

Public Utility District No.1 of Pend Oreille County Attention: Colin Willenbrock Phone: 509.447.6758 Email: cwillenbrock@popud.org	Shell Energy North America (US), L.P. Attention: Matt McNeal/Dan Loewen Phone: 509.216.8914 Fax: 858.320.1550 Email: Matthew.McNeal@Shell.com; Dan.Loewen@Shell.com
Contract ID:	Contract ID:

MASTER TRANSACTION CONFIRMATION FOR ENERGY SUPPLY

This Master Transaction Confirmation for the purchase and sale of Energy (the “Master Confirmation”) sets forth the agreement by and between **Public Utility District No. 1 of Pend Oreille County** (“POPUD” or “Buyer”) and **Shell Energy North America (US), L.P.** (“Shell Energy” or “Seller”) regarding the purchase and sale of certain Product under the terms and conditions set forth below. POPUD and Shell Energy may be referred to individually herein as a “Party” and collectively as the “Parties.” This Master Confirmation shall be effective as of September 1, 2022.

Master Agreement: This Master Confirmation shall be governed by the terms and conditions of the WSPP Agreement, version dated effective August 12, 2021, promulgated by WSPP, Inc. (as amended from time to time, the “Master Agreement”), such terms and conditions are incorporated by reference as if fully set forth in this Master Confirmation.

Seller: Shell Energy

Buyer: POPUD

Transaction Summary:

During the Delivery Term, Seller agrees to sell and deliver to the Point of Delivery, and Buyer agrees to purchase and receive, a volume of Product to be designated by Buyer for each monthly Delivery Period up to the Product Limit for such Delivery Period. For all Product delivered during each Delivery Period, Buyer shall pay Seller a mutually agreeable Energy Price, together with the applicable Delivery Fee for such Delivery Period.

Product: Schedule C Firm Energy

Delivery Term: Commencing the Hour Ending 0100 September 1, 2022, and continuing through Hour Ending 2400 September 30, 2023, Pacific Prevailing Time.

Delivery Period(s): For purposes of this Master Confirmation, each calendar month during the Delivery Term shall be a Delivery Period.

Delivery Rate: On-Peak, Off-Peak, or ATC, as designated by the Buyer for each Delivery Period.

Delivery Point: POPD.BPAT

Monthly Quantity: Not later than the eighth (8th) Business Day of the month preceding each Delivery Period (unless otherwise agreed between Buyer and Seller), Buyer shall request in writing a quote from Seller for the quantity of Product to be delivered by Seller during such Delivery Period in whole MW increments up to the Product Limit applicable to such Delivery Period (each a “Monthly Quantity”). The Monthly Quantity may consist of different HLH and LLH monthly flat blocks. For avoidance of doubt, if Seller and Buyer do not execute a Monthly Confirmation as set forth below for a particular Delivery Period, no Product will be delivered or purchased in that Delivery Period, and Buyer’s only obligation will be to pay Seller the take-or-pay Delivery Fee for the Delivery Period as identified in Table 2 below.

Product Limit: The maximum Monthly Quantity for any Delivery Period is 100 MW per hour.

Transmission: Seller will be responsible for all transmission costs, ancillary services, and losses incurred to deliver the Product to the Delivery Point.

Scheduling Protocols: Buyer shall use all reasonable efforts to provide Seller with prompt advance notice of any anticipated changes in the Monthly Quantity designated by Buyer for a Delivery Period.

Seller will provide scheduling services in accordance with regional scheduling protocols as necessary to effectuate this Master Confirmation. Seller will reasonably comply with all terms and conditions applicable to the scheduling and delivery of Product as imposed by Buyer’s Balancing Authority.

Contact Information:

Table 1 – Contact Information	
For Buyer:	For Seller:
Commercial: Colin Willenbrock 509.447.6758 cwillenbrock@popud.org	Marketing: Matt McNeal 509.216.8914 Matthew.McNeal@Shell.com
Invoices & Payments: April Owen 509.447.9321 aowen@popud.org accountspayable@popud.org	Term Trading: Ryan Renshaw 509.688.6047 Ryan.Renshaw@shell.com
Forecasting/Operations: April Owen 509.447.9321 aowen@popud.org and Diana Jackson	Day Ahead Trading: Bo Tully 509.688.6050 Bo.Tully@shell.com and Hilary Bell

509.447.9330 djackson@popud.org	509.688.6110 Hilary.Bell@shell.com
Hourly Operations: 509.447.6700 SystemOperators@popud.org	Spokane Real-Time Desk 509.688.6110

Delivery Fee: For each hour of each Delivery Period, Buyer shall pay Seller a Delivery Fee in an amount equal to \$2.50 multiplied by each MW of Product delivered from Seller to Buyer. Notwithstanding the foregoing, Buyer agrees to pay Seller a minimum Delivery Fee each month on a take-or-pay basis, in accordance with Table 2 below, regardless of whether Buyer purchases Product in the respective Delivery Period. The Parties agree that the take-or-pay Delivery Fees identified in Table 1 are based on a forecasted amount of Monthly Product for each Delivery Period as of the date of this Master Confirmation.

The Delivery Fee will be payable to Seller regardless of any rights arising from Sections 21 and 22 of the Master Agreement.

Delivery Period	Forecasted Monthly HLH Product (MW/hr)	Forecasted Monthly LLH Product (MW/hr)	Total Forecasted Monthly Product (MWh)	Take-or-Pay Delivery Fee
September 2022	59	38	35,760	\$89,400
October 2022	58	52	41,184	\$102,960
November 2022	30	30	21,630	\$54,075
December 2022	38	38	28,272	\$70,680
January 2023	25	25	18,600	\$46,500
February 2023	30	30	20,160	\$50,400
March 2023	40	40	29,720	\$74,300
April 2023	87	84	61,680	\$154,200
May 2023	90	90	66,960	\$167,400
June 2023	93	93	66,960	\$167,400
July 2023	96	85	67,640	\$169,100
August 2023	99	88	70,224	\$175,560
September 2023	99	78	64,560	\$161,400

Energy Price; Monthly

Confirmations: The “Energy Price” shall be a fixed price (\$/MWh) for Product delivered during a Delivery Period to be established by mutual agreement of the Parties as follows:

Within one (1) Business Day following Buyer’s designation of a Monthly Quantity for a Delivery Period, Seller shall offer Buyer in writing a good-faith Energy Price for such Delivery Period (“Indicative Price”), together with reasonable market information to support the Energy Price offer. The Indicative Price offered by Seller shall include all costs (e.g., commodity, transmission, required fees and market premiums) necessary for Seller to

deliver the Monthly Quantity to the Delivery Point. Buyer may request Indicative Price updates until the Parties mutually agree on a transactable price for the Monthly Quantity (“Confirmation Price”). A purchase and sale transaction for a Delivery Period will only occur if Seller and Buyer mutually agree to a Confirmation Price for the Monthly Quantity. The Parties shall memorialize the terms for each purchase and sale of Monthly Quantity in a confirmation subject to the terms of this Master Confirmation (each a “Monthly Confirmation”). Any transaction pursuant to this Confirmation shall be transacted on or before five (5) Business Days prior to the first day of the Delivery Period.

Market and

Regulatory Changes: The Parties agree that if, at any time during the Delivery Term, there are changes to the applicable wholesale power market structure that: (i) occur after the date on which this Master Confirmation is executed; and (ii) have a material impact on prices, fees, rates, terms or conditions contemplated by this Master Confirmation, then the Parties shall, upon the request of either Party, come together in good faith to discuss whether the change in market structure should be reflected in a change to the terms and conditions of this Master Confirmation. Such changes to the current market structure may include, but are not limited to, the implementation of the Western Resource Adequacy Program or other formal capacity market, implementation, or changes to carbon, greenhouse gas emission legislation, or Renewable Portfolio Standards, and transitioning to a Regional Transmission Organization or Independent System Operator, but only to the extent the condition set forth in (ii) above is met. However, neither Party shall be required to agree to any change to the terms and conditions of this Master Confirmation, except in its sole discretion and upon receipt of all required management approvals. Any such change to this Master Confirmation must be set forth in a written amendment signed by both Parties. If the Parties are unable to agree on changes to this Master Confirmation within ninety (90) days of initiating negotiations, then either Party may terminate this Transaction with written notice.

Commodity Exchange

Representation: To the extent that this Master Confirmation (alone or combined with related transaction(s) or Monthly Confirmations) is deemed by either Party or by the Commodity Futures Trading Commission (“CFTC”) to be a commodity trade option under part 32 of the CFTC's regulations (including certain forward transactions with volumetric optionality that are not excluded from the definition of "swap"):

The seller of the option represents to the buyer of the option that in connection with this Master Confirmation or Monthly Confirmations, the seller of the option is either (i) an eligible contract participant as defined in section 1a(18) of the Commodity Exchange Act (“Act”) and the regulations of the CFTC, or (ii) a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Master Confirmation or Monthly Confirmations, or the products or byproducts thereof, and is

offering or entering into this Master Confirmation or Monthly Confirmations solely for purposes related to its business as such.

The buyer of the option represents to the seller of the option that, in connection with this Master Confirmation or Monthly Confirmations, the buyer of the option is a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Master Confirmation or Monthly Confirmations, or the products or by-products thereof, and is offering or entering into this Master Confirmation or Monthly Confirmations solely for purposes related to its business as such.

Each Party represents to the other that this Transaction is intended to be physically settled so that, if exercised, the option would result in the sale of an exempt commodity for immediate or deferred delivery.

Seller shall be responsible for complying with any swap reporting obligations relating to this Master Confirmation or Monthly Confirmations that arise out of the Act or CFTC regulations.

Performance Assurance:

Section 27 of the Master Agreement shall not apply to this Master Confirmation or Monthly Confirmations, and is replaced in its entirety with the following:

“If Buyer’s Credit Rating falls below BBB- by Fitch or Baa3 by Moody’s, or if Seller’s Credit Rating falls below BBB- by S&P or Baa3 by Moody’s, or neither of the foregoing rating agencies provides a Credit Rating for a Party (as applicable to that Party), they shall be deemed the Non-Creditworthy Party. The Creditworthy Party will notify the Non-Creditworthy Party for the purpose of discussing possible reasonable and adequate assurances. The Parties shall have five (5) Business Days from the effective date of notice to mutually agree on reasonable and adequate assurances. If the Parties cannot mutually agree on reasonable and adequate assurances, the Creditworthy Party may elect to declare an Event of Default.

Within this section, the following definitions shall apply:

- ‘Credit Rating’ means with respect to an entity: (a) the current ratings issued or maintained by Moody’s, S&P, Fitch, or DBRS with respect to such entity’s long-term, senior unsecured, debt obligations not supported by third-party credit enhancements; or (b) if such debt rating is not available, then the current corporate credit rating by S&P and long-term issuer rating by Moody’s.
- ‘Fitch’ means Fitch Ratings, or its successor.

- ‘Moody’s’ means Moody’s Investors Service, Inc., or its successor.
- ‘S&P’ means S&P Global Ratings, or its successor.”

Cash Prepayment

Notwithstanding anything to the contrary contained herein or in the Master Agreement, in order to secure Buyer’s payment obligations, Buyer shall be required, at Seller’s option, to make advance payment in cash (“Prepayment”) to Seller for all the Product purchased by Buyer hereunder, plus the Delivery Fee, in the following manner:

For each Delivery Period during the Delivery Term, Seller shall issue an invoice for Prepayment (“Prepayment Invoice”) within two (2) Business Days of agreeing on a Confirmation Price. For Delivery Periods when Monthly Quantity is zero or no Confirmation Price is agreed, then Seller shall issue the Prepayment Invoice no later than five (5) Business Days prior to the start of the applicable Delivery Period. The deadline for Prepayment shall be on or before the close of the last Business Day before the start of the applicable Delivery Period.

Prepayment shall be made by wire transfer to an account specified by Seller and shall be in an amount equal to:

- (i) Energy Price multiplied by the Monthly Quantity for that Delivery Period, if any; plus
- (ii) Take-or-Pay Delivery Fee for that Delivery Period per Table 2; plus
- (iii) In the event that the Monthly Quantity for that Delivery Period exceeds the Total Forecasted Monthly Product for that same Delivery Period in Table 2, the Monthly Quantity MWhs in excess of the Forecasted Monthly Product MWhs multiplied by the Delivery Fee of \$2.50/MWh.

For avoidance of doubt, if the Monthly Quantity is zero, the Prepayment would consist only of the the Take-or-Pay Delivery Fee for that Delivery Period per Table 2 (i.e., (ii) above).

If the actual quantity of the Product delivered in any Month is less than the Monthly Quantity upon which Prepayment was made, an adjustment shall be made in the Prepayment for the following Month to account for any such overpayment. If Buyer fails to make any Prepayment when required under this section, then Seller shall have the right to withhold or suspend delivery of the Product under the Prepayment Transaction until such time as the required Prepayment is received. Such suspension of Product delivery shall not relieve Buyer of its obligation to purchase the Product pursuant to any Transaction and shall be in addition to, and not in replacement of, any other right or remedy available to Seller hereunder as a result of Buyer’s failure to make any payment when due.

Limitation on

Termination Payment:

Any Termination Payment owed to Seller under Sections 21 and 22 of the Master Agreement shall be limited to the sum of any unpaid Delivery

Fees identified in Table 2 in addition to any accounts receivable for the Term of this Master Confirmation.

Governing Law: Section 24 of the Master Agreement is amended by deleting the word “Utah” and replacing it with the word “Washington.”

Forward Contract Merchant: Section 35 of the Master Agreement is amended by adding the following language after the first sentence:

“Notwithstanding the forgoing, it shall not be an Event of Default hereunder with respect to either Party if a court having jurisdiction over the matter determines that such Party is not a forward contract merchant.”

Data Privacy: The Parties may provide each other with information related to an identified or identifiable individual (“Personal Data”), the processing and transfer of which will be done in accordance with applicable data protection law.

Anti-Corruption: Each Party represents, warrants and covenants to the other that: (i) it will comply with the Anti-Corruption Laws (as defined herein) with respect to this Master Confirmation; (ii) it has not made and will not make, offer, authorize, or accept any payment, gift, or other benefit, directly or indirectly (whether via its affiliates, agents, contractors or other third parties), to or from any government official or any other person for the purpose of facilitating or carrying out any transaction hereunder which would violate the Anti-Corruption Laws; (iii) it will promptly notify the other Party if it becomes aware of any violation of the Anti-Corruption Laws in connection with this Master Confirmation, subject to the preservation of legal privilege; and (iv) except as the other Party may agree in writing, all payments payable to a Party pursuant to this Master Confirmation shall be made only to the account of such Party, and not to the account of any other person. “Anti-Corruption Laws” mean (a) the United States Foreign Corrupt Practices Act of 1977; (b) the United Kingdom Bribery Act 2010; and (c) all applicable laws that prohibit money laundering, or otherwise dealing in the proceeds of crime, or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to any government official or any other person, or tax evasion.

Mobile-Sierra: Section 24 of the Master Agreement is amended by adding the following new Section 24B to the end thereof:

“24B. Binding Rates and Terms.

(a) Each Party irrevocably waives its rights, including its rights under Sections 205-206 of the Federal Power act, to seek or support a unilateral change in the rate(s), charges, classifications, terms or conditions of this Master Confirmation or any other agreements entered into in connection with this Master Confirmation. By this provision,

each Party expressly waives its right to seek or support: (i) an order from FERC finding that the rate, charges, terms or conditions agreed to by the Parties in this Master Confirmation or or Monthly Confirmations are unjust and unreasonable; or (ii) any refund with respect thereto. Each Party agrees not to make or support such a filing or request, and that these covenants and waivers shall be binding notwithstanding any regulatory or market changes that may occur hereafter.

(b) Absent the agreement of the Parties after the date of this Master Confirmation, the standard of review for changes to any section of this Master Confirmation or Monthly Confirmations (to the extent that any waiver in Section 24B above is unenforceable or ineffective), whether proposed by a Party, a nonparty or FERC acting *sua sponte* shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the “Mobile-Sierra Doctrine”).”

**Public Utility District No. 1 of
Pend Oreille County**

Shell Energy North America (US), L.P.

By: 
44C5F3A11446419...

By: 
4102BB473FC5447...

Name: F. Colin Willenbrock

Name: Doug Way

Title: General Manager

Title: Vice President Trading

Date: 8/11/2022

Date: Aug 12, 2022