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IDAHO PUBLIC
UTILITIES COMMISSION

THOMPSON RIVER CO-GEN, LLC
a Colorado Company

Complainant

vs.

AVISTA CORPORATION, dba Avista Utilities
a Washington Corporation

Respondent

Case No. AVU-E-05-07

EXHIBIT No. 8

to

Direct Testimony of
L.Underwood, Thompson River Co-Gen, LLC

THOMPSON RIVER CO-GEN, LLC

8 First Street East, Suite 205

Kalispell, MT 59901

Phone (406) 257-7551 Fax (406) 257-7578

August 16, 2005

Mr. Dave Miller
Wholesale Power Manager
Avista Corp.
1411 East Mission MSC-7
P.O. Box 3727
Spokane, WA 99220-3727

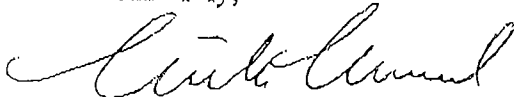
Re: Power Purchase Agreement

Dear Dave:

Attached please find an executed copy of a Power Purchase Agreement between Thompson River Co-Gen, LLC, and Avista Corporation, along with a copy of the QF Self-Certification for TRC now filed with the Federal Energy Regulatory Commission. While we appreciate the Avista draft agreement dated August 7, which Steve Silkworth sent to us, we have elected to modify the Avista form to a contract conforming to the IPUC standard rate for QF's generating 10MW and under. Through several discussions with the Idaho Commission staff, we are confident we have incorporated sufficient language in this agreement to give you and the Commission comfort of our intention to comply with the qualification requirements for that rate, including a great deal of language from related prior Commission orders. The Agreement covers the sale of all energy generated by TRC (net of on-site load) to be delivered to Avista's Point of Delivery.

We look forward to completing this agreement with Avista as soon as possible, and stand ready to discuss it along with the requirements for telemetry into Avista's service territory.

Sincerely,



Mike Underwood
Manager, Thompson River Co-Gen, LLC

cc: Rick Sterling
TRC LLC, Partners

POWER PURCHASE AGREEMENT
BETWEEN
THOMPSON RIVER CO-GEN, LLC
FOR THE THOMPSON RIVER CO-GEN, LLC PROJECT
AND
AVISTA CORPORATION

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	Exhibit E Form of Engineer's Certifications of Ongoing Operations and Maintenance	

This Agreement, effective August ____, 2005, is made by and between Avista Corporation, a Washington corporation ("Avista"), and Thompson River Co-Gen, LLC ("Project Developer" or "Seller"). Avista and Project Developer are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, Project Developer is or shall be a Qualifying Facility within the meaning of the Public Utility Regulatory Policies Act of 1978 and the rules and regulations thereunder;

WHEREAS, Project Developer owns, operates and maintains a thermal, topping-cycle wood waste / coal co-generation facility power plant, as further identified in Exhibit B, hereto. Under normal or average design and operational conditions, the Facility will generate no more than ten aMW per month, net of on-site load.

WHEREAS, Project Developer has entered into an agreement for the interconnection of the Facility to NorthWestern and shall provide real-time metering that will enable the Facility to be integrated directly into Avista's control area;

WHEREAS, The Project Developer has entered or shall enter into an agreement ("NorthWestern Transmission Agreement") under which NorthWestern shall provide firm transmission of power to Avista's point of interconnection at Burke, Idaho;

WHEREAS, Avista is obligated under the Public Utility Regulatory Policies Act of 1978 and the rules and regulations of the IPUC to purchase power from Qualifying Facilities

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows.

1. **DEFINITIONS**

Whenever used in this Agreement and exhibits hereto, the following terms shall have the following meanings:

(a) **"Agreement"** means this Power Purchase Agreement, including all exhibits, and any written amendments.

(b) **"Avista"**, **"Project Developer"**, **"Party"** and **"Parties"** shall have their respective meanings set forth above.

(c) **"Construction Activities"** means all design, engineering, procurement and construction activities related to the construction, inspection, testing, start-up, repair, replacement, improvement, alteration or modification of, or addition to, the Project.

(d) **"Delivered Net Electric Power"** means all electric energy generated by the Facility, net of Facility Service Power and any other on-site load and net of any transmission losses (not to exceed 4%) associated with the scheduling of electric energy to Avista at the Point of Delivery. In any given month, the Delivered Net Electric Power shall not be greater than 10 aMW.

(e) **"Delivered Net Electric Power Cost"** means the rate in dollars per megawatt-hour, to be paid by Avista for all Delivered Net Electric Power generated by the Facility beginning with the Operation Date. The Delivered Net Electric Power Cost is specified in Section 11 and Exhibit A.

(f) **"Facility"** means the electric generating facilities, including all equipment and structures necessary to generate and supply power, more particularly described at Exhibit B (Description of the Facility).

(g) **"Facility Service Power"** means the electric power used by the Facility during its operation for facility service power, including, but not necessarily limited to pumping, generator excitation, cooling or otherwise related to the production of electricity by the Facility.

(h) **"FERC"** means the Federal Energy Regulatory Commission.

(i) **"Inadvertent Electric Power"** means monthly electric power that Seller does not intend to generate, which is greater than the maximum allowable monthly Delivered Net Electric Power. Avista shall not be required to compensate the Project Developer for Inadvertent Electric Power, as described in Section 11(b) of this Agreement.

(j) **"Independent Engineering Certifications"** means certifications provided by a professional engineer registered in Montana, Washington or Idaho, who has no direct or indirect, legal or equitable, ownership interest in the Facility.

(k) **"Interconnection Agreement"** means the agreement between Project Developer and NorthWestern by which Net Output may be delivered into the transmission system of NorthWestern at the Point of Interconnection.

(l) **"Interconnection Facilities"** means all facilities required to interconnect the Facility for delivery of Delivered Net Electric Power to the NorthWestern transmission system including connection, transformation, switching, relaying and safety equipment. Interconnection Facilities shall also include all telemetry, metering, cellular telephone, and/or communication equipment required under this Agreement regardless of location.

(m) **"IPUC"** means the Idaho Public Utilities Commission or its successor.

(n) **"Net Output"** means the sum of all Delivered Net Electric Power and Inadvertent Electric Power from the Facility in any month.

(o) **"Operating Year"** means each 12-month period from January 1 through December 31.

(p) **"Operation Date"** means the date, as confirmed in writing by Avista, upon which the energy deliveries commence. Project Developer shall have the duty to obtain the confirmation from Avista. Such confirmation shall not be unreasonably withheld by Avista. The Operation Date shall be the later of the following dates:

(1) The date following the day during which the Facility has reached a degree of completion and reliability, such that it is capable of operating and continuously delivering power to the Point of Delivery.

(2) The day following the day Avista receives confirmation from the Project Developer that it has filed self certification as a qualifying facility at the Federal Energy Regulatory Commission, pursuant to the Code of Federal Regulations 18 Part 292, Subpart B.

(3) In no event shall the Operation Date be later than January 1, 2007 nor earlier than January 1, 2006.

(q) **"Point of Delivery"** means the point of interconnection between Avista and NorthWestern in Idaho at Avista's Burke substation, or if not available, the alternative Point of Delivery shall be the Bonneville Power Administration's transmission interconnect with the NorthWestern Energy transmission system.

(r) **"Point of Interconnection"** means the physical and metering interconnection of the Facility to the NorthWestern transmission system at the high side of the 13.2kV/115kV step-up transformer at the Thompson River Co-Gen Substation.

(s) **"Prudent Utility Practices"** Prudent Utility Practices at any particular time shall mean the practices, methods, and acts (including but not limited to practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry), in the exercise of reasonable judgment in the light of the facts known or that should have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, reliability, safety, environmental protection, economy, and expedition. With respect to the Facility, Prudent Utility Practices include but are not limited to taking reasonable steps to ensure that:

(1) Adequate materials, resources, and supplies are available to meet the Project's needs;

(2) Sufficient operation personnel are available and are adequately experienced, trained, and licensed as necessary to support and operate the Facility properly and efficiently and are capable of responding to emergency conditions knowing that the Project shall be designed and constructed to operate in an unattended mode;

(3) Preventive, routine, and non-routine maintenance and repairs are performed in a manner designed to ensure reliable, long-term and safe operation, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools and procedures;

(4) Appropriate monitoring and testing is done to ensure equipment is functioning as designed and to provide assurance that equipment shall function properly under normal and emergency conditions; and

(5) Equipment is not operated and geo fluid and working fluid liquids are not handled in a reckless manner, or in a manner unsafe to workers, the general public, or the environment, or without regard to defined limitations including, but not limited to geo fluid and working fluid temperature and pressure, operating voltage, current, frequency, rotational speed, polarity, synchronization, and control system limits.

(t) **"Scheduled Outage"** means any outage which is scheduled by the Project Developer to remove electrical or mechanical equipment from service for repair, replacement, maintenance, safety or any other reason, and which thereby limits the generating capability of the Facility to less than its full tested capability.

(u) **"Transferring Entities"** means NorthWestern or its successors or assignees and other third parties as necessary to provide transmission and interconnection service to deliver power from the Facility to Avista's transmission system at the Point of Delivery.

(v) **"Transmission Agreements"** means agreements entered into between Project Developer and Transferring Entities.

2. REPRESENTATIONS

Project Developer represents:

- (a) that the Facility is or shall be self-certified with FERC as a Qualifying Facility;
- (b) that all licenses, permits, and authorities required for the operation and sale of electric power and steam therefrom have been obtained or shall be obtained in the name of or assigned to Project;
- (c) that Project Developer has obtained or shall obtain, prior to the Operation Date, necessary firm transmission right to deliver electric power to Avista;
- (d) and that the undersigned is authorized to execute this Agreement in Project Developer's behalf.

3. EVIDENCE OF REPRESENTATIONS

Upon request by Avista, Project Developer shall deliver to Avista certified copies of Project Developer's articles of incorporation, articles of organization, and by-laws or articles of partnership as applicable and any and all filings made to the Federal Energy Regulatory Commission to obtain or maintain the Facility's status as a Qualifying Facility and to make sales of electric power therefrom. Upon request from Avista, Project Developer shall also deliver to Avista copies of all licenses, permits, and authorities authorizing the sale of electric power and steam from the Facility and copies of all contracts for the transmission of electric power, necessary to deliver electric power to Avista.

4. TERM OF AGREEMENT

- (a) This Agreement shall become effective on the date when all of the following conditions are met
 - (1) Agreement has been executed by both Parties;
 - (2) Project Developer has received FERC Qualifying Facility Certification;
 - (3) All materials requested pursuant to Section 3, Evidence of Representations, have been received and verified; and
 - (4) IPUC approval has been received. Avista shall utilize best efforts to obtain such approval.

(5) The parties shall use their best efforts to achieve all the foregoing no later than January 1, 2006.

(b) The term of the Agreement shall be for 20 years following the Operation Date, unless terminated earlier by terms and conditions contained herein.

(c) The payment provisions of this Agreement shall be contingent upon the IPUC's approval and determination of the associated costs as prudent. The effectiveness of this Agreement shall be based upon the IPUC's determination in accordance with this Section 4.

5. SALE OF POWER

Project Developer shall sell and deliver and Avista shall purchase all Net Output from the Facility. Notwithstanding any other term of this Agreement, Project Developer shall be obligated to sell and Avista shall be obligated to purchase all Delivered Net Electric Power from Thompson River Co-Gen, LLC.

The Facility is designed and the Project Developer intends to operate in a manner in which Net Output is equal to Delivered Net Electric Power. Thus, the Project Developer does not intend to generate Inadvertent Electric Power. However, in such event, Avista shall be entitled to any Inadvertent Electric Power, but shall not be required to provide any compensation for such, as identified in Section 11(b).

For clarification, the calculation of Inadvertent Electric Power shall be as identified in the following example:

Month & Days:	January	31
Hours in the Month:	744	
Maximum Delivered Net Electric Power:	7,440 MWHs	(7,440,000 kWh)

Therefore, Inadvertent Electric Power is any Net Output produced by the Facility, expressed in kWh, which the Project Developer delivers to Avista at the Point of Delivery that exceeds 10,000 kW multiplied by the hours in the specific month in which the energy was delivered. As identified in the example, above, Inadvertent Electric Power, as measured on an average monthly basis would be any Net Output in excess of 7,440,000 kWh.

Project Developer shall utilize best efforts to make available all Net Output (Delivered Net Electric Power, plus any Inadvertent Electric Power) to Avista at the primary Point of Delivery, and shall bear full responsibility and expense for having such Net Output delivered to Avista's electric system at the Point of Delivery, as identified in Section 8(a). Avista shall have the obligation to maintain sufficient takeaway capacity from the primary Point of Delivery, as identified in Section 8(b).

6. **TELEMETRY TO AVISTA**

Avista agrees to utilize reasonable efforts to incorporate the Facility, through telemetry communication from NorthWestern into the Avista control area. The Project Developer will provide any consents necessary to ensure that Avista can receive real-time generation signals from NorthWestern.

7. **SECURITY**

(a) **Business Insurance.** Upon execution of this Agreement, Project Developer shall provide documentation for each of the costs set forth herein. Project Developer shall obtain and maintain insurance coverage of all of the following types with limits as shown:

<u>Type</u>	<u>Minimum Coverage Limits</u>	<u>Maximum Deductible</u>
Liability	\$1 million, per occurrence	Consistent with current insurance utility practices for a similar property
Catastrophic Perils	80% of plant cost	Consistent with current insurance utility practices for a similar property
Boiler/Machinery	80% of equipment cost	Consistent with current insurance utility practices for a similar property
Loss of Income (Business Interruption)	Up to 20% annual	Consistent with current insurance utility practices for a similar property
All Risk Property	80% of Facility cost	Consistent with current insurance utility practices for a similar property.

(1) Commercial general liability insurance for bodily injury and property damage with limits equal to \$1,000,000 for each occurrence, combined single limit. The deductible for such insurance shall be consistent with current insurance utility practices for a similar property.

(2) All risk property insurance with minimum limits not less than eighty percent (80%) of the total cost of the Facility. This insurance shall be written on a replacement cost basis and shall include the following:

- (A) Standard fire policy;
- (B) Extended coverage endorsement; and
- (C) Vandalism and malicious mischief endorsement.

- (D) The deductible for this coverage shall be consistent with current insurance utility practices for a similar property.

(3) Boiler and machinery insurance with minimum limits not less than eighty percent (80%) of the total cost of the equipment covered in Section 7(a)(3)(A) below. This insurance shall include the following:

- (A) All boiler and machinery coverage must be written on a "comprehensive form" basis to provide coverage against the sudden and accidental breakdown of all boilers, machinery and electrical equipment, turbines, generators and switchgear;
- (B) Coverage under this coverage must be written on a replacement cost basis;
- (C) The deductible for this coverage shall be consistent with current insurance utility practices for a similar property.

(4) Earthquake and flood (catastrophic perils) insurance with limits not less than eighty percent (80%) of the total cost of the Facility. The deductible for this insurance shall be consistent with current insurance utility practices for a similar property.

(5) Business interruption (loss of income) insurance not less than twenty percent (20%) of the Facility's estimated gross annual revenue. This insurance shall include the following:

- (A) Coverage shall include Project Developer's loss of earnings when business operations are curtailed or suspended because of a loss due to an insured peril.
- (B) Coverage may be written on an actual loss sustained basis.
- (C) This insurance must be endorsed to both the All Risk Property Insurance policy and the Boiler and Machinery Insurance Policy.
- (D) The deductible for this insurance shall be consistent with current insurance utility practices for a similar property.
- (E) The estimated gross daily revenue and estimated gross annual revenue shall be computed on the basis of the estimated kilowatt-hour production.

(6) The form of all insurance policies, and the insurance companies issuing the policies shall be acceptable to Avista, provided however, that any approval by Avista shall not be unreasonably withheld, and must have an A.M. Best rating of A- or better.

Project Developer shall provide copies of all insurance policies to Avista as proof of insurance. All insurance policies required to fulfill the requirements of this Section 7(a) shall include language requiring that any notice of cancellation or notice of change in policy terms be sent to Avista by the insurance carrier(s) at least sixty (60) days prior to any change or termination of the policies.

(7) In the event Project Developer fails to pay, when due, any premium required to maintain the effectiveness of any insurance policy required under this Section 7(a), Avista may at its option, pay such premiums. In the event that Avista exercises its option to pay such premiums, the amount of such payments shall be immediately due and payable to Avista by Project Developer. Payment shall be made pursuant to Section 11.

(8) Avista shall be an additional named insured on all insurance policies, and shall also be named an additional loss payee on the policies for all risk property insurance, boiler and machinery insurance, catastrophic perils insurance, and business interruption insurance.

- (A) In the event of catastrophic or boiler/machinery failure, Project Developer shall promptly notify Avista of such loss to the Facility. Avista may make proof of loss if Project Developer fails to do so within fifteen (15) days of the casualty.
- (B) Unless the parties agree otherwise, Project Developer shall repair or replace the damaged or destroyed Facility. Proceeds from said casualty insurance policies shall be paid into an account with Avista and Project Developer as joint signatories. Disbursements from such account shall be used first for repairing or replacing the insured property unless otherwise agreed. Upon completion of repairs or replacement of the Facility, the balance, including accumulated interest, if any, remaining in such account shall become property of Project Developer and shall promptly be released to Project Developer by Avista.
- (C) In the event that the Parties agree the insured property cannot be economically repaired or replaced, the amount, including accumulated interest, in the joint account described in Section 7(a)(8)(B) above, shall be used first to satisfy the Project Developer's obligations to Lenders. Second, any balance shall then be utilized to satisfy the Project Developer's obligations to Avista, if any, as determined herein. Third, any remaining balance, including accumulated interest, if any, remaining in such account shall become property of the Project Developer and shall be promptly released to Project Developer by Avista.

(9) At the end of every fifth Operating Year following the Operation Date, the minimum coverage limits for the liability, catastrophic, and boiler/machinery insurance

shall be adjusted by increasing or decreasing the underlying original plant cost to reflect changes in the appropriate regional heavy construction deflator as published by the United States Department of Commerce.

(10) All business insurance coverage listed in this Section 7(a) must remain in place at all times during the contract term. Project Developer shall annually submit evidence of such insurance coverages. Should any of the coverages above lapse, Project Developer shall immediately notify Avista in writing of such lapse of coverage.

(b) **Engineering Certifications.** Prior to the Operation Date, Project Developer shall obtain and provide to Avista Independent Engineering Certifications as follows:

(1) as to the adequacy of the design and construction of the Facility to operate reliably during the term of the Agreement in substantially the form shown in Exhibit E; and

(2) as to the adequacy of the Operations and Maintenance Policy substantially in the form shown in Exhibit F.

8. INTERCONNECTION, TRANSMISSION AND POINT OF DELIVERY

(a) Project Developer shall design, construct, install, own, operate and maintain the Interconnection Equipment so as to allow safe, reliable generation and delivery of Delivered Net Electric Power to Avista over the full term of the Agreement. Prior to the commencement of the first delivery of Delivered Net Electric Power, Project Developer shall provide Avista with copies of executed Transmission Agreements, reasonably satisfactory to Avista, providing for the firm transmission of Delivered Net Electric Power from the Facility's Point of Interconnection to the primary Point of Delivery. Project Developer shall not consent to any modification of the transmission agreements without Avista's advance written approval, which approval shall not be unreasonably withheld. The Project Developer will bear the full responsibility and expense for transmission from the Point of Interconnection to the Point of Delivery.

(b) Avista shall use best efforts to maintain sufficient takeaway capacity for the Delivered Net Electric Power from the primary Point of Delivery. All costs associated with the receipt or transmission of the Delivered Net Electric Power from the Point of Delivery into Avista's control area shall be Avista's sole responsibility.

(c) In addition to the above costs where applicable, Project Developer shall reimburse Avista for any costs or expenses, if any, incurred by Avista in accordance with the Transmission Agreements including, but not necessarily limited to, any charges, reimbursable expenses or other amounts payable by Avista to the Transferring Entities. Further, to the fullest extent permitted by applicable law, Project Developer releases and shall defend, indemnify and hold

harmless, Avista from all claims, losses, harm, liabilities, damages, costs, and expenses including, but not necessarily limited to, reasonable attorneys' fees, arising out of any act or omission of Project Developer in connection with the Transmission Agreements, including, but not limited to, any breach of or default under any of the Transmission Agreements by Project Developer.

(e) Avista shall reimburse the Project Developer for any reasonable loss of Delivered Net Electric Power caused by Avista's failure to maintain sufficient capacity from the Point of Delivery, which is not excused by an event of Force Majeure. Further, to the fullest extent permitted by applicable law, Avista releases and shall defend, indemnify and hold harmless Project Developer from all claims, losses, harm, liabilities, damages, costs, and expenses including, but not necessarily limited to, reasonable attorneys' fees, arising out of any act or omission of Avista for failure to maintain its transmission system or provide adequate takeaway capacity from the Point of Delivery.

9. OPERATION

(a) Project Developer shall operate and maintain the Project and all equipment needed to generate and deliver the electrical energy specified in this Agreement according to Prudent Utility Practices.

(b) Project Developer shall provide to Avista information and specifications and perform tests reasonably requested by Avista which are required for the purpose of determining the operating capability and characteristics (including mechanical and electrical characteristics) of the Facility. Avista may observe any such tests.

(c) Project Developer shall maintain an accurate Facility operating log, keeping track of Scheduled Outages, Force Majeure, generation records, and other data pertinent to the operation of the Project. Project Developer shall provide Avista a copy of such log upon request.

(d) Avista may require Project Developer to curtail, interrupt or reduce deliveries of electric energy if Avista determines that curtailment, interruption or reduction is necessary because of force majeure or to protect persons and property from injury or damage, or because of emergencies, necessary system maintenance or system modification. Avista shall use its reasonable best efforts to keep any period of curtailment, interruption, or reduction to a minimum. In order not to interfere unreasonably with Project Developer operations, Avista shall give Project Developer reasonable prior notice of any curtailment, interruption, or reduction, the reason for its occurrence and its probable duration. Said curtailments, interruptions, or reductions shall not be used to reduce the minimum delivery calculations under this Agreement.

(e) Project Developer shall notify Avista promptly of any complete or partial Project outage or any significant changes in the level of generation including increases, including any curtailment requests from the Transferring Entities under the Interconnection Agreement or in order to protect the integrity of the Facility or transmission system. Project Developer shall give Avista reasonable prior notice of any complete or partial Scheduled Outage of the Facility or

significant change in the level or generation, the reason for its occurrence and its probable duration.

(f) In the event of an emergency requiring a curtailment, interruption or reduction in deliveries, the curtailing, interrupting or reducing party shall use its best efforts to promptly notify the other party of the action taken or to be taken, the reason for such action and its probable duration.

(g) Prior to the Operation Date, and at least thirty (30) days prior to January 1 of each full or partial Operating Year following the Operation Date, Project Developer shall prepare in writing and send to Avista, a schedule of the anticipated times and periods of any Scheduled Outages -- by month for a twelve (12) month period beginning with January 1 of such Operating Year. Project Developer shall reasonably attempt to schedule down times or maintenance shutdowns in the April 15 through June 30 period.

(h) Project Developer shall obtain and comply with all permits, licenses, authorization and other rights required to own, operate, use and maintain the Facility. Project Developer shall furnish to Avista on request, copies of all documents granting, evidencing or otherwise related to such permits, licenses, authorizations and rights.

(i) Project Developer shall own, operate, use and maintain the Facility at its own risk and expense in compliance with all applicable laws, ordinances, rules, regulations, orders and other requirements, now or hereafter in effect, of any governmental authority.

(j) Avista may interrupt, suspend or curtail delivery, receipt or acceptance of delivery of power at the Point of Delivery, if Avista reasonably determines consistent with Prudent Utility Practice that the failure to do so:

(1) May endanger any person or property, or Avista's electric system, or any electric system with which Avista's system is interconnected;

(2) May cause, or contribute to, an imminent significant disruption of electric service to Avista's Customers;

(3) May interfere with any construction, installation, inspection, testing, repair, replacement, improvement, alteration, modification, operation, use or maintenance of, or addition to, Avista's electric system or other property of Avista.

Avista shall promptly notify Project Developer of the reasons for any such disconnection, interruption, suspension or curtailment. Avista shall use its best efforts to mitigate and limit the duration of any such disconnection, interruption, supervision or curtailment. Said curtailments, interruptions, or reductions shall not be used to reduce the minimum delivery calculations for purposes of Section 12(b)(3). In other words, the deliveries that would have been made but for Avista's curtailment, interruption or reduction will be assumed to have been made for purposes of calculating the minimum delivery requirement in Section 12(b)(3).

(k) Project Developer shall take all precautions which are necessary to prevent bodily harm to persons and damage to any property including, but not limited to, the Project, Avista's electric system and any other electric system in connection with the interconnection of the Facility with any electric system. Project Developer shall inspect all materials, tools, supplies, equipment, goods and other items used, consumed or incorporated in the Construction Activities or the interconnection of the Facility to discover any conditions which involve a risk of bodily harm to persons or a risk of damage to any property and shall be fully responsible for the discovery and correction of, and protection against, such conditions.

(l) Project Developer shall permit Avista to inspect the Facility or the operation, use or maintenance of the Facility. Project Developer shall provide Avista reasonable advance notice of any such test or inspection by or at the direction of Project Developer.

10. SCHEDULING

(a) Monthly Scheduled Energy Deliveries: Project Developer or its agent shall provide Avista with a schedule of the next month's hourly Delivered Net Electric Power deliveries, at a minimum of seven (7) days prior to the beginning of the month.

(b) Day-Ahead Delivered Net Electric Power Scheduling Estimates: Project Developer or its agent shall provide to Avista's preschedulers its best estimates of hourly Delivered Net Electric Power amounts by 0600 PPT on the business day observed by both Parties immediately preceding the day or days on which electric power is to be delivered, unless otherwise mutually agreed by the Parties.

(c) Realtime Delivered Net Electric Power Schedules: Project Developer or its agent shall provide to Avista's realtime schedulers notice of any material change to the prescheduled amounts of Delivered Net Electric Power. Project Developer or its agent shall use reasonable efforts to provide such changes at least thirty (30) minutes before the scheduled hour in which the charges are to be in effect.

11. PAYMENTS

(a) Unless otherwise provided for in this Agreement, payments to Project Developer by Avista each month for electric energy purchased by Avista shall be Delivered Net Electric Power delivered in each month, multiplied by the Delivered Net Electric Power Cost as set forth in Exhibit A. All Inadvertent Electric Power produced by the Facility will also be delivered by the Project Developer to Avista at the Point of Delivery.

(b) All Inadvertent Electric Power produced by the Facility will also be delivered by the Project Developer to Avista at the Point of Delivery. Avista shall not be required to compensate Project Developer for Inadvertent Energy.

(c) For each month during the term of this Agreement, so long as there are energy deliveries made and/or payments due hereunder, Avista shall provide the hourly meter data at the Point of Delivery and Project Developer shall prepare and provide an itemized invoice for

Delivered Net Electric Power. Payments by Avista for amounts billed shall be paid on the due date, which shall be the later of i) the 20th day of the month following the prior calendar month billing period; or ii) ten (10) days after receipt of the bill. Payment shall be made at the location designated by the Party to which payment is due. If the Due Date falls on a non-business day of either Party, then the payment shall be due on the next following business day.

(d) If Project Developer is obligated to make any payment to Avista, Avista shall bill Project Developer for such payments. Project Developer shall pay Avista on or before the 20th day of the month following the prior calendar month billing period or ten (10) days after receipt of the bill, whichever is later.

(e) Any payments by Avista to Project Developer or by Project Developer to Avista, if not paid in full within the limitations set forth in Sections 11(c) and 11(d) above, shall be late. Notwithstanding the remedies for such an event of default pursuant to Section 17, the late-paying Party shall be assessed a charge for late payment equal to the lesser of one percent per month, or partial month, or the maximum rate allowed by the laws of the State of Idaho, multiplied by the overdue amount. Avista shall have the right to offset any amounts due it from Project Developer against any present or future payments due Project Developer from Avista.

(f) Project Developer agrees that Avista may set off any and all amounts owed by Project Developer to Avista against any payments due Project Developer under this Agreement.

(g) All payments shall be made by wire transfer in accordance with written instruction by Avista to Project Developer delivered pursuant to Section 31.

12. METERING

(a) The Project Developer shall cause NorthWestern to provide meter readings as required to implement this Agreement.

(b) NorthWestern shall own and maintain all meters used to determine the Facility Net Output. All such meters shall be tested and inspected in accordance with Prudent Utility Practice. If requested by Avista, Project Developer shall cause NorthWestern to provide copies of applicable test and calibration records and calculations to Project Developer. Project Developer shall permit a representative from Avista to be present at all times the meters are being tested. In addition, Project Developer shall test any meters as may reasonably be requested by Avista. Avista shall pay reasonable costs for such requested test unless any of the meters is found to be inaccurate, in which case, Project Developer shall pay for such test.

(c) Adjustments shall be made in meter readings and billings for errors in a meter reading or billing discovered within twelve (12) months of the error. Project Developer shall permit representatives of Avista to inspect all of Project Developer's records relating to the generation of energy by TRC and delivery of electric energy to and the purchase of electric energy by Avista hereunder.

13. FORCE MAJEURE

(a) Neither Party shall be liable to the other Party for, or be considered to be in breach of or default under this Agreement, on account of any delay in performance due to any of the following events or any delay or failure to produce, receive or accept Delivered Net Electric Power due to any of the following events:

(1) Any cause or condition beyond such Party's reasonable control which such Party is unable to overcome by the exercise of reasonable diligence (including but not limited to: fire, flood, earthquake, volcanic activity, wind, drought and other acts of the elements; court order and act of civil, military or governmental authority; strike lockout and other labor dispute; riot, insurrection, sabotage or war; breakdown of or damage to facilities or equipment; electrical disturbance originating in or transmitted through such Party's electric system or any electric system with which such Party's system is interconnected; and, act or omission of any person or entity other than such Party, and Party's contractors or suppliers of any tier or anyone acting on behalf of such Party); or

(2) Any action taken by such Party which is, in the sole judgment of such Party, necessary or prudent to protect the operation, performance, integrity, reliability or stability of such Party's electric system or any electric system with which such Party's electric system is interconnected, whether such actions occur automatically or manually.

(b) In the event of any force majeure occurrence, the time for performance thereby delayed shall be extended by a period of time reasonably necessary to compensate for such delay. Avista shall not be required to pay for Delivered Net Electric Power which, as a result of any force majeure event, is not delivered. Nothing contained in this Section shall require any Party to settle any strike, lockout or other labor dispute. In the event of a force majeure occurrence which shall affect performance under this Agreement, the nonperforming Party shall provide the other Party written notice within fourteen (14) days after the occurrence of the force majeure event. Such notice shall include the particulars of the occurrence, assurances that suspension of performance is of no greater scope and of no longer duration than is required by the force majeure, and that best efforts are being used to remedy its inability to perform.

(c) Force majeure does not include changes in the ownership, occupancy, or operation of the Facility if such changes occur because of normal business occurrences which include but are not limited to: changes in business economic cycles; recessions; bankruptcies; tax law changes; sales of businesses; closure of businesses; changes in production levels; and, changes in production lines.

(d) Force majeure does not excuse any Party from making payments of money due under this Agreement.

14. INDEMNITY

(a) Project Developer shall indemnify, defend and hold harmless Avista, its directors, officers, employees, agents, and representatives, against and from any and all losses, expenses, liabilities, claims or actions (hereafter "Loss"), based upon or arising out of bodily injuries or damages to persons, including without limitation death resulting therefrom, or physical damages to or losses of property caused by, arising out of or sustained in connection with the construction, operation or maintenance of the Facility. Avista shall indemnify, defend and hold harmless Project Developer, its directors, officers, employees, agents, and representatives, against and from any Loss, caused by, arising out of or sustained in connection with the construction, operation or maintenance of its electrical system. In the event that any such Loss is caused by the negligence of both Project Developer and Avista, including their employees, agents, suppliers and subcontractors, the Loss shall be borne by Project Developer and Avista in the proportion that their respective negligence bears to the total negligence causing the Loss.

(b) **TO THE EXTENT PERMITTED BY APPLICABLE LAW, PROJECT DEVELOPER AND AVISTA EACH WAIVE ANY IMMUNITY UNDER EXISTING WORKER'S COMPENSATION LAW APPLICABLE TO THE JURISDICTION WHERE THE FACILITY IS TO BE LOCATED AS NECESSARY TO INDEMNIFY AND HOLD HARMLESS THE OTHER FROM SUCH LOSS, TO THE EXTENT SET FORTH IN SECTION (A), ABOVE.**

(c) **PROJECT DEVELOPER AND AVISTA SPECIFICALLY WARRANT THAT THE TERMS AND CONDITIONS OF THE FOREGOING INDEMNITY PROVISIONS ARE THE SUBJECT OF MUTUAL NEGOTIATION BY THE PARTIES, AND ARE SPECIFICALLY AND EXPRESSLY AGREED TO IN CONSIDERATION OF THE MUTUAL BENEFITS DERIVED UNDER THE TERMS OF THE AGREEMENT.**

15. ASSIGNMENT

(a) Project Developer shall not voluntarily assign its rights or delegate its duties under this Agreement, or any part of such rights or duties, except as security for initial construction of the Facility, without the written consent of Avista. Such consent shall not unreasonably be withheld. Further, no assignment by Project Developer shall relieve or release it to the extent of any of its obligations hereunder. Subject to the foregoing restrictions on assignments, this Agreement shall be fully binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors, heirs and assigns.

(b) Project Developer shall have the right, subject to the obligation to provide security hereunder, without the other Party's consent, but with a thirty (30) days prior written notice to the other Party, to make collateral assignments of its rights under this Agreement to satisfy the requirements of any development, construction, or other long term financing. A collateral assignment shall not constitute a delegation of Project Developers' obligations under this Agreement, and this Agreement shall not bind the collateral assignee. Any collateral assignee succeeding to any portion of the ownership interest of Project Developer shall be considered Project Developer's successor in interest and shall thereafter be bound by this Agreement.

16. NO UNSPECIFIED THIRD PARTY BENEFICIARIES

Except as specifically provided in this Agreement, there are no third party beneficiaries of this Agreement. Nothing contained in this Agreement is intended to confer any right or interest on anyone other than the Parties, and their respective successors, heirs and assigns permitted under Section 15.

17. DEFAULT

(a) In the event that either Party shall fail to perform the terms and conditions set forth in this Agreement (an event of default), including the failure to provide Delivered Net Electric Power at the times or in the amounts required by this Agreement, the following shall apply:

(1) The non-defaulting Party shall give written notice to the defaulting Party of the event of default in accordance with this Agreement.

(2) If, after 30 days following receipt of such notice, the defaulting Party has not taken the steps necessary to cure the event of default, the non-defaulting Party may, at its option, terminate this Agreement. Provided, however, that except for the failure to pay sums which are due and payable, if the defaulting Party, within such 30-day period, commences and thereafter proceeds with all due diligence to cure such default, such 30-day period shall be extended up to ninety (90) days after written notice to the defaulting Party, as may be necessary to cure the event of default with all due diligence. Whether or not the non-defaulting Party elects to terminate this Agreement, it may, in addition to other remedies provided for herein, pursue such remedies as are available at law or in equity.

(b) Avista may terminate this Agreement if any of the following conditions occur subject to Project Developer's rights under this Section:

(1) Project Developer has abandoned the Facility; or

(2) There have been no energy deliveries to Avista from the Facility for a period of twelve (12) consecutive months; or

(3) The Delivered Net Electric Power deliveries at the Point of Delivery fail to exceed 87,600,000 kWh during any rolling period of twenty-four (24) consecutive months; or

(4) Facility ceases to be a Qualifying Facility;

(5) In the event that any of the foregoing events occur, Avista shall provide notice and an opportunity to cure the defect as specified in Section 17(a) except with respect to conditions (b) (1) and (2), above, Avista shall provide sixty (60) days notice of

Project Developer's failure to comply with these conditions, and Project Developer shall have the opportunity to cure its defective performance under conditions (3) and (4) above, up to and including the day of termination.

(c) For purposes of this Agreement, a Party shall also be in default if it:

(1) Becomes insolvent (e.g., is unable to meet its obligations as they become due or its liabilities exceed its assets); or

(2) Makes a general assignment of substantially all of its assets for the benefit of its creditors, files a petition for bankruptcy or reorganization or seeks other relief under any applicable insolvency laws; or

(3) Has filed against it a petition for bankruptcy, reorganization or other relief under any applicable insolvency laws and such petition is not dismissed or stayed within sixty (60) days after it is filed.

(4) Is in default under any Transmission Agreement, provided that Avista shall have the obligation to notify Project Developer of any default under any Transmission Agreement, and provide Project Developer with seventy-two (72) hours from the receipt of notice of default to cure such default under any Transmission Agreement

(d) Any right or remedy afforded to either Party under any provision of this Agreement on account of the breach or default by the other Party is in addition to, and not in lieu of, all other rights or remedies afforded to such Party under any other provisions of this Agreement, by law or otherwise on account of the breach or default.

18. ARBITRATION

Each Party shall strive to resolve any and all differences during the term of the Agreement. If a dispute cannot be resolved, each Party shall use arbitration before requesting a hearing before the appropriate state Public Utility Commission. The arbitration shall be conducted pursuant to the Uniform Arbitration Act, Chapter 9 of the Idaho Code, as the same may have been or may be amended.

19. RELEASE BY PROJECT DEVELOPER

Project Developer releases Avista from any and all claims, losses, harm, liabilities, damages, costs and expenses to the extent resulting from any:

(a) Electric disturbance or fluctuation that migrates, directly or indirectly, from Avista's electric system to the Facility;

(b) Interruption, suspension or curtailment of electric service to the Facility or any other premises owned, possessed, controlled or served by Project Developer, which interruption, suspension or curtailment is caused or contributed to by the Facility or the interconnection of the Facility with any electric system; or

(c) Disconnection, interruption, suspension or curtailment by Avista pursuant to terms of this Agreement.

(d) Disconnection, interruption, suspension or curtailment of transmission service by a Transferring Entities or any unforeseen cost or increase in costs to Project Developer imposed by Transferring Entities.

20. GOVERNMENTAL AUTHORITY

This Agreement is subject to the rules, regulations, orders and other requirements, now or hereafter in effect, of all governmental authorities having jurisdiction over the Facility, this Agreement, the Parties or either of them. All laws, ordinances, rules, regulations, orders and other requirements, now or hereafter in effect, of governmental authorities that are required to be incorporated in agreements of this character are by this reference incorporated in this Agreement.

21. EQUAL OPPORTUNITY

Project Developer shall comply with all applicable equal opportunity laws, ordinances, orders, rules and regulations.

22. SEVERAL OBLIGATIONS

Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several not joint or collective. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligations or liability upon either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement. Further, neither Party shall have any rights, power or authority to enter into any agreement or undertaking for or on behalf of, to act as to be an agent or representative of, or to otherwise bind the other Party.

23. IMPLEMENTATION

Each Party shall promptly take such action (including, but not limited to, the execution, acknowledgement and delivery of documents) as may be reasonably requested by the other Party for the implementation or continuing performance of this Agreement.

24. NON-WAIVER

The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect.

25. AMENDMENT

No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both Parties.

26. CHOICE OF LAWS

This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho.

27. COMPLIANCE WITH LAWS

Both Parties shall comply with all applicable laws and regulations of governmental agencies having jurisdiction over the Project and the operations of the Parties.

28. VENUE

Any action at law or in equity to enforce the terms and conditions of this Agreement shall be brought in Idaho.

29. HEADINGS

The section headings in this Agreement are for convenience only and shall not be considered part of or used in the interpretation of this Agreement.

30. ADMINISTRATION FEE

Avista shall bill and Seller shall pay an administration fee of \$100 per month during the duration of the Agreement. Payment shall be made pursuant to Section 11.

31. NOTICES

All written notices required by this Power Purchase Agreement shall be mailed or delivered as follows:

to Avista: Vice President Energy Resources
Avista Corporation
P.O. Box 3727
Spokane, Washington 99220

to TRC Mike Underwood
Thompson River Co-Gen, LLC
1619 Wynkoop St, Suite 100
Denver, CO 80202

Either Party may change its address specified above by giving the other Party notice of such change in accordance with this Section. All notices, requests, authorizations, directions or other communications by a Party shall be deemed delivered when mailed as provided in this Section or personally delivered to the other Party. Any verbal notice required hereby which affects the payments to be made hereunder shall be confirmed in writing (certified mail) as promptly as practicable after the verbal notice is given.

32. EXHIBITS

This Power Purchase Agreement includes the following exhibits which are attached and incorporated by reference herein:

Exhibit A	Total Energy Fixed Costs
Exhibit B	Description of the Facility
Exhibit C	Form of Engineer's Certification of Design and Construction Adequacy
Exhibit D	Form of Engineer's Certification of Operations and Maintenance Policy
Exhibit E	Form of Engineer's Certifications of Ongoing Operations and Maintenance

Remainder of this Page Intentionally left Blank

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the first date herein above set forth.

THOMPSON RIVER COGEN, LLC

AVISTA CORPORATION

By: _____

By: _____

(Type Name)

(Type Name)

Title: _____

Title: _____

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EXHIBIT A
TOTAL DELIVERED NET ELECTRIC POWER COST

Avoided Cost Rates for Fueled Projects Smaller than Ten Megawatts

For all Delivered Net Electric Power up to 10 average Megawatts per month, Avista will pay the non-levelized energy price in accordance with Commission Order 29646, as calculated below:

<u>Year</u>	<u>Non-Levelized Fixed Charge</u>	<u>Adjustable Component[^]</u>
2006	14.65	*
2007	14.98	*
2008	15.33	*
2009	15.68	*
2010	16.04	*
2011	16.41	*
2012	16.79	*
2013	17.17	*
2014	17.57	*
2015	17.98	*
2016	18.39	*
2017	18.81	*
2018	19.25	*
2019	19.69	*
2020	20.15	*
2021	20.61	*
2022	21.09	*
2023	21.58	*
2024	22.07	*
2025	22.58	*
2026	23.11	*
2027	23.64	*
2028	24.19	*

* All rates are in Mills / KWH.

[^] Calculation for the Adjustable Component shall be: The IPUC-approved Natural Gas Index price, multiplied by the corresponding Heat Rate and variable components.

EXHIBIT B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

THOMPSON RIVER Co-GEN PROJECT

B-1 DESCRIPTION OF FACILITY

Thompson River Co-Gen Facility –

Thompson River Co-Gen (“TRC”) is a coal and biomass cogeneration facility located approximately four miles outside of Thompson Falls, Montana (on Highway 200). The Project design is impacted by the wood fuel input and steam energy output thus, the net electric generation is boiler limited. Specifically, the Facility consists of Babcock & Wilcox 130,000 lbs/hr @850 PSIG, 900° boiler, with a reconditioned 16.5 megawatt (“MW”) Elliot condensing steam turbine (13,500 heat rate). Fuel is provided and managed with a Detroit Stoker 4-feeder moving grate system. The Facility is controlled with the Allen Bradley controls and PLC by CPL Systems, Inc. The Marley Sigma five cell cooling tower and Anderson 2000 scrubber maintain control emissions and cooling for the Facility. The Facility is interconnected to NorthWestern through the GE 13.2 to 115 KV step-up transformer with dual breakers.

B-2 LOCATION OF FACILITY

The SW1/4 of the NW1/4 of the NE1/4 of Section 13, Township 21, Range 29 West, in Sanders County, Montana. The approximate universal transverse mercator (UTM) coordinates are Zone 11, Easting 631.6 kilometers (km), and Northing 5270.6 km.

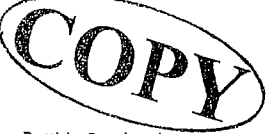
B-3 SCHEDULED OPERATION DATE

Seller has selected January 1, 2006 as the Scheduled Operation Date.

B-4 MAXIMUM DELIVERED CAPACITY AMOUNT: 10 MW

B-5 POINT OF DELIVERY

“Point of Delivery” means, unless otherwise agreed by both Parties, the point on the Avista electrical system where the Transmitting Entity(s) schedule and deliver energy to Avista. The primary Point of Delivery will be the point known as BURKE.



ed J. Doney (1942-1994)
Frank C. Crowley, MS
John E. Bloomquist
Michael J. Uda, MS
R. Allan Payne, RGp, MS

ATTORNEYS AT LAW
Offices in Helena and Dillon, Montana
sender's email: muda@doneylaw.com

Patti L. Rowland
Susan Callaghan
Suzanne Taylor
David R. Stewart, LL.M.
Thomas E. Davis
Abigail J. St. Lawrence

August 12, 2005

Hon. Magalie R. Salas
Office of the Secretary
Federal Energy Regulatory Commission
888 First St. NE
Washington, DC 20426

Re: OF Self-Certification for Thompson River Co-Gen, 18 C.F.R. § 292.207

Dear Secretary Salas:

Pursuant to 18 C.F.R. § 292.207, please find enclosed a qualifying facility Self-Certification filing, including a: completed form 556 for Thompson River Co-Gen, LLC, located at 8 First Street, #205, Kalispell, MT, 59901. An original and fourteen (14) copies are enclosed as required by Commission rule.

If you have any questions or concerns, please do not hesitate to call me at (406) 443-2211.

Sincerely



Michael J. Uda
Attorney for Thompson River Co-Gen

c: Mike Underwood
Barry Bates

**COMPLETED FORM 556 FOR OBTAINING
SELF-CERTIFICATION OF QUALIFYING FACILITY
STATUS UNDER PURPA**

Federal Energy Regulatory Commission
Qualifying Facility and Federal Rates Branch

Certification of Qualifying Facility Status for
A Proposed Cogeneration Facility

**Thompson River Co-Gen, LLC
Thompson Falls, Montana**

Provided by:

**DONEY CROWLEY BLOOMQUIST PAYNE & UDA, P.C.
SUITE 200, DIAMOND BLOCK
44 W. 6TH Ave.
HELENA, MT**

Michael J. Uda, Attorney at Law

August 12, 2005

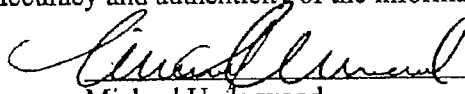
18 CFR PART 131.80
FERC FORM 556
OMB NO. 1902-0075

CERTIFICATION OF QUALIFY FACILITY STATUS FOR A PROPOSED
COGENERATION PRODUCTION FACILITY

THOMPSON RIVER CO-GEN, LLC

PART A: GENERAL INFORMATION

- a. Full name of applicant: Thompson River Co-Gen, LLC. Purpose of instant filing is self-certification.
- b. Full address of applicant: 8 First Street East, #205, Kalispell, MT, 59901
- c. Indicate the owner(s) of the facility: The project is 100% owned by Thompson River Co-Gen, LLC. No electric utility or electric utility holding company owns any interest in Thompson River Co-Gen, LLC. Thompson River Co-Gen, LLC is not engaged in the generation or sale of electric power, nor does it have any ownership or operating interest in any electric facilities other than qualifying facilities.
- d. I certify to the accuracy and authenticity of the information herein provided:


Michael Underwood
Thompson River Co-Gen, LLC

2. Person to whom communications regarding the filed:

Name: Michael Underwood
Title: Manager
Thompson River Co-Gen, LLC
Telephone Number: (303) 534-1119
Mailing Address: 1610 Wynkoop, Suite 100
Denver, CO 80202
E-mail: lmuco@msn.com

3. Location of facility to be certified:

State: Montana
County: Sanders
City or Town: Thompson Falls, Montana 59873
Street Address: 249 Airport Road

- b. Power Sales: Avista Corp
Interconnection: NorthWestern Energy
Wheeling: NorthWestern Energy
Utilities providing supplementary power, backup power, maintenance power,
and/or interruptible power service: NorthWestern Energy

4.

- a. Describe the principal components of the facility:

Babcock & Wilcox Boiler, 130,000 lbs/hr @850 PSIG, 900°F
3600 RPM Elliott Steam Turbine
16.5 MW Elliott Generator
Transmission Line: Project substation 13Kv / 115 Kv single step-up transformer
to interconnect with NorthWestern Energy's 115 Kv line in close proximity to the
Project.

- b. Maximum gross and maximum net electric power production:
12.0 Megawatts maximum gross capacity before parasitic and lumber mill load
Project is capable of reliably generating in any given month no more than 10
average Megawatts under normal design and operation conditions.

- c. Operation date of the facility: December 2004 to Present

- d. Primary energy input: Coal / Wood Waste

5. Average annual hourly energy input in terms of Btu for the following fossil fuel energy
inputs, and the related percentage of the total average annual hourly energy input to the facility:

Natural gas: 0BTU, 0%
Oil: 0 BTU, 0%
Coal: 154 MM BTU/HR @ 94% capacity, 85% of total
Wood Waste: 27 MM BTU/HR @94% capacity, 15% of total

6. Discuss any particular characteristic of the facility, which the co-generator producer
believes might bear on its qualifying status: None

PART B: DESCRIPTION OF SMALL POWER PRODUCTION FACILITY

N/A

PART C: DESCRIPTION OF THE COGENERATION FACILITY

9. Describe the system:

TRC is a Topping-Cycle facility in which the steam host, Thompson River Lumber Company, will consume approximately 64MM pounds of useful thermal energy output annually, exclusive of wood chip drying, which is in excess of 5 percent of the total annual energy output. As a coal-based topping cycle facility under Section 292.205, no other efficiency standards apply.

10. The proposed facility is not an eligible solar, wind, waster or geothermal facility, and no other non-eligible facility located within one mile of the instant facility is owned by any of the entities (or their affiliates) reported in Part A at item 1c above.