Ordinance No. 124280

Council Bill No. ~~[redacted]~~ 117915

AN ORDINANCE relating to the City Light Department; authorizing the General Manager and Chief Executive Officer to execute an amendment to an agreement with the Sacramento Municipal Utility District.

Related Legislation File: _____

Date Introduced and Referred: 9.9.13	To: (committee): Energy and Environment
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: 9/16/13	Date Presented to Mayor: 9/20/13
Date Signed by Mayor: 9.25.13	Date Returned to City Clerk: 9.26.13
Published by Title Only X Published in Full Text _____	Date Vetoed by Mayor:
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: _____

Committee Action:

Date	Recommendation	Vote
09-10-13	Pass	3 MO SC TB - 0 - 0

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote
Sept. 16, 2013	Passed	9-0

LAW DEPARTMENT

Robert W. Cromwell, Jr.
SCL SMUD Confirmation Agreement Amendment 7 Authorization ORD
July 30th, 2013
Version #4

CITY OF SEATTLE

ORDINANCE 124280

COUNCIL BILL 117915

AN ORDINANCE relating to the City Light Department; authorizing the General Manager and Chief Executive Officer to execute an amendment to an agreement with the Sacramento Municipal Utility District.

WHEREAS, the Sacramento Municipal Utility District ("SMUD") is purchasing the capacity, energy, and Environmental Attributes from the Burlington Project, a biomass-fueled cogeneration project in Skagit County, Washington; and

WHEREAS, the City Light Department ("City Light") and SMUD have an agreement related to the delivery of the output from the Burlington Project; and

WHEREAS, changing market and operational conditions in the electrical energy industry have led both parties to desire to modify the agreement and Ordinance 122672 did not provide for modification to account for changing market or operational conditions; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The General Manager and Chief Executive Officer of City Light, or his designee, is hereby authorized to execute for and on behalf of the City an amendment to the original agreement approved by Ordinance 122672, substantially in the form attached hereto as Attachment 1.

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

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Passed by the City Council the 16th day of September, 2013, and signed by me in open session in authentication of its passage this 16th day of September, 2013.

President _____ of the City Council

Approved by me this 23rd day of September, 2013.

Michael McGinn, Mayor

Filed by me this 26th day of September, 2013.

for Monica Martinez Simmons, City Clerk

(Seal)

Attachment:

Attachment 1: Amended Confirmation Agreement for Amendment #7

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ATTACHMENT 1

AMENDED CONFIRMATION AGREEMENT FOR AMENDMENT #7

between

SACRAMENTO MUNICIPAL UTILITY DISTRICT

and

THE CITY OF SEATTLE
BY AND THROUGH ITS CITY LIGHT DEPARTMENT

CITY CLERK

Amended CONFIRMATION AGREEMENT for Amendment #7
Between
Sacramento Municipal Utility District
And
The City of Seattle through its City Light Department

COVER SHEET

Date of last update: April 10, 2013		
Sacramento Municipal Utility District		**The City of Seattle, City Light Department (dba "Seattle City Light")**
All Notices		**All Notices**
Mailing Address Sacramento Municipal Utility District Street: 6301 S Street Sacramento, CA 95817-1899 Facsimile: (916) 732-6002		*Mailing Address* Seattle City Light Attn: Manager, Wholesale Contracts PO Box 34023, Suite 3200 Seattle, WA 98124-4023 Facsimile: (206) 386-4555
		Or, if by overnight mail Seattle City Light Attn: Manager, Wholesale Contracts 700 Fifth Avenue, Suite 3200 Seattle, WA 98104 Phone: (206) 684-3534
		Or, if by fax or e-mail Facsimile: (206) 386-4555 Email:
Contract Administration Attn: Phone: Facsimile: Email:		**Contract Administration** Attn: Phone: Facsimile: Email:
Preschedule: Attn: Phone: Facsimile: Email:		**Preschedule:** Attn: Phone: Facsimile: (Email:

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Real Time Marketing: Attn: Phone: Facsimile: Email:		**Real Time Marketing:** Attn: Phone: Facsimile: Email:
Real Time Balancing Authority: Attn: Phone: Facsimile: Email:		**Real Time Balancing Authority:** Attn: Phone: Facsimile: Email:
Duns: Federal Tax ID Number:		Duns: Federal Tax ID Number:
Confirms: Attn: Phone: Facsimile: Email:		**Confirms:** Attn: Phone: Facsimile: Email:
Invoices: Attn: Phone: Facsimile: Email:		**Invoices:** Attn: Phone: Facsimile: Email:
Payments: Attn: Phone: Facsimile: Email:		**Payments:** Attn: Phone: Facsimile: Email:
Wire Transfer: BNK: ABA: ACCT: Account Name:		**Wire Transfer:** BNK: ABA: ACCT: 4
Credit and Collections: Attn: Phone: Facsimile: Email:		**Credit and Collections:** Attn: Phone: Facsimile: Email:

CITY CLERK

With additional Notices of an **Event of Default, Termination** or **Potential Event of Default** to: Attn: Phone: Facsimile: Email:		With additional Notices of an **Event of Default, Termination** or **Potential Event of Default** to: Attn: Phone: Facsimile: Email:
With additional Notices of an **Event of Termination** to: Attn: Phone: Cell: Facsimile: Email:		With additional Notices of an **Event of Termination** to: Attn: Phone: Cell: Facsimile: Email:
Contact Information Modification: Any modifications to the Contact Information shall be provided to the other Party in writing and shall be mailed, faxed or e-mailed to Contract Administration.		

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CONFIRMATION AGREEMENT FOR

RENEWABLE ENERGY SCHEDULING, DELIVERY, AND PURCHASE

between

Seattle City Light and the Sacramento Municipal Utility District

Original Agreement Effective Date August 1, 2007 as

Amended and Restated November 1, 2013

This Amended and Restated Confirmation Agreement for Renewable Energy Scheduling, Delivery, and Purchase ("Confirmation" or "Agreement") constitutes the arrangement reached between The City of Seattle, a municipal corporation of the State of Washington, acting by and through its City Light Department ("SCL") and Sacramento Municipal Utility District ("SMUD") regarding services provided by SCL to SMUD for the output of the Burlington Project, and the purchase by SCL and sale by SMUD of power and Environmental Attributes from the Burlington Project in excess of 15 MW up to a maximum of 4 MW. This Confirmation is made in accordance with the WSPP, Inc. Agreement effective March 16, 2007 ("WSPP Agreement"). In the event of any conflict between the terms of the WSPP Agreement and this Confirmation, this Confirmation will govern.

The Parties agree that the withdrawal or expulsion of one or both Parties from the WSPP or the cessation of the existence or activities of the WSPP shall not affect the continued validity or enforceability of this Confirmation.

Recitals:

WHEREAS SMUD is purchasing the capacity, energy output and Environmental Attributes from the Burlington Project, a cogeneration biomass project in Skagit County, Washington; and

WHEREAS SMUD requires up to 15 MW of Burlington Net Project Energy, to be scheduled from Mid-C and delivered to COB; and

WHEREAS SMUD desires that SCL schedule the output from the Burlington Project and deliver up to 15 MW of Burlington Net Project Energy; and

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WHEREAS SCL is willing to schedule and deliver up to 15 MW of Burlington Net Project Energy from Mid-C to SMUD at COB (Transaction1); and

WHEREAS SCL desires to acquire any Burlington Net Project Energy and Environmental Attributes that are in excess of 15 MW up to a maximum of 4 MW and SMUD is capable of providing such energy and Environmental Attributes (Transaction 3); and

WHEREAS the Parties previously entered into an Agreement, dated August 1, 2007 and the Parties wish to amend, replace and supersede the Agreement dated August 1, 2007 in its entirety, including eliminating Transaction 2 SMUD Winter Firm Deliveries to SCL that is being replaced with financial compensation by SMUD to SCL contained in Transaction 1, all as set forth in this Agreement; and

WHEREAS this agreement between SCL and SMUD may coordinate in conjunction with additional agreements between parties outside the scope of this agreement;

NOW THEREFORE, in consideration of the mutual covenants and promises contained in this Confirmation, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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TRANSACTIONS

1. Transaction 1 – Delivery of up to 15 MW of Energy by SCL to SMUD.

1A. Product

(1) [INTENTIONALLY OMITTED].

(2) SMUD delivery to SCL of up to 15 MW at Mid-C Remote of the Transaction 1C Mid-C Delivery Quantity under WSPP Schedule B, unit commitment capacity and associated energy from the Burlington Project. SCL shall take title of such energy at Mid-C Remote.

(3) SCL delivery to COB of the Transaction 1D COB Delivery Quantity under WSPP Schedule B, unit commitment capacity and associated energy from the Burlington Project, from the point it is delivered to SCL at Mid-C Remote by SMUD as a Purchasing Selling Entity (as defined by NERC). SMUD shall take title of such energy at COB North to South. In the event of curtailments of the Burlington Project, energy deliveries under Transaction 1 shall be delivered first before energy deliveries under Transaction 3.

1B. Term

This term shall have the meaning given to it in Exhibit A, Special Provisions, Section 2, Term; Termination.

1C. Mid-C Delivery Quantity

SMUD shall deliver and SCL shall receive the amount of Burlington Net Project Energy equal to the lesser of 15 MWh or the Burlington Net Project Energy, scheduled in whole MWh and delivered to SCL at the Transaction 1F Delivery Point (1).

1D. COB Delivery Quantity

SCL shall deliver and SMUD shall receive an amount of Burlington Net Project Energy in each hour of the Term equal to the Transaction 1C Mid-C Delivery Quantity scheduled in whole MWh and delivered to SMUD at the Transaction 1F Delivery Point (2).

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1E. Delivery Hours

Hours ending 0100 through 2400, Mondays through Sundays, including NERC holidays, throughout the Transaction 1B Term.

1F. Delivery Points

(1) SMUD Delivery Point to SCL - Mid-C Remote (or other points as mutually agreed).

(2) SCL Delivery Point to SMUD - COB North to South (or other points as mutually agreed).

1G. Annual Delivery Charge

Annual Delivery Charge shall be calculated in accordance with Exhibit A, Special Provisions, Section 13(b)(1) Transaction 1 Annual Delivery Charge and billed to SMUD by SCL in accordance with Exhibit A, Special Provisions, Section 13(b)(2) Transaction 1 Annual Delivery Charge Invoice and Payments. For each Contract Year August 1 through July 31, the Annual Delivery Charge will be paid by SMUD in three equal payments in each of the months of December, January and February of such Contract Year. A detailed example of the Annual Delivery Charge calculation is included in Exhibit C, Annual Delivery Charge Form. Except as otherwise stated herein, neither Party shall be required to return any losses to the other Party for services or deliveries received in Transaction 1.

1H. Scheduling

(1) [INTENTIONALLY OMITTED]

(2) Scheduling Provisions.

(i) All deliveries pursuant to Transaction 1 shall be prescheduled in accordance with NERC, NAESB, WECC, and applicable third party transmission system operator scheduling guidelines as amended from time to time.

(ii) To the extent not prevented by a Forced Outage, an Uncontrollable Force or curtailment of firm transmission, schedules to COB North to South shall be prescheduled in amounts that are equal to the Transaction 1D COB Delivery Quantity

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as derived from SMUD's notice which SMUD shall provide (or cause to be provided) to SCL no later than 5:30 AM PPT on the applicable WECC prescheduling day. To the extent that after SCL has submitted the preschedule on the prescheduling day (as established by WECC) it becomes known that the amounts prescheduled for delivery to COB North to South exceed the expected simultaneous schedules for Transaction 1 and Transaction 3, then SMUD shall notify SCL to reduce such schedules (on a real-time scheduling basis) first by reducing Transaction 3 and if necessary, reducing the Transaction 1 schedule to COB North to South.

SMUD shall create the e-Tag. The e-Tag shall be sourced from the Burlington Project in Puget's balancing authority area to SCL at Mid-C Remote. Using SCL's contract transmission rights SCL shall deliver to SMUD at COB North to South with the sink in SMUD's system.

The above e-Tag procedure may be modified at any time by mutual agreement by the Parties.

(iii) [INTENTIONALLY OMITTED].

(iv) SCL shall submit as needed a schedule via email or other electronic means to SMUD's preschedule contact in advance of 5:35 AM PPT or an alternative time as mutually agreed and SMUD shall submit an e-Tag each preschedule Day showing whole MW to be delivered to SMUD for each hour of the delivery day.

(v) Either Party may make delivery day changes to the preschedule quantities to the extent caused by a Forced Outage, transmission curtailment, or Uncontrollable Force. Parties will provide reasonably sufficient advanced notice of the anticipated resumption of deliveries following a Force Majeure or Forced Outage to allow for the parties to coordinate scheduling of resumed deliveries within the deadlines established by WECC, NAESB or NERC.

(vi) [INTENTIONALLY OMITTED].

(vii) [INTENTIONALLY OMITTED].

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1I. Availability Notification

(1) Burlington Project Contingency Notification. SMUD is responsible for notifying SCL when a Forced Outage, Uncontrollable Force or transmission curtailment on Puget's transmission system affecting the Burlington Project occurs and when the Burlington Project recovers from such contingency. Notice is deemed given by SMUD if given by Owner or by Puget to SCL. SMUD shall then issue an e-Tag adjustment request (if Puget has not already done so) within the time period defined in the NERC/NAESB timing tables. SMUD shall not issue an adjustment request with a schedule change start date/time that is earlier than the adjustment request submittal date/time unless mutually agreed.

(2) SCL Contingency Notification. SCL shall notify SMUD to initiate e-Tag changes in the event a transmission curtailment affects deliveries to COB North to South under this Confirmation.

(3) SCL shall request SMUD submit an e-Tag downward adjustments or reliability curtailments or a revised e-Tag on Transaction 1 schedules from Mid-C Remote to COB North to South in parallel with adjustments to schedules from SMUD (as Purchasing Selling Entity) to Mid-C Remote. If SMUD fails to approve a NERC, NAESB and WECC valid and compliant adjustment request within the e-Tag assessment period as defined in the NERC/NAESB timing tables then SMUD shall pay to SCL a reserve charge in the amount of $7.39/MWh multiplied by the size in MW of the adjustment that was not approved multiplied by twenty four hours, but in no case shall any party violate the guidelines listed in Transaction 1H(2)(i).

If SCL fails to approve such valid adjustment requests, then SCL shall assess no fees associated with the transaction.

If intermediary reliability entities that are party to the e-Tag fail to approve such valid adjustment request, then neither SMUD nor SCL shall assess reserve charges.

(4) [INTENTIONALLY OMITTED].

1J. Reduction of Deliveries at COB

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To the extent that schedules at COB are reduced due to Forced Outage, Uncontrollable Force or curtailment of firm transmission and such event prevents the full Transaction 1D COB Delivery Quantity from being delivered at COB North to South, then SCL shall be relieved in such hour of its obligation to deliver, and SMUD shall be relieved of its obligation to receive the full Transaction 1D COB Delivery Quantity.

1K. Firm Transmission

Unless otherwise agreed, SCL shall reserve or otherwise ensure that delivery of the Transaction 1D COB Delivery Quantity is made utilizing firm transmission from the Mid-C Remote to COB North to South. Firm transmission means transmission that is sold as firm by the transmission provider for the full duration of the delivery from the proposed source.

1L. Environmental Attributes

Under Transaction 1, no Environmental Attributes are exchanged except as provided in Appendix A, Special Provisions, Section 10(b) Environmental Attribute Exchange.

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2. Transaction 2 – [INTENTIONALLY OMITTED].

SDS CITY CLERK

3. Transaction 3 – SMUD Sale of Energy and Environmental Attributes to SCL.

3A. Product

SCL purchase from SMUD of any Burlington Net Project Energy under WSPP Schedule B, unit commitment including the associated Environmental Attributes in excess of 15 MW, up to 4 MW under the terms listed in this Transaction 3.

3B. Term

This term shall have the meaning given to it in Exhibit A, Special Provisions, Section 2, Term; Termination.

3C. Delivery Quantity

In each hour of the Term, the Transaction 3C Delivery Quantity shall equal the difference between the Burlington Net Project Energy and 15 MW delivered pursuant to Transaction 1C Mid-C Delivery Quantity, up to a maximum of 4 MW of Transaction 3C Delivery Quantity.

3D. Delivery Point

The Transaction 3D Delivery Point shall be the Puget/SCL Interface.

3E. Price

SCL shall pay SMUD $62/MWh, escalated by 1.75% (percent) on January 1 of each year of the Term applied to the actual amount of Transaction 3C Delivery Quantity delivered and shall be billed in accordance with Exhibit A, Special Provisions, Section 13(d) Transaction 3 Charge, Invoice and Payments.

3F. Environmental Attributes

SMUD shall deliver to SCL Environmental Attributes in the form of WREGIS Certificates reflecting the total monthly MWhs actually delivered to SCL pursuant to this Transaction 3. Contemporaneously with the monthly billing, SMUD shall also provide to SCL an Exhibit B REC Bill of Sale as set forth in Exhibit A, Special Provisions, Section 10, Environmental Attributes.

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3G. Scheduling

(1) SCL shall, for deliveries throughout the Term, perform scheduling of the Burlington Project output for the Owner from the Burlington Project up to the Transaction 3C Delivery Quantity pursuant to relevant Puget, WECC, NAESB and NERC requirements, including electronic creation, acceptance and verification of e-Tags associated with the delivery of power from the Burlington Project. SCL shall be responsible for coordinating and communicating with the Owner as necessary to perform this function. SMUD shall instruct the Owner under the Burlington Project PPA to coordinate and communicate with SCL as necessary for SCL to perform this function, and SMUD shall encourage the Owner to reach agreement with SCL on mutually agreeable timelines and procedures, but consequences of any scheduling problems between SCL and Owner shall be resolved between only those two parties.

(2) Scheduling Provisions.

(i) All deliveries pursuant to Transaction 3 shall be prescheduled in accordance with NERC, NAESB, WECC, and applicable third party transmission system operator scheduling guidelines as amended from time to time.

(ii) To the extent not prevented by a Forced Outage, an Uncontrollable Force or curtailment of firm transmission, schedules to the Puget/SCL Interface shall be prescheduled in amounts that are equal to the Transaction 3C Delivery Quantity as derived from SMUD's notice which SMUD shall provide (or cause to be provided) to SCL no later than 5:30 AM PPT on the applicable WECC prescheduling day. To the extent that after SCL has submitted the preschedule on the prescheduling day (as established by WECC) it becomes known that the amounts prescheduled for delivery to the Puget/SCL Interface exceed the expected simultaneous schedules for Transaction 1 and Transaction 3, then SMUD shall inform SCL to reduce such schedules (on a real-time scheduling basis) first by reducing Transaction 3 and, if necessary, reducing Transaction 1.

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The e-Tag shall be sourced from the Burlington Project in Puget's balancing authority area to SCL at the Puget/SCL Interface. A sample e-Tag is included as Exhibit D.

The above e-Tag procedure may be modified at any time by mutual agreement by the Parties.

(iii) SCL shall submit a schedule via email or other electronic means to SMUD's preschedule contact in advance of 5:35 AM PPT or an alternative time as mutually agreed and submit an e-Tag each preschedule Day showing whole MW to be delivered by SMUD for each hour of the delivery day.

(iv) Either Party may make delivery day changes to the prescheduled quantities to the extent caused by a Forced Outage, transmission curtailment, or Uncontrollable Force. Parties will provide reasonably sufficient advanced notice of the anticipated resumption of deliveries following a Force Majeure or Forced Outage to allow for the parties to coordinate scheduling of resumed deliveries within the deadlines established by WECC, NAESB or NERC.

3H. Availability Notification

Burlington Project Contingency Notification. SMUD is responsible for notifying SCL when a Forced Outage, Uncontrollable Force or transmission curtailment on Puget's transmission system affecting the Burlington Project occurs and when the Burlington Project recovers from such contingency. Notice is deemed given by SMUD if given by Owner or by Puget to SCL. SCL shall then issue an e-Tag adjustment request (if Puget has not already done so) within the time period defined in the NERC/NAESB timing tables. SCL shall not issue an adjustment request with a schedule change start date/time that is earlier than the adjustment request submittal date/time unless mutually agreed.

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Each Party shall confirm that the terms stated in this Confirmation accurately reflect the agreement between SMUD and SCL by returning an executed copy of this Confirmation by fax to SMUD at (916) 732-6002 and by fax to SCL (206) 386-4555.

ACKNOWLEDGED AND AGREED TO:

Seattle City Light	**Sacramento Municipal Utility District**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

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Exhibit "A"

Special Provisions

Amending the WSPP Agreement

Attached to and forming a part of the Confirmation with an Effective Date of August 1, 2007 between SCL and SMUD.

1. Definitions

Capitalized terms used but not otherwise defined herein have the meanings set forth in the WSPP Agreement, except that references in the WSPP Agreement to "this Agreement" shall be deemed to mean the WSPP Agreement as modified by these Special Provisions. The following terms shall have the meanings specified below for purposes of the WSPP Agreement, these Special Provisions, and any Confirmation Agreement hereunder:

Acceptable Renewable Resource. This term shall mean a Renewable Resource that qualifies for the Washington Renewable Portfolio Standard as defined under the Revised Code of Washington 19.285.030 (20).

Annual Delivery Charge. This term shall have the meaning set forth in Transaction 1G.

Annual Price. This term shall have the meaning set forth in Exhibit A, Special Provisions, Section 13(b) Transaction 1G Annual Delivery Charge.

Annual Transmission Cost. This term shall mean for the most recent historical November through October period, BPAT Demand Charges plus the product of the BPAT Losses Rate, the Annual Price and the Annual MWh.

Annual MWh. This term shall mean the total MWh delivered to SMUD at COB North to South by SCL during the most recent historical November through October period.

Bankrupt. This term shall mean the Defaulting Party or any Guarantor of such Party:

(a) Is dissolved (other than pursuant to a consolidation, amalgamation or merger);

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(b) Becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) Makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) Institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation;

(e) Has a resolution passed for its winding-up, liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) (A) Seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or substantially all its assets, or (B) in the case of a municipal utility, there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to oversee or declare a financial emergency or similar state of financial distress with respect to it;

(g) Has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process is levied, enforced or sued on or against all or substantially all its assets;

(h) Causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses one to seven inclusive.

BPAT. This term shall mean the Bonneville Power Administration, Transmission Services.

BPAT Demand Charges. This term shall mean the sum of the following BPAT charges expressed in $/kW-month:

(a) BPAT Southern Intertie Demand Charge,

(b) the BPAT PTP Demand Charge,

(c) two times the BPAT Scheduling Charge,

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(d) two times the BPAT Reactive Charge

All multiplied by 12 months

All multiplied by 15,000 kW.

These Charges will be those published by BPAT effective at the time the calculation is made.

BPAT Losses Rate. This term shall mean the rate for the BPAT system losses expressed in percentage terms.

Burlington Net Project Energy. This term shall mean the real electrical energy produced by the Burlington Project less any transmission losses experienced in getting the energy to SCL and net of any on-site loads.

Burlington Project. This term shall mean the 28 net MW biomass cogeneration facility located in Fredonia Industrial Park in Skagit County, Washington, owned by the Owner.

Burlington Project PPA. This term shall mean the power purchase agreement proposed between the Owner and SMUD whereby SMUD has agreed to purchase and the Owner has agreed to sell certain energy generated by the Burlington Project.

COB. This term shall mean the California-Oregon Border.

COI. This term shall mean the California Oregon Intertie.

Contract Year. This term shall mean any one-year period during the Term of a transaction beginning on August 1 of a particular year and ending on July 31 of the subsequent year.

Credit Assurance. This term shall mean a cash pre-payment, a Letter Of Credit, a Guarantee Agreement, Treasury securities, a performance bond, a surety bond and/or other security, all in a form and in an amount acceptable to the Requesting Party acting in a commercially reasonable manner.

Costs. This term shall mean, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering

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into new arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

e-Tag. This term shall mean an electronic tag that meets the specifications and schema of a NAESB e-Tag.

Early Termination Date. This term shall have the meaning set forth in Section 11.

Eligible Renewable Energy Resource. This term shall have the meaning set forth in California Public Utilities Code Section 399.12 as may be amended from time to time.

Environmental Attributes. This term shall mean any and all credits, benefits, emissions reductions, environmental air quality credits, offsets, and allowances, howsoever entitled, directly attributable to the generation from the project and its displacement of conventional energy generation. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4) and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (3) the reporting rights to these avoided emissions such as green tag reporting rights. Green tags are accumulated on kWh basis and one green tag represents the Environmental Attributes associated with one (1) MWh of energy. Environmental Attributes do not include (1) any energy, capacity, reliability or other power attributes from the project, (2) production tax credits associated with the construction or operation of the project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (3) fuel-related subsidies or "tipping fees" that may be paid to the Party delivering such Environmental Attributes ("REC Delivering Party") to accept certain fuels, or local subsidies received by the generator for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits, or (4) emission reduction credits encumbered, used or created by the project for compliance with or sale under local, state, or federal operating and/or air quality permits or programs. If SMUD receives any such tradable Environmental Attributes based on the greenhouse gas reduction benefits attributed to its fuel usage for the Burlington Project, it shall provide SCL with sufficient Environmental Attributes to ensure that there are zero net emissions

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associated with the applicable production of electricity from such facility. The term Environmental Attributes includes any other environmental credits or benefits recognized in the future and attributable to the energy generated by the Burlington Resource during the Term, unless otherwise excluded herein.

Forced Outage. This term shall mean any outage or reduction in the capacity of the Burlington Project that is not a Planned Outage and is severe enough to affect the quantity of deliveries under the applicable transaction and which could not have been avoided by the exercise of prudent utility practice.

Guarantor. This term shall mean, as to a Party (the "first Party"), the person(s), if any, executing a Guarantee Agreement which supports any or all of the obligations of the first Party to the other Party.

Hourly COB Index. This term shall mean, for any particular hour, the applicable Dow Jones COB Hourly Electricity Price Index for such hour.

Letter(s) of Credit. This term shall mean one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from S&P or A3 from Moody's, in a form acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

Mid-C or Mid-C Remote (Mid-Columbia). This term shall mean points at any of the switchyards associated with the following four hydro projects: Rocky Reach, Rock Island, Wanapum, and Priest Rapids. These switchyards include Rocky Reach, Rock Island, Wanapum, McKenzie, Valhalla, Columbia, Midway and Vantage. Mid-C shall also include points in the "Northwest Hub," as defined by the Bonneville Power Administration.

On-Peak Hour. This term shall mean any one of the hours ending 0700 - 2200 (6 am to 10 pm) Pacific Time at Mid-C, for Monday through Saturday excluding NERC holidays.

Opportunity Cost Adder. This term shall mean for any Contract Year (except the first Contract Year) the result of the following calculation: $3.7617/MWh multiplied by the Annual MWh, which calculation is further detailed in Exhibit C.

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Owner. This term shall mean Sierra-Pacific Industries, the owner of the Burlington Project and the lumber manufacturing facility located in Fredonia Industrial Park in Skagit County, Washington, and any successor in title.

Parties. This term shall mean SMUD and SCL collectively.

Party. This term shall mean SMUD or SCL individually.

Prime Rate. This term shall mean the rate published in The Wall Street Journal as the "Prime Rate" from time to time (or, if more than one rate is published, the arithmetic mean of such rates), in either case determined as of the date the obligation to pay interest arises, but in no event more than the maximum rate permitted by applicable law.

Puget. This term shall mean Puget Sound Energy, Inc or any successor that owns and operates the electric transmission system that interconnects with the Burlington Project.

Related Agreement. This term shall mean any collateral, security, guaranty or other similar credit agreement or document undertaken in connection with the WSPP Agreement, the Confirmation and the Transactions.

Remaining Term. This term shall have the meaning set forth in Exhibit A, Special Provisions, Section 2(b)(ii).

Renewable Energy Credit (REC). This term shall mean a certificate of proof that one unit of electricity was generated by a renewable energy resource. The REC shall represent all renewable and Environmental Attributes associated with electricity production by a renewable energy resource. RECs are accumulated on a kWh basis and one REC represents the Environmental Attributes made available by the generation of 1,000 kWh from the Unit. For purposes of this Confirmation, the term REC shall be synonymous with the term green tag, green ticket, tradable renewable certificates, Western Renewable Energy Generation Information System (WREGIS) certificate or any other term used to describe the documentation that evidences the renewable and Environmental Attributes associated with electricity production by a renewable energy resource.

Settlement Risk Limit. This term shall mean the credit risk line available to a Party, from time to time, for the purpose of controlling the risk that upon making a delivery a Party does not receive from the other Party the corresponding deliveries, reduction of the balance of the Mismatch Account and/or

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any monetary payment obligation. With respect to the above, "credit risk line available to a Party means" an amount determined based on the following table:

S&P Credit Rating of Party	Credit Risk Line
AA- or above	$40,000,000
A+	$30,000,000
A	$20,000,000
A-	$10,000,000
BBB+	$1,000,000
BBB or below	$0 (zero)

SCL System. This term shall mean the electrical grid controlled by SCL or the point of interconnection of SCL's grid and Puget or BPAT.

Specified Agreement. This term shall mean any contract or transaction, including an agreement with respect thereto (whether or not documented under or effected pursuant to a master agreement) now existing or hereafter entered into between one Party (or any Guarantor of such Party or any Affiliate of such Party) and the other Party (or any Guarantor of such Party or any Affiliate of such Party).

Specified Indebtedness. This term shall mean any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

Terminated Transaction. This term has the meaning set forth in Section 22.2 of the WSPP Agreement.

Termination Notice. This term has the meaning set forth in Exhibit A, Special Provisions, Section 2(b)(ii).

Transaction. This term shall mean these Transactions 1 and 3 and these Special Provisions, incorporated as Exhibit "A" and the REC Bill of Sale incorporated as Exhibit "B" and the Annual Delivery Charge Form incorporated as Exhibit "C" to the Confirmation between the Parties effective August 1, 2007 and the Confirmation itself.

Uncontrollable Force. This term has the meaning set forth in Exhibit A, Special Provisions, Section 12.

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WECC. This term shall mean the Western Electricity Coordinating Council or any successor organization.

2. Term; Termination

(a) Term.

This Confirmation shall be effective on the later of August 1, 2007 or the date that all of the Conditions Precedent set forth in Section 3(a) is met. This Confirmation shall terminate at 24:00 hours on January 31, 2009 unless extended pursuant to Section 3(b), below, or terminated earlier in accordance with this Confirmation.

(b) Termination by SCL.

(i) Low Burlington Project Output.

SCL shall be entitled to terminate this Confirmation with 60 days advance notice in writing if the Burlington Net Project Energy delivered to the Puget/SCL Interface fails to average at least 12 average megawatts per year for any 2 consecutive years, unless such failure would not have occurred but for an event of Uncontrollable Force.

(ii) Northwest Preference Customer or Inability to Reserve Transmission.

In the event that either:

(A) SCL (despite reasonable efforts to prevent such) finds that a change to applicable law, regulations, or 3rd party business practices prevents it from reliably reserving use of its transmission rights to deliver to SMUD as required hereunder, or

(B) Applicable authorities determine that SCL cannot continue to deliver power to SMUD under this Confirmation without violating Sections 5(b) and 9(c) of the Pacific Northwest Electric Power Planning and Conservation Act ("Northwest Power Act"), or any law or regulation that succeeds Sections 5(b)

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and 9(c) of such Act, or any policy or clarification regarding such Act issued by an applicable authority with regard to the disposition of energy in the Pacific Northwest by a Bonneville Power Administration customer, then SCL shall immediately give Owner and SMUD written notice of termination ("Termination Notice").

(aa) Negotiation Period. Upon issuance of such Termination Notice, the Parties shall immediately enter into good faith negotiations with the aim of amending the Confirmation in a manner that addresses the conditions that triggered the issuance of the Termination Notice, gives effect to the original intention of the Parties, maintains the balance of the equities of the transaction contemplated by this Agreement in all material respects and without causing either party to incur additional burdens. If upon 60 days after SMUD's receipt of the Termination Notice the Parties have not agreed to an amendment that satisfies both Parties, this Confirmation shall then terminate, unless this negotiation period is extended by mutual agreement of the Parties. If the Parties successfully negotiate an amendment to this Confirmation within the negotiation period, then SCL shall have no further right to terminate pursuant to this Exhibit A, Special Provisions, Section 2(b)(ii) with regard to the particular occurrence of concerns giving rise to the applicable Termination Notice, unless the Parties agree in writing to waive this provision.

(bb) SCL Obligation to Purchase Power for Interim Period. If, prior to the effective date of such termination, SMUD notifies SCL in writing that it has not sold the entire Burlington Net Project Energy to a third party at terms, price and conditions acceptable to SMUD for the remainder of the Term, then SCL shall purchase from SMUD the entire Burlington Net Project Energy and the associated Environmental Attributes at the Puget/SCL Interface, for 60 days immediately subsequent to such termination ("Interim Period") at the then current market price for similar

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renewable power (with similar terms and conditions) and associated Environmental Attributes.

(cc) SCL Obligation to Purchase Power for Remainder of Term. If upon expiration of the Interim Period SMUD has not given notice to SCL in writing that it intends to waive its right to sell the entire Burlington Net Project Energy and the associated Environmental Attributes to SCL, then SCL shall purchase from SMUD the entire Burlington Net Project Energy and the associated Environmental Attributes at the Puget/SCL Interface for the remaining Term that was in effect prior to such termination ("Remaining Term"), at the then current market price for similar renewable power (with similar terms and conditions, as agreed by the Parties) and associated Environmental Attributes.

(iii) In the case of termination under Exhibit A, Special Provisions, Section 2(b)(ii), SCL shall offer to sell to Owner the following services (each separately): 1) scheduling services per WECC standards at the greater of $2.00/MWh or the prevailing BPAT rate; and 2) operating reserves per WECC and BPAT standards at the greater of $7.39/MWh or the prevailing BPAT rate. Owner may, in Owner's sole discretion, accept either, both or none of these services. Unless otherwise agreed by SCL and Owner, SCL shall be obligated to offer to provide the foregoing services from the effective date of termination through (A) January 31, 2009, in the event that this Confirmation was not extended pursuant to Section 3(b) prior to its termination, or (B) July 31, 2017, in the event that this Confirmation was extended pursuant to Section 3(b) prior to its termination.

(iv) SMUD shall compensate SCL for any services that SCL provided SMUD under Transaction 1 but for which SCL has not received compensation in the form of the Annual Delivery Charge.

aa. Calculation of Compensation. For purposes of determining such compensation, the value of one year's worth of Transaction 1 delivery service is equal to the Annual Delivery Charge and both are derived

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(each separately) under this Confirmation by calculating the sum of the Annual Transmission Cost and the Opportunity Cost Adder. One third of the Transaction 1 value will be assigned to the first six months of the Contract Year, and divided equally among those six months, and two thirds to the second half of the Contract Year, and divided equally among those six months. One-third of the Annual Delivery Charge shall be assigned to each of December, January and February. Using these monthly values, either SCL shall pay to SMUD or SMUD shall pay to SCL the appropriate net amount accounting for Transaction 1 deliveries and Annual Delivery Charge payments that have already been made in that Contract Year, if any, prior to such termination.

(c) Termination by SMUD.

(i) SMUD shall be entitled to terminate the Confirmation by giving SCL at least 60 days notice of termination in writing if:

(1) The Owner is in material default of the Burlington Project PPA, or a SMUD termination right under the Burlington Project PPA has otherwise been triggered, and SMUD has given the Owner notice of termination of the Burlington Project PPA;

(2) The renewable energy or RECs produced by the Burlington Project do not meet California regulatory requirements such that SMUD determines in good faith that it may not use the energy or the RECs to meet its renewable portfolio standard goals. In such event, the Parties shall be obligated to negotiate in good faith for no less than thirty (30) days to attempt to negotiate commercially reasonable amendments that are satisfactory to both parties.

(ii) Termination for Inability to Reserve Transmission.

In the event that SMUD (despite reasonable efforts to prevent such) finds that a change to applicable law, regulations, or 3rd party business practices prevents it

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from reliably reserving use of its transmission rights to deliver to SCL as required hereunder, then the Parties shall immediately enter into good faith negotiations to determine if mutually satisfactory replacement arrangements can be made. If after 30 days of such negotiations the Parties fail to agree on such a provision then SMUD shall have the right to terminate this Confirmation with 30 days written notice.

(iii) In the event that SMUD terminates this Confirmation under Section 2(c)(i) or 2(c)(ii) herein, SCL shall compensate SMUD for the value of any services that SCL will no longer provide under Transaction 1 due to such termination, but that SCL owes to SMUD in return for the Annual Delivery Charge SMUD supplied SCL during the prior winter period under Transaction 2. Likewise, SMUD shall compensate SCL for any services SCL has provided SMUD under Transaction 1 but for which SCL has not received compensation in the form of the Annual Delivery Charge.

(aa) Calculation of Compensation. For purposes of determining such compensation, the value of one year's worth of Transaction 1 delivery service is equal to the Annual Delivery Charge and both are derived (each separately) under this Confirmation by calculating the sum of the Annual Transmission Cost and the Opportunity Cost Adder. One third of the Transaction 1 value will be assigned to the first six months of the Contract Year, and divided equally among those six months, and two thirds to the second half of the Contract Year, and divided equally among those six months. One-third of the Annual Delivery Charge shall be assigned to each of December, January and February. Using these monthly values, either SCL shall pay to SMUD or SMUD shall pay to SCL the appropriate net amount accounting for Transaction 1 deliveries and Annual Delivery Charge payments that have already been made in that Contract Year, if any, prior to such termination.

(d) Effect of Termination.

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Upon the effectiveness of such termination neither party shall have any further liability to the other under the Confirmation, except that any liabilities incurred or accrued prior to termination shall continue until paid as set forth in Section 2(b) and 2(c) and any obligations under Exhibit A, Special Provisions, Sections 2(b)(ii), 2(b)(iii), 2(b)(iv) and 2(c)(iii) shall survive termination of this Confirmation. Termination of the Confirmation in accordance with Exhibit A, Special Provisions, Sections 2(a), 2(b) or 2(c) will not be a basis for terminating other confirmations between the parties under the WSPP Agreement.

(e) Each Party shall give the other Party as much notice as possible of issues or concerns that might give rise to its decision to terminate this Confirmation.

(f) In the event that any Transaction is terminated under this Confirmation, all Transactions are terminated, however, any obligations under Exhibit A, Special Provisions, Sections 2(b)(ii), 2(b)(iii), 2(b)(iv) and 2(c)(iii) shall survive termination of this Confirmation.

3. Conditions Precedent

(a) The Confirmation is conditional upon and shall not take effect or be enforceable against either Party until the later of the following to occur:

(i) The Confirmation has been executed by a properly authorized representative of SMUD Management,

(ii) A properly authorized representative of SMUD Management has executed a power purchase agreement with the Owner with regard to the Burlington Project ("Burlington Project PPA"), in form and substance satisfactory to SMUD,

(iii) A properly authorized representative of the Owner has executed the Burlington Project PPA,

(iv) The Confirmation has been executed by a properly authorized representative of SCL Management.

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(b) The extension of this Confirmation through July 31, 2017 shall take effect upon, is conditional upon and shall not take effect or be enforceable against either Party until, the later of the following to occur:

(i) The Confirmation, including the extension through July 31, 2017, has been approved by SMUD's Board of Directors,

(ii) SMUD's Board of Directors has approved the Burlington Project PPA, including the extension through July 31, 2017, in form and substance satisfactory to SMUD,

(iii) The Confirmation, including the extension through July 31, 2017, has been approved by a lawfully enacted ordinance of the City of Seattle.

Each Party will advise the other Party of its progress from time to time in obtaining the conditions it has required and shall immediately notify the other Party of the waiver or satisfaction of each condition above that it has required. Each Party shall be obligated to make best efforts to obtain the approvals listed above as soon as reasonably possible given the briefing and meeting calendars of the applicable entities.

(c) If the City of Seattle or SMUD's Board of Directors propose modification to this Confirmation, the Parties shall exercise commercially reasonable efforts to either:

(i) Amend this Confirmation to comply with the changes, or

(ii) Negotiate a replacement Confirmation, that in either case provides benefits similar to those provided under this Confirmation to both Parties and that is expected to be acceptable to the City of Seattle, and SMUD's Board of Directors, or

(iii) Terminate discussions.

4. [INTENTIONALLY OMITTED]

5. Damages for Unexcused Failure to Deliver or Receive Energy

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Subject to the provisions of this Confirmation, in the event of a failure to deliver or receive contracted deliveries of energy not excused by an Uncontrollable Force, curtailment of firm transmission, or Forced Outage, the damages provisions set out in WSPP Agreement, Section 21.3, shall apply to such failure to deliver or receive contracted deliveries.

6. [INTENTIONALLY OMITTED]

7. Priority in Transmission Curtailment

In the event that either party must curtail energy deliveries or receipts due to reduction in the transmission rating of the applicable transmission path, such party shall make reasonable efforts to treat transactions under this Confirmation with a transmission use priority similar to that of any other transactions and schedules such Party has for delivery of firm energy that simultaneously utilize the same transmission path.

8. Scheduling

The products under all transactions shall be scheduled in accordance with NERC, NAESB and WECC business practices and standards as amended from time to time.

9. [INTENTIONALLY OMITTED]

10. Environmental Attributes (Transaction 3)

(a) [INTENTIONALLY OMITTED].

(b) [INTENTIONALLY OMITTED].

(c) Delivery of Environmental Attributes/RECs. All Environmental Attributes provided under this Confirmation shall be documented by Renewable Energy Credits, the cumulative total of which shall be equal to the power purchase by SCL under Transaction 3 and provided by SMUD to SCL.SMUD shall provide SCL a REC Bill of Sale, substantially in the form of Exhibit B. The REC Bill of Sale shall list the monthly amount of energy delivered hereunder from the Burlington Project. The Parties will from time to time adopt changes to the REC Bill of Sale that reflect changes implemented by the Center

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for Resource Solutions or successor organization to the extent that neither Party has reason to object to such changes. At such time as WREGIS is implemented as a prevailing practice in WECC, the Parties shall be responsible for complying, at their own expense, with any requirements imposed by WREGIS and the Center for Resource Solutions' Green-e program for the purpose of verifying SMUD's and SCL's receipts of Burlington Project energy and RECs under this Confirmation. SMUD shall, not later than 10 days after such Environmental Attributes are delivered into SMUD's WREGIS account, deliver to SCL's WREGIS account those same Environmental Attributes as tracked by WREGIS and as identified in the monthly REC Bill of Sale.

(d) Sale or Use of Environmental Attributes. With respect to any Environmental Attributes delivered to SCL hereunder, SMUD represents and warrants that to the best of its knowledge and belief the Environmental Attributes were sold (as reflected in Exhibit B, REC Bill of Sale) to SCL and that:

(i) SMUD has good and marketable title to such Environmental Attributes;

(ii) SMUD has not assigned, transferred, conveyed, encumbered, sold, or otherwise disposed of the Environmental Attributes generated from the Burlington Project to any entity other than the SCL;

(iii) SMUD did not use the Environmental Attributes or the electricity that generated the Environmental Attributes to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate; and

(iv) all of the Environmental Attributes (including CO2 benefits), including any emissions offsets, reductions or claims, represented by the Burlington Project were or will be transferred to SCL.

(e) Damages for Unexcused Failure to Deliver Environmental Attributes. Failure by SMUD to deliver Environmental Attributes to SCL in the form of RECs as required herein shall result in SMUD being liable for the product of the actual REC replacement price multiplied by the amount not delivered under this Confirmation. In such case SCL may withhold a reasonable amount of payment owed hereunder until a suitable attestation is provided or settlement of replacement costs occurs. In the event that SCL intends to

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purchase RECs to replace any not delivered by SMUD, the SMUD shall then have thirty (30) days to purchase and deliver RECs from an Acceptable Renewable Resource, after which SCL may purchase replacement RECs in a commercially reasonable manner. SCL shall invoice SMUD for any purchased replacement RECs or for any administrative penalty assessed to it under RCW 19.285.060 arising out of SMUD's failure to deliver Environmental Attributes to SCL, whichever the case may be. SMUD shall promptly pay such invoice within thirty (30) days of receipt. Except as permitted by this Confirmation, SMUD has an unqualified obligation to deliver the Environmental Attributes associated with their renewable power deliveries to SCL and shall not rely on replacement costs as an alternative to delivery.

11. Further Assurances/Credit

Section 22.1 of the WSPP Agreement is modified by deleting Subsection (c) in its entirety and inserting in its place the following new language:

"(c) The Defaulting Party becomes Bankrupt; or"

Section 22.1 of the WSPP Agreement is further modified by deleting Subsection (d) in its entirety and inserting in its place the following new language:

"(d) The Defaulting Party fails to provide Credit Assurances pursuant to the terms of Section 27.1."

Section 22.1 of the WSPP Agreement is further modified by inserting the following new language at the end thereof:

"(f) The expiration or termination of a Related Agreement with respect to the obligations of the Defaulting Party under this Agreement or the Confirmation Agreement for a specific Transaction, or the failing or ceasing of such Related Agreement to be in full force or effect for the purpose of this Agreement or a Confirmation Agreement for a specific Transaction (in either case other than in accordance with the terms of this Agreement and any applicable Confirmation Agreement) before the satisfaction of all obligations of the Defaulting Party under this Agreement and under each Transaction to which such Related Agreement relates, without the prior written consent of the other Party;

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(g) The Defaulting Party is subject to an event of default or material breach (howsoever defined) under any Specified Agreement, after giving effect to any applicable notice or grace period under such Specified Agreement;

(h) A default, event of default or other similar condition or event (however described) in respect of either Party or its Guarantor(s), if any, under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than ten million dollars ($10,000,000) which has resulted in such Specified Indebtedness becoming due and payable under such agreements or instruments, before it would otherwise have been due and payable, or a default by either Party or its Guarantor(s), if any, (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than ten million dollars ($10,000,000) under such agreements or instruments (after giving effect to any applicable notice requirement or grace period); or

(i) The Defaulting Party fails to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to deliver or receive electric power or energy, the exclusive remedy for which is provided in Section 21.3) if such failure is not remedied within five (5) Business Days after written notice."

(j) The Defaulting Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party."

Section 22.2 of the WSPP Agreement, "Remedies for Events of Default," is modified by inserting the following before the text thereof:

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Automatic Early Termination Applicability to Parties:	SMUD:	SCL:
	☐ Applicable	☐ Applicable
	☒ Inapplicable	☒ Inapplicable

Section 22.2 of the WSPP Agreement is further modified by deleting the first and second sentences in their entirety and inserting in their place the following new language:

> "If at any time an Event of Default with respect to Credit Assurances or Bankruptcy and with respect to a Defaulting Party has occurred and is continuing, the Non-Defaulting Party may do one or more of the following: (a) withhold any payments due to the Defaulting Party under this Agreement; (b) suspend performance due to the Defaulting Party under this Agreement; and/or (c) by giving not less than thirty (30) days notice, designate a day as an Early Termination Date ("Early Termination Date") in respect of all outstanding Transactions (each referred to as a "Terminated Transaction"), which Early Termination Date shall not take effect if the Event of Default is cured in the intervening period before such date.

Section 22.3 of the WSPP Agreement is modified by deleting paragraph (d) (the two sentences beginning "The Non-Defaulting Party shall aggregate..." and ending "... following the date notice of termination is received.") in its entirety and inserting in its place the following new language:

> (d) (1) If an Early Termination Date is declared hereunder, it shall constitute a material breach or event of default (howsoever described) with respect to the Defaulting Party under all Specified Agreements to which the Defaulting Party is a party, whereupon the Non-Defaulting Party or any Affiliate of the Non-Defaulting Party shall have the right to terminate, liquidate and otherwise close out any such Specified Agreements (and the Defaulting Party shall be liable for any damages suffered by the Non-Defaulting Party and any Affiliate of the Non-Defaulting Party as a result thereof).

With regard to Section 24, "Governing Law" shall be amended as follows:

> The first sentence shall be deleted in its entirety and replaced with the following:

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"This Confirmation will be governed by and construed in accordance with the laws of the State of Washington, without reference to its choice of law doctrine.

Section 24 is further amended by adding the following new Sections 24A and 24B at the end thereof:

"24A. WAIVER OF JURY TRIAL AND COSTS; VENUE. The Parties waive any right to trial by jury in any judicial action arising hereunder. In the event such judicial proceedings are instituted by either Party, such proceedings shall be brought in a federal district court and the prevailing Party shall be entitled to award of its costs and attorneys' fees incurred in connection with such proceedings.

Section 27 of the WSPP Agreement is modified by deleting that Section in its entirety and inserting the following new Sections 27.1, 27.2, and 27.3 in its place:

27.1 Credit Assurance. A Party (the "Requesting Party") may, from time to time, request that the other Party (the "Posting Party") provide the Requesting Party with Credit Assurance if at any time: (a) the Posting Party exceeds its Settlement Risk Limit; or (b) the Requesting Party has reasonable grounds for insecurity concerning the Posting Party's ability to perform any of its obligations under this Agreement or under any Transaction. If the Posting Party fails to provide Credit Assurance within three (3) Business Days of said request, then the Requesting Party may, in its sole discretion, withhold or suspend its obligations under this Agreement and the Transaction. If the Posting Party fails to provide such Credit Assurance within three (3) Business Days of said request, then the Requesting Party may declare such failure an Event of Default and exercise any or all other remedies available hereunder or pursuant to law.

27.2 Insecurity. For purposes of this Section 27.2: (a) SCL shall be deemed to have "reasonable grounds for insecurity" only if there has been a decrease in the rating of the long-term unsecured, unsubordinated debt of the guarantor of the obligations SMUD, (or any successor thereto), below BBB- or Baa3 by Standard & Poor's Rating Group ("S&P's") or Moody's Investors Services, Inc. ("Moody's"), respectively, and (b) SMUD shall be deemed to have "reasonable grounds for insecurity" only if there has been a decrease in the rating of the municipal light and power revenue bond ratings of SCL below BBB- or Baa3 by S&P's or Moody's, respectively.

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27.3 Financial Information. If requested by either Party, the other Party shall deliver (i) within 120 days following the end of each fiscal year, a copy of its audited financial statement or the audited financial statement of its Guarantor, certified by independent certified public accountants and (ii) within 90 days after the end of each of its (and its Guarantor's) first three fiscal quarters of each fiscal year, a copy of its quarterly report and the quarterly report of its Guarantor, if any, containing unaudited consolidated financial statements for such fiscal quarter. SMUD may comply with this Section by delivering reports and statements of SMUD (or any successor thereto). In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles, consistently applied, or such other principles then in effect; provided that, should any such statements not be available timely due to a delay in preparation or certification, such delay shall not be considered a default so long as such Party diligently pursues the preparation, certification and delivery of the same."

Section 37 of the WSPP Agreement is modified by inserting the following new language at the end thereof:

"(1) Each Party further represents and warrants to the other Party, as of the date of the Confirmation, and of each delivery of capacity and/or electric power and energy pursuant thereto, that:

(a) It is not relying upon any representations of the other Party other than those expressly set forth in the WSPP Agreement, the Confirmation or any written guarantee of the obligations of such other Party;

(b) It has entered into the WSPP Agreement, the Transactions and the Confirmation as principal (and not as advisor, agent, broker or in any other capacity, fiduciary or otherwise), and has made its trading and investment decisions based upon its own judgment and any advice from such advisors as it has deemed necessary and not in reliance upon any view expressed by the other Party, with a full understanding of the material terms and ability to assume the risks of the same;

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(c) It has entered into the WSPP Agreement, Transactions and Confirmation in connection with the conduct of its business and has the ability to make or take delivery of capacity and/or electric power and energy;

(d) The other Party has not given to it any assurance as to the expected financial results of entering into the WSPP Agreement or the Transactions; and

(2) SCL hereby further represents to SMUD, as of the date of the WSPP Agreement, the Transactions and the Confirmation, that:

(a) The execution and delivery by the SCL of the WSPP Agreement, the Confirmation and any other documentation relating hereto, and the performance of SCL of its obligations there under, are in furtherance, and not in violation of, one or more of the purposes of the City Light Department.

(b) There is no required authorization, approval or resolution of the governing or other applicable body of SCL with regard to the Transactions other than those explicitly stated in this Confirmation;

(c) The provisions under this Confirmation are on terms most favorable to SCL under the circumstances prevailing at the time of such transaction and in compliance with Washington state law, including RCW 43.09.210 and Seattle Municipal Code Section 21.49.130.

12. Uncontrollable Force

"Uncontrollable Force" shall be deemed to have the meaning given to it in the WSPP Agreement with the following additional clarification with regard to curtailments of the COI. Failure to either deliver, or receive delivery of, energy as required hereunder due to curtailment of firm transmission being utilized by a Party, to either deliver energy to COB North to South, or transmit energy away from COB North to South, shall be deemed an Uncontrollable Force to the extent caused by a reduction in the transmission rating of the COI, provided and to the extent that such Party does not at the time it is first informed of such curtailment, own rights to unused and uncommitted firm transmission capacity on the same path capable of providing for such deliveries. Neither party shall be required to attempt to purchase replacement of such

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curtailed firm transmission on the COI or to purchase replacement for, or resell the associated curtailed energy.

13. Billing and Payment

(a) Either Party may bill as necessary for damages pursuant to Section 5 and Section 10(e).

(b) Transaction 1G Annual Delivery Charge.

The Annual Delivery Charge shall equal [[(i) + (ii) + (iii)] + [(iv) + (ii) + (iii)]] x 12 Months x 15,000 kW + [[(v) + (vi)] x (vii) x (viii)] + [(viii) x (ix)], where

(i) is the Southern Intertie Demand Rate = The BPAT Monthly Demand Tariff Rate for Long-Term Southern Intertie Transmission;

(ii) Scheduling Rate = The BPAT Monthly Demand Tariff Rate for Scheduling, System Control and Dispatch;

(iii) Reactive = The BPAT Monthly Reactive Supply and Voltage Control from Generation Sources Service;

(iv) PTP Demand Rate = The BPAT Monthly Demand Tariff Rate for Long-Term Point-to-Point (Network service) Transmission;

(v) Losses Rate Southern Intertie = Southern Intertie BPAT Tariff Transmission Losses Rate Percentage;

(vi) Losses Rate Point-to-Point = Point-to-Point BPAT Tariff Transmission Losses Rate Percentage;

(vii) Annual Price = As selected by SMUD and provided to SCL not later than November 12 of each year for the most recent historical November through October period, using either (1) the Dow Jones Daily Firm Mid-C Electricity Indices or (2) the Dow Jones Daily Firm COB Electricity Indices, the daily average price of (1) the hourly weighted average of each on-peak and off-peak daily price; plus (2) each daily flat price. An example calculation is provided in Exhibit C. If either daily index price is less than zero, the Parties agree to a zero price for those hours.

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(viii) Annual MWh = The total MWh from the Burlington Project delivered by SCL to SMUD at COB North to South during the most recent historical November through October Period as determined in November; and

(ix) $3.7617/MWh.

While the Transaction 1 services by SCL under this Agreement will continue through July 31, 2017, the final payment by SMUD to SCL for Transaction 1 will be made in February 2017.

A form for calculation of the Annual Delivery Charge is contained in Exhibit C. In the event of any conflict in calculation of the Annual Delivery Charge using the formula contained in this Section 13 and the formula used in Exhibit C, the formula in Section 13 shall prevail.

(c) Transaction 1G Annual Delivery Charge Invoices and Payments.

(i) Invoices. On or before the 10th day of December SCL shall bill SMUD for the Annual Delivery Charge as determined in Exhibit A, Section 13(b). SCL shall transmit the invoice to SMUD Invoice and Payments contact shown on the Cover Sheet by e-mail (.pdf attachment) or by fax. Each bill shall contain detail sufficient to allow SMUD to verify the billing.

An Example illustrating the calculation of the Annual Delivery Charge under certain stated assumptions is attached as Exhibit C.

(ii) Payments. All amounts due shall be paid by electronic wire transfer by ten (10) days after receipt of the bill or the twentieth (20th) of the month, whichever is later, in accordance with wire transfer information provided in the Cover Sheet, *provided, however,* that any changes to such wire transfer information shall not be effective until two (2) Business Days after the date on which notice of the change is sent. If the due date is not a Business Day, the bill shall be paid on the Business Day following such due date.

(d) Transaction 3 Charge, Invoice and Payments.

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(i) Charge. SMUD shall bill SCL for Transaction 3 SMUD Sale of Energy and Environmental Attributes pursuant to Transaction 3E Price multiplied by the MWh delivered to the Transaction 3D Delivery Point.

(ii) Invoice. On or before the 10th day of the month, SMUD shall invoice SCL for the Charge as determined in Exhibit A, Special Provisions, Section 13(d)(1) Charge. SMUD shall transmit the invoice to SCL Invoice and Payments contact shown on the Cover Sheet by e-mail (.pdf attachment) or by fax. Each bill shall contain detail sufficient to allow SCL to verify the billing.

(iii) Payments. All amounts due shall be paid by electronic wire transfer by ten (10) days after receipt of the bill or the twentieth (20th) of the month, whichever is later, in accordance with wire transfer information provided in the Cover Sheet, *provided, however,* that any changes to such wire transfer information shall not be effective until two (2) Business Days after the date on which notice of the change is sent. If the due date is not a Business Day, the bill shall be paid on the Business Day following such due date.

(e) Interest on Unpaid Amounts. In the event either Party has not paid the full amount due on or before close of business on the due date, the non-performing Party shall pay interest on the unpaid amount for each day it is late at a rate equal to (a) the Prime Rate plus 200 basis points, divided by (b) 360, or the rate allowed by law, whichever is less.

14. Remedies for Events of Default

Section 22.2 and 22.3 of the WSPP Agreement is amended to eliminate the requirement that a Non-Defaulting Party will be required to pay money to a Defaulting Party if the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, provided, however, that the Non-Defaulting Party shall be responsible for monies owed to the Defaulting Party for energy and REC deliveries scheduled prior to the date of termination of this Confirmation. In no case shall a defaulting Party be entitled to a mark to market based payment regardless of any language authorizing such a payment related to future deliveries in the WSPP Agreement or elsewhere.

15. Integration

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This Confirmation, including the attached exhibits which are incorporated by this reference, contains the complete agreement of the Parties and supersedes all prior or contemporaneous representations, statements, negotiations, understandings, amendments and inducements with respect to the subject matter of this Confirmation.

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Exhibit "B"
Renewable Energy Credit Bill of Sale

SMUD Letterhead

1. ***Seller Information***

   Contract ID:

   Name:

   Address:

   Contact Person:

   Telephone:

2. ***Buyer Information***

   Contract ID:

   Name:

   Address:

   Contact person:

   Telephone:

3. ***WREGIS Information***

   Generating Unit Identification Number:

   Generator Owner Name:

   Facility Name:

4. ***Transaction Information***

   Number of RECs:_____

   Period of Generation (month/year) _____

5. ***FOR SEATTLE CITY LIGHT USE***

   WREGIS Certificate Serial Numbers: _____

   WREGIS Delivery Date: _____

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Exhibit "C" – Annual Delivery Charge Form

Annual Delivery Charge Form

Annual Delivery Charge = (Annual Transmission Cost + Opportunity Cost Adder)

CALCULATION USING FIRST YEAR INPUTS:

Payment by SMUD = $ 916,929 + $469,830 = $1,386,759 *See Page 3 for Details of First Year Example*

The Following Definitions Feed into the Formula:

Annual Transmission Cost = **BPAT Demand Charges + [BPAT Losses Rate x Annual Price x Annual MWh]**

Opportunity Cost Adder = **$3.7617/MWh x Annual MWh**

BPAT Demand Charges = ((BPAT Southern Intertie Demand + BPAT Scheduling + BPAT Reactive) + (BPAT PTP Demand + BPAT Scheduling + BPAT Reactive)) x 12 Months x 15,000 kW

BPAT Southern Intertie Demand = The BPAT Monthly Demand Tariff Rate for Long-Term Southern Intertie Transmission

BPAT PTP Demand = The BPAT Monthly Demand Tariff Rate for Long-Term Point-to-Point Transmission Service

BPAT Scheduling = The BPAT Monthly Demand Tariff Rate for Scheduling, System Control and Dispatch

BPAT Reactive = $ _/kW-Month The BPAT Monthly Demand Tariff Rate for Reactive _____

BPAT Losses Rate = The BPAT Tariff Transmission Losses Percentage for the Southern Intertie
+
The BPAT Tariff Transmission Losses Percentage for Point-to-Point Transmission Service

Annual Price = As selected by SMUD in November of each year for the most recent historical November through October period, either (1) the hours weighted average of all Dow Jones Daily Firm Mid-C Electricity Indices or (2) the hours weighted average of all Dow Jones Daily Firm COB Electricity Indices. If either daily index is less than zero, the Parties agree to a zero price for those hours.

Annual MWh = The total MWh delivered to SMUD at COB North to South by Seattle during the most recent historical November through October Period, excluding any other MWh delivered at a rate above 15 MW, as determined in November for purposes of calculating the Annual Delivery Charge.

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For the first Contract Year an assumed number based on a 95% Capacity Factor is used.

Note: the October through November Period is used for the Second Contract year and beyond because it will be the most recent 'known' delivery data at the time that the Annual Delivery Charge is being calculated. For example the Winter MWh for the second contract Year will be calculated on or about November 12, 2008 and we will therefore be able to make use of COB NS delivery data available from the November 2007 through October 2008 period.

Exhibit C, Page 3 of 4 **Definitions and Inputs Values for the First Contract Year:**

Annual Transmission Cost

=	$534,060.00	+	(4.90%	x	$ 62.56	x	24,898)	
=	$534,060.00	+	$382,868.55	=	**$916,928.55**			

Opportunity Cost Adder = $ 3.7617 _/MWh x 124,898 **$469,830.31**

BPAT Demand Charges = (($1.211/kW-month + $0.203/kW-month + $0.067/kW-month) + ($1.216/kW-month + $0.203/kW-month + $0.067/kW-month)) x 12 Months x 15,000 kW

= $ **2.967** _/kW-Month x 12 Months x 15,000 kW = **$534,060**

BPAT Southern Intertie Demand = **$ 1.211** _/kW-Month

BPAT PTP Demand = **$ 1.216** _/kW-Month

BPAT Scheduling = **$ 0.203** _/kW-Month

BPAT Reactive = **$ 0.067** _/kW-Month An assumed number for the BPAT Monthly Demand Tariff Rate for Reactive

BPAT Losses Rate = **4.90%** = 3.00%
+
1.90%

Annual Price **$ 62.56** _= Average of 03/27/2007 Prebon Broker Quotes for Q2, Q3, Q4 0f 2007 & Q1 of 2008

Annual MWh **124,898** = 15 MW x 8764.8 hours x 95% Capacity Factor

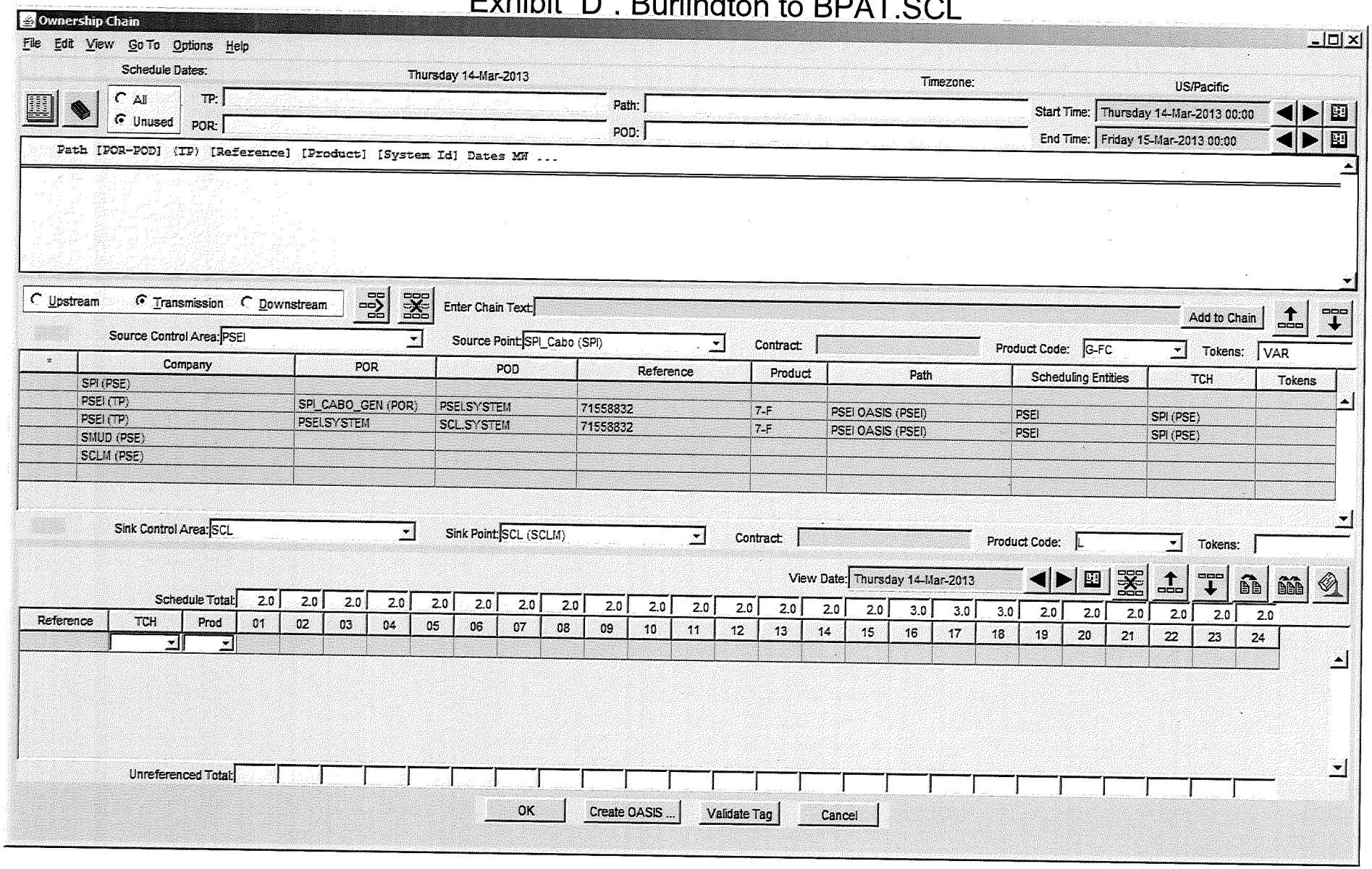
The Expected number was used for the first Contract Year, actual MWh per the definition of Annual MWh will be used in subsequent Contract Years

Note: The average number of hours per year over the ten-year period was used here rather than 8784 to better define the Opportunity Cost Adder for a ten-year term

Daily Price Calculation from Dow Jones Firm Daily Indices for Mid-C and COB

	Mid-C				COB			
	On-peak	Off-peak	Sunday/Holidays	Flat Daily Prices	On-peak	Off-peak	Sunday/Holidays	Flat Daily Prices*
01-Jan-13 Tuesday	25.72	$26.55	26.79	**26.79**			28.35	**28.35**
02-Jan-13 Wednesday	28.58	$26.79		**27.98**	31.22	28.35		**30.26**
03-Jan-13 Thursday	30.7	$27.30		**29.57**	33.03	28.35		**31.47**
04-Jan-13 Friday	27.07	$24.42		**26.19**	29.22	26.09		**28.18**
05-Jan-13 Saturday	27.07	$24.42		**26.19**	29.22	26.09		**28.18**
06-Jan-13 Sunday	23.36	$21.63	24.03	**24.03**			26.42	**26.42**
07-Jan-13 Monday	25.95	$24.03		**25.31**	28.18	26.42		**27.59**
08-Jan-13 Tuesday	24.93	$19.34		**23.07**	26.95	22.07		**25.32**
09-Jan-13 Wednesday	24.77	$19.73		**23.09**	26.89	23.01		**25.60**
10-Jan-13 Thursday	27.93	$21.64		**25.83**	32.32	24.18		**29.61**
11-Jan-13 Friday	29.27	$24.79		**27.78**	30.64	27.27		**29.52**
12-Jan-13 Saturday	29.27	$24.79		**27.78**	30.64	27.27		**29.52**
13-Jan-13 Sunday	31.5	$26.37	29.30	**29.30**			31.29	**31.29**
14-Jan-13 Monday	33.29	$29.30		**31.96**	35.98	31.29		**34.42**
15-Jan-13 Tuesday	36.51	$28.55		**33.86**	39.29	29.61		**36.06**
16-Jan-13 Wednesday	35.1	$28.26		**32.82**	37.42	29.23		**34.69**
17-Jan-13 Thursday	31.65	$26.91		**30.07**	33.42	28.37		**31.74**
18-Jan-13 Friday	31.65	$26.91		**30.07**	33.42	28.37		**31.74**
19-Jan-13 Saturday	27.79	$26.50		**27.36**	29.34	27.53		**28.74**
20-Jan-13 Sunday	27.83	$23.85	26.50	**26.50**			27.53	**27.53**
21-Jan-13 Monday	29.41	$25.68		**28.17**	31.74	27.73		**30.40**
22-Jan-13 Tuesday	29.41	$25.68		**28.17**	31.74	27.73		**30.40**
23-Jan-13 Wednesday	34.26	$27.51		**32.01**	35.55	28.81		**33.30**
24-Jan-13 Thursday	30.21	$25.36		**28.59**	33.34	27.33		**31.34**
25-Jan-13 Friday	28.24	$25.66		**27.38**	30.81	27.35		**29.66**
26-Jan-13 Saturday	28.24	$25.66		**27.38**	30.81	27.35		**29.66**
27-Jan-13 Sunday	28.63	$24.27	26.97	**26.97**			30.02	**30.02**
28-Jan-13 Monday	27.44	$26.97		**27.28**	31.32	30.02		**30.89**
29-Jan-13 Tuesday	25.48	$22.34		**24.43**	30.36	25.02		**28.58**
30-Jan-13 Wednesday	24.54	$21.33		**23.47**	28.19	23.00		**26.46**
31-Jan-13 Thursday	26.26	$23.60		**25.37**	29.10	25.47		**27.89**
Average Daily prices				**27.57**				**29.83**

Exhibit "D". Burlington to BPAT.SCL



Form revised: December 12, 2012

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
City Light	Robert W. Cromwell, Jr./684-3856	Anthony Colello/684-5292

Legislation Title:
AN ORDINANCE relating to the City Light Department; authorizing the General Manager and Chief Executive Officer to execute an amendment to an agreement with the Sacramento Municipal Utility District.

Summary of the Legislation:

This legislation approves an amendment to the 10-year services and power purchase agreement with the Sacramento Municipal Utility District (SMUD) for renewable energy and environmental attributes approved under Ordinance 122672 in April 2008.

Background:

Under the original agreement (Ordinance 122672), SMUD provides winter energy to compensate City Light for the energy delivery services City Light supplies to SMUD. The proposed amendment would change the winter energy compensation by SMUD to a cash payment for energy delivery services.

Market and operational conditions have changed substantially since 2007 when the original agreement was negotiated. It is no longer necessary or desirable to convert the compensation payment into energy because the energy is not needed to serve load. Receiving a cash payment will reduce City Light's losses that are typically incurred when the winter energy from SMUD is sold into the market, representing approximately $260,000 annually. A cash payment will also reduce both City Light's and SMUD's administrative burdens.

Please check one of the following:

_X_ **This legislation does not have any financial implications.**

___ **This legislation has financial implications.**

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**
Yes. Eliminating the conversion of the payment for energy delivery services that City

DNS CITY CLERK

Light provides into a payment of energy will reduce both City Light's and SMUD's administrative burden and the loss in value to City Light when the energy is later sold in the market because it is not needed to serve load.

b) What is the financial cost of not implementing the legislation?
Approximately $260,000 per year, based on a five year historical average cost accounting.

c) Does this legislation affect any departments besides the originating department?
No.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?
None.

e) Is a public hearing required for this legislation?
No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No.

g) Does this legislation affect a piece of property?
No.

h) Other Issues:
None.

List attachments to the fiscal note below:
None.

SDS CITY CLERK

City of Seattle
Office of the Mayor

August 27, 2013

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that authorizes the City Light Department (City Light) to modify an agreement with the Sacramento Municipal Utility District (SMUD), amending Ordinance 122672.

Under the original agreement (Ordinance 122672), SMUD provides winter energy to compensate City Light for the energy delivery services City Light supplies to SMUD. The proposed amendment would change the winter energy compensation from SMUD to a cash payment for energy delivery services.

Market and operational conditions have changed substantially since 2007 when the original agreement was negotiated. It is no longer necessary or desirable to convert the compensation payment into energy because the energy is not needed to serve load. Receiving a cash payment will reduce City Light's losses that are typically incurred when the winter energy from SMUD is sold into the market, representing approximately $260,000 per year. A cash payment will also reduce both City Light's and SMUD's administrative burdens.

By changing the agreement with SMUD to a cash payment for energy delivery services, City Light will continue to provide cost-saving and reliable customer services. Thank you for your consideration of this legislation. Should you have questions, please contact James L. Baggs at (206) 684-3243.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

Tel (206) 684-4000
Fax (206) 684-5360
TDD (206) 615-0476
mike.mcginn@seattle.gov

DNS CITY CLERK

STATE OF WASHINGTON -- KING COUNTY

--ss.

303313 No.

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:124272-290 TITLE ONLY

was published on

10/09/13

The amount of the fee charged for the foregoing publication is the sum of $321.75 which amount has been paid in full.

Subscribed and sworn to before me on

10/09/2013

Notary public for the State of Washington,
residing in Seattle

City of Seattle

The full text of the following legislation, passed by the City Council on September 16, 2013, and published below by title only, will be mailed upon request, or can be accessed at http://clerk.seattle.gov. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/council/calendar. Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 124272

AN ORDINANCE relating to land use and zoning; amending the Official Land Use Map to rezone properties located at 525 Northeast Northgate Way from Neighborhood Commercial 3 with a 65 foot height limit (NC3-65) to NC3 with an 85 foot height limit (NC3-85) and accepting a Property Use and Development Agreement in connection with the rezone.

ORDINANCE NO. 124273

AN ORDINANCE relating to the Seattle Building Code, amending Chapter 22.100.010 of the Seattle Municipal Code, and adopting by reference Chapters 2 through 29, Chapters 31 through 33 and Chapter 35 of the 2012 International Building Code, and amending certain of those chapters; adopting a new Chapter 1 related to administration, permitting and enforcement; adopting a new Chapter 30 related to elevators and conveying systems, and repealing Sections 2-33 of Ordinance 123384.

ORDINANCE NO. 124274

AN ORDINANCE relating to the Seattle Plumbing Code, repealing Section 22.500.010 of the Seattle Municipal Code, amending Section 22.502.016 of the Seattle Municipal Code; and adopting by reference Chapter 51-56 of the Washington Administrative Code, and amending certain of those chapters; adopting a new Chapter 1 related to administration, permitting and enforcement; and repealing Sections 2-46 of Ordinance 119774.

ORDINANCE NO. 124275

AN ORDINANCE relating to the Seattle Mechanical Code, amending Chapter 22.400.010 of the Seattle Municipal Code, and adopting by reference Chapters 2 through 9, and Chapters 11 through 15 of the 2012 International Mechanical Code, and amending certain of those chapters; adopting a new Chapter 1 related to administration, permitting and enforcement; and repealing Sections 2-13 of Ordinance 123380.

ORDINANCE NO. 124276

AN ORDINANCE relating to the Seattle Fuel Gas Code amending Section 22.420.010 and adopting by reference Chapters 2 through 8 of the 2012 International Fuel Gas Code, and amending certain of those chapters; adopting a new Chapter 1 for the Seattle Fuel Gas Code related to administration, permitting and enforcement; and repealing Sections 2-7 of Ordinance 123381.

ORDINANCE NO. 124277

AN ORDINANCE accepting for general street purposes 13 deeds and one correction deed conveyed to the City of Seattle by the Central Puget Sound Regional Transit Authority ("Sound Transit") in connection with the Central Link Light Rail Transit Project as agreed to in a Property Acquisition and Transfer Procedures Agreement between the City of Seattle and Sound Transit, dated August 12, 2003 ("Property Transfer Agreement"); laying off, opening, widening, extending, and establishing portions of the rights-of-way located on Martin Luther King Jr. Way South between South Holly Street and South Othello Street; placing the real property conveyed by the deeds under the jurisdiction of the Seattle Department of Transportation; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124278

AN ORDINANCE vacating the south 240 feet of the alley adjacent to Lots 4-11 in Block 33, D.T. Denny's Home Addition to the City of Seattle, on the petition of the Burkheimer Family Limited Liability Company, a Washington limited liability company; and accepting a Property Use and Development Agreement as reflected in Clerk File 309868.

State of Washington, King County

ORDINANCE NO. 124279

AN ORDINANCE authorizing the acceptance of a conditional gift of funds from the Mark and Susan Torrance Foundation and Rails to Trails Conservancy to be applied towards the purchase of automated bicycle and pedestrian counters, the installation of said counters, the posting of data collected by some of these counters on a public facing website, expressing the City's gratitude for the gift, and ratifying and confirming prior acts.

ORDINANCE NO. 124280

AN ORDINANCE relating to the City Light Department; authorizing the General Manager and Chief Executive Officer to execute an amendment to an agreement with the Sacramento Municipal Utility District.

ORDINANCE NO. 124281

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 124282

AN ORDINANCE relating to the Seattle Residential Code, amending Section 22.150.010, and adopting by reference Chapters 2 through 10, 12 through 24, Section P2904, 44, and Appendices F and G of the 2012 International Residential Code, and amending certain of those chapters; adopting a new Chapter 1 related to administration, permitting and enforcement; and repealing Sections 2-18 of Ordinance 123383.

ORDINANCE NO. 124283

AN ORDINANCE relating to the Seattle Existing Building Code, amending Chapter 22.110 of the Seattle Municipal Code and adopting by reference Chapters 2 through 5, 7 through 11, 13 through 16, A1, and A3 through A6 of the 2012 International Existing Building Code; amending certain of those chapters, and adopting a new Chapter 1 related to administration, permitting and enforcement; and repealing Sections 2-12 of Ordinance 123379.

ORDINANCE NO. 124284

An Ordinance relating to the Seattle Energy Code, amending Section 22.700.010 of the Seattle Municipal Code; and adopting by reference Chapters 51-11C and 51-11R of the Washington Administrative Code, and amending certain of those chapters; and repealing Sections 2-18 of Ordinance 123430.

ORDINANCE NO. 124285

AN ORDINANCE related to establishing a Local Infrastructure Project Area for Downtown and South Lake Union; authorizing the Mayor to execute an interlocal agreement with King County.

ORDINANCE NO. 124286

AN ORDINANCE accepting an allocation of transferrable development rights and adopting an infrastructure funding plan to support the creation of a Landscape Conservation and Local Infrastructure Program.

ORDINANCE NO. 124287

AN ORDINANCE creating a Local Infrastructure Project Area and amending Sections 23.48.011, 23.49.011, and 23.58A.044 of the Seattle Municipal Code to implement a Landscape Conservation and Local Infrastructure Program.

ORDINANCE NO. 124288

AN ORDINANCE relating to the Seattle Fire Code, adopting as the Seattle Fire Code the 2012 edition of the International Fire Code with some exceptions, amending and adding various provisions to that code; amending Section 22.600.020 of the Seattle Municipal Code; and repealing Sections 2-44 of Ordinance 123393.

ORDINANCE NO. 124289

AN ORDINANCE related to the Central Puget Sound Regional Transit Authority ("Sound Transit") authorizing the Director of the Seattle Department of Transportation to execute an amendment to the Agreement between the City of Seattle and Sound Transit for Grant of Non-Exclusive Use of a Light Rail Transit Way as related to the Central Link Light Rail Transit Project to reflect the approved alignment for the Link Light Rail Transit Project, including the revised Northgate Link Extension and portion of the East Link segment located within the City of Seattle.

ORDINANCE NO. 124290

AN ORDINANCE relating to grant funds from non-City sources; authorizing the Director of Transportation (Director) to accept specified grants and execute related agreements for and on behalf of the City; changing appropriations in the 2013 Adopted Budget for the Seattle Department of Transportation (SDOT); adding a new project; revising allocations for certain projects in the 2013-2018 CIP; and ratifying and confirming certain prior acts.

Date of publication in the Seattle Daily Journal of Commerce, October 9, 2013.

10/9(303313)