



SEATTLE CITY COUNCIL

Legislative Summary

CB 119631

Record No.: CB 119631

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125956

In Control: City Clerk

File Created: 08/20/2019

Final Action: 10/11/2019

Title: AN ORDINANCE relating to the City Light Department; authorizing the General Manager and Chief Executive Officer of City Light to execute the NorthernGrid Funding Agreement; authorizing the execution of supplements, extensions, and amendments to such agreement subject to appropriated budget authority; and ratifying and confirming certain prior acts.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Mosqueda

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att 1 - NorthernGrid Funding Agreement For Planning Cycle 2020-2021

Drafter: Tuan.Tran@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	08/27/2019	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	08/27/2019	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
1	Council President's Office	09/05/2019	sent for review	Housing, Health, Energy, and Workers' Rights Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Housing, Health, Energy, and Workers' Rights Committee						

Legislative Summary Continued (CB 119631)

- | | | | | | | |
|---|--|--|------------------------------------|---|------------|------|
| 1 | City Council | 09/09/2019 | referred | Housing, Health,
Energy, and
Workers' Rights
Committee | | |
| 1 | Housing, Health, Energy,
and Workers' Rights
Committee | 09/24/2019 | pass | | 09/30/2019 | Pass |
| | Action Text: | The Committee recommends that City Council pass the Council Bill (CB). | | | | |
| | | In Favor: | 4 | Chair Mosqueda, Vice Chair Juarez, Member Bagshaw, Alternate Herbold | | |
| | | Opposed: | 0 | | | |
| 1 | City Council | 09/30/2019 | passed | | | Pass |
| | Action Text: | The Council Bill (CB) was passed by the following vote, and the President signed the Bill: | | | | |
| | | In Favor: | 8 | Councilmember Bagshaw, Council President Harrell, Councilmember Herbold, Councilmember Juarez, Councilmember Mosqueda, Councilmember O'Brien, Councilmember Pacheco, Councilmember Sawant | | |
| | | Opposed: | 0 | | | |
| 1 | City Clerk | 10/03/2019 | submitted for
Mayor's signature | Mayor | | |
| 1 | Mayor | 10/04/2019 | Signed | | | |
| | Action Text: | The Council Bill (CB) was Signed. | | | | |
| 1 | Mayor | 10/11/2019 | returned | City Clerk | | |
| | Action Text: | The Council Bill (CB) was returned. to the City Clerk | | | | |
| 1 | City Clerk | 10/11/2019 | attested by City Clerk | | | |
| | Action Text: | The Ordinance (Ord) was attested by City Clerk. | | | | |
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CITY OF SEATTLE

ORDINANCE 125956

COUNCIL BILL 119631

AN ORDINANCE relating to the City Light Department; authorizing the General Manager and Chief Executive Officer of City Light to execute the NorthernGrid Funding Agreement; authorizing the execution of supplements, extensions, and amendments to such agreement subject to appropriated budget authority; and ratifying and confirming certain prior acts.

WHEREAS, the City Light Department is a transmission-dependent utility that obtains necessary transmission services from Bonneville Power Administration (BPA) and other public and private electric utilities; and

WHEREAS, there is a consensus in the Northwest that a variety of transmission issues must be addressed in order to maintain safe, reliable electric service to customers in the region; and

WHEREAS, the efforts of a group of Northwest utilities have resulted in the creation of NorthernGrid, an unincorporated association, whose members are Bonneville Power Administration; Avista Corporation; Public Utility District No. 1 of Chelan County, Washington; Public Utility District No. 2 of Grant County, Washington; Puget Sound Energy, Inc.; The City of Seattle, through its City Light Department; the City of Tacoma, Department of Public Utilities, Light Division; Public Utility District No. 1 of Snohomish County; Idaho Power Company; MATL LLP; NorthWestern Energy; Portland General Electric Company; and PacifiCorp; and

WHEREAS, the purpose of NorthernGrid is to provide necessary services to its members to assist them in resolving regional transmission issues such as the following: maintaining and improving transmission grid reliability, relieving transmission congestion, and regional planning and expansion of the transmission system; and

1 WHEREAS, in 2005 Congress amended the Federal Power Act to expand federal jurisdiction
2 over publicly-owned utilities, such as the City Light Department, with respect to certain
3 Regional Transmission Issues; and

4 WHEREAS, NorthernGrid is intended to provide a means of resolving Regional Transmission
5 Issues without federal intervention that could be more costly and less efficient; NOW,
6 THEREFORE,

7 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

8 Section 1. The General Manager and Chief Executive Officer of the City Light
9 Department or designee is authorized to enter into (a) an agreement to fund a portion of the
10 operating costs of NorthernGrid, substantially in the form attached to this ordinance as
11 Attachment 1, as required for the City's participation in NorthernGrid, and (b) any supplements,
12 extensions, and amendments to such agreement that the General Manager and Chief Executive
13 Officer deems to be in the best interest of the Department and its ratepayers. The General
14 Manager and Chief Executive Officer or designee is further authorized to enter into agreements
15 with NorthernGrid for regional transmission planning; provided, that City Light is not authorized
16 to enter into agreements to implement such planning without approval by further ordinance of
17 the City.

18 Section 2. The authority granted by this ordinance is subject to the existence of
19 appropriation authority, in the applicable Department budget control level or levels of the
20 Adopted City Budget (including supplements to such budget) for the year in which the
21 Department enters into each agreement with NorthernGrid, that, in combination with any
22 appropriations carried forward from prior budget years for the applicable budget control level or
23 levels, is adequate to cover the financial obligations incurred through that agreement.

1 Section 3. Any act consistent with the authority of this ordinance taken prior to its
2 effective date is ratified and confirmed.

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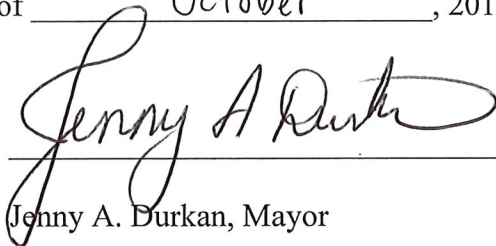
1 Section 4. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 30th day of September, 2019,
5 and signed by me in open session in authentication of its passage this 30th day of
6 September, 2019.

7 

8 President _____ of the City Council

9 Approved by me this 4th day of October, 2019.

10 

11 Jenny A. Durkan, Mayor

12 Filed by me this 11th day of OCTOBER, 2019.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)



18 Attachment:
19 Attachment 1 – NorthernGrid Funding Agreement For Planning Cycle 2020-2021

NorthernGrid Funding Agreement For Planning Cycle 2020-2021

This NorthernGrid Funding Agreement for Planning Cycle 2020-2021 (“Funding Agreement”), is by and among the entities signing below, each of which hereafter shall be referred to individually as “Party” and collectively as the “Parties.”

Recitals

- A. NorthernGrid is an unincorporated association of its members formed for the purpose of coordinating regional transmission planning for the NorthernGrid members, and facilitating compliance with certain requirements of the Federal Energy Regulatory Commission (“FERC” or the “Commission”) regarding transmission planning (including Order Nos. 890 and 1000) for those members that are required (or may elect) to comply with such requirements; and
- B. The Parties desire to define their rights and obligations for participating through NorthernGrid, and funding NorthernGrid’s regional transmission planning activities.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration, the Parties hereby agree as follows:

1. **Term.** This Funding Agreement shall be effective on the Effective Date, which shall be the later of (a) October 31, 2019, or (b) a date as may be specified by the Commission; *provided* that, if the Commission does not accept this Funding Agreement for filing or accepts this Funding Agreement for filing, and in connection with such acceptance or rejection requires any change in or imposes any new condition on this Funding Agreement, this Funding Agreement shall be effective thereafter only if all of the Parties agree in writing to such change or condition. This Funding Agreement shall continue in effect until December 31, 2021 (“Term”).

2. **Purpose.** This Funding Agreement sets out the terms under which the Parties will join as members and fund the regional planning activities of NorthernGrid.

3. **Definitions.**

- 3.1 “Budget Amendment” means any amendment to the Maximum Funding Amount adopted pursuant to Section 8.4.
- 3.2 “Budget Cycle” means the NorthernGrid planning cycle for calendar years 2020 through 2021.
- 3.3 “Commission” or “FERC” means the Federal Energy Regulatory Commission or any successor entity.

- 3.4 “Contingency Allocated Share” means the percentage of costs paid by a Party for subsequent cash calls by the Finance Administrator, consistent with the provisions of Section 8.6. Contingency Allocated Share is calculated through the methodology detailed in Exhibit A.
- 3.5 “Effective Date” has the meaning provided in Section 1, with respect to the effective date of this Funding Agreement.
- 3.6 “FERC-Jurisdictional Parties” refers to those Parties identified as such in Exhibit A.
- 3.7 “Finance Administrator” means the entity that is selected by the Parties pursuant to Section 7.1 to serve in the role of the Finance Administrator.
- 3.8 “Financial Tracking Report” means the monthly report to be prepared by the Project Coordinator pursuant to Section 8.3. The Financial Tracking Report shall document the actual expenditures of NorthernGrid Funds and compare actual expenditures against expenditures forecasted by the Project Coordinator.
- 3.9 “Force Majeure Event” has the meaning provided in Section 23.
- 3.10 “Funding Agreement” has the meaning provided in the preface, above.
- 3.11 “Impacted Party” has the meaning provided in Section 23.
- 3.12 “Initial Funding Amount” for a Party means that Party’s allocated share of the Total Initial Funding Amount on the Effective Date, as calculated pursuant to the funding methodology set out in Exhibit A.
- 3.13 “Maximum Funding Amount” means one hundred twenty percent (120%) of the Total Initial Funding Amount, as may be amended pursuant to Section 8.4.
- 3.14 “New Party” means an entity that becomes a Party to this Funding Agreement after the Effective Date.
- 3.15 “Non-Jurisdictional Parties” refers to those Parties identified as such in Exhibit A.
- 3.16 “NorthernGrid” has the meaning provided in paragraph A of the recitals to this Funding Agreement.
- 3.17 “NorthernGrid Funds” means any monies collected from the Parties pursuant to the terms of this Funding Agreement.
- 3.18 “Proposed Budget” means the draft budget proposal prepared pursuant to Section 8.1 for the subsequent NorthernGrid budget cycle.

- 3.19 “Project Coordinator” means the entity to be engaged by the Parties pursuant to Section 7.2.
- 3.20 “Refund Allocated Share” for a Party is equal to the Contingency Allocated Share as of the Effective Date of this agreement.
- 3.21 “Term” has the meaning provided in Section 1.
- 3.22 “Total Contingency Funding Amount” means twenty percent (20%) of the Total Initial Funding Amount, as may be amended pursuant to Section 8.4.
- 3.23 “Total Initial Funding Amount,” means the total amount of funds to be initially invoiced to the Parties for funding NorthernGrid’s planning activities during the Budget Cycle, in the amount of \$2,970,459.
- 3.24 “Western Interconnection” refers to the western interconnected electric grid in North America. It spans 14 western states in the United States, the Canadian provinces of British Columbia and Alberta, and the northern portion of Baja California in Mexico.

4. Exhibits. The following exhibits are attached and made a part of this Funding Agreement as if fully set forth in this Funding Agreement.

- Exhibit A NorthernGrid Funding Methodology
- Exhibit B Form of Application Requesting Member Status
- Exhibit C Notices
- Exhibit D NorthernGrid Finance Administrator Agreement for Planning Cycle 2020-2021

5. Memberships.

5.1 Eligibility for Membership in NorthernGrid. An entity that satisfies the requirements of Sections 5.1.1 and 5.1.2 is eligible to be a Party to this Funding Agreement.

5.1.1 The entity owns or operates, or proposes to own or operate, transmission facilities in the U.S. portion of the Western Interconnection.

5.1.2 The entity’s transmission facilities (whether owned, operated or proposed) within the United States portion of the Western Interconnection are electrically interconnected (or proposed to be electrically interconnected) with another Party’s transmission facilities.

5.2 Membership in NorthernGrid. To become a Party to this Funding Agreement, an entity must:

- 5.2.1 Satisfy the eligibility requirements in Section 5.1.

5.2.2 Execute this Funding Agreement, the NorthernGrid Planning Agreement For Planning Cycle 2020-2021, and the NorthernGrid Finance Administrator Agreement For Planning Cycle 2020-2021, as each may be amended from time to time.

5.3 Maintaining Membership in NorthernGrid. To remain a Party to this Funding Agreement, a Party must, at all times, remain a party to the agreements identified in Section 5.2.2. If a Party ceases to remain a party to the agreements identified in Section 5.2.2, that Party shall notify the other Parties in writing.

5.4 Application to become a New Party. An entity that seeks to become a New Party must: (i) meet the eligibility requirements set forth in Section 5.1; and (ii) submit an Application Requesting Member Status (the form of which is attached hereto as Exhibit B). Upon receipt of a complete Application Requesting Member Status from an applicant, the Parties shall meet with the applicant to discuss amending this Funding Agreement accordingly to join the applicant as a New Party and allocate to it reasonable costs to reflect its participation in the NorthernGrid planning process.

6. Funding Obligation and Roll-Over Option; Limitations on Use of NorthernGrid Funds.

6.1 Obligation of a Party to Fund. Each Party to this Funding Agreement as of the Effective Date shall pay its Initial Funding Amount to the Finance Administrator, pursuant to the invoice issued by the Finance Administrator consistent with the provisions of Section 8.6. Each Party shall pay to the Finance Administrator its Contingency Allocated Share of any subsequent amounts pursuant to a cash call invoiced by the Finance Administrator consistent with the provisions of Section 8.6. No Party is obligated to pay funds above its Initial Funding Amount plus its Contingency Allocated Share of the Total Contingency Funding Amount except to the extent that the Maximum Funding Amount is amended pursuant to Section 8.4.

6.2 Use of NorthernGrid Funds. NorthernGrid Funds shall only be used for purposes consistent with this Funding Agreement.

6.3 Roll-over or Return of Funds. At the end of the Budget Cycle, if any NorthernGrid Funds remain and are not otherwise obligated for NorthernGrid expenses, each Party may elect whether its share (a) shall be rolled over to the subsequent NorthernGrid budget cycle and credited to that Party, or (b) shall be refunded to that Party. Each Party's share of the remaining unused and unobligated NorthernGrid Funds is the product of (1) the Party's Refund Allocated Share and (2) the remaining unused and unobligated NorthernGrid Funds. If a Party does not provide notice of its election pursuant to options (a) or (b) of this Section 6.3 to the Finance Administrator prior to the end of the Budget Cycle, that Party's share of unused and unobligated NorthernGrid Funds shall be rolled over to the subsequent NorthernGrid budget cycle. Any unused and unobligated NorthernGrid Funds that would have been allocated to a Party that has withdrawn pursuant to Section 9.1.1 or was deemed withdrawn pursuant to Section 9.1.2 or 9.1.3 shall be rolled over to and used to fund continuing NorthernGrid activities in the subsequent NorthernGrid budget cycle.

7. Selection of the Finance Administrator and Project Coordinator.

7.1 Finance Administrator. The Parties select Idaho Power Company to serve as the Finance Administrator. The respective duties and responsibilities as between the Parties and the Finance Administrator are set forth in the Finance Administrator Agreement, attached as Exhibit D. In the event that Idaho Power Company ceases to be the Finance Administrator, the Parties shall select a Finance Administrator by mutual agreement. If an entity that is not a Party is selected as the Finance Administrator, then prior to the engagement of that entity to serve as Finance Administrator, the Parties shall require that entity to be bonded and insured to a level mutually acceptable to the Parties.

7.2 Project Coordinator. The Parties may, by mutual agreement, select and engage a Project Coordinator. If a third-party entity is retained as the Project Coordinator, the Parties and the third-party entity shall enter into a separate agreement setting forth their respective duties and responsibilities. If at any time during the term of this Funding Agreement a third-party has not been engaged to carry out the functions of the Project Coordinator, the Parties will cause the Project Coordinator functions contemplated within this Funding Agreement to be performed.

8. Budgeting, Reporting and Allocations.

8.1 Proposed Budget. The Parties shall, in consultation with the Finance Administrator, prepare (or cause the preparation of) a Proposed Budget by July 1, 2020 for the NorthernGrid budget cycle to begin January 1, 2022. The Proposed Budget shall contain a detailed forecast of expenditures, including a best estimate of the timing and amount of such expenditures in the subsequent NorthernGrid budget cycle.

8.2 Subsequent NorthernGrid Funding Agreement. By August 1, 2020, the Parties will meet and confer to discuss the Proposed Budget. By October 1, 2020, the Parties will vote to approve, in principle, a budget for the subsequent NorthernGrid budget cycle, and shall work to negotiate a subsequent NorthernGrid funding agreement for execution by November 1, 2020 for the NorthernGrid budget cycle to begin January 1, 2022. Any Party that determines it will not enter into a subsequent NorthernGrid funding agreement shall notify the other Parties in writing as soon as reasonably possible.

8.3 Monthly Financial Tracking Report. The Parties shall direct the Project Coordinator to, on a monthly basis, prepare the Financial Tracking Report.

8.4 Budget Amendments and Amendment Process. Whenever it is recommended by the Project Coordinator, the Finance Administrator, or a Party that the Maximum Funding Amount be amended, the Parties shall prepare (or cause the preparation of) a draft budget amendment. Within thirty (30) calendar days of the delivery of such draft budget amendment, the Parties shall confer to consider the draft budget amendment. The Maximum Funding Amount may be amended upon mutual written agreement of the Parties (“Budget Amendment”).

8.5 Reserved.

8.6 Invoicing.

8.6.1 Initial Funding Amount Invoice. The Parties shall instruct the Finance Administrator to invoice each Party its Initial Funding Amount for the Budget Cycle within seven (7) calendar days of the Effective Date.

8.6.2 Subsequent Cash Call Invoice. At any time during the Term, if a Party or the Finance Administrator believes that additional funds in excess of the Total Initial Funding Amount are necessary to fund NorthernGrid’s regional planning activities for the Budget Cycle, it may provide notice to the other Parties and the Finance Administrator. Within thirty (30) calendar days of any such notice, the Parties shall confer to determine whether the Finance Administrator should issue a cash call invoice for all or a portion of the Total Contingency Funding Amount. If at least seventy-five percent (75%) of the Parties agree that additional funds above the Initial Funding Amount are necessary to fund NorthernGrid’s regional planning activities for the Budget Cycle, the Parties shall instruct the Finance Administrator to invoice all Parties for their respective Contingency Allocated Share of any such additional amounts, up to the Total Contingency Funding Amount.

8.6.3 Reserved.

8.6.4 Due Date. Each Party shall pay to the Finance Administrator amounts owed pursuant to invoices issued by the Finance Administrator in accordance with this Funding Agreement, within forty-five (45) calendar days of the date that the invoice is issued. In no event shall any Party be required to pay any amount allocated or invoiced to any other Party.

8.6.5 Late Payment. Failure to pay amounts within forty-five (45) calendar days of the Finance Administrator’s invoice shall constitute a payment default under this Funding Agreement. The Parties shall direct the Project Coordinator to provide written notice of the payment default to the defaulting Party, with a copy to the non-defaulting Parties, within seven (7) calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall have thirty (30) calendar days to cure the payment default.

8.7 Interest. The Parties shall not be entitled to any interest that may be earned on their payments into NorthernGrid Funds. Any interest earned on NorthernGrid Funds shall be retained by the Finance Administrator as compensation for the performance of its duties as the Finance Administrator.

9. Withdrawal and Reinstatement.

9.1 Withdrawal.

9.1.1 Notice of Withdrawal. Any Party may withdraw from this Funding Agreement by providing thirty (30) calendar days’ advance written notice to the other Parties.

9.1.2 Withdrawal for Payment Default. In the event that a Party fails to perform its payment obligations under Section 8.6 and such failure is not cured within thirty (30) calendar days of the date of the notice sent by the Project Coordinator to the defaulting Party pursuant to Section 8.6.5, the defaulting Party shall be deemed withdrawn from this Funding Agreement upon the expiration of the cure period.

9.1.3 Withdrawal Upon Loss of Eligibility. In the event that a Party fails to continue to meet the requirements of Section 5.3, such Party shall be deemed withdrawn from this Funding Agreement effective upon the date that the Party ceased to meet the requirements of Section 5.3.

9.2 No Refund to Withdrawn Parties. A Party that has withdrawn or that has been deemed withdrawn shall, after its withdrawal, not be entitled to any refund or reimbursement of amounts paid by such Party into NorthernGrid Funds under this Funding Agreement.

9.3 No Reinstatement. A Party that has withdrawn or that has been deemed withdrawn shall not be reinstated as a Party to this Funding Agreement during the Term; *provided*, however, that such Party may request to become a party to a subsequent NorthernGrid funding agreement.

10. Administration.

10.1 Voting Standard. Except as otherwise provided in this Funding Agreement, any action taken collectively by the Parties pursuant to this Funding Agreement shall be by unanimous agreement.

10.2 Parties to Bear Own Costs. Each Party shall bear its own costs and expenses associated with its participation in NorthernGrid activities, including such costs and expenses that may be incurred by a Party to cause the Project Coordinator functions contemplated within this Funding Agreement to be performed pursuant to Section 7.2.

10.3 Interpretation. This Funding Agreement shall not be interpreted or construed to create a joint venture or partnership or to impose any partnership obligation or liability upon the Parties. No Party shall have any right, power, or authority under this Funding Agreement to enter into any agreement or undertake for, or to act on behalf of, or to act as or be an agent or representative of, any other Party. It is expressly understood that this Funding Agreement is limited in scope to providing for participation in, and funding to support, the planning activities of NorthernGrid as provided in this Funding Agreement. This Funding Agreement is not intended to, and does not, constitute an agreement to provide any other funding, including any funding for purposes other than NorthernGrid regional transmission planning activities.

10.4 Legal Rights. Nothing in this Funding Agreement shall affect the right of any Party to bring any action or proceeding in any appropriate court or agency, except as provided in Section 11.

11. Dispute Resolution. The Parties agree to use the following dispute resolution process for all disputes related to this Funding Agreement; *provided* that in the event a dispute involves an action or inaction by a Party governed by that Party's tariff, then the applicable tariff dispute resolution procedures (if any) shall govern:

Step 1 – A Party shall provide prompt written notice to all other Parties of any dispute relating to this Funding Agreement.

Step 2 – An executive representative from each Party involved in the dispute shall participate in negotiation to resolve the dispute as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within thirty (30) calendar days of the written notice of dispute, or such other period as the Parties to the dispute may mutually agree upon, such Parties shall proceed to Step 3.

Step 3 – If mutual agreement is not reached in Step 2, the Parties involved in the dispute may use mediation and/or arbitration to resolve the dispute upon mutual agreement of the Parties involved in the dispute; otherwise, any Party involved in the dispute may pursue any remedy available to it under law.

12. Headings. The headings used in this Funding Agreement are for convenience only and shall not be construed as a part of this Funding Agreement or as a limitation on the scope of the particular paragraph to which each heading refers.

13. Waiver. A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Funding Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

14. Severability. If any portion of this Funding Agreement is held to be void or unenforceable, the balance thereof shall continue to be effective.

15. Binding Effect. This Funding Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties. No Party shall assign this Funding Agreement without prior written consent of all other Parties, except that any Party may, without prior written consent of all other Parties, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Funding Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization; *provided* that the assignee shall be bound by all of the obligations and duties of the assigning Party. Any assignment made without the prior written consent required by this Section 15 is void ab initio.

16. Amendments. This Funding Agreement shall not be modified, amended, or changed in any respect except by a written document signed by all Parties; *provided*, however, that such modification, amendment, or change shall be subject to acceptance by the Commission, if required, before it becomes effective.

17. No Third Party Beneficiary. This Funding Agreement is made and entered into for the sole protection and legal benefit of the Parties. No other person or entity shall be a direct or indirect legal beneficiary or have any direct or indirect cause of action or claim in connection with, this Funding Agreement. No other person or entity shall be a third-party beneficiary under this Funding Agreement.

18. Integration. This Funding Agreement, including the exhibits hereto, constitutes the complete agreement of the Parties and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, and inducements with respect to the subject matter of this Funding Agreement.

19. Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS FUNDING AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

20. Applicable Law. No Party shall be considered the drafter of this Funding Agreement for purposes of interpreting this Funding Agreement. This Funding Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Oregon; *provided* that this Funding Agreement shall, with respect to a Party that is a U.S. government entity, be interpreted, construed and enforced in accordance with the laws of the United States.

21. Execution in Counterparts. This Funding Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. Delivery of an executed signature page of this Funding Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

22. Limitation of Liability.

22.1 No Consequential or Indirect Damages. IN NO EVENT SHALL ANY PARTY BE LIABLE UNDER THIS FUNDING AGREEMENT TO ANY OTHER PARTY OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, REVENUE OR PROFIT, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT THE BREACHING PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

22.2 Maximum Liability. IN NO EVENT SHALL ANY PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS FUNDING AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE PORTION OF THE MAXIMUM FUNDING AMOUNT IT COULD BE OBLIGATED TO PAY PURSUANT TO THIS FUNDING AGREEMENT. THE FOREGOING LIMITATIONS SHALL APPLY EVEN IF ANY NON-BREACHING PARTY'S REMEDIES UNDER THIS FUNDING AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

23. Force Majeure. No Party shall be liable or responsible to any other Party, nor be deemed to have defaulted under or breached this Funding Agreement, for any failure or delay in fulfilling or performing any term of this Funding Agreement, when and to the extent such failure or delay is caused by or results from the following force majeure events (“Force Majeure Events”): (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions or blockades in effect on or after the date of this Funding Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances; (i) shortage of adequate power or transportation facilities; and (j) other similar events beyond the control of the Party impacted by the Force Majeure Event (the “Impacted Party”). The Impacted Party shall give notice within five (5) business days of the Force Majeure Event to the other Parties, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized, to the extent practicable. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

24. Notice. Any notice required under the Funding Agreement or Finance Administrator Agreement shall be provided consistent with Exhibit C (Notices).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES TO FOLLOW ON SUBSEQUENT PAGE(S).]

IN WITNESS WHEREOF, the Parties have caused this Funding Agreement to be executed as of August 19, 2019.

AVISTA CORPORATION

By _____
Heather Rosentrater
Vice President, Energy Delivery

BONNEVILLE POWER ADMINISTRATION

By _____
Jeffrey W. Cook
Vice President, Transmission Planning and Asset Management

THE CITY OF SEATTLE—CITY LIGHT DEPARTMENT

By _____
Debra J. Smith
General Manager/CEO

THE CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION

By _____
Jackie Flowers
Director of Utilities

IDAHO POWER COMPANY

By _____
Vern Porter
Vice President of T&D Engineering &
Construction and Chief Safety Officer

MATL LLP

By _____
Stacy L. Myers
Assistant Corporate Secretary

NORTHWESTERN CORPORATION
d/b/a NORTHWESTERN ENERGY

By _____
Michael R. Cashell
Vice President - Transmission

PACIFICORP

By _____
Richard Vail
Vice President, Transmission

PORTLAND GENERAL ELECTRIC COMPANY

By _____
Larry Bekkedahl
Vice President, Grid Architecture,
Integration & Systems Operation

PUBLIC UTILITY DISTRICT #1, CHELAN COUNTY WASHINGTON

By _____
Kirk Hudson
Managing Director, Generation and Transmission

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

By _____
Richard Flanigan
Senior Manager Wholesale Marketing Supply

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY

By _____
Tom DeBoer
Assistant General Manager, Generation, Power,
Rates & Transmission Management

PUGET SOUND ENERGY, INC.

By _____
Shauna Tran
Director Load Serving Operations

EXHIBIT A

NorthernGrid Funding Methodology

This Exhibit A details the methodology for determining each Party’s Initial Funding Amount and Contingency Allocated Share as of the Effective Date of this Funding Agreement for funding NorthernGrid during the Budget Cycle.

A. Data Requirements:

- 1) All Parties – Total Net Energy for Load¹ (“NEL”) for 2018
- 2) FERC-Jurisdictional Parties – Total Transmission Use from the 2018 FERC Form 1, Page 400, Column B

a. The Parties to this Funding Agreement that are FERC-Jurisdictional Parties are as follows:

Avista Corporation
Idaho Power Company
MATL LLP
NorthWestern Corporation
PacifiCorp
Portland General Electric Company
Puget Sound Energy, Inc.

- 3) Non-Jurisdictional Parties – Total Electric Transmission Plant In-Service 12/31/2018 (Depreciated)

a. The Parties to this Funding Agreement that are Non-Jurisdictional Parties are those that are within the definition of 16 U.S.C. § 824(f) (and hence are not a “public utility” under Part II of the Federal Power Act) and are as follows:

¹ Total Net Energy for Load (NEL) is defined as:

- (1) Net generation of the Party’s electric system
- (2) Plus energy the Party received from others
- (3) Less energy the Party delivered to others through interchanges and energy delivered outside of the NorthernGrid region.

This includes all load and generation a Party represents at NorthernGrid. NEL includes system losses but excludes energy required for the storage of energy at energy storage facilities.

Bonneville Power Administration (“BPA”)
Public Utility District No. 1 of Chelan County
Public Utility District No. 2 of Grant County
The City of Seattle—City Light Department
Public Utility District No. 1 of Snohomish County
The City of Tacoma, Department of Public Utilities, Light Division

B. Funding Methodology (determined biennially, by the Parties to this Funding Agreement):

Total Initial Funding Amount = \$2,970,459
FixedCharge = \$34,000

B.1 Jurisdictional Budget Allocation

$$\text{JurisdictionalSplit\% (J\%)} = \frac{\sum \text{FERC – Jurisdictional Party's NEL}}{\sum \text{All Parties' NELs}}$$
$$\text{JurisdictionalBudget (JBudget)} = \text{J\%} \times (\text{Budget} - \#\text{Parties} \times \text{FixedCharge})$$

Note: This is the component of the expected total expenses for the 2020-2021 Budget Cycle (not including contingency adder) that FERC-Jurisdictional Parties are responsible for. This component will be further divided and allocated to the individual FERC-Jurisdictional Parties under Section B.3 of this Exhibit A.

B.2 Non-Jurisdictional Budget Allocation

$$\text{Non – JurisdictionalSplit\%(NJ\%)} = \frac{\sum \text{Non – Jurisdictional Party's NEL}}{\sum \text{All Parties' NELs}}$$
$$\text{Non – JurisdictionalBudget (NJBudget)} = \text{NJ\%} \times (\text{Budget} - \#\text{Parties} \times \text{FixedCharge})$$

This is the component of the expected total expenses for the 2020-2021 Budget Cycle (not including contingency adder) that Non-Jurisdictional Parties are responsible for. This component will be further divided and allocated to the individual Non-Jurisdictional Parties under Section B.4 of this Exhibit A.

B.3 FERC-Jurisdictional Party Allocation Methodology

$$\begin{aligned}
 \text{FERC – Jurisdictional Party Initial Funding Amount} \\
 = \text{FixedCharge} + J_{\text{Fixed}} + J_{\text{SizeAllocation}} + J_{\text{TransUse}}
 \end{aligned}$$

Where:

$$J_{\text{Fixed}} = 5\% \times \left(\frac{JBudget}{\# \text{ FERC – Jurisdictional Parties}} \right)$$

$$J_{\text{SizeAllocation}} = 30\% \times JBudget \times \left(\frac{\text{FERC – Jurisdictional Party NEL}}{\sum \text{FERC – Jurisdictional Parties NELs}} \right)$$

Transmission Tier	MW Use Min	MW Use Max	Weight
1	0	17499	0.1
2	17500	49999	0.5
3	50000	+	1

Determine MW Use by totaling the “Monthly Peak MW – Total” column on FERC Form 1, page 400 column B.

$$J_{\text{TransUse}} = 65\% \times JBudget \times \left(\frac{\text{FERC – Jurisdictional Party Weight}}{\sum \text{FERC – Jurisdictional Party Weights}} \right)$$

Notes:

J_{Fixed} is an equal allocation among the FERC-Jurisdictional Parties

$J_{\text{SizeAllocation}}$ allocates a portion of the FERC-Jurisdictional budget, pro rata, based on each FERC-Jurisdictional Party’s Net Energy to Load (NEL)

J_{TransUse} allocates a portion of the FERC-Jurisdictional budget based on the total utilization of each FERC-Jurisdictional Party’s transmission usage. This calculation is based on publicly available data out of FERC Form 1.

B.4 FERC Non-Jurisdictional Party Allocation Methodology

$$BPA\ Payment = FixedCharge + NJ_{Fixed} + NJ_{SizeAllocation} + NJ_{Plant_BPA}$$

$$Non - Jurisdictional\ Member\ Payment = FixedCharge + NJ_{Fixed} + NJ_{SizeAllocation} + NJ_{Plant}$$

Where:

$$NJ_{Fixed} = 20\% \times \left(\frac{NJBudget}{\# Non - Jurisdictional\ Parties} \right)$$

$$NJ_{SizeAllocation} = 50\% \times NJBudget \times \left(\frac{PartyNEL}{\sum Non - Jurisdictional\ Parties\ NELs} \right)$$

$$NJ_{Plant_BPA} = 30\% \times NJBudget \times BPA_{Plant}\% \quad BPA_{Plant}\% = 70\%$$

$$NJ_{Plant} = NJ_{Plant_nonBPA} \left(\frac{Party\ Electric\ Plant}{(\sum Non - Jurisdictional\ Parties'\ Elect.\ Plant) - BPA\ Electric\ Plant} \right)$$

$$NJ_{Plant_nonBPA} = 30\% \times NJBudget \times (1 - BPA_{Plant}\%)$$

Notes:

NJ_{Fixed} is an equal allocation among the Non-Jurisdictional Parties

$NJ_{SizeAllocation}$ allocates a portion of the Non-Jurisdictional budget, pro rata, based on each Non-Jurisdictional Party's Net Energy to Load (NEL)

NJ_{Plant_BPA} allocates a portion of the Non-Jurisdictional budget based on total depreciated electrical transmission plant investment. BPA's component of this calculation will be fixed at seventy percent (70%) due to BPA's size relative to other Non-Jurisdictional Parties.

NJ_{Plant} allocates a portion of the Non-Jurisdictional budget, pro rata, based on the total electrical transmission plant investment of each Non-Jurisdictional Party, less BPA.

C. Contingency Allocated Share

Contingency Allocated Share is calculated through the following steps:

- Substitute the Total Initial Funding Amount in the NorthernGrid funding methodology with the Maximum Funding Amount
- Recalculate each Party's initial funding amount pursuant to the methodology above— this amount is now equal to each Party's maximum share of the Maximum Funding Amount.
- Divide each Party's maximum share of the Maximum Funding Amount by the Total Contingency Funding Amount to calculate each Party's Contingency Allocated Share.
 - Note 1: the Total Contingency Funding Amount is equal to the Maximum Funding Amount minus the Total Initial Funding Amount.

- Note 2: the calculation must be completed as provided here to avoid scaling the \$34,000-member fixed charge.

Figure Exhibit A1 – NorthernGrid funding methodology data, calculation of each Party’s Initial Funding Amount, and calculation of each Party’s Contingency Allocated Share (subject to change should a New Party join NorthernGrid).

JURISDICTIONAL FUNDING PARTY	DATA COLUMNS		INITIAL FUNDING COMPONENTS				MAXIMUM FUNDING COMPONENTS			Party Initial Funding Amount	Party Maximum Funding Amount	Contingency Allocated Share
	NEL	Transmission Tier	Member Fixed	Fixed	Transmission Use	Size Allocation	Fixed	Transmission Use	Size Allocation			
Avista	12,791,000	2	\$ 34,000	\$ 11,863	\$ 117,344	\$ 43,293	\$ 14,651	\$ 144,916	\$ 53,465	\$ 206,501	\$ 247,032	6.822%
Idaho Power	15,853,958	2	\$ 34,000	\$ 11,863	\$ 117,344	\$ 53,660	\$ 14,651	\$ 144,916	\$ 66,268	\$ 216,868	\$ 259,835	7.232%
MATL	0	1	\$ 34,000	\$ 11,863	\$ 23,469	\$ -	\$ 14,651	\$ 28,983	\$ -	\$ 69,332	\$ 77,634	1.397%
NorthWestern	11,455,666	2	\$ 34,000	\$ 11,863	\$ 117,344	\$ 38,773	\$ 14,651	\$ 144,916	\$ 47,884	\$ 201,981	\$ 241,450	6.644%
PacifiCorp	63,056,691	3	\$ 34,000	\$ 11,863	\$ 234,688	\$ 213,425	\$ 14,651	\$ 289,831	\$ 263,572	\$ 493,977	\$ 602,054	18.192%
PGE	20,302,730	3	\$ 34,000	\$ 11,863	\$ 234,688	\$ 68,718	\$ 14,651	\$ 289,831	\$ 84,864	\$ 349,270	\$ 423,346	12.469%
Puget Sound	23,751,687	3	\$ 34,000	\$ 11,863	\$ 234,688	\$ 80,351	\$ 14,651	\$ 289,831	\$ 99,280	\$ 360,943	\$ 437,762	12.931%
NON-JURISDICTIONAL FUNDING PARTY	NEL	Electric Plant In-Service (\$m)	Member Fixed	Fixed	Electric Plant	Size Allocation	Fixed	Electric Plant	Size Allocation	Party Initial Funding Amount	Party Maximum Funding Amount	Contingency Allocated Share
BPA	48,723,099	N/A	\$ 34,000	\$ 28,920	\$ 182,194	\$ 274,852	\$ 35,715	\$ 225,002	\$ 339,431	\$ 519,965	\$ 634,148	19.220%
Chelan PUD	1,762,763	102	\$ 34,000	\$ 28,920	\$ 11,136	\$ 9,944	\$ 35,715	\$ 13,752	\$ 12,280	\$ 83,999	\$ 95,747	1.977%
Grant County PUD	5,213,106	151	\$ 34,000	\$ 28,920	\$ 16,494	\$ 29,408	\$ 35,715	\$ 20,369	\$ 36,317	\$ 108,821	\$ 126,401	2.959%
Seattle	9,663,811	205	\$ 34,000	\$ 28,920	\$ 22,454	\$ 54,514	\$ 35,715	\$ 27,730	\$ 67,323	\$ 139,888	\$ 164,768	4.188%
Snohomish PUD	6,670,790	132	\$ 34,000	\$ 28,920	\$ 14,397	\$ 37,631	\$ 35,715	\$ 17,780	\$ 46,472	\$ 114,948	\$ 133,967	3.201%
Tacoma	4,865,333	124	\$ 34,000	\$ 28,920	\$ 13,602	\$ 27,446	\$ 35,715	\$ 16,798	\$ 33,895	\$ 103,968	\$ 120,408	2.767%
TOTAL										\$ 2,970,459	\$ 3,564,551	

Exhibit B

Form of Application Requesting Member Status

The undersigned (“applicant”) requests to become a Party to the NorthernGrid Funding Agreement For Planning Cycle 2020-2021 (“Funding Agreement”), the NorthernGrid Planning Agreement For Planning Cycle 2020-2021, and the NorthernGrid Finance Administrator Agreement For Planning Cycle 2020-2021, as each may be amended from time-to-time. In support of such request, the applicant submits to NorthernGrid through NorthernGrid.net the following information:

1. Identify and provide contact information for the applicant’s representatives:

(a) Business Representative:

Name: _____
Title: _____
Address: _____
Phone: _____
Email: _____

(b) Financial Representative:

Name: _____
Title: _____
Address: _____
Phone: _____
Email: _____

Complete the following if seeking to become a Party:

2. Represent and warrant that the applicant owns, operates, or proposes to own or operate transmission facilities within the United States portion of the Western Interconnection that are electrically interconnected (or proposed to be electrically interconnected) with another Party’s transmission facilities.

3. If a FERC Jurisdictional Party:

- (a) Submit FERC Form 1, page 400.
- (b) Submit Total Net Energy for Load² for 2018.

² Total Net Energy for Load (NEL) is defined as:
(1) Net generation of the Party’s electric system

4. If NOT a FERC Jurisdictional Party:

- (a) Submit Total Electric Transmission Plant In-Service 12/31/2018 (Depreciated)
- (b) Submit Total Net Energy for Load for 2018 (see footnote).

IN WITNESS WHEREOF, the undersigned executes this Application Requesting Member Status.

By _____

Date: _____

(Print Signature)

(Title)

(Name of Company)

(Street Address)

(City, State, Zip Code)

Email: _____

Phone: _____

Fax: _____

-
- (2) Plus energy the Party received from others
 - (3) Less energy the Party delivered to others through interchanges and energy delivered outside of the NorthernGrid region.

This includes all load and generation a Party represents at NorthernGrid. NEL includes system losses but excludes energy required for the storage of energy at energy storage facilities.

EXHIBIT C

Notices

1. Provision of Notice

Whenever a Party is required or elects to provide notice to another Party pursuant to this Funding Agreement, notice shall be provided in writing by a nationally recognized delivery service, United States Certified Mail, or by electronic mail, and shall be submitted to the applicable Party(ies) points of contact at the addresses listed below. A Party may update the contact information for its points of contact by providing notice pursuant to the foregoing sentence to all other Parties, the Finance Administrator, and the Project Coordinator. The Parties shall instruct the Project Coordinator to maintain an updated list of the representatives for each Party on the NorthernGrid website. Notices are effective upon receipt.

2. Business Contacts

Any notice or request, apart from a notice or request of a financial nature, by any Party shall be made to the following representatives:

AVISTA CORPORATION
Mike Magruder
1411 E. Mission Ave.
Spokane, WA 99220-3727
509.495.4187
mike.magruder@avistacorp.com

PACIFICORP
Brian Fritz
825 NE Multnomah Street, Suite 1600
Portland, OR 97232
503.813.7237
brian.fritz@pacificorp.com

BONNEVILLE POWER ADMINISTRATION
Ravi Aggarwal
P.O. Box 491
Vancouver, WA 98666-0491
360.619.6056
rkaggarwal@bpa.gov

PORTLAND GENERAL ELECTRIC
Shaun Foster
26 SW Salmon Street, 3WTC0409
Portland, OR 97204
503.464.7945
shaun.foster@pgn.com

THE CITY OF SEATTLE—CITY LIGHT
DEPARTMENT

Tuan Tran
700 Fifth Avenue, Suite 3200
Seattle, WA 98124
206.684.3556
Tuan.Tran@seattle.gov

PUBLIC UTILITY DISTRICT NO. 1 OF
CHELAN COUNTY

Chad Bowman
327 N. Wenatchee Ave
Wenatchee, WA 98801
509.661.4605
chad.bowman@chelanpud.org

THE CITY OF TACOMA, DEPARTMENT OF
PUBLIC UTILITIES, LIGHT DIVISION

John Nierenberg
3628 South 35th Street, ABS Main Floor SW
Tacoma, WA 98409
253.502.8931
jnierenb@cityoftacoma.org

PUBLIC UTILITY DISTRICT NO. 1 OF
SNOHOMISH COUNTY

John D. Martinsen
2320 California Street
P.O. Box 1107
Everett, WA 98206-1107
425.783.8080
jdmartinsen@snopud.com

IDAHO POWER COMPANY

David Angell
P.O. Box 70
Boise, ID 83707
208.388.2701
dangell@idahopower.com

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY

Rod Noteboom
P.O. Box 878
Ephrata, WA 98823
509.766.2523
rnotebo@gcpud.org

MATL LLP

Younglae Kim
200, 425 – 1st Street SW Calgary
AB T2P 3L8 Canada
403.718.3551
younglae.kim@enbridge.com

PUGET SOUND ENERGY, INC.

Shauna Tran
355 110th Ave NE EST06W
Bellevue, WA 98004
425.462.3924
shauna.tran@pse.com

NORTHWESTERN CORPORATION d/b/a
NORTHWESTERN ENERGY

M. Andrew McLain
11 East Park Street
Butte, MT 59701
406.443.8987
andrew.mcclain@northwestern.com

3. Financial Contacts

Any notice or request of a financial nature by any Party shall be made to the following representatives:

AVISTA CORPORATION
John Gross
1411 E. Mission Ave.—MSC-16
Spokane, WA 99220-3727
509.495.4591
john.gross@avistacorp.com

PACIFICORP
Brian Fritz
825 NE Multnomah Street, Suite 1600
Portland, OR 97232
503.813.7237
brian.fritz@pacificorp.com

BONNEVILLE POWER ADMINISTRATION
Ravi Aggarwal
P.O. Box 491
Vancouver, WA 98666-0491
360.619.6056
rkaggarwal@bpa.gov

PORTLAND GENERAL ELECTRIC
Alex Saucedo
26 SW Salmon Street, 3WTC0306
Portland, OR 97204
503.464.7677
alex.saucedo@pgn.com

CITY OF SEATTLE—CITY LIGHT
DEPARTMENT
Tuan Tran
700 Fifth Avenue, Suite 3200
Seattle, WA 98124
206.684.3556
Tuan.Tran@seattle.gov

PUBLIC UTILITY DISTRICT NO. 1 OF
CHELAN COUNTY
Chad Bowman
327N. Wenatchee Ave
Wenatchee, WA 98801
509.661.4605
chad.bowman@chelanpud.org

CITY OF TACOMA, DEPARTMENT OF
PUBLIC UTILITIES, LIGHT DIVISION
John Nierenberg
3628 South 35th Street, ABS Main Floor SW
Tacoma, WA 98409
253.502.8931
jnierenb@cityoftacoma.org

PUBLIC UTILITY DISTRICT NO. 1 OF
SNOHOMISH COUNTY
John D. Martinsen
2320 California Street
P.O. Box 1107
Everett, WA 98206-1107
425.783.8080
jdmartinsen@snopud.com

IDAHO POWER COMPANY
Jared Ellsworth
P.O. Box 70
Boise, Idaho 83707
208.388.6499

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY
Rod Noteboom
P.O. Box 878
Ephrata, WA 98823

jellsworth@idahopower.com

509.766.2523
rnotebo@gcpud.org

MATL LLP
Younglae Kim
200, 425 – 1st Street SW Calgary
AB T2P 3L8 Canada
403.718.3551
younglae.kim@enbridge.com

PUGET SOUND ENERGY, INC.
Shauna Tran
355 110th Ave NE EST06W
Bellevue, WA 98004
425.462.3924
shauna.tran@pse.com

NORTHWESTERN CORPORATION d/b/a
NORTHWESTERN ENERGY
M. Andrew McLain
11 East Park Street
Butte, MT 59701
406.443.8987
andrew.mcclain@northwestern.com

EXHIBIT D

NorthernGrid Finance Administrator Agreement For Planning Cycle 2020-2021

This NorthernGrid Finance Administrator Agreement for Planning Cycle 2020-2021 (“Finance Administrator Agreement”) is by and among the Finance Administrator and the entities signing below. The Finance Administrator and each signatory is a “Party” to this Finance Administrator Agreement and are referred to collectively as the “Parties.”

Recitals

- A. NorthernGrid is an unincorporated association of its members formed for the purpose of coordinating regional transmission planning for the NorthernGrid members, and facilitating compliance with certain requirements of the Federal Energy Regulatory Commission (“FERC” or the “Commission”) regarding transmission planning (including Order Nos. 890 and 1000) for those members that are required (or may elect) to comply with such requirements;
- B. The NorthernGrid Funding Agreement For Planning Cycle 2020-2021 (“Funding Agreement”) contemplates the parties to that agreement are to select a Finance Administrator and then instruct the Finance Administrator to perform certain functions set forth in this Finance Administrator Agreement;
- C. The parties to the Funding Agreement have selected Idaho Power Company (“Idaho Power”) as the Finance Administrator, and Idaho Power has agreed to serve as the Finance Administrator; and
- D. The Parties to this Finance Administrator Agreement desire to define their rights and obligations under this Finance Administrator Agreement for the purpose of administering NorthernGrid Funds.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration, the Parties hereby agree as follows:

1. **Term.** This Finance Administrator Agreement shall be effective on the later of (a) October 31, 2019, or (b) a date as may be specified by the Commission; *provided* that, if the Commission does not accept this Finance Administrator Agreement for filing or accepts this Finance Administrator Agreement for filing, and in connection with such acceptance or rejection requires any change in or imposes any new condition on this Finance Administrator Agreement, this Finance Administrator Agreement shall be effective thereafter only if all of the Parties agree in writing to such change or condition (“Effective Date”). This Finance Administrator Agreement shall continue in effect until December 31, 2021 (“Term”) unless terminated earlier pursuant to Section 10.

2. **Definitions.** Unless otherwise defined herein, capitalized terms in this Finance Administrator Agreement shall have the same meaning provided in the Funding Agreement.

3. **Reserved.**

4. **Finance Administrator Activities.** The Finance Administrator shall perform those tasks set forth herein, as may be modified from time to time during the Term of this Finance Administrator Agreement.

4.1 **Invoicing.** The Finance Administrator shall invoice each party (including Idaho Power Company, in its capacity as a party to the Funding Agreement) to the Funding Agreement for its payments to NorthernGrid consistent with Section 8.6 of the Funding Agreement and shall collect any NorthernGrid Funds paid by each such party pursuant to any such invoice.

4.1.1 **Submission of Invoices.** The Finance Administrator is to prepare and submit invoices, as described in the Funding Agreement, by e-mail to the financial representative of each party to the Funding Agreement, as designated in Exhibit C (Notices) to the Funding Agreement.

4.2 **Reimbursement of Project Coordinator Function.** To the extent NorthernGrid Funds are available, the Finance Administrator shall pay with NorthernGrid Funds any third party (non-NorthernGrid Member) acting as the Project Coordinator for costs incurred in performing the Project Coordinator's duties related to NorthernGrid planning activities. If NorthernGrid Funds do not exist in quantities sufficient to pay for costs incurred by NorthernGrid, the Finance Administrator has no independent obligation to pay approved invoices with its own funds.

4.3 **Reimbursement of Invoices at Direction of Members Committee.** The Finance Administrator shall pay with NorthernGrid Funds other invoices at the direction of the Members Committee; *provided*, however, that the Finance Administrator is not authorized to use NorthernGrid funds to retain legal counsel or pay outside counsel fees on behalf of any Party or Parties; *provided* further that the Finance Administrator is also not authorized to pay NorthernGrid Funds to any Party (except: (1) pursuant to Section 6.3 of the Funding Agreement regarding Return of Funds and (2) that the Finance Administrator shall retain any interest earned on NorthernGrid Funds pursuant to Section 8.7 of the Funding Agreement).

4.4 **Rollover and Return of Funds.** Upon termination or expiration of the Funding Agreement, the Finance Administrator is to comply with the directions provided by each party to the Funding Agreement, regarding the disposition of unobligated NorthernGrid Funds pursuant to Section 6.3 of the Funding Agreement.

4.5 **Financial Tracking Report.** Upon request by the Project Coordinator, the Finance Administrator is to consult with the Project Coordinator to inform the preparation of the monthly Financial Tracking Report, as described in Section 8.3 of the Funding Agreement.

4.6 Budget. The Finance Administrator is to, upon request by the Project Coordinator or a Party, consult with the Project Coordinator to inform the preparation of (i) a Proposed Budget, as described in Section 8.1 of the Funding Agreement, (ii) a Budget Amendment, as described in Section 8.4 of the Funding Agreement, or (iii) a modification of the Budget for New Parties. The Finance Administrator may propose a Budget Amendment as described in Section 8.4 of the Funding Agreement.

5. Payment and Administration of NorthernGrid Funds.

5.1 Payment of Invoices. Each Party shall pay properly issued invoices received from the Finance Administrator, within forty-five (45) calendar days of the date that the invoice is issued, as provided under the Funding Agreement. If a party to the Funding Agreement fails to pay an invoice sent by the Finance Administrator within forty-five (45) days of the date of the invoice, the Finance Administrator shall notify the parties to the Funding Agreement and the Project Coordinator.

5.2 Use of NorthernGrid Funds. The Finance Administrator is to use NorthernGrid Funds solely as provided under the Funding Agreement.

5.3 Commingling of Funds. The Finance Administrator may commingle NorthernGrid Funds with its general funds.

5.4 Holding NorthernGrid Funds. The Finance Administrator shall hold and account for NorthernGrid Funds on behalf of the parties to the Funding Agreement consistent with generally accepted accounting principles.

5.5 Accounting. The Finance Administrator shall maintain accounting records and assist in the development of the monthly Financial Tracking Report as provided under the Funding Agreement.

6. Dispute Resolution. The Parties agree to use the following dispute resolution process for all disputes related to this Finance Administrator Agreement; *provided* that in the event a dispute involves an action or inaction by a Party governed by that Party's tariff, then the applicable tariff dispute resolution procedures (if any) shall govern:

Step 1 – A Party shall provide prompt written notice to all other Parties of any dispute relating to this Finance Administrator Agreement.

Step 2 – An executive representative from each Party involved in the dispute shall participate in negotiation to resolve the dispute as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within thirty (30) calendar days of the written notice of dispute, or such other period as the Parties to the dispute may mutually agree upon, such Parties shall proceed to Step 3.

Step 3 – If mutual agreement is not reached in Step 2, the Parties involved in the dispute may use mediation and/or arbitration to resolve the dispute upon

mutual agreement of the Parties involved in the dispute; otherwise, any Party involved in the dispute may pursue any remedy available to it under law.

7. **Notice.** When required to provide a notice under this Finance Administrator Agreement, the Parties are to provide such notice to the persons and in the manner required by the Funding Agreement.

8. **Relationship of the Parties.** This Finance Administrator Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any agency, trust, or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Finance Administrator Agreement to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

9. **Reserved.**

10. **Early Termination.** Upon mutual agreement of the Parties, the Parties may terminate this Finance Administrator Agreement effective on the earlier of (1) the date mutually agreed by the Parties, or (2) a different date identified by the Commission. Upon mutual agreement of all Parties except the Finance Administrator, such Parties may terminate this Finance Administrator Agreement, effective on the earlier of (1) the date mutually agreed by the Parties including the Finance Administrator, or (2) a different date identified by the Commission. The Finance Administrator may terminate this Finance Administrator Agreement at any time, upon sixty (60) days advance written notice to the other Parties, or a different date identified by the Commission. In the event of any such early termination, the Parties and the Finance Administrator shall coordinate to ensure an orderly transition of the duties of the Finance Administrator, and custody of any NorthernGrid Funds then held by the Finance Administrator.

11. **Amendment/Successors.** This Finance Administrator Agreement shall be amended only by the written agreement of all Parties at the time any such amendment is undertaken; *provided* such modification, amendment or change shall be subject to acceptance by the Commission, if required, before it becomes effective. This Finance Administrator Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. No Party shall assign this Finance Administrator Agreement without prior written consent of all other Parties, except that any Party may, without prior written consent of all other Parties, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Finance Administrator Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization; *provided* that the assignee shall be bound by all of the obligations and duties of the assigning Party. Any assignment made without the prior written consent required by this Section 11 is void ab initio.

12. **Headings.** The headings used in this Finance Administrator Agreement are for convenience only and shall not be construed as a part of this Finance Administrator Agreement or as a limitation on the scope of the particular paragraph to which each heading refers.

13. **Waiver.** A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Finance Administrator Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

14. **Severability.** If any portion of this Finance Administrator Agreement is held to be void or unenforceable, the balance thereof shall continue to be effective.

15. **No Third-Party Beneficiary.** This Finance Administrator Agreement is made and entered into for the sole protection and legal benefit of the Parties. No other person or entity shall be a direct or indirect legal beneficiary or have any direct or indirect cause of action or claim in connection with, this Finance Administrator Agreement. No other person or entity shall be a third-party beneficiary under this Finance Administrator Agreement.

16. **Integration.** This Finance Administrator Agreement, together with the Funding Agreement, including the respective exhibits thereto, constitutes the complete agreement of the Parties and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, and inducements with respect to the subject matter of this Finance Administrator Agreement.

17. **Jury Trial.** TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS FINANCE ADMINISTRATOR AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

18. **Applicable Law.** No Party shall be considered the drafter of this Finance Administrator Agreement for purposes of interpreting this Finance Administrator Agreement. This Finance Administrator Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Oregon; *provided* that this Finance Administrator Agreement shall, with respect to a Party that is a U.S. government entity, be interpreted, construed and enforced in accordance with the laws of the United States.

19. **Execution in Counterparts.** This Finance Administrator Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. Delivery of an executed signature page of this Finance Administrator Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

20. **Limitation of Liability.**

20.1 **Limitation of Liability for Finance Administrator.** IN NO EVENT SHALL FINANCE ADMINISTRATOR BE LIABLE UNDER THIS FINANCE ADMINISTRATOR AGREEMENT TO ANY OTHER PARTY OR ANY THIRD PARTY FOR ANY DIRECT, CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, INCLUDING ANY DAMAGES FOR BUSINESS

INTERRUPTION, LOSS OF USE, REVENUE OR PROFIT, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT THE BREACHING PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH PARTY'S SOLE REMEDY FOR ANY BREACH OF THIS FINANCE ADMINISTRATOR AGREEMENT BY THE FINANCE ADMINISTRATOR IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THE AGREEMENT'S TERMS AND CONDITIONS.

20.2 Exclusion of Liability. EXCEPT AS SET FORTH IN SECTION 20.3 (INDEMNIFICATION), IN NO EVENT SHALL ANY PARTY HAVE ANY LIABILITY TO ANY THIRD PARTY ARISING OUT OF OR RELATED TO THIS FINANCE ADMINISTRATOR AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT OR OTHERWISE. THE FOREGOING LIMITATIONS SHALL APPLY EVEN IF ANY NON-BREACHING PARTY'S REMEDIES UNDER THIS FINANCE ADMINISTRATOR AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

20.3 Indemnification of Finance Administrator. In the event of a claim brought by a third party against the Finance Administrator arising out of its performance (or failure to perform) under this Finance Administrator Agreement, each Party, including the Finance Administrator (the "Indemnifying Parties"), shall indemnify, hold harmless and, at the Finance Administrator's request, defend (with counsel satisfactory to the Finance Administrator) the Finance Administrator and its successors, assigns, officers, directors, employees and agents (collectively, the "Indemnified Parties") from and against all liabilities, actions, claims, losses, costs, damages, penalties and expenses (including without limitation reasonable legal fees) of any kind or nature whatsoever which may at any time be brought against or incurred or suffered by the Indemnified Parties or any one or more of them relating to this Finance Administrator Agreement, except to the extent related to the Finance Administrator's gross negligence or willful action. Nothing in this Finance Administrator Agreement requires the Bonneville Power Administration (Bonneville), which is an agency of the United States federal government, to act in a manner that is inconsistent with applicable statutes; Bonneville will not indemnify the Finance Administrator in an amount that exceeds \$1,122,944 in the aggregate under this Finance Administrator Agreement, or defend the Finance Administrator as provided under this Section 20.3. Each Indemnifying Party's liability for indemnification for a given third party claim under this Section 20.3 shall be limited to a percentage of the total cost of indemnification for that third party claim equal to its Contingency Allocated Share.

21. Force Majeure.

No Party shall be liable or responsible to any other Party, nor be deemed to have defaulted under or breached this Finance Administrator Agreement, for any failure or delay in fulfilling or performing any term of this Finance Administrator Agreement, when and to the extent such failure or delay is caused by or results from the following force majeure events ("Force Majeure Events"): (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions or blockades in effect on or after the date of this Finance Administrator Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h)

strikes, labor stoppages or slowdowns or other industrial disturbances; (i) shortage of adequate power or transportation facilities; and (j) other similar events beyond the control of the Party impacted by the Force Majeure Event (the “Impacted Party”). The Impacted Party shall give notice within five (5) business days of the Force Majeure Event to the other Parties, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized, to the extent practicable. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES TO FOLLOW
ON SUBSEQUENT PAGE(S).]

IN WITNESS WHEREOF, the Parties have caused this Finance Administrator Agreement to be executed as of August 19, 2019.

AVISTA CORPORATION

By _____
Heather Rosentrater
Vice President, Energy Delivery

BONNEVILLE POWER ADMINISTRATION

By _____
Jeffrey W. Cook
Vice President, Transmission Planning and Asset Management

THE CITY OF SEATTLE—CITY LIGHT DEPARTMENT

By _____
Debra J. Smith
General Manager/CEO

THE CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION

By _____
Jackie Flowers
Director of Utilities

IDAHO POWER COMPANY

By _____
Vern Porter
Vice President of T&D Engineering &
Construction and Chief Safety Officer

MATL LLP

By _____
Stacy L. Myers
Assistant Corporate Secretary

NORTHWESTERN CORPORATION
d/b/a NORTHWESTERN ENERGY

By _____
Michael R. Cashell
Vice President - Transmission

PACIFICORP

By _____

Richard Vail

Vice President, Transmission

PORTLAND GENERAL ELECTRIC COMPANY

By _____

Larry Bekkedahl

Vice President, Grid Architecture,

Integration & Systems Operation

PUBLIC UTILITY DISTRICT No. 1, CHELAN COUNTY, WASHINGTON

By _____

Kirk Hudson

Managing Director, Generation and Transmission

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

By _____

Richard Flanigan

Senior Manager Wholesale Marketing Supply

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY

By _____

Tom DeBoer

Assistant General Manager, Generation, Power,

Rates & Transmission Management

PUGET SOUND ENERGY, INC.

By _____

Sauna Tran

Director Load Serving Operations