPA POD Name: BPAT.PSEI;

BPA POD Number: 816;

Balancing Authority: BPAT;

Location: the point in the Transmission Provider's Lopez Substation, where the 69 kV facilities of the Transmission Provider and Orcas Power & Light Cooperative are connected;

Voltage: 69 kV;

Metering:

(A) in the Transmission Provider's Fidalgo Substation in the 115 kV circuit over which such electric power flows;

(i) **BPA Meter Point Name:** Fidalgo #4 Out;

BPA Meter Point Number: 335;

Direction for Billing Purposes: Positive;

Manner of Service: Transfer, Transmission Provider to Puget Sound Energy Inc. to Transmission Provider to Orcas Power & Light Cooperative;

(ii) **BPA Meter Point Name:** Fidalgo #4 In¹;

BPA Meter Point Number: 2719;

Direction for Billing Purposes: Negative;

Manner of Service: Transfer, Orcas Power & Light Cooperative to Transmission Provider to Puget Sound Energy Inc. to Transmission Provider;

(B) in the Transmission Provider's Fidalgo Substation in the 69 kV circuit over which such electric power flows;

(i) **BPA Meter Point Name:** Fidalgo #5 69 kV Out;

BPA Meter Point Number: 2387;

Direction for Billing Purposes: Positive;

Manner of Service: Transfer, Transmission Provider to Puget Sound Energy Inc. to Transmission Provider to Orcas Power & Light Cooperative;

(ii) **BPA Meter Point Name:** Fidalgo #5 69 kV In²;

BPA Meter Point Number: 2388;

Direction for Billing Purposes: Negative;

Manner of Service: Transfer, Orcas Power & Light Cooperative to Transmission Provider to Puget Sound Energy Inc. to Transmission Provider;

¹ This meter is not currently used to bill Orcas Power and Light Cooperative.

² This meter is not currently used to bill Orcas Power and Light Cooperative.

Metering Loss Adjustment: the Transmission Provider will adjust for losses between Orcas Power & Light Cooperative's Point of Delivery and Points of Metering. Such adjustments shall be specified in written correspondence between the Transmission Provider and Orcas Power & Light Cooperative;

Exceptions: None.

5. NETWORK LOAD

The Application provides the Transmission Customer's initial annual load and resource information. Annual load and resource information updates shall be submitted to the Transmission Provider at the address specified in Exhibit D (Notices), by September 30th of each year, unless otherwise agreed to by the Transmission Provider and the Transmission Customer.

6. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE OBLIGATION

Transmission Customer and its affiliates (if they own or control transmission facilities).

7. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

Puget Sound Energy Inc. 11PB-50130.

8. SERVICE AGREEMENT CHARGES

Service under this Agreement shall be subject to some combination of the charges detailed below. (The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:

Network Integration Rate Schedule, or its successor, in effect at the time of service.

Short Distance Discount:

Short Distance Discount is not applicable to service under this Agreement.

8.2 System Impact and/or Facilities Study Charge:

System Impact and/or Facilities Study Charges are not required for service under this Agreement.

8.3 Direct Assignment Facilities Charges:

Described in Exhibit B (Direct Assignment and Use-of-Facilities Charges) of this Agreement.

8.4 Ancillary Service Charges:

Described in Exhibit C (Ancillary Service Charges) of this Agreement.

9. OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT

- (a) The Transmission Provider shall not sell, assign or otherwise transfer the 115 kV submarine cable #4 and the 69 kV submarine cable #5 or the facilities at Fidalgo or Lopez Substations without consulting with the Transmission Customer¹.
- (b) The Transmission Customer agrees to purchase transmission service from the Point(s) of Delivery for the thirty (30) year amortization of cable #5, effective December 31, 2002. If the Transmission Customer does not purchase transmission service from the Transmission Provider at any point during the thirty (30) year amortization period, the Transmission Customer shall pay Bonneville's unamortized investment in the 69 kV cable #5.
- (c) The Transmission Provider is responsible for providing 100 MVA of capacity from the 69 kV submarine cable #5 to Orcas Power & Light Cooperative's Point of Delivery under normal operating conditions and a single contingency outage (commonly referred to as N-1 criteria).

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¹ For reference see the following Agreements: 08TX-13705, 99TX-30262 and 14-02-30390.

EXHIBIT B
DIRECT ASSIGNMENT AND USE-OF-FACILITIES CHARGES

Facilities Charges are not required at this time for the service under this Service Agreement.

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**EXHIBIT C
ANCILLARY SERVICE CHARGES**

This Exhibit C is subject to the Ancillary Service Rate Schedule, or its successor, in effect at the time of service.

	Provided By	Contract No.
1. SCHEDULING, SYSTEM CONTROL AND DISPATCH	Transmission Provider	98TX-10128
2. REACTIVE SUPPLY AND VOLTAGE CONTROL	Transmission Provider	98TX-10128
3. REGULATION & FREQUENCY RESPONSE	Transmission Provider	98TX-10128
4. ENERGY IMBALANCE SERVICE	Not Applicable ¹	
5. OPERATING RESERVE - SPINNING RESERVE	Transmission Provider	98TX-10128
6. OPERATING RESERVE - SUPPLEMENTAL RESERVE	Transmission Provider	98TX-10128

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¹ Energy Imbalance Service is not applicable to BPA net requirements customers.

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**EXHIBIT D
NOTICES**

1. NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice or other communication related to this Service Agreement, other than notices of an operating nature (section 2 below), shall be in writing and shall be deemed to have been received if delivered in person, by First Class mail, by facsimile or sent by overnight delivery service.

If to the Transmission Customer:

Orcas Power and Light Cooperative
183 Mt. Baker Road
Eastsound, WA 98245-9413
Attention: Randy Cornelius
Title: General Manager
Phone: (360) 376-3512
Fax: (360) 376-3505
E-mail: rcornelius@opalco.com

If to the Transmission Provider:

Attention: Transmission Account Executive
for Orcas Power and Light Cooperative –
TSE/TPP-2
Phone: (360) 619-6016
Fax: (360) 619-6940

If by First Class Mail:

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

If by Overnight Delivery Service:

Bonneville Power Administration –
TSE/TPP-2
7500 NE 41st Street, Suite 130
Vancouver, WA 98662

2. NOTICES OF AN OPERATING NATURE

Any notice, request, or demand of an operating nature by the Transmission Provider or the Transmission Customer shall be made either orally or in writing by First Class mail or by facsimile.

If to the Transmission Customer:

Orcas Power and Light Cooperative
183 Mt. Baker Road
Eastsound, WA 98245-9413
Attention: Mark Tilstra
Title: System Design Engineer
Phone: (360) 376-3531
Fax: (360) 376-3505
E-mail: mtilstra@oplaco.com

If to the Transmission Provider:

Bonneville Power Administration
Snohomish District
914 Ave D
Snohomish, WA 98290
Attention: Chief Substation Operator III
Phone: (360) 563-3602

EMERGENCY ONLY

Primary:

Munro Dispatch

Phone: (509) 465-1820

Secondary:

Dittmer Dispatch

Phone: (360) 418-2281

Fax: (360) 418-2938

3. SCHEDULING AGENT
BPA Power Services.

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