

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

I. B. Procedures (continued)

4. Indicative Pricing. Within thirty (30) days following the date a QF project was added to the QF pricing queue under Section I.B.3, the Company shall provide the QF Developer with indicative pricing, which may include other indicative terms and conditions, tailored to the individual characteristics of the proposed project. For the initial indicative pricing request, the Company will include:
- a) indicative prices along with indicative terms and conditions,
 - b) a link to the Company's most recent quarterly avoided cost price filing with the Commission for an explanation of inputs and the Commission-approved method used to develop indicative prices,
 - c) a list of key model inputs that affected avoided cost pricing and descriptions of any significant changes to inputs since that most recent quarterly avoided cost filing, and
 - d) an explanation of how the developer can obtain additional information, including access to the model used to determine pricing.

For any pricing updates provided after the initial indicative prices, the Company shall provide items a) through d) and a description of any inputs or methods that have changed since the last quarterly filing or the last indicative prices provided. An indicative pricing proposal provided by the Company may be used by the QF Developer to make determinations regarding project planning, financing and feasibility. However, such prices are indicative only and may be subject to change by the Company as specified herein or by the Commission. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and approved by the Commission. The Commission may approve, reject or conditionally approve a power purchase agreement and may at any time make changes to this Schedule. QF pricing methods and inputs, or terms and conditions applicable to QF pricing and power purchase agreements.

5. Request for Draft Power Purchase Agreement. If a QF Developer desires to proceed forward with the project it must, within sixty (60) days of its receipt of indicative pricing, request that the Company prepare and submit for the Developer's review a proposed power purchase agreement. Absent timely submittal of such request, the project will be removed from the QF pricing queue and the indicative prices will no longer be valid. In connection with its request for a power purchase agreement, the Developer must provide the Company with the following additional project information:

~~g) information describing the developer/owner of the proposed project, including name, address, and ownership organization chart; and~~

~~h) other information promptly and reasonably requested by the Company.~~

~~6. Within seven (7) days of its receipt of a request for a power purchase agreement and the information specified in Section I.B.5, the Company shall confirm its receipt of the same and notify the Developer whether any additional information is needed. The Company shall provide the Developer with a proposed power purchase agreement within 30 days following the date of the Company's notice that the information required in Paragraph I.B.5 has been received and is substantially complete. The proposed power purchase agreement shall contain a comprehensive set of proposed terms and conditions, including specific pricing based on the indicative pricing provided, as adjusted if necessary in light of specifics of the project. The proposed power purchase agreement will also specify project specific data and exhibits that must be provided by the QF Developer prior to final approval or execution of the PPA. The proposal submitted by the Company shall serve as the basis for subsequent negotiations.~~

~~7. Within thirty (30) days of receiving a proposed power purchase agreement, the QF Developer shall prepare and deliver to the Company an initial set of written comments and proposals, failing which the Project will be removed from the QF pricing queue and the proposed agreement and prices will no longer be valid.~~

~~8. If the QF Developer's proposals are not acceptable, the Company shall commence negotiations on all outstanding areas of disagreement, and:~~

~~a) shall respond to the developer's initial comments and proposals within thirty (30) days, and thereafter respond timely to subsequent comments and proposals;~~

~~b) will not unreasonably delay negotiations and will respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the QF Developer;~~

~~e) may request to visit the site of the proposed project if such a visit has not previously occurred;~~

~~d) may request additional information from the Developer if reasonably necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the Project; and~~

~~e) shall complete credit, legal, upper management and any other required internal reviews of proposed terms and conditions within 21 days of the date those negotiating the power purchase agreement have reached tentative agreement.~~

(continued)

II. Process for Negotiating Interconnection Agreements (continued)

~~Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function.~~

~~**A. Communications**~~

~~Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:~~

~~_____ Rocky Mountain Power
_____ Manager-QF Contracts
_____ 825 NE Multnomah St, Suite 600
_____ Portland, Oregon 97232~~

~~Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's power delivery function that will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.~~

~~**B. Procedures**~~

~~Generally, the interconnection process involves (1) initiating a request for interconnection, (2) completion of studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, (3) execution of an Interconnection Facilities Agreement to address facility construction, testing and acceptance and (4) execution of an Interconnection Operation and Maintenance Agreement to address ownership and operation and maintenance issues.~~

~~Consistent with PURPA, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis.~~

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