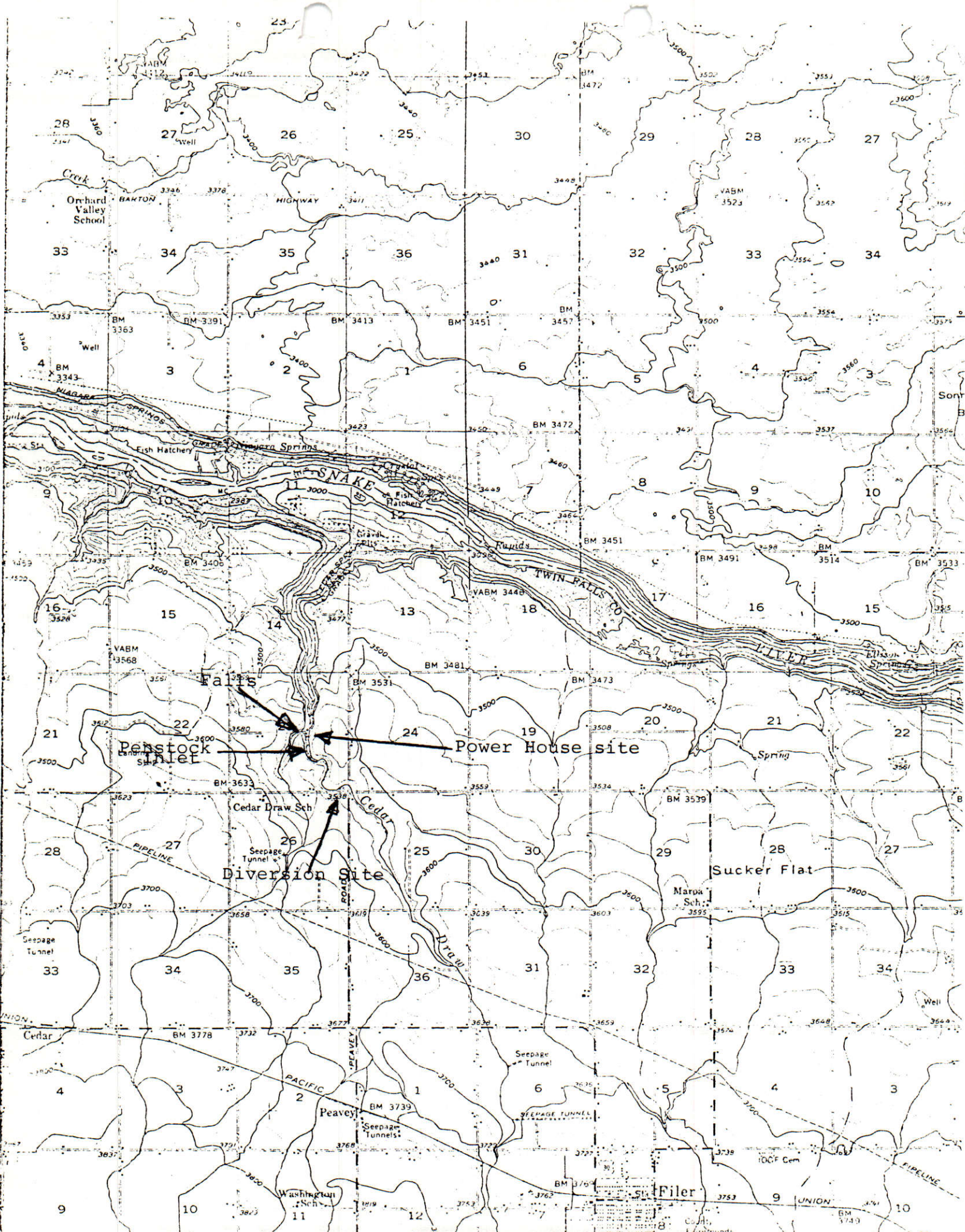
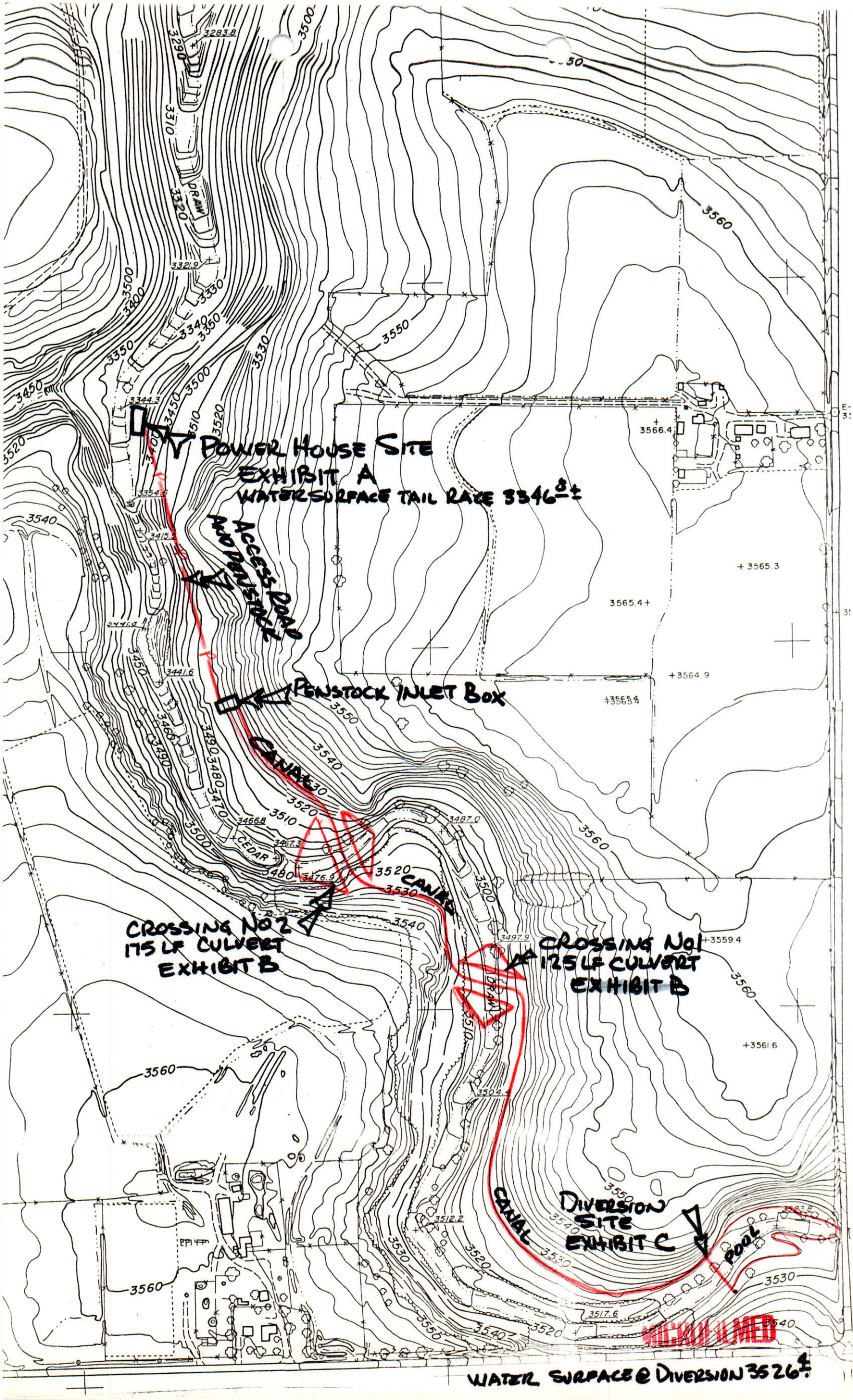






POWER HOUSE SITE
EXHIBIT A
WATER SURFACE TAIL RACE 3346±

Access Road
NO PENSTOCK

PENSTOCK INLET BOX

CROSSING No 2
175 LF CULVERT
EXHIBIT B

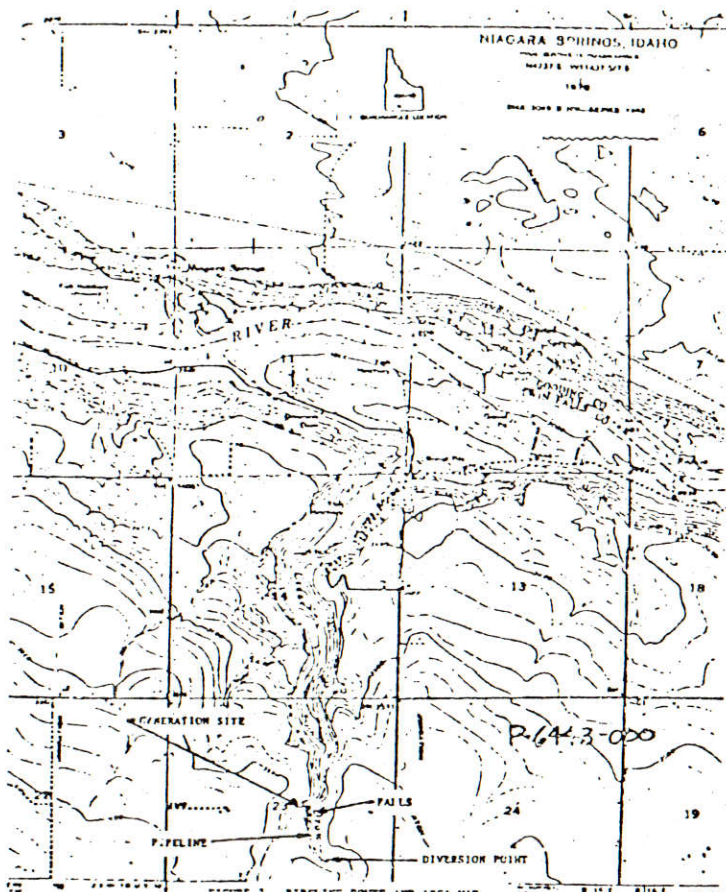
CROSSING No 1
125 LF CULVERT
EXHIBIT B

DIVERSION
SITE
EXHIBIT C

pool

WATER SURFACE @ DIVERSION 3526±

RECEIVED



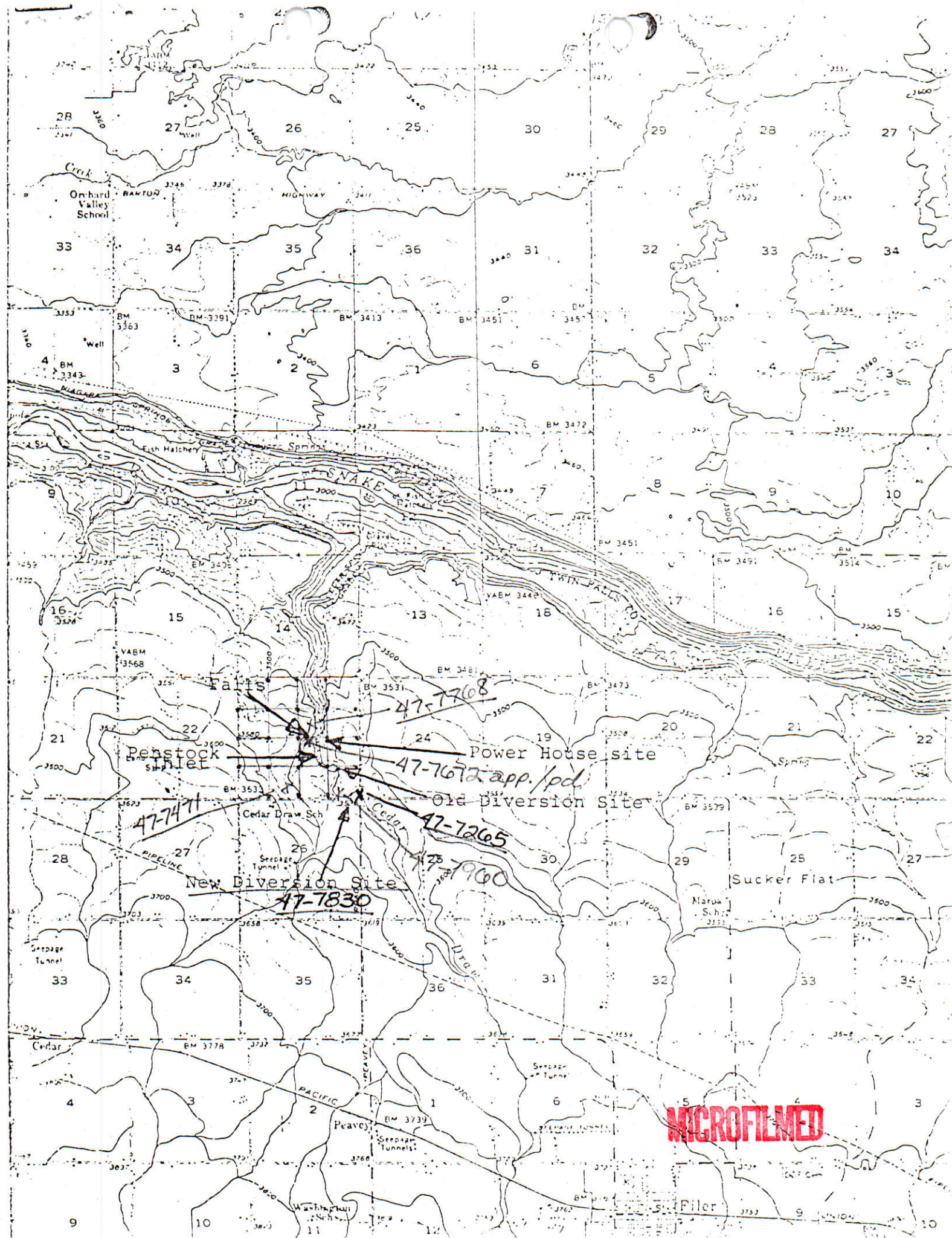
§ 4.106 Standard terms and conditions of exemption from licensing.

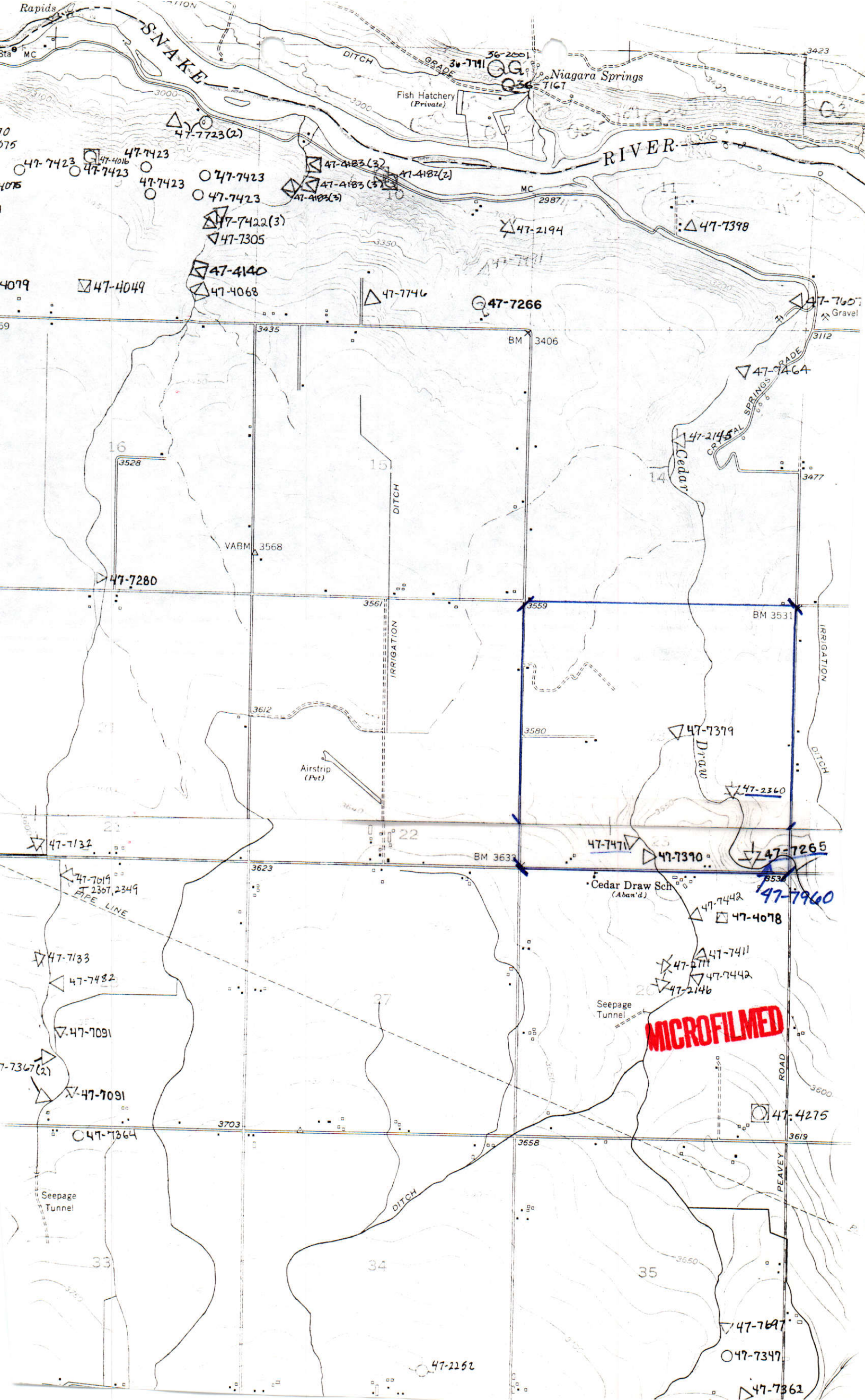
Any exemption from licensing granted under this subpart for a small hydroelectric power project is subject to the following standard terms and conditions:

(a) Article 1. The Commission reserves the right to conduct investigations under sections 4(g), 306, 307, and 311 of the Federal Power Act with respect to any acts, complaints, facts, conditions, practices, or other matters related to the construction, operation, or maintenance of the exempt project. If any term or condition of the exemption is violated, the Commission may revoke the exemption, issue a suitable order under section 4(g) of the Federal Power Act, or take appropriate action for enforcement, forfeiture, or penalties under Part III of the Federal Power Act.

(b) Article 2. The construction, operation, and maintenance of the exempt project must comply with any terms and conditions that any Federal or state fish and wildlife agencies have determined are appropriate to prevent loss of, or damage to, fish or wildlife resources or otherwise to carry out the purposes of the Fish and Wildlife Coordination Act, as specified in Exhibit E of the application for exemption from licensing or in the comments submitted in response to the notice of the exemption application.

(c) Article 3. The Commission may accept a license application by any qualified license applicant and revoke this exemption if actual construction or development of any proposed generating facilities has not begun within 18 months, or been completed within four years, from the date on which this exemption was granted. If an exemption is revoked, the Commission will not accept a subsequent application for exemption within two years of the revocation.





MICROFILMED

47-7960

47-7697

47-7347

47-7362

47-2162

47-7471

47-7390

47-7265

47-4078

47-7411

47-2111

47-7442

47-2146

47-4275

BM 3633

BM 3531

BM 3406

VABM 3568

3528

3561

3612

3580

3623

3703

3658

3619

3477

3112

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State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

WATER RIGHT NO. 47-07960

Priority: September 20, 1983 Maximum Diversion Rate: 50.00 CFS
Maximum Diversion Volume: 36135.0 AF

This is to certify, that LITTLE MAC POWER CO INC
324 11TH AVE N
BUHL ID 83316

has complied with the terms and conditions
of the permit, issued pursuant to Application for Permit dated September 20, 1983; and
has submitted Proof of Beneficial Use on October 3, 1985. An examination indicates
that the works have a diversion capacity of 129.000 cfs of water from:

CEDAR DRAW tributary to SNAKE RIVER

source, and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>ANNUAL VOLUME</u>
POWER	01/01 to 12/31	50.00 CFS	36135.0 AF

LOCATION OF POINT(S) OF DIVERSION: SESE , Sec. 23, Township 09S, Range 15E
TWIN FALLS County

PLACE OF USE: POWER
TWN RGE SEC
09S 15E 23 NWSE

CONDITIONS OF APPROVAL AND REMARKS

1. The maximum diversion volume is defined as the maximum allowable volume of water that may be diverted annually from the source under this right. The use of water confirmed by this right is limited to the amount which can actually be beneficially used. The maximum diversion volume may be adjusted to more accurately describe the beneficial use or to implement accepted standards of diversion and use efficiency.
2. This water right is appurtenant to the described place of use.
3. This right is subject to all prior water rights and may be forfeited by five years of non-use.
4. Modifications to or variance from this license shall be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.
5. This right does not constitute Idaho Public Utilities Commission or Federal Energy Regulatory Commission approval that may be required.
6. Use of water under this right shall be non-consumptive.

APR 16 1998

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

WATER RIGHT NO. 47-07960

CONDITIONS OF APPROVAL AND REMARKS

7. The rights for the use of water confirmed in this license shall be junior and subordinate to all rights for the use of water other than hydropower, within the State of Idaho that are initiated later in time than the priority of this right and shall not give rise to any right or claim against any future rights for the use of water, other than hydropower, within the State of Idaho initiated later in time than the priority of this right.
8. The diversion and use of water for hydropower purposes under this license is subject to review by the Director on or after May 1, 2019. Upon appropriate findings relative to the interest of the public, the Director may cancel all or any part of the use authorized herein and may revise, delete or add conditions under which the right may be exercised.
9. This right shall in no way be used to inhibit or alter the historical use of Cedar Draw by the Twin Falls Canal Co. as a water delivery channel and as a wasteway.
10. Right 47-07830 is also diverted through the point(s) of diversion described above.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code.
Witness the seal and signature of the Director, affixed at Boise, this 16TH
day of JANUARY, 1998.


Acting for KARL J. DREHER, Director

RECORDED
APR 16 1998

WATER RIGHT SUMMARY

ACTION	RIGHT NO.	NAME	AMOUNT CFS
Original Application	47-07960	Thomas Leo McCauley	50.00
Full Assignment	47-07960	Bonneville Pacific Corporation	50.00
Full Assignment	47-07960	Little Mac Power Co. Inc.	50.00

DEC 19 1994

OFFICE USE ONLY
 Amt. of Fee \$25.00
 Date 10-20-94
 Receipt No. 5017490
 Receipt by SA

RECEIVED

State of Idaho
 DEPARTMENT OF WATER RESOURCES

OCT 21 1994

Department of Water Resources
 Southern Region Office

ASSIGNMENT OF PERMIT
 To change the ownership of a permit

RECEIVED

OCT 24 1994

Department of Water Resources

I, Bonneville Pacific Corporation hereby assign to Little MAC Power Co. Inc.
 of 324 11th Ave N. Boni, Idaho 83316
(Permit Holder) (Full Address)

All my right, title, and interest in and to Permit No. 47-07960
 to appropriate the public waters of the State of Idaho.

OR (for partial assignments)

The following described portion of my right, title, and interest in and to
 Permit No. _____ to appropriate the public waters of the State of Idaho.

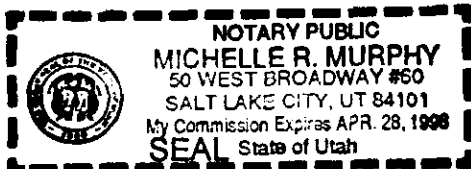
Describe portion of the permit assigned listing the number of acres in each 40 acre subdivision,
 point of diversion location, and the amount of water in cubic feet per second.

Made this 19th day of October, 19 94.

[Signature] President
 Permit Holder(s) Bonneville Pacific Corp.

State of Idaho)
 County of Salt Lake) SS

On this 19th day of October, 199 4, personally appeared before me
 the signer of the above instrument, duly acknowledged to me that he/she/they executed the same.



Michelle R. Murphy
 Notary Public

My commission expires: April 28, 1998
Michelle R. Murphy Signature

database updated 12/8/94 szg

1994

**AFFIDAVIT FOR WATER RIGHTS TO BE USED
FOR POWER PURPOSES**

A. Establishment of Residency: (Complete either 1, or 2).

1. Individual Applicant or Individual Members of a Partnership:

I, _____ of _____,
(name) (city),

County of _____, State of Idaho, being duly sworn, do hereby
certify that I am a bona fide resident of the State of Idaho.

2. Corporation:

I, Thomas Leo McCauley of Buhl,
(name) (city),

County of Twin Falls, State of Idaho, being duly sworn, depose
and say: That I am the designated registered agent of the Little MAC power Co. Inc.

(name of corporation) : that as such I am in charge of the registered office

of the said corporation as required by Section 30-1-12, Idaho Code, at Buhl,
(city)

Idaho, wherein are kept the corporate records required by Section 30-1-52, Idaho Code; and that Little

MAC power Co. Inc. is a corporation qualified to do business in the State of Idaho under the laws
(name of corporation)
of the State of Idaho.

B. Ownership of Facilities: (To be completed for hydropower projects only)

The hydropower facility to be developed pursuant to the attached Application for Permit:

(check one)

- ☒ Will not utilize existing man-made irrigation facilities such as a dam or a canal.
☐ Will utilize existing man-made irrigation facilities such as a dam or a canal, and permission of the owner is documented in an affidavit attached hereto.
☐ Will utilize existing man-made irrigation facilities such as a dam or a canal, and the owner of the facilities is the signee of this affidavit.

State of Idaho
County of Twin Falls, ss.

Thomas Leo McCauley
Applicant

On this 16 day of November, 1994, personally appeared before me
the signer(s) of the above instrument, who duly acknowledged to me that he (she) (they) executed the same.

Shonda Coniford
Notary Public residing at
Buhl, Idaho

seal

My commission expires:

8-21-96

DEC 19 1994

WARRANTY DEED

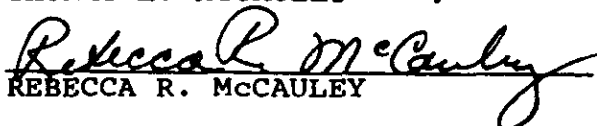
FOR VALUE RECEIVED, THOMAS L. McCAULEY and REBECCA R. McCAULEY, husband and wife, the grantors, of Buhl, County of Twin Falls, Idaho, do hereby grant, bargain, sell and convey unto LITTLE MAC POWER COMPANY, INC., an Idaho Corporation, the grantee, whose current address is Route 4, Box 139, Buhl, Idaho 83316, the following described premises in Twin Falls County, Idaho, to wit:

A parcel of land located in the $W\frac{1}{2}$ of the $SE\frac{1}{4}$, Section 23, Township 9 South, Range 15, East of the Boise Meridian, Twin Falls County, Idaho. Beginning at the SE $1/16$ corner of said Section 23, Thence North $0^{\circ}14'16''$ East along the $1/16$ line of said Section 23 a distance of 392.78 feet; Thence North $54^{\circ}56'58''$ West, 228.63 feet; Thence North $21^{\circ}13'16''$ West, 853.64 feet to a point on the East West centerline of said Section 23; Thence North $89^{\circ}59'24''$ West, 200.00 feet along the East West Centerline of said Section 23; Thence South $10^{\circ}55'12''$ East 1103.58 feet; Thence South $50^{\circ}25'12''$ East, 370.38 feet; Thence South $0^{\circ}14'16''$ West, 100.00 feet; Thence South $89^{\circ}55'12''$ East 200.00 feet; Thence North $0^{\circ}14'16''$ East, 100.00 feet to the Point of Beginning.

Also that parcel of land located in the $SE\frac{1}{4}$ of the $SE\frac{1}{4}$, Section 23, Township 9 South, Range 15, East of the Boise Meridian, Twin Falls County, Idaho, lying South and West of Cedar Draw Creek.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, its heirs and assigns forever. And the said Grantors do hereby covenant to and with the said Grantee that they are the owners in fee simple of said premises; that they are free from all incumbrances, and that they will warrant and defend the same from all lawful claims whatsoever.

DATED: June 1, 1984


THOMAS L. McCAULEY

REBECCA R. McCAULEY

DEC 19 1984

STATE OF IDAHO)
County of Twin Falls) ss.

On this 1 day of June, 1984, before me, the undersigned, a Notary Public in and for said County and State, personally appeared THOMAS L. McCAULEY and REBECCA R. McCAULEY, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Brent Manton
Notary Public for State of Idaho
Residing at Buhl



863558

DEC 19 1984

STATE OF IDAHO
County of Twin Falls

I hereby certify that this instrument

filed for record at the request of

HEPWORTH, MINNESTER & FELTON

attorneys, the JUN 29 1984

in my office and duly recorded in book

.....of.....page.....

RICHARD A. FENCE

Ex-Officio Recorder

Brent Manton
Deputy

Fee \$ 4.00

Return to

HEPWORTH, MINNESTER & FELTON



CERTIFICATE OF INCORPORATION
OF

LITTLE MAC POWER COMPANY, INC.

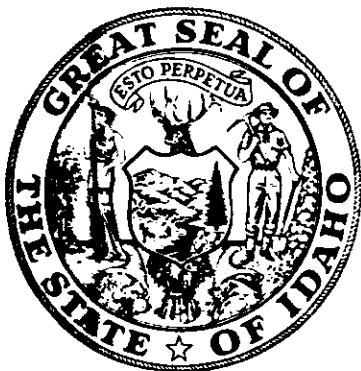
I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of _____

LITTLE MAC POWER COMPANY, INC.

duly signed pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: May 15, 1984



Pete T. Cenarrusa

SECRETARY OF STATE

by: *Denise Heier*

DEC 19 1994

INTER-DEPARTMENT MEMO — 1

FROM @AERYL

DATE 10-3-85

TO 47-7960

SUBJECT ASSIGNMENT OF WATER RIGHTS & PERMITS

THE REMAINDER OF THIS ASSIGNMENT CAN BE
FOUND IN RT. 47-7830.

MICROFILMED SIGNATURE

ASSIGNMENT OF WATER RIGHTS AND PERMITS

THIS ASSIGNMENT, made and entered into this 8th day of May, 1984, by and between THOMAS LEO McCAULEY and REBECCA McCAULEY, husband and wife, hereinafter referred to as "Assignors", and BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in the State of Idaho, hereinafter referred to as "Assignee",

W I T N E S S E T H:

WHEREAS, Assignors have obtained certain approved Permits for the use of water resources in the State of Idaho, Permit Nos. 47-7830 and 47-7960, hereinafter referred to as the "Permits", copies of which are attached hereto as Schedule I and by this reference made a part hereof; and

WHEREAS, in connection with that certain Lease Agreement between Assignors and Assignee, dated May 18, 1983, incorporated herein by this reference, Assignors desire hereby to assign to Assignee all of their right, title and interest in and to said Permits for the purpose of holding said Permits for and on behalf of the Little Mac Power Project, also known as the Cedar Draw Hydroelectric Project, a hydroelectric project located on Cedar Draw (tributary of the Snake River) located in the West 1/2 of the Southeast 1/4 of Section 23, Township 9 South, Range 15 East, Boise Meridian, Twin Falls County, Idaho.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of

MICROFILMED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT

To appropriate the public waters of the State of Idaho

APPROVED

1. Name of applicant THOMAS LEO McCAULEY Phone 543-8486

Post office address Route No. 4 Box 139, Buhl, Idaho 83316

2. Source of water supply Cedar Draw which is a tributary of SNAKE RIVER

3. Location of point of diversion is SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 23 Township 9S

Range 15E B.M. Twin Falls County, additional points of diversion if any: _____

4. Water will be used for the following purposes:

Amount 50cfs for Hydro Electric Generation purposes from Jan. 1 to Dec. 31 (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

5. Total quantity to be appropriated:

a. 50 cubic feet per second and/or b. _____ acre-feet per annum.

6. Proposed diverting works:

a. Description of ditches, flumes, pumps, headgates, etc. _____

See Exhibit "A" attached

b. Height of storage dam _____ feet, active reservoir capacity 0 acre-feet; total reservoir capacity _____ acre-feet, materials used in storage dam: _____

Period of year when water will be diverted to storage _____ to _____ inclusive.
(Month/Day) (Month/Day)

c. Proposed well diameter is _____ inches; proposed depth of well is _____ feet.

7. Time required for the completion of the works and application of the water to the proposed beneficial use is 5 years (minimum 1 year — maximum 5 years).

8. Description of proposed uses:

a. If water is not for irrigation:

(1) Give the place of use of water: NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 23 Township 9S

Range 15E B.M.

610.0 KW* (*kw 12/30/1983)

(2) Amount of power to be generated: 1600-KW horsepower under 180 feet of head.

(3) List number of each kind of livestock to be watered None

(4) Name of municipality to be served None, or number of families to be supplied with domestic water None.

(5) If water is to be used for other purposes describe: None

MICROFILMED

b. If water is for irrigation, indicate acreage in each subdivision in the tabulation below:

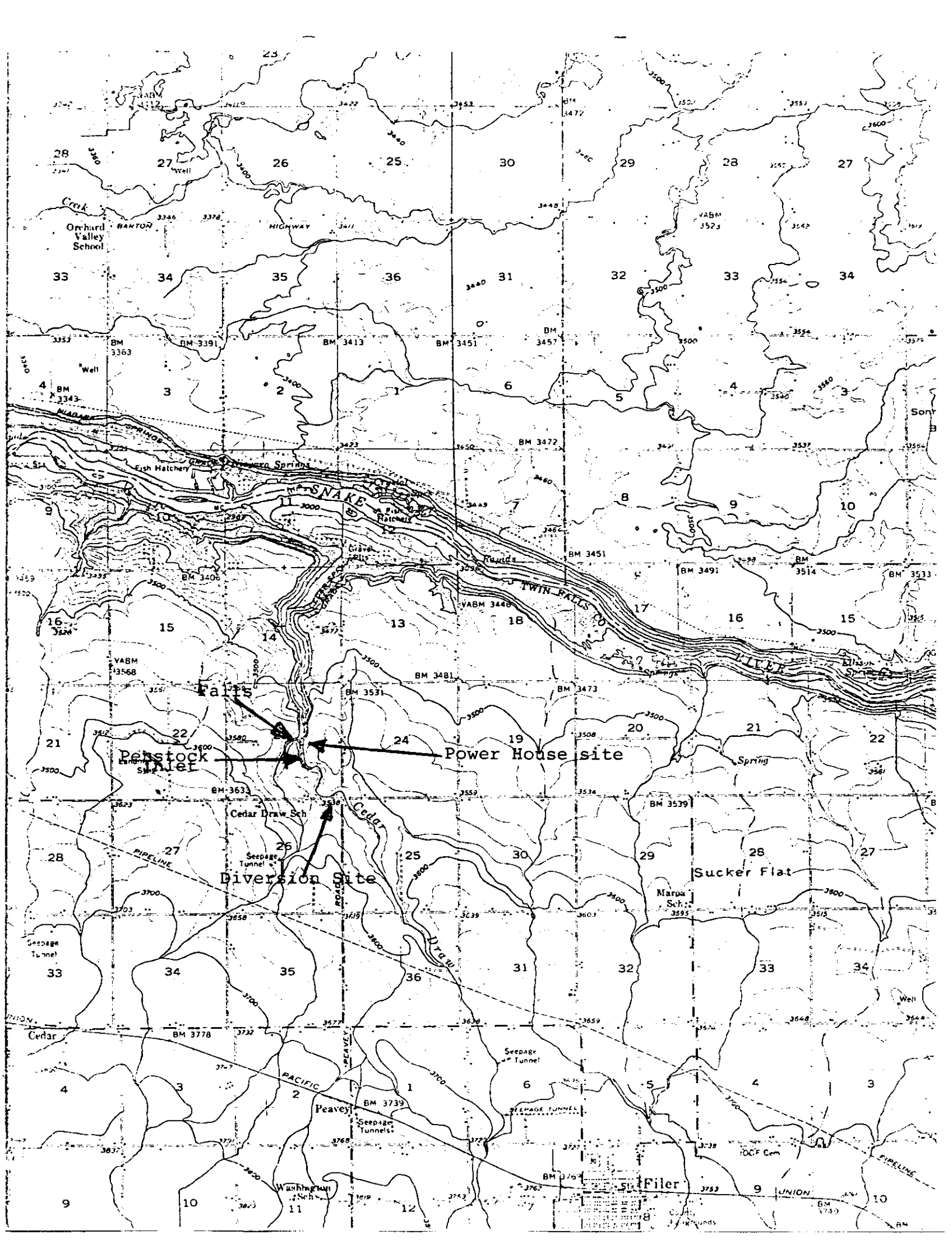
TWP	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	

Total number of acres to be irrigated _____

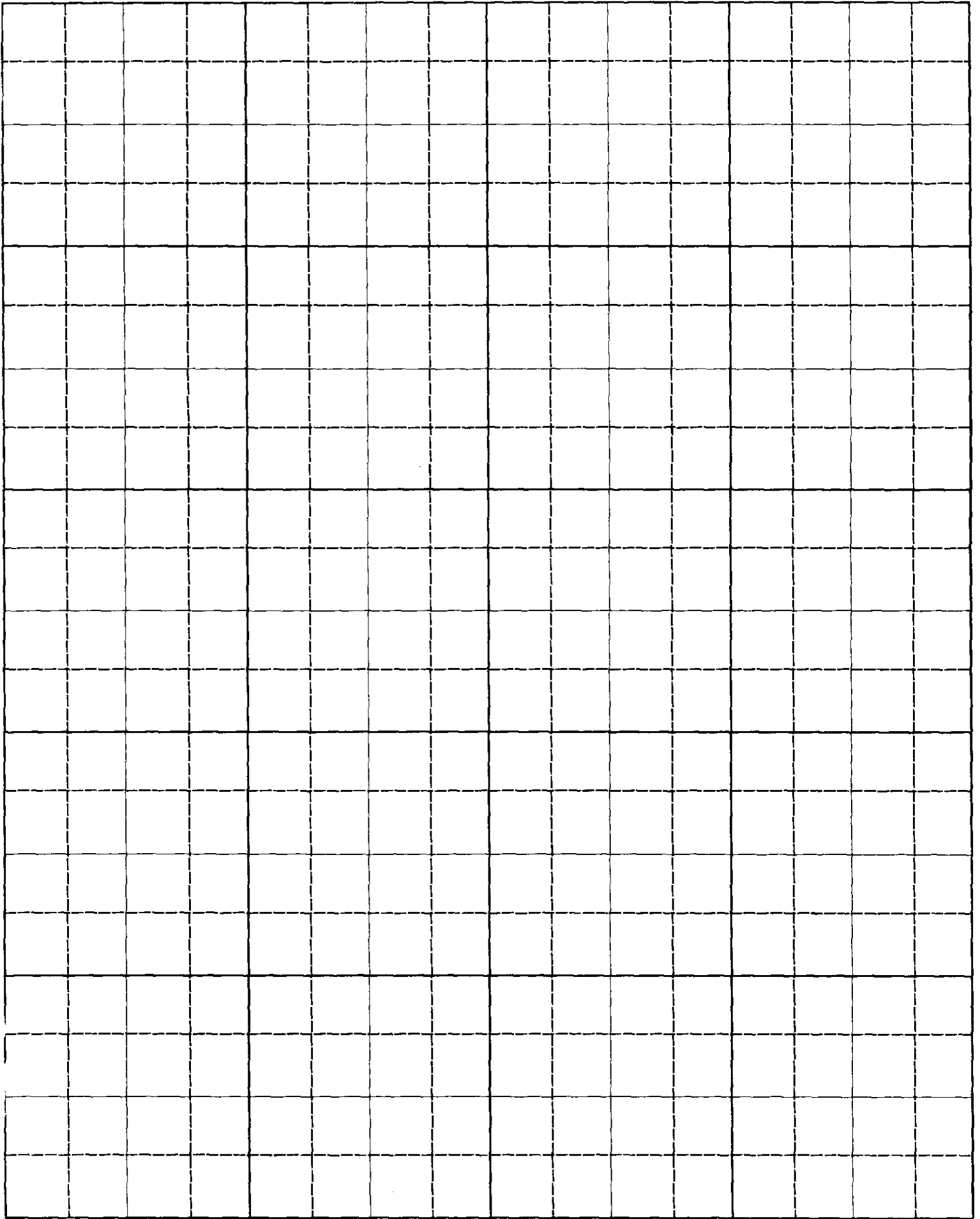
c. Describe any other water rights used for the same purposes as described above. Approved
Application for Permit No. 47-7830 held by Thomas Leo McCauley.

9. a. Who owns the property at the point of diversion Thomas Leo and Rebecca McCauley
b. Who owns the land to be irrigated or place of use Thomas Leo and Rebecca McCauley
c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing N/A

10. Remarks I have received an Approved Application No. 47-7830
for 70 cfs on Cedar Draw. This new Application for Permit
is for an additional 50 cfs of flood waters available in
Cedar Draw for hydro electric purposes. I have obtained
an Order Granting Exemption from Licensing of a Small
Hydroelectric Project (F.E.R.C. Exemption) issued November 30,
1982, Project No. 6443. The additional water applied for
will increase the size and power output of the hydroelectric
facility to approximately 1600 KW.



11. Map of proposed project: show clearly the proposed point of diversion, place of use, section number, township and range number.



Scale: 2 inches equal 1 mile.

BE IT KNOWN that the undersigned hereby makes application for permit to appropriate the public waters of the State of Idaho as herein set forth.


(Applicant)

MICROFILMED

Proposed Priority 9/20/83

Received by LF Date 9/20/83 Time 2:20

Preliminary check by Q Fee \$ 725⁰⁰ # 52877

Receipted by maria Date 9/20/83

Publication prepared by maria Date 10/19/83

Published in times news

Publication dates 10/27 + 11/3/83

Publication approved maria Date 10/31/83

Protests filed by: None

Copies of protests forwarded by _____

Hearing held by _____ Date _____

Recommended for approval denial by ADN kw

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Permit to appropriate the public waters of the State of Idaho No. 47-7960, and said application is hereby APPROVED.

1. Approval of said application is subject to the following limitations and conditions:

a. SUBJECT TO ALL PRIOR WATER RIGHTS.

b. Proof of construction of works and application of water to beneficial use shall be submitted on or before May 1, 19 89.

c. The rate of diversion, if water is to be used for irrigation under this permit, when combined with all other water rights for the same land shall not exceed 0.02 cubic feet per second for each acre of land.

d. Other:

Project construction shall commence within one year from the date of permit issuance and shall proceed diligently to completion unless it can be shown to the satisfaction of the Director of the Department of Water Resources that delays were due to circumstances over which permit holder had no control.

e. The permit holder shall either install a measuring device or an access port or provide a certified measurement or computation of flow based upon system design to be prepared by a professional engineer.

f. This permit is subject to the provisions of Sections 42-205 through 42-210, Idaho Code, restricting the sale, transfer, assignment, or mortgage of this permit. Failure to comply with these provisions is cause for immediate cancellation of this permit.

g. This permit does not constitute Idaho Public Utilities Commission or Federal Energy Regulatory Commission approval that may be required.

h. Water shall not be diverted under this permit until a written agreement with the irrigation district or canal company serving the area containing the point of diversion is filed with the Department of Water Resources providing for the coordination of the permit use with the irrigation district or canal company operation.

i. The diversion and use of water under this permit and any license subsequently issued is subject to review by the Director thirty (30) years from the date of issuance of this permit. Upon appropriate findings relative to the interest of the public, the Director may cancel all or any part of the use authorized herein and may revise, delete or add conditions under which the right may be exercised.

SEE CONDITIONS J. & K. ON ATTACHED SHEET.

Witness my hand this 10th day of May, 1984.

L. Glen Gayton
Chief, Operations Bureau

ATTACHMENT
To Conditions
of Approval
for Permit No. 47-7960

Additional conditions of approval:

j. Use of water under this permit is subordinated to future diversion of water for irrigation or other consumptive beneficial uses.

k. This permit shall in no way be used to inhibit or alter the historical use of Cedar Draw by the Twin Falls Canal Company as a water delivery channel and as a wasteway.

MICROFILMED

ASSIGNMENT OF WATER RIGHTS AND PERMITS

THIS ASSIGNMENT, made and entered into this 8th day of May, 1984, by and between THOMAS LEO McCAULEY and REBECCA McCAULEY, husband and wife, hereinafter referred to as "Assignors", and BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in the State of Idaho, hereinafter referred to as "Assignee",

W I T N E S S E T H:

WHEREAS, Assignors have obtained certain approved Permits for the use of water resources in the State of Idaho, Permit Nos. 47-7830 and 47-7960, hereinafter referred to as the "Permits", copies of which are attached hereto as Schedule I and by this reference made a part hereof; and

WHEREAS, in connection with that certain Lease Agreement between Assignors and Assignee, dated May 18, 1983, incorporated herein by this reference, Assignors desire hereby to assign to Assignee all of their right, title and interest in and to said Permits for the purpose of holding said Permits for and on behalf of the Little Mac Power Project, also known as the Cedar Draw Hydroelectric Project, a hydroelectric project located on Cedar Draw (tributary of the Snake River) located in the West 1/2 of the Southeast 1/4 of Section 23, Township 9 South, Range 15 East, Boise Meridian, Twin Falls County, Idaho.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of

MICROFILMED

which are hereby acknowledged, the parties hereto agree as follows:

1. Assignors hereby assign to Assignee all of their rights, titles and interests in and to said Permits as contained in Schedule I attached hereto to hold for and on behalf of said Little Mac Power Project during the entire term of the Power Project as more specifically set forth in said Lease Agreement.

2. Assignee hereby accepts the assignment of said Permits as contained in Schedule I in accordance with the terms hereof.

3. Assignee agrees to allow the rights and interests referred to in said Permits to be used in connection with the Little Mac Power Project in accordance with said Lease and Assignment.

4. That to induce the Assignee to accept this assignment and the rights and obligations pursuant thereto, Assignors hereby represent to the Assignee as follows:

- (a) That the Assignors have duly performed all of the conditions presently required under said Permits;
- (b) That said Permits are in full force and effect;
- (c) That upon approval of the Department of Water Resources, State of Idaho, said Permits are assignable; and
- (d) That Assignors agree to defend, indemnify and hold Assignee harmless from and against any loss,

costs, expense, cause of action, claim or fee, including reasonable attorneys' fees, which may be incurred by Assignee in connection with this assignment provided that any such loss or fee is not the result of any breach or negligence on the part of Assignee.

5. That in consideration of the Assignors executing and delivering this Assignment, Assignee covenants with Assignors as follows:

- (a) That the Assignee will duly keep, observe and perform all of the terms, conditions and provisions of the Permits that are to be kept, observed and performed by the Assignors;
- (b) That Assignees will not further assign the rights or Permits conveyed hereunder without the prior written consent of Assignors and the prior written consent of the Director or Administrator of the Department of Water Resources, State of Idaho; and
- (c) That at the end of the Lease term as described in said Lease Agreement, Assignee will assign the Permits to Assignors and this Agreement shall thereafter become null and void.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

ASSIGNORS:

Thomas Leo McCauley
THOMAS LEO MCCAULEY

Rebecca McCauley
REBECCA MCCAULEY

ASSIGNEE:

BONNEVILLE PACIFIC CORPORATION

By [Signature]
Its SECRETARY

STATE OF IDAHO)
COUNTY OF TWIN FALLS) ss.

On this 8th day of May, 1984, before me, SARAH F. DAYLEY, a Notary Public, personally appeared Thomas Leo McCauley and Rebecca McCauley, known to me to be the persons whose names are subscribed hereto, who acknowledged to me that they executed the same.

Sarah F. Dayley
NOTARY PUBLIC
Residing at: perome, Idaho

My Commission Expires:

August 24, 1986

STATE OF IDAHO)
)
) : ss.
COUNTY OF TWIN FALLS)

On this 8th day of MAY, 1984, before
me, SARAH F. DAYLEY, a Notary Public, personally
appeared ROBERT L. WOOD, known to me to be the
SECRETARY of Bonneville Pacific Corporation, a Utah
corporation, the corporation that executed the instrument or
the person who executed the instrument on behalf of said corpo-
ration, who acknowledged to me that such corporation executed
the same.

Sarah F. Dayley
NOTARY PUBLIC
Residing at: Jerome, Idaho

My Commission Expires:

August 24, 1986
41690

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
AFFIDAVIT FOR WATER RIGHTS TO BE USED
FOR POWER PURPOSES

A. Establishment of Residency: (Complete either 1, or 2).

1. Individual Applicant or Individual Members of a Partnership:

I, _____ of _____,
(name) (city)

county of _____, State of Idaho, being duly sworn, do
hereby certify that I am a bona fide resident of the State of Idaho.

2. Corporation:

I, Leon Blazer of Boise,
(name) (city)

County of Ada, State of Idaho, being duly sworn, depose
and say: That I am the designated registered agent of the Bonneville
Pacific Corporation: that as such I am in charge of the registered
(name of corporation)

office of the said corporation as required by Section 30-1-12, Idaho Code, at
Boise Idaho, wherein are kept the corporate records required
(city)

by Section 30-1-52, Idaho Code: and that Bonneville Pacific Corporation
(name of corporation)

is a corporation qualified to do business in the State of Idaho under the laws of
the State of Idaho.

B. Ownership of Facilities: (To be completed for hydropower projects only)

The hydropower facility to be developed pursuant to the attached Application for
Permit:

- (check one)
- ☒ Will not utilize existing man-made irrigation facilities such as a dam or a
canal.
- ☐ Will utilize existing man-made irrigation facilities such as a dam or a canal,
and permission of the owner is documented in an affidavit attached hereto.
- ☐ Will utilize existing man-made irrigation facilities such as a dam or a canal
and the owner of the facilities is the signee of this affidavit.

A. Leon Blazer
Applicant

State of Idaho)
County of Ada) ss.

On this 3rd day of April, 1984, personally
appeared before me the signer(s) of the above instrument, who duly acknowledged
to me that he (she) (they) executed the same.

seal

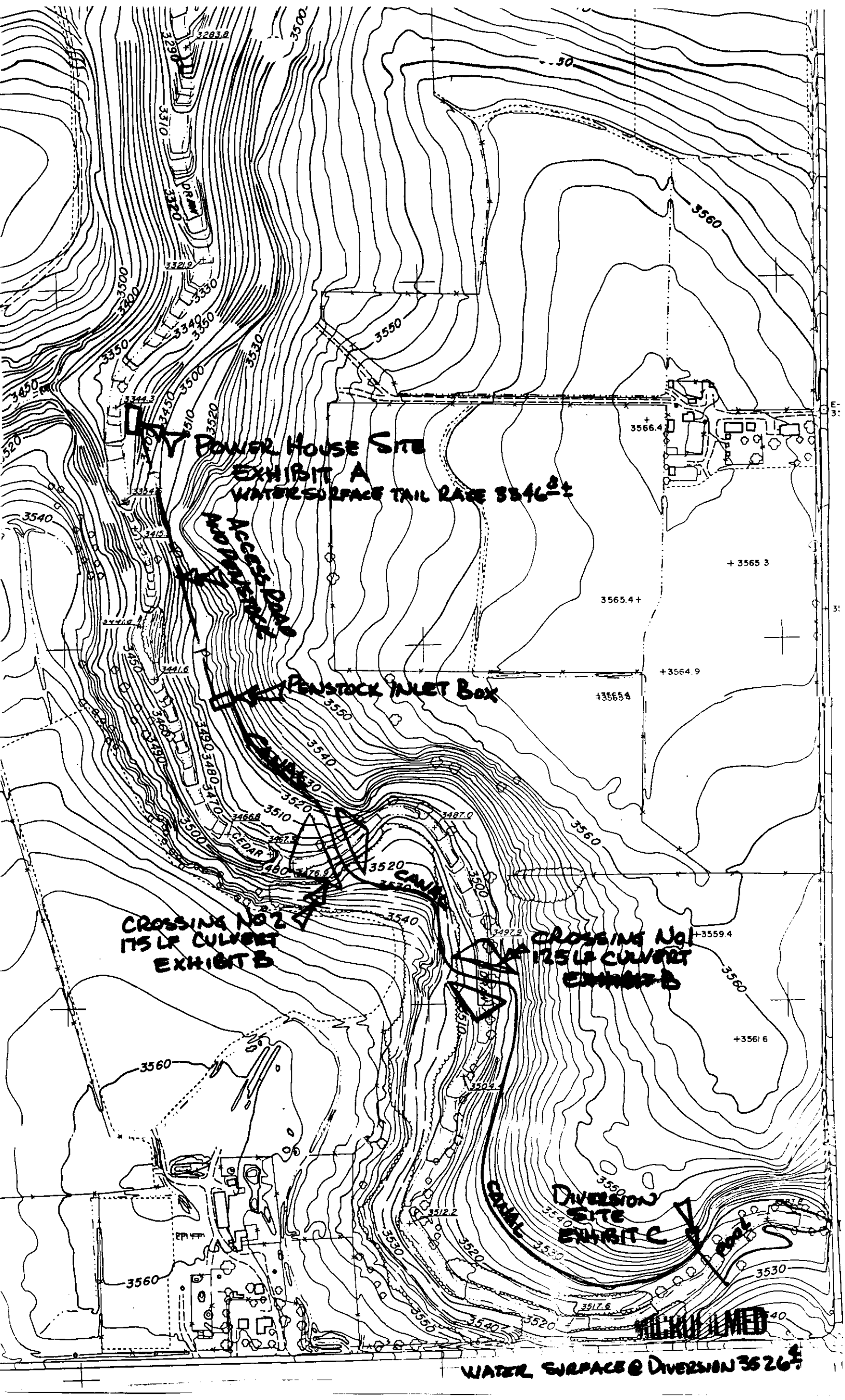
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APR 3 1984

My commission expires:

Department of Water Resources

MICROFILMED



Power House Site

EXHIBIT A

WATER SURFACE TAIL RACE 3546.8 ±

Access Road

PENSTOCK INLET BOX

CROSSING No 2
125 LF CULVERT
EXHIBIT B

CROSSING No 1
125 LF CULVERT
EXHIBIT B

DIVERSION SITE
EXHIBIT C

WATER SURFACE @ DIVERSION 3526.8 ±

EXHIBIT "A"

THOMAS LEO McCAULEY APPLICATION

CANAL

Length 3300 feet
Dimension 8 ft base, 22.5 ft top width, 1 ft free board,
2.56 ft depth
Slope .00161 ft/ft
Side Slope 2 to 1
Capacity 120 cfs
Earth Quantities:
10% rock 700 yd3
90% 5988 yd3
4" crushed gravel 983 yd3
6" concrete lined 1474 yd3

DIVERSION STRUCTURE

Located at 3526 ft MSL elevation
Concrete Structure
Overflow type by-pass 100 yr flood
Capacity to canal - 120 cfs
Slide gate to canal

HEAD WORKS FROM CANAL TO PENSTOCK

Concrete Structure
Capacity 120 cfs
Penstock 42" diameter
Inlet elevation - 3526 ft MSL

PENSTOCK

Length 700 feet
42" diameter
.25" wall thickness
Welded and dresser coupler joints
Thrust blocked at bends and along vertical drop tying into the rock face
At rated capacity 120 cfs HL = 3.18 ft.
At average cap. 64.4 cfs HL = 1.00 ft.

POWERHOUSE

25' x 75' steel building
Will house four turbines
Elevation 3346 ft MSL

TURBINES

1 550 KW unit
3 350 KW units
Peak flow 120 cfs
Low flow 25 cfs

TRANSMISSION LINE

Estimate 1 mile

Rated capacity of 1600 KW.

MICROFILMED

FILE NAME : CEDAR

DATE: 3/30/83

PROJECT NAME: CEDAR

PROJECT NUMBER:

BASIN NAME: CEDAR DRAW NEAR FI

CREEK(RIVER) NAME: CEDAR DRAW

GAGE STATION # 13093500

DRAINAGE AREA: 50-MI

LOCATION : Lat. = 42.37'23"

Long. = 42.37'23"

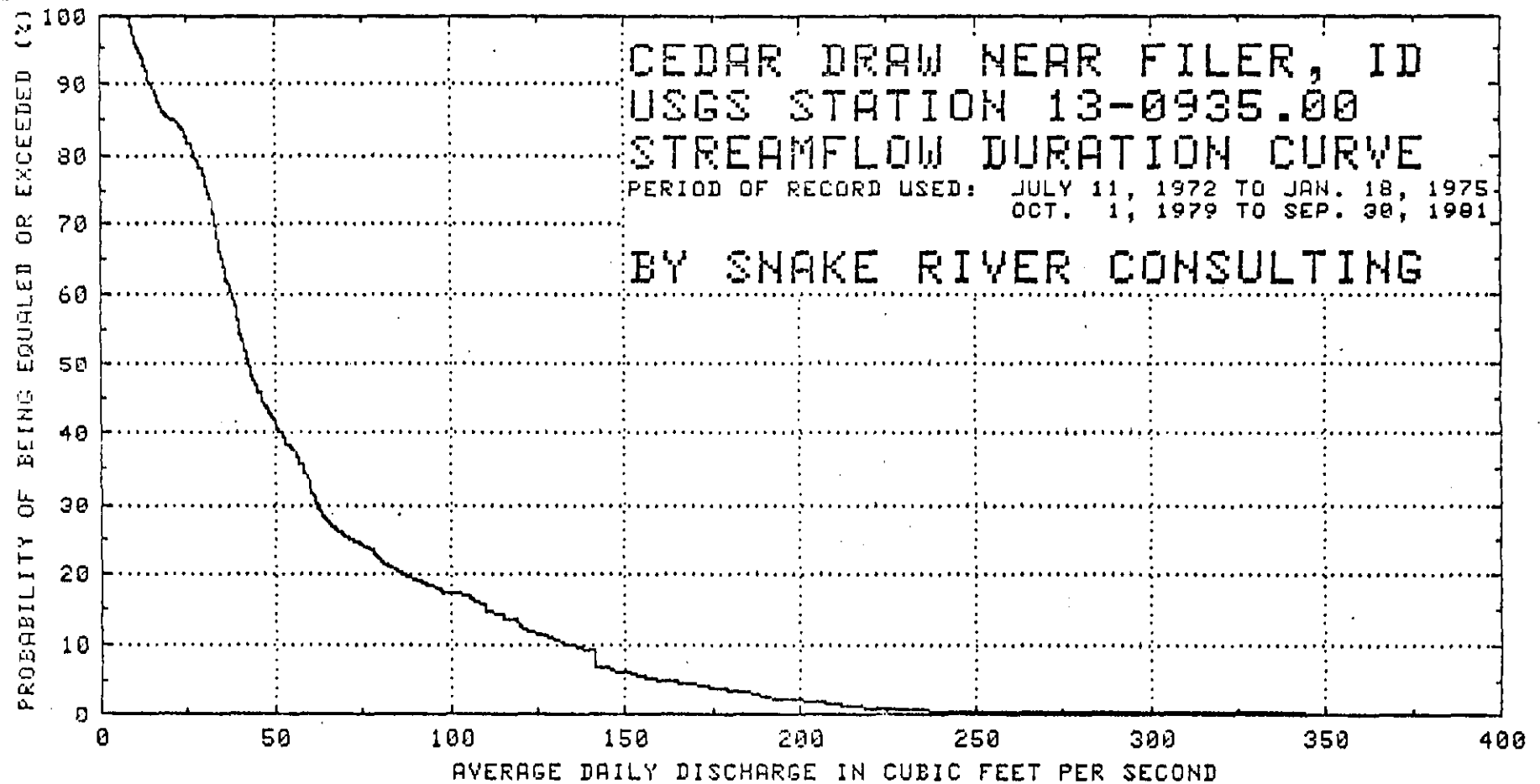
YEAR	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	MEAN
1956	58.00	43.00	36.00	30.80	27.50	26.60	83.00	81.90	103.00	49.50	55.50	75.10	55.83
1957	79.30	44.90	41.80	35.80	38.40	33.60	51.20	140.00	109.00	47.10	58.20	107.00	65.53
1958	95.50	58.70	36.30	41.90	30.90	24.50	76.10	47.30	134.00	47.00	56.00	90.00	61.52
1980	116.00	60.70	40.80	35.40	30.80	34.50	73.40	151.00	77.90	68.10	65.10	172.00	76.48
1981	132.00	56.50	41.90	33.60	27.00	26.70	51.60	55.10	85.70	48.80	60.50	180.00	66.62
AVE.	96.16	52.76	39.36	35.50	30.92	29.18	67.06	95.06	101.92	50.50	59.06	124.82	65.19

RECEIVED

CEDAR DRAW NEAR FILER, ID
USGS STATION 13-0935.00
STREAMFLOW DURATION CURVE

PERIOD OF RECORD USED: JULY 11, 1972 TO JAN. 18, 1975
OCT. 1, 1979 TO SEP. 30, 1981

BY SNAKE RIVER CONSULTING



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
AFFIDAVIT FOR WATER RIGHTS TO BE USED
FOR POWER PURPOSES

A. Establishment of Residency: (Complete either 1, or 2).

1. Individual Applicant or Individual Members of a Partnership:

I, Thomas Lee McCawley of Buhl,
(name) (city)

county of Twin Falls, State of Idaho, being duly sworn, do
hereby certify that I am a bona fide resident of the State of Idaho.

2. Corporation:

I, _____ of _____,
(name) (city)

County of _____, State of Idaho, being duly sworn, depose
and say: That I am the designated registered agent of the _____

_____ : that as such I am in charge of the registered
(name of corporation)

office of the said corporation as required by Section 30-1-12, Idaho Code, at

_____ Idaho, wherein are kept the corporate records required
(city)

by Section 30-1-52, Idaho Code: and that _____
(name of corporation)

is a corporation qualified to do business in the State of Idaho under the laws of
the State of Idaho.

B. Ownership of Facilities: (To be completed for hydropower projects only)

The hydropower facility to be developed pursuant to the attached Application for
Permit:

☒ Will not utilize existing man-made irrigation facilities such as a dam or a
canal.

☐ Will utilize existing man-made irrigation facilities such as a dam or a canal,
and permission of the owner is documented in an affidavit attached hereto.

☐ Will utilize existing man-made irrigation facilities such as a dam or a canal
and the owner of the facilities is the signee of this affidavit.

Thomas Lee McCawley
Applicant

State of Idaho)
County of Twin Falls) ss.

On this 20 day of September, 1983, personally
appeared before me the signer(s) of the above instrument, who duly acknowledged
to me that he (she) (they) executed the same.

Loren O. Halmer
Notary Public residing at

seal

Twin Falls

My commission expires:

Life

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AFFIDAVIT OF ROBERT L. WOOD

SEP 21 1983

Department of Water Resources
Southern District Office

STATE OF IDAHO)
) ss.
County of Twin Falls)

I, ROBERT L. WOOD, being duly sworn and deposed hereby
certify that:

1. I am an officer in Bonneville Pacific Corporation
("Bonneville"), a Utah corporation duly authorized to do business
in Idaho.

2. Bonneville entered into a Lease Agreement on May
18, 1983, with Thomas and Rebecca McCauley whereunder Bonneville
covenants to develop and provide financing for the development of
a hydro electric project ("the project") located on the McCauley
property in Twin Falls County, Idaho.

3. The projected costs of the project are as follows:

Diversion Dam	\$ 28,000
Canal Structures	144,500
Headworks	86,000
Penstock	112,000
Power house and turbines	566,000
Access	357,000
Electric and intertie	366,000
Engineering	161,000
Legal	40,000
Contingency	139,500
Development and financing	<u>300,000</u>
TOTAL	<u>\$2,300,000</u>

4. Bonneville has expended several hundred thousand
dollars to date in development of the project and has the financial
capability to complete the project.

MICROFILMED

5. This project contemplates the appropriation and use of the waters described in Application for Permit No. 47-7830 (for which an Application for Amendment is pending) and two Pending Applications for Permit, the first describing an additional appropriation of 50 cfs of water from Cedar Draw and the second describing an appropriation of 25 cfs of water from F Lateral. All waters appropriated will be used in connection with the project.

DATED This 21st day of September, 1983.


ROBERT L. WOOD

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this 21 day of September, 1983, personally appeared before me, a notary public in and for said State and County, ROBERT L. WOOD, who being duly sworn did state that he executed the foregoing Affidavit and that the statements made therein are true.


NOTARY PUBLIC FOR IDAHO
Residing at Twin Falls

My Commission Expires:

Life

NOTICE OF APPLICATION FOR WATER RIGHT

Notice is hereby given that the following application(s) have been submitted for permit to appropriate the public waters of the State of Idaho:

47-7960
BURGESS, HAROLD C.
281 Caswell Ave. West,
Space E-7, Twin Falls, ID
83301
Source: GROUND
WATER
Date Filed: 08/19/1983
Diversion Pt: SESE Sec
30 T 08S R 14E
Use: HEATING (0.10
CFS)
In: SESE Sec 30 T 08S R
14E

47-7960
MC CAULEY, THOMAS
LEO
RT. 4 BOX 139, BUHL, ID
83318
Source: CEDAR DRAW
trib. to SNAKE RIVER
Date Filed: 09/20/1983
Diversion Pt: SESE Sec
23 T 09S R 15E
Use: POWER (50.00 CFS)
In: NWSE Sec 23 T 09S R
15E

47-7961
MC CAULEY, THOMAS
LEO
RT. 4 BOX 139, BUHL, ID
83318
Source: UNNAMED
STREAM Trib. to CEDAR
DRAW
Date Filed: 09/21/1983
Diversion Pt: SWNE Sec
26 T 09S R 15E
Use: POWER (25.00 CFS)
In: NWSE Sec 23 T 09S R
15E

If issued, the permit(s) will be subject to all prior water rights. Protests against the granting of any permit must be filed with the Director of the Idaho Department of Water Resources, 1041 Blue Lakes Blvd. North, Twin Falls, Idaho 83301 and received on or before NOVEMBER 14, 1983.

A. KENNETH DUNN
Director

PUBLISH: Thursday,
October 27, and Nov-
ember 3, 1983.

Affidavit of Publication

STATE OF IDAHO,
COUNTY OF TWIN FALLS

ss.

N^o 13307

I, Murray Kisher being first duly sworn upon
oath, depose and say that I am Print. Clerk of the TIMES-NEWS,
published daily, at Twin Falls, Idaho, and do solemnly swear that a copy of
the notice of advertisement, as per clipping attached, was published in the regular and
entire issue of said newspaper, and not in any supplement thereof, for two
consecutive publications, commencing with the issue dated
October 27, 1983, and ending with the issue dated
November 3, 1983.

And I do further certify that said newspaper is a consolidation, effective February 16, 1942, of the Idaho Evening Times, published theretofore daily except Sunday, and the Twin Falls News, published theretofore daily except Monday, both of which newspapers prior to consolidation had been published under said names in said city and county continuously and uninterruptedly during a period of more than twelve consecutive months, and said TIMES-NEWS, since such consolidation, has been published as a daily newspaper except Saturday, until July 31, 1978, at which time said newspaper began daily publication under said name in said city and county continuously and uninterruptedly.

And I further certify that pursuant to Section 60-108 Idaho Code, Thursday of each week has been designated as the day on which legal notice by law or by order of any court of competent jurisdiction within the state of Idaho, to be published weekly, will be published; and that at the head of the editorial column of said combined newspapers, and in each issue thereof, Thursday is announced as the day on which said legal notices will be published.

Subscribed and sworn to before me on this 8th day of

November, 1983

Joel L. Lawrence
Notary Public in and for the County of Twin Falls,
State of Idaho, residing at Twin Falls, Idaho

MICROFILMED



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, P.O. BOX 83720, Boise, Idaho 83720-0098

Phone: (208) 327-7900 FAX: (208) 327-7866

January 20, 1998

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

LITTLE MAC POWER CO INC
324 11TH AVE N
BUHL ID 83316

RE: WATER RIGHTS 47-07830/47-07960

Dear Water Right Holder(s):

The Department of Water Resources (the Department) has issued the enclosed licenses confirming that water rights have been established in accordance with the permits referenced above. The licenses are preliminary orders issued by the Department pursuant to section 67-5243, Idaho Code. They can and will become final without further action of the Department unless a party petitions for reconsideration or files an exception and/or brief as further described below:

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a preliminary order with the Department within fourteen (14) days of the service date of this order. The Department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See section 67-5243(3), Idaho Code.

EXCEPTIONS AND BRIEFS

Within twenty-one (21) days after (a) the service date of a preliminary order, (b) the service date of a denial of a petition for reconsideration from this preliminary order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from this preliminary order, any party may in writing support or take exceptions to any part of a preliminary order and may file briefs in support of the party's position on any issue in the proceeding. Otherwise, this preliminary order will become a final order of the Department.

If any party appeals or takes exceptions to this preliminary order, opposing parties shall have twenty-one (21) days to respond to any party's appeal. Written briefs in support of or taking exceptions to the preliminary order shall be filed with the Department. The Department retains the right to review the preliminary order on its own motion.

RECEIVED
JAN 26 1998

ORAL ARGUMENT

If the Department grants a petition to review the preliminary order, the Department shall allow all parties an opportunity to file briefs in support of or taking exceptions to the preliminary order and may schedule oral argument in the matter before issuing a final order. If oral arguments are to be heard, the Department will within a reasonable time period notify each party of the place, date and hour for the argument of the case. Unless the Department orders otherwise, all oral arguments will be heard in Boise, Idaho.

CERTIFICATE OF SERVICE

All exceptions, briefs, requests for oral argument and any other matters filed with the Department in connection with the preliminary order shall be served on all other parties to the proceedings in accordance with Rules of Procedure 302 and 303.

FINAL ORDER

The Department will issue a final order within fifty-six (56) days of receipt of the written briefs, oral argument or response to briefs, whichever is later, unless waived by the parties or for good cause shown. The Department may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order. The Department will serve a copy of the final order on all parties of record.

Section 67-5246(5), Idaho Code, provides as follows:

Unless a different date is stated in a final order, the order is effective fourteen (14) days after its issuance if a party has not filed a petition for reconsideration. If a party has filed a petition for reconsideration with the agency head, the final order becomes effective when:

- (a) the petition for reconsideration is disposed of; or
- (b) the petition is deemed denied because the agency head did not dispose of the petition within twenty-one (21) days.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, if this preliminary order becomes final, any party aggrieved by the final order or orders previously issued in this case may appeal the final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. The real property or personal property that was the subject of the agency action is located.

APR 10 1984

APR 16 1984

The appeal must be filed within twenty-eight (28) days of this preliminary order becoming final. See section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

If you have any questions, please call me at 208-327-7946.

Sincerely,



Shelley W. Keen
Water Rights Supervisor

SK:klt

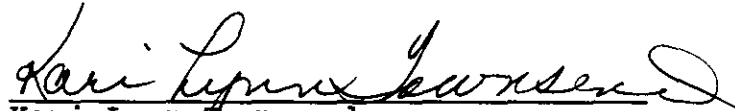
Enclosure

CERTIFICATE OF MAILING

I hereby certify that on the 20th day of January, 1998, I mailed a true and correct copy, postage prepaid, of the foregoing PRELIMINARY ORDER (Approved License) to the person(s) listed below:

Water Rights 47-07830/ 47-07960

LITTLE MAC POWER CO INC
324 11TH AVE N
BUHL ID 83316


Kari Lynn Townsend
Secretary

Approved according to Commission
Order Nos. 15746 and 18190

Myrna J. Walters
Myrna J. Walters
Commission Secretary

Facility No: 31616081
Project: Cedar Draw

RECEIVED

JAN 12 1998

FIRM ENERGY SALES AGREEMENT

Department of Water Resources

THIS AGREEMENT, entered into on this 10th day of May, 1984,
is between BONNEVILLE-PACIFIC CORP, a corporation (Seller), and IDAHO POWER
COMPANY, a Maine corporation (Idaho) hereinafter sometimes referred to
collectively as "parties" or individually as "party."

WITNESSETH:

WHEREAS, Seller plans to construct, own and operate an electric
generation facility; and

WHEREAS, Seller wishes to sell, and Idaho wishes to purchase,
electric energy from that facility,

THEREFORE, In consideration of the mutual covenants and agreements
hereinafter set forth, the Parties agree as follows:

ARTICLE I: DEFINITIONS

As used in this Agreement and the appendices attached hereto, the
following terms shall have the following meanings:

1.1 "Annual Net Energy" - The amount of Net Energy Seller estimates
it will deliver to Idaho at the Point of Delivery during each Contract Year.

1.2 "Commission" - The Idaho Public Utilities Commission.

1.3 "Contract Year" - The period commencing each calendar year on
the same calendar date as the Operation Date and ending 364 days thereafter.

1.4 "Designated Dispatch Facility" - Idaho's Boise Bench System
Dispatch Center.

MICROFILMED

APR 16 1998

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W I T N E S S E T H:

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1.2 "Commission" - The Idaho Public Utilities Commission.

1.3 "Contract Year" - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.

1.4 "Designated Dispatch Facility" - Idaho's Boise Bench System Dispatch Center.

RECORDED
APR 16 1984

1.5 "Disconnection Equipment" - Any device or combination of devices located on the interconnection between the Facility and Idaho's system by which Idaho can manually and/or automatically interrupt the flow of power from the Facility to Idaho's system. Disconnection Equipment includes such enclosures or other facilities as may be required to ensure that only Idaho will have access to the devices.

1.6 "First Energy Date" - The date when Seller has been interconnected with Idaho's system and begins delivering electric energy to Idaho for purposes of demonstrating to Idaho the Facility's degree of completion and reliability.

1.7 "Facility" - That electric generation facility described in Appendix B of this Agreement.

1.8 "Interconnection Facilities" - All facilities required to be installed solely to interconnect and deliver energy from the Facility to Idaho's system including, but not limited to, connection, switching, metering, relaying, communications and safety equipment.

1.9 "Losses" - The loss of energy occurring as a result of the transformation and transmission of energy between the Facility and the Point of Delivery.

1.10 "Net Energy" - The electric energy produced by the Facility, expressed in kilowatt hours ("kwh"), delivered to Idaho at the Point of Delivery less Station Use and less Losses.

1.11 "Operation Date" - The day commencing at 0001 hours, following the day during which all features and equipment of the Facility have reached a degree of completion and reliability, such that they are capable of operating simultaneously to deliver Net Energy continuously into Idaho's system.

1.12 "Point of Delivery" - The location specified in Appendix B, where Idaho's and Seller's electrical facilities are interconnected.

1.12 "Prudent Electrical Practices" - Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy.

1.13 "Scheduled Operation Date" - The date specified in Appendix B when Seller anticipates achieving the Operation Date.

1.14 "Season" - The four periods of three months each identified in Article VI.

1.15 "Seasonal Net Energy" - The amounts of Net Energy Seller estimates it will deliver to Idaho at the Point of Delivery during each Season.

1.16 "Special Facilities" - Those additions and alterations to Idaho's system which are reasonable required by Prudent Electrical Practices and the national Electric Safety Code to interconnect the Facility safely to Idaho's system.

1.17 "Station Use" - Electric energy which is used solely to operate the Facility's equipment which is auxiliary or directly related to the production of electricity and which, but for the generation of electricity, would not be consumed by Seller.

1.18 "Surplus Energy" - Net Energy which is delivered and accepted prior to the Operation Date.

ARTICLE II: NO RELIANCE ON IDAHO

2.1 Seller Independent Investigation - Except for the Disconnection Equipment and any other facilities exclusively within the control of Idaho,

Seller warrants and represents to Idaho that in entering into this Agreement and the undertaking by Seller of the obligation set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of Idaho in connection with the transactions contemplated by this Agreement.

2.2 Seller Independent Experts - Except for the Disconnection Equipment and any other facilities within the exclusive control of Idaho, all professionals or experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement, have been solely those of Seller.

ARTICLE III: WARRANTIES

3.1 No Warranty by Idaho - Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho, and Idaho makes no warranties, express or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including but not limited to safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

3.2 Qualifying Facility Status - Seller warrants that the Facility is a "qualifying facility," as that term is used and defined in 18 CFR, Part 292. Seller will take such steps as may be required to maintain the Facility's "qualifying facility" status during the term of this Agreement.

ARTICLE IV: CONDITIONS TO INTERCONNECTION

4.1 Prior to the First Energy Date and as a condition of interconnection with Idaho, Seller shall:

4.1.1 Submit proof to Idaho that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including but not limited to those licenses, permit or approvals specified in Appendix C;

4.1.2 Make payment to Idaho for all costs of Disconnection Equipment, metering equipment and Special Facilities as provided for in Appendix B of this Agreement;

4.1.3 Obtain written acceptance from Idaho as provided in paragraph 8.3;

4.1.4 Submit proof to Idaho of all insurance required in Article XIV;

4.1.5 Demonstrate to Idaho's satisfaction that Seller's Facility has been completed, and is capable of operating safely to commence deliveries of electric energy into Idaho's system.

4.1.6 Submit to Idaho a statement from a licensed professional engineer certifying that the design of and equipment in Seller's Facilities comply with the standards of this Agreement and with Prudent Electrical Practices.

4.1.7 Obtain written confirmation from Idaho that all conditions to interconnection have been fulfilled. It is understood that such written confirmation shall not be unreasonably withheld by Idaho.

ARTICLE V: TERM AND OPERATION DATE

5.1 Term - This Agreement shall become effective on the date first above written, and shall continue in full force and effect for a period of thirty-five (35) Contract Years.

APR 16 1978

5.2 Operation Date - The Operation Date may occur only after Seller has achieved the First Energy Date, and the necessary degree of completion and reliability has been demonstrated to Idaho's satisfaction and Idaho has confirmed that satisfaction in writing. Seller shall have the duty to obtain that confirmation and it will not be unreasonably withheld by Idaho.

ARTICLE VI: SALE OF NET ENERGY

6.1 Delivery and Acceptance of Net Energy - Except when either party's performance is prevented by events of force majeure (Article XVI) or otherwise excused as provided herein, Idaho shall purchase all of the Net Energy and Surplus Energy delivered by Seller to the Point of Delivery.

6.2 Seasonal Net Energy Amounts - Based on long-term historical water flow records and average long-term energy estimates based thereon, Seller estimates that it can deliver Net Energy in the following amounts:

Season 1	December	2,588,000 KWH
	January	
	February	
Season 2	March	937,000 KWH
	April	
	May	
Season 3	June	666,000 KWH
	July	
	August	
Season 4	September	1,996,000 KWH
	October	
	November	

6.3 Annual Net Energy Amount - The Annual Net Energy shall be 6,187,000 KWH and shall be the sum of the four Seasonal Net Energy amounts Seller specified above.

6.4 Normal Water Conditions - For hydroelectric generating facilities, the Net Energy amounts Seller has estimated it can supply are based upon the anticipated water flows at the Facility. The parties have reviewed these anticipated water flows and the water records supporting those projected water flows and have agreed that, for purposes of this Agreement, the projected water flows used to calculate the Annual Net Energy amount are reasonable and shall constitute the water flows available to the Facility under "normal" water conditions. No later than 120 days after the Operation Date, Seller will install such water flow measuring equipment as is reasonably required to permit the parties to monitor the water flows at the Facility site. Seller will operate and maintain this water flow measuring equipment and will perform such other water flow analyses as may be required to carry out the provisions of 21.2.1.

6.5 Net Energy Changes - If, as a result of some action by Seller (for example, procurement of additional long-term water or other fuel supplies, or installation of larger or more efficient generating equipment), Seller is able to permanently increase the amount of annual Net Energy delivered to Idaho by more than 10% above the amount specified in paragraph 6.3 above, Idaho shall purchase this increased amount of Net Energy under the terms and conditions of this Contract except that the price paid to Seller for the increased increment of Net Energy shall not be determined in accordance with paragraph 7.1 of this Agreement, but instead will be priced at the firm energy rate in effect at the time of such increase for a Contract term equal in length to the period commencing in the year of the Net Energy increase and ending in the year in which this Agreement expires.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT;
ADJUSTMENT OF PURCHASE PRICE

7.1 Net Energy Purchase Price - The price to be paid to Seller for Net Energy which is not Surplus Energy will be the sum of the following payments:

7.1.1 Base Payment -

Season 1	70.0 Mills/KWH
Season 2	46.7 Mills/KWH
Season 3	70.0 Mills/KWH
Season 4	46.7 Mills/KWH

7.1.2 Adjustable Payment - In addition to the Base Payment specified in paragraph 7.1.1, Idaho shall pay to Seller an Adjustable Payment of 8.0 mills per kilowatt hour for Net Energy delivered and accepted in Seasons 1 and 3 and 5.4 mills per KWH for Net Energy delivered and accepted in Seasons 2 and 4. The Adjustable Payment shall be subject to change pursuant to Commission Order at such time as Idaho's retail rates are revised by Commission Order.

7.2 Surplus Energy Purchase Price - Surplus Energy will be purchased at the non-firm avoided energy rate in effect at the time of delivery. This rate is calculated monthly and is filed with the Commission.

ARTICLE VIII: FACILITY AND INTERCONNECTION

8.1 Design of Facility - Seller shall design, construct, install, own, operate and maintain the Facility. The Facility shall be designed and constructed so as to allow safe, reliable delivery of electric energy to Idaho's system.

8.2 Interconnection Facilities - Except for the Special Facilities, metering equipment and Disconnection Equipment specified in Appendix B, Seller shall construct, install, own, and maintain all Interconnection Facilities. Seller will pay all costs of interconnecting the Facility with Idaho.

8.3 Idaho Review - To assure the Facility and Seller-furnished Interconnection Facilities are of suitable size and are compatible with Idaho's system, Seller shall submit the designs, plans, specifications and performance data for the Facility and Seller-furnished Interconnection Facilities to Idaho for review. Idaho shall, in writing and in conformance with paragraph 4.1.3, notify Seller of its acceptance and confirmation of system compatibility or conversely, notify Seller, in writing, of any changes which, consistent with Prudent Electrical Practices, Idaho determines are necessary to assure the safe delivery of electric energy from the Facility to Idaho's system.

ARTICLE IX: DISCONNECTION EQUIPMENT

9.1 Disconnect Equipment - Idaho will, at Seller's expense, provide, install, own, operate, and maintain all Disconnection Equipment. At Seller's request, Idaho will provide Seller with the general specifications and an itemization by category of the costs of such Disconnection Equipment. Idaho will establish the settings of Disconnection Equipment to disconnect automatically from the Facility for the protection of Idaho's system and personnel consistent with Prudent Electrical Practices. Upon Seller's request, Idaho will notify Seller as to the original setting and any adjustments thereof. Except as otherwise required by Prudent Electrical Practices, Disconnection Equipment will be designed so that the closure of any breaker or other dis-

connecting device which connects the Facility to Idaho's system shall be controlled by equipment which will perform the following:

(1) Automatically monitor the status of the electrical system on Idaho's side of the disconnecting device; as to voltage and frequency; and

(2) Prohibit closure or reconnection until voltage and frequency have been within approved limits for a continuous period of not less than five minutes; and

(3) Operate so that if Idaho's system is de-energized within ten seconds after the initial closure of the disconnecting device, the disconnecting device will immediately open and not close again until Idaho has been satisfied that Idaho can safely reclose the Disconnecting Equipment.

9.2 Security of Disconnect Equipment - The Disconnection Equipment will be located in an enclosure secured by a lock or otherwise secured in a manner designed to ensure that only Idaho's authorized personnel will have access to the disconnecting devices.

9.3 Remote Disconnection - Other Disconnection Equipment, including equipment which will provide Idaho's operating personnel with the ability to remotely control and monitor the status of the breaker or other disconnecting device by radio or hard-wire circuit between the Facility and the Designated Dispatch Facility may be specified by Idaho when, in Idaho's reasonable judgment, such equipment is required by Prudent Electrical Practices. Seller recognizes that such remote control equipment may not initially be required by Idaho, but at such time as operating conditions on Idaho's system dictate, Idaho will install this remote control equipment at Seller's expense. If Seller disputes Idaho's determination that the installation of such remote

Disconnection Equipment is required, such dispute shall be submitted to the Commission for resolution.

9.4 Interference with Disconnection Equipment - If Seller attempts to modify, adjust or otherwise interfere with the Disconnection Equipment or its enclosure, such action shall constitute an event of default pursuant to Article XXI.

ARTICLE X: METERING

10.1 Metering - Idaho shall, for the account of Seller, provide, install, and maintain required metering equipment to be located at a mutually agreed upon location to record and measure power flows to Idaho in accordance with the standards set forth in Appendix A. If required by Idaho, metering will also include measurement of kilovar-hours in a manner agreed to by both parties. All meter equipment, installation, ownership, and administration costs therefor, shall be borne by Seller, including costs incurred by Idaho for inspecting and testing such equipment at reasonable intervals at Idaho's actual cost of providing this equipment and services. The point of metering shall be at the location described in Appendix B. All meters used to determine the billing hereunder shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested or adjusted.

10.2 Meter Inspection - Idaho shall inspect and test all meters upon their installation and at least once every four years thereafter. If requested by Seller, Idaho shall make a special inspection or test of a meter and Seller shall pay the reasonable costs of such special inspection. Both parties shall be notified of the time when any inspection or test shall take place, and each party may have representatives present at the test or inspection. If a meter

applicable local, state, and federal codes. If, in the reasonable opinion of Idaho, Seller's operation of the Facility or Interconnection Facilities is unsafe or may otherwise adversely affect Idaho's equipment, personnel, or service to its customers, Idaho may physically interrupt the flow of energy from the Facility or take such other reasonable steps as Idaho deems appropriate. Except in the case of an emergency, Idaho will attempt to notify Seller of such interruption prior to its occurrence as provided in paragraph 13.8. Seller shall provide and maintain adequate protective equipment sufficient to prevent damage to the Facility and Seller-furnished Interconnection Facilities.

ARTICLE XIII: OPERATIONS

13.1 Emergency Conditions - Seller agrees that in the event of and during a period of a shortage of power on Idaho's system as declared by Idaho in its reasonable discretion, Seller shall, at Idaho's request and within the limits of reasonable safety requirements as determined by Seller, use its best efforts to provide requested Net Energy, and shall, if necessary, delay any scheduled shutdown of the Facility.

13.2 Communications - Idaho and Seller shall maintain appropriate operating communications through Idaho's Designated Dispatch Facility, and Seller shall report to Idaho at the times and in the manner set forth in Appendix A.

13.3 Energy Acceptance - Idaho shall be excused from accepting and paying for Net Energy delivered by Seller to the Point of Delivery under the following circumstances:

13.3.1 If it is prevented from doing so by an event of force majeure.

13.3.2 If Idaho determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, operating conditions on its system, or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of force majeure, Idaho requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceed twenty days beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate determined by dividing the Annual Net Energy amount by 8760 hours. Idaho will notify Seller when the interruption, curtailment or reduction is terminated.

13.4 Voltage Levels - Seller shall use its best efforts to minimize voltage swings and to maintain voltage levels acceptable to Idaho. Idaho may, upon one hundred eighty (180) days' notice to Seller, change its nominal operating voltage level by more than ten percent (10%) at the Point of Delivery, in which case Seller shall modify, at Idaho's expense, Seller's equipment as necessary to accommodate the modified nominal operating voltage level.

13.5 Power Factor - Seller shall provide power within plus or minus 5% of unity power factor. The generator shall be equipped with controls or equipment which give it the capability of operating anywhere within this range.

13.6 Scheduled Maintenance - Seller shall submit a proposed maintenance schedule for each calendar year on or before the preceding February 1,

and Idaho and Seller shall mutually agree as to the acceptability or unacceptability of the proposed date(s). The parties' determination as to the acceptability of Seller's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices and neither party shall unreasonably withhold its acceptance of the proposed date for scheduled maintenance.

13.7 Maintenance Coordination - The parties shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.

13.8 Contact Prior to Curtailment - Idaho will make a reasonable attempt to contact Seller prior to exercising its rights to curtail, interrupt or reduce deliveries from Seller. Seller understands that in the case of emergency circumstances, no notice will be given to Seller prior to interruption, curtailment, or reduction.

ARTICLE XIV: INDEMNIFICATION AND INSURANCE

14.1 Indemnification - Each party shall agree to hold harmless and to indemnify the other party, its officers, agents, and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying party's construction, ownership, operation or maintenance of, or by failure of, any of such party's works or facilities used in connection with this Agreement. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity.

14.2 Insurance - During the term of this agreement, Seller shall secure and continuously carry:

14.2.1 Comprehensive General Liability Insurance for both bodily injury and property damage equivalent to the amount of \$1,000,000 combined single limit. Such insurance shall:

- (a) include an endorsement naming Idaho as an additional insured insofar as work performed under this agreement is concerned; and
- (b) include a provision stating that such liability policies shall not be canceled or their limits of liability reduced without thirty (30) days' written notice to Idaho.

14.2.2 Valued Loss of Income Insurance covering, at a minimum, the perils of fire, extended coverage, vandalism and malicious mischief, earthquake and flood and loss arising out of accidents to boilers and/or pressure vessels and mechanical and electrical breakdown coverage for turbines and generators. Such policies shall:

- (a) be in amounts equal to the repayment amounts shown in Appendix E that would be owed to Idaho pursuant to paragraph 21.2.
- (b) include a provision stating that this policy shall not be canceled or the limits reduced without thirty (30) days' written notice to Idaho.
- (c) include Idaho as an additional insured and loss payee.

14.2.3 Seller to Provide Copies of Policies of Insurance - It is a requirement of this contract that a certified copy of the original policies and all endorsements be furnished Idaho as soon as reasonably possible.

ARTICLE XV: LAND RIGHTS

15.1 Seller to Provide Access - Seller hereby grants to Idaho for the term of this Agreement all necessary rights of way and easements to install, operate, maintain, replace, and remove Idaho's metering equipment, Disconnection Equipment and other Special Facilities necessary or useful to this agreement, including adequate and continuing access rights on property of Seller. Seller warrants that it has procured sufficient easements and rights of way from third parties so as to provide Idaho with the access described above. All documents granting such easements or rights of way shall be subject to Idaho's approval and in recordable form.

15.2 Use of Public Rights-of-Way - The parties agree that it is necessary to avoid the adverse environmental and operating impacts that would occur as a result of duplicate electric lines being constructed in close proximity. Therefore, subject to Idaho's compliance with paragraph 15.4, Seller agrees that should Seller seek and receive from any local, state or federal governmental body the right to erect, construct and maintain Seller-furnished Interconnection Facilities upon, along and over any and all public roads, streets and highways, then the use by Seller of such public right-of-way shall be subordinate to any future use by Idaho of such public right-of-way for construction and/or maintenance of electric distribution and transmission facilities and Idaho may claim use of such public right-of-way for such purposes at any time. Except as required by paragraph 15.4, Idaho shall not be required to compensate Seller for exercising its rights under this paragraph 15.2.

15.3 Joint Use of Facilities - Subject to Idaho's compliance with paragraph 15.4, Idaho may use and attach its distribution and/or transmission

facilities to Seller's Interconnection Facilities, may re-construct Seller's Interconnection Facilities to accommodate Idaho's usage or Idaho may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to paragraph 15.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by paragraph 15.4, Idaho shall not be required to compensate Seller for exercising its rights under this paragraph 15.3.

15.4 Conditions of Use - It is the intention of the parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior to Idaho's exercising its rights under this Article XV. Therefore, the parties agree that the exercise by Idaho of any of the rights enumerated in paragraphs 15.2 and 15.3 shall: (1) comply with all applicable laws, codes and Prudent Electrical Practices, (2) Equitably share the costs of installing, owning and operating jointly used facilities and rights of way. If the parties are unable to agree on the method of apportioning these costs, the dispute will be submitted to the Commission for resolution and the decision of the Commission will be binding on the parties, and (3) shall provide Seller with an interconnection to Idaho's system of equal capacity and durability as existed prior to Idaho exercising its rights under this Article XV.

ARTICLE XVI: FORCE MAJEURE

As used in this Agreement, "force majeure" or "an event of force majeure" means any cause beyond the control of the Seller or of Idaho which, despite the exercise of due diligence, such party is unable to foresee, prevent

or overcome, including but not limited to an act of God, fire, flood, explosion, strike, sabotage, an act of the public enemy, civil or military authority, court orders, laws or regulations, insurrection or riot, an act of the elements or lack of precipitation resulting in reduced water flows for power production purposes. If either party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of force majeure, both parties shall be excused from whatever performance is affected by the event of force majeure, provided that:

(1) The non-performing party shall, as soon as is reasonably possible after the occurrence of the event of force majeure, give the other party written notice describing the particulars of the occurrence.

(2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of force majeure.

(3) No obligations of either party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XVII: LIABILITY; DEDICATION

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a party to this Agreement. No undertaking by one party to the other under any provision of this Agreement shall constitute the dedication of that party's system or any portion thereof to the other party or to the public, nor affect the status of Idaho as an independent public utility corporation, or Seller as an independent individual or entity.

ARTICLE XVIII: 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 and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either party. Each party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XIX: WAIVER

Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

ARTICLE XX: CHOICE OF LAWS

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

ARTICLE XXI: DEFAULT, NOTICE AND LIQUIDATED DAMAGES

21.1 Notice - In the event either party defaults in the performance of any of the terms or conditions of this Agreement, the nondefaulting party shall cause notice in writing to be given to the defaulting party, specifying the manner in which such default occurred. If the defaulting party shall fail to cure such default within the 30 days after service of such notice, then, and only then, may the nondefaulting party pursue any remedy which it may have in

law or equity, including an action to terminate this Agreement, to enforce the terms of this Agreement, or to recover damages for breach thereof. This article shall not be construed as restricting in any way Idaho's rights under Article XII, or paragraph A-4.1 of Appendix A to immediately interrupt flows of energy from the facility to Idaho's system.

21.2 Liquidated Damages. The parties agree that the amount of the payment which Idaho is to make to Seller is based on the agreed value to Idaho of Seller's performance of its obligation to provide Net Energy as set out in Article VI for the full term of the Agreement. The parties further agree that if Idaho does not receive such full performance (1) Idaho shall be deemed damaged by reason thereof, (2) it would be impractical or extremely difficult to fix the actual damages to Idaho resulting therefrom, (3) the payments as provided below are in the nature of adjustments in Net Energy prices and liquidated damages and not a penalty, and are a reasonable attempt by the parties to estimate a fair compensation to Idaho for the reasonable losses that would result from such total or partial default.

21.2.1 Failure to Deliver for Term of Agreement - If, at any time prior to the end of the term of the Agreement, Seller permanently curtails in whole or in part its deliveries of the Annual Net Energy amount Seller shall pay to Idaho, as Idaho's sole and exclusive remedy for damages arising out of this permanent curtailment of Net Energy deliveries, the appropriate lump sum repayment amount specified in Appendix E, multiplied by the difference in megawatt-hours between the annual Net Energy amount specified in paragraph 6.3 and the reduced Annual Net Energy amount. This payment amount will bear interest from sixty (60) days after Idaho receives notice of Seller's permanent reduction of the

annual Net Energy amount, until paid, at a rate equal to the average of the prime interest rates of the Idaho First National Bank in effect during each month of that period. For purposes of this paragraph, reduced deliveries of Net Energy due to below-normal water conditions (paragraph 6.4) shall not be considered a permanent curtailment.

ARTICLE XXII: GOVERNMENTAL AUTHORIZATION

22.1 This Agreement is subject to the jurisdiction of those governmental agencies having control over either party or this Agreement.

22.2 This Agreement shall not become effective until the Commission approves all terms and provisions hereof without change or condition and declares that all payments to be made hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

ARTICLE XXIII: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto, save that no assignment hereof by Seller shall become effective without the written consent of Idaho being first obtained. Such consent shall not be unreasonably withheld. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXIV: MODIFICATION

No modification to this Agreement shall be valid unless it is in writing and signed by both parties.

ARTICLE XXV: TAXES

25.1 Each party agrees to pay its own federal and state taxes on its share of income attributable to the parties' performance of this Agreement, and any other tax, including any tax in the nature of an excise tax.

25.2 Each party shall pay before delinquency all ad valorem taxes and other governmental charges which if failed to be paid when due could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXVI: NOTICES

All written notices under this Agreement shall be directed as follows, and shall be considered delivered when deposited in the U S Mail, first-class postage prepaid, as follows:

To Seller: Bonneville-Pacific Corp
Suite 300
200 East South Temple
Salt Lake City, UT 84111
Attn: Robert Wood

To Idaho: Vice President, Power Operations
Idaho Power Company
P O Box 70
1220 Idaho Street
Boise, Idaho 83707

ARTICLE XXVII: ADDITIONAL TERMS AND CONDITIONS

This Agreement includes the following appendices, which are attached hereto and included by reference:

- Appendix A - Standards for Interconnection and Metering
- Appendix B - Special Facilities, Point(s) of Delivery and Metering, and Operation Date
- Appendix C - Schedule of Required Licenses and Permits
- Appendix D - Lump Sum Payment

ARTICLE XVIII - ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement of the parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the parties concerning the subject matter hereof.

IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

IDAHO POWER COMPANY

By *D. E. Barclay*
Vice President - Planning
and Resources

"Idaho"

BONNEVILLE-PACIFIC CORP

By *Raymond L. Hixson*
Its: President

"Seller"

STATE OF IDAHO)
) ss
County of Ada)

On this 8th day of May, 1984, before me, the undersigned, a Notary Public, personally appeared DONALD E BARCLAY, personally known, who being duly sworn, did say that he is the Vice President - Planning & Resources of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(NOTARIAL SEAL)

Julie A. Ryan
Notary Public for Idaho
Residing at Boise, Idaho

STATE OF IDAHO)
) ss
County of ada)

On this 10th day of May, 1984, before me, the undersigned, a Notary Public, personally appeared Raymond L. Hipon, personally known, who being duly sworn, did say that he is the President of Bonneville-Pacific Corp, who executed the within instrument, and acknowledged to me that he executed the same as the free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(NOTARIAL SEAL)

Hella Wardle
Notary Public for Idaho
Residing at: Boise, Idaho

APPENDIX A
STANDARDS FOR INTERCONNECTION AND METERING

A-1 GENERAL PROVISIONS

A-1.1 It is the policy of Idaho to permit Seller to operate its Facility in parallel with Idaho's electric system, whenever this can be done without adverse effect to Idaho's equipment, personnel or other customers

A-1.2 These guidelines contain the minimum metering, interconnection, protection, operation, and communications requirements for the safe and effective parallel operation of Seller's Facility with Idaho's system. Although these guidelines are established to provide a uniform approach for evaluating Seller's generation projects, each interconnection must be examined by Idaho individually. Idaho and the Seller will be guided by this document, which is a part of the Firm Energy Sales Agreement, in planning an interconnection between Idaho's system and the Seller.

A-1.3 Idaho may provide limited technical assistance for Seller, but will not perform any engineering, construction or repair work on power production equipment.

A-2 GENERAL DESIGN CONSIDERATIONS

A-2.1 All Seller generators larger than 20 KVA shall be three-phase generators connected to three-phase circuits unless otherwise approved by Idaho. Generators 20 KVA and smaller may be either single-phase or three-phase.

A-2.2 Except in certain instances to be determined by Idaho, Seller's generator(s) shall be isolated from Idaho's system by a transformer. The Seller may be required to limit the fault current contribution to Idaho's system by generator impedance, neutral grounding or other means.

A-2.3 Idaho will not assume any responsibility for protection of the Seller's generator or of any other portion of the Seller's electrical equipment. The Seller is fully responsible for protecting his equipment from faults or disturbances on Idaho's system.

A-2.4 Seller is hereby notified that certain conditions on Idaho's system may cause negative sequence currents to flow in the Seller's generator. It is the sole responsibility of the Seller to protect his equipment from excessive negative sequence currents, reverse power flow, and single phasing.

A-3 METERING REQUIREMENTS

A-3.1 Unless otherwise agreed by the Parties, metering will be provided for recording net output of the Facility and will be separate from any metering of Seller's load. Metering required will be determined by Idaho on a case-by-case basis, but will generally follow the guidelines below:

A-3.1.1 Capacity Under 750 KVA - A kilowatt-hour/demand meter will be installed.

A-3.1.2 Capacity of 750 KVA and Above - Two meters will be installed. These will measure KWH/KW demand, and reactive power flow to and from the generator. These meters will have pulse outputs to a solid state recorder in order to determine power factor and demand.

A-4 FACILITY PROTECTION

A-4.1 The Seller has full responsibility for the maintenance of his generating equipment and the equipment protecting the Facility. If, in the opinion of Idaho, the Seller has failed to provide proper maintenance of the facility or its protection, and this failure could adversely impact Idaho or other Idaho customers, Idaho can require the Seller to cease parallel operation.

A-5 SYNCHRONOUS GENERATORS

A-5.1 If a governor is used, the governor characteristics may be adjusted to at least 5% droop.

A-5.2 A check interlock for synchronizing of the Seller's generator is required.

A-6 INDUCTION GENERATORS

A-6.1 Overvoltage can become a serious problem when an induction generator is isolated to a portion of a transmission or distribution system. Overvoltage relay shall be provided that will open the generator breaker in the event that the voltage reaches predetermined limits consistent with the overvoltage capability of the generator and the system. Undervoltage protection may also be required. On larger units, underfrequency and overfrequency relaying may be required.

A-6.2 Vars for excitation of the induction generator will need to be supplied from the power system or from capacitors as a component of a static Var source. Appendix B to this Agreement provides for compensation to Idaho for Vars supplied.

A-7 DC TO AC CONVERTERS

A-7.1 Direct current generators may be operated in parallel with Idaho system through a synchronous inverter. The inverter installation will be designed such that an Idaho system interruption will result in the immediate removal of the inverter power flow to Idaho. Harmonics and/or spurious frequencies generated by the Seller's generator-inverter combinations must be limited to avoid causing any reduction in quality of electric service to Idaho's other customers.

A-8 SWITCHING REQUIREMENTS

A-8.1 Idaho reserves the right to open and secure by lock any disconnecting device without prior notice to Seller for any of the following reasons:

A-8.1.1 System emergency.

A-8.1.2 Inspection of the Seller's Facility protective equipment reveals a condition which might adversely impact Idaho or Idaho's other customers.

A-8.1.3 Seller's generating equipment interferes with other customers, or with Idaho's system.

A-8.2 Seller shall maintain a written record of all operating (opening and closing) by Seller of the Seller's interconnection with Idaho. Each operation will be recorded by the date, hour and minute and will include the generator kilowatt hour reading at the time of the operation. This record will be maintained on a monthly basis and the original will be mailed to Idaho on the first business day of the following month. Idaho will provide the forms necessary for filing this monthly switching report.

A-9 GENERATION SCHEDULING AND REPORTING

A-9.1 For installations under 750 KVA, the Seller shall read his generator kilowatt hour meter within the 24-hour period following 12:00 noon on the last day of each month. That kilowatt hour meter reading is to be recorded on the monthly switching report that is mailed to Idaho.

A-9.2 For installations 750 KVA and above, before 10:00 A M each day, the Seller shall provide the Designated Dispatch Facility with an estimate of what the Seller will generate on the following day or days as may be required. In order to maintain a continuous record of energy actually generated and delivered, the Seller shall, by means acceptable to Idaho, obtain the kilowatt hour reading at midnight of each day and shall notify the Designated Dispatch

Facility, the following day, of that meter reading. Additionally, the kilowatt hour meter reading, corresponding to midnight at the end of the last day of each month, shall also be recorded on the monthly switching report that is mailed to Idaho.

A-9.3 The written record of the end-of-month meter reading on the monthly switching report, subject to subsequent review and correction by Idaho, will be the basis of payment for energy purchased by Idaho from the Seller. An adjustment in the kilowatt hours delivered will be made to compensate for the losses in B-6.

APPENDIX B
SPECIAL FACILITIES, POINTS OF DELIVERY AND METERING,
AND OPERATION DATE
CEDAR DRAW PROJECT

B-1 DESCRIPTION OF FACILITY

The Seller's Facility consists of four hydro units. Each unit will use a fixed geometry turbine. The generators will be 4160 volt, 3 phase, 60 hertz induction machines. One generator will have a nameplate rating of 275 KW, and the remaining three will have nameplate ratings of 425 KW each.

B-2 LOCATION OF FACILITY

The Facility is located in SW Quarter of Section 23 Township 9 South, Range 15 East, Boise Meridian, Twin Falls County, Idaho.

B-3 SCHEDULED OPERATION DATE

Seller has selected May 15, 1984, as the Scheduled Operation Date and April 15, 1984, as the First Energy Date. In making these selections, Seller recognizes that to allow for adequate testing of the Facility's degree of completion and reliability, it must achieve its First Energy Date at least thirty (30) days prior to the Operation Date. Idaho, based on the information supplied by Seller, will schedule its construction so that all Special Facilities, Disconnection Equipment and metering equipment will be completed in time so as not to delay Seller's achieving the First Energy Date. However, if Seller fails to pay the costs specified in B-11 below at the time specified therein, or materially changes the specifications or design of the Facility or Seller-furnished

Interconnection Facilities from what was previously provided to Idaho, Idaho may be required to reschedule its construction of these facilities which could adversely impact Seller's ability to achieve its scheduled First Energy Date.

B-4 FAILURE TO ACHIEVE OPERATION DATE

If Seller has not achieved the Operation Date within eleven (11) months of the Scheduled Operation Date, such failure shall be deemed to be an event of default pursuant to Article XXI.

B-5 POINT OF DELIVERY

The Point of Delivery of Energy from the Seller to Idaho will be the 46,000 volt transmission structure serving this Facility owned by Idaho and located near the E Quarter corner of Section 23, Township 9 South, Range 15 East, Boise Meridian. The Seller will provide the three phase 46,000 volts transmission line from the generator site to the Point of Delivery, and the transformer bank. The transformer bank will be a three phase bank, 4160/2400 volts to 46,000 volts, connected delta on the high voltage side and wye grounded through an impedance on the low voltage side. The bank will be located approximately 300 feet from the generator, and will be owned and maintained by the Seller.

B-6 LOSSES

Losses shall be 0.80% of the metered energy.

B-7 METERING

The metering equipment will be on the 2400 volt side of the transformer bank, and will consist of two current transformers, two voltage transformers, one demand meter, one recorder, and associated wiring. The meter will register kilowatt-hours and kilowatts of demand. Metering

equipment will be owned and maintained by Idaho, with total cost of purchase, installation, operation, and maintenance, including administrative cost, to be reimbursed to Idaho by the Seller.

B-8 SPECIAL FACILITIES

The construction of approximately 1.5 miles of overhead 46 KV transmission line will be provided by Idaho as Special Facilities.

B-9 REACTIVE POWER

Reactive Power requirements necessary to maintain the generator point factor at 95% or greater will be supplied and maintained by the customer.

B-10 DISCONNECTION EQUIPMENT

Disconnection Equipment is required to insure that the Seller's Facility will be disconnected from Idaho's system in the event of a disturbance on either Idaho's system or the Seller's Facility. This equipment is for the protection of Idaho's equipment only. Idaho will supply and install a 46 KV circuit switcher, mounting structure, three 46 KV APT's, three 4 KV current transformers, batteries and battery charger, and a cabinet containing a circuit breaker, relays, and associated wiring and logic. Seller will supply a safety switch, and will install the switch, cabinet, and all wiring and conduit necessary for the operation of the Disconnection Equipment. Idaho will supply details for the interconnection panel and will connect and test the equipment prior to operation of the Facility. Seller will provide drawings of the interconnection wiring for engineering approval before installation. The total cost of the Disconnection Equipment, connection and testing will be reimbursed to Idaho by the Seller.

B-11 COSTS

The total cost of Special Facilities is \$72,179. The total cost of Metering Equipment is \$3,400. The total cost of the Disconnecting Equipment is \$61,865. Total amount to be paid to Idaho by the Seller is \$137,444, less the \$1,000 Application Fee and the \$37,359 paid on October 21, 1983. This represents the amount that will be charged by Idaho if the Seller makes the payment on or before January 20, 1984. If the Seller does not make this payment by the specified date, the amount will be subject to adjustment by Idaho. Idaho will not schedule construction or order Special Facilities which are not ordinarily maintained in Idaho's inventory until payment has been made. In addition, to the installation and construction charges above, during the term of the Agreement, Seller will pay Idaho an operation and maintenance charge of 0.7% per month times the total amount specified above. The monthly operations and maintenance charge may be adjusted during the term of the Agreement to reflect changes in the costs upon which the charge is based. Idaho will maintain on file with the Commission a schedule showing the cost components and calculation of the monthly operation and maintenance charge.

B-12 SALVAGE

No later than sixty (60) days after the termination or expiration of this Agreement, Idaho will prepare and forward to Seller an estimate of the remaining value of those Idaho Power furnished Interconnection Facilities described in this Appendix, less the cost of removal and transfer to Idaho's nearest warehouse, if the Interconnection Facilities will be removed. Idaho may then be invoiced by Seller for the net salvage value

estimated by Idaho for the Interconnection Facilities and shall pay such amount to Seller within thirty (30) days after receipt of said invoice. Seller shall have the right to offset the invoice amount against any present or future payments due Idaho.

APPENDIX C

SCHEDULE OF REQUIRED LICENSES AND PERMITS

1. Evidence of compliance with Part 1 of the Federal Power Act. Acceptable evidence of compliance will be an Order from FERC: (1) issuing a License for the Facility, or (2) exempting the Facility from Licensing.
2. Permit for the appropriation of water for power production purposes issued by the Idaho Department of Water Resources.
3. Evidence of compliance with Subpart B of CFR §292.707. For this Facility, self-certification is sufficient.

APPENDIX D

LUMP SUM REFUND PAYMENT FOR PERMANENT CURTAILMENT OF PORTION OR ALL OF ANNUAL NET ENERGY AMOUNT UNDER 35-YEAR CONTRACT DOLLARS PER ANNUAL MEGAWATT HOUR

<u>Contract Year of Curtailment Commencement</u>	<u>Facility Operation Date</u>			
	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
1	20	20	20	20
2	40	40	40	40
3	60	60	60	65
4	80	80	80	85
5	100	100	105	105
6	120	120	125	125
7	140	140	145	145
8	160	160	165	165
9	180	180	185	185
10	195	195	200	200
11	210	210	215	220
12	225	230	235	240
13	240	250	260	270
14	255	265	270	300
15	275	290	310	325
16	300	315	335	355
17	325	340	360	385
18	350	365	385	410
19	370	390	410	435
20	390	410	430	460
21	405	425	450	480
22	420	440	465	495
23	435	455	480	510
24	440	465	490	520
25	445	470	500	525
26	445	470	495	520
27	440	465	490	510
28	420	445	475	495
29	400	420	450	475
30	370	390	410	430
31	330	345	365	385
32	270	280	295	315
33	200	200	220	220
34	100	100	110	110
35	0	0	0	0

MEMORANDUM

TO: Files 47-07830 and 47-07960

FROM: Sharla

DATE: January 13, 1998

RE: Power Use

Power use under this right was exempted from FERC licensing in November of 1982. A copy of the power purchase agreement has been added to each of the files. The term of years to be listed on the license is determined by the contract as 35 years from the scheduled operation date which was May 15, 1984. The term for this license then will expire May 15, 2019.

The source of water is Cedar Draw; there is no Cedar Draw Creek in the USGS maps.

MEMORANDUM

DATE: January 7, 1998

TO: ~~Sharla Curtis~~ Files 47-07830 & 47-07960

FROM: Cindy Bird

RE: ~~Water Right #47-07830~~ Volume/Terms

Sharla I spoke with Tom McCauley at (208) 534-8486 from Little Mac Power Co Inc regarding the number of days and hours for the power plant. The plant is in operation 24 hours a day for 365 days a year.

I also spoke with Karen Snider at IPUC and she has no power purchase contract listed for Little Mac Power Co, Bonneville Pacific or Thomas McCauley.

Copy of power purchase agreement supplied
by Mr. McCauley.



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

December 19, 1994

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

LITTLE MAC POWER CO INC
324 11TH AVE N
BUHL ID 83316

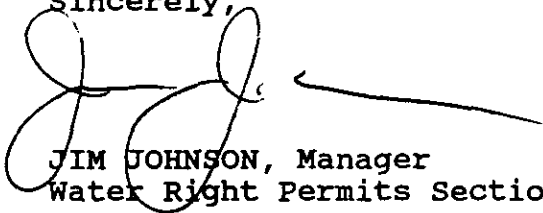
Re: Permit Nos. 47-07960 and 47-07830

Dear Water Right Holder(s):

This letter is to confirm that the assignments of ownership on the above referenced water rights are satisfactory. We have modified our computer records to reflect these changes in ownership.

If you have any questions regarding this matter, please feel free to contact us.

Sincerely,



JIM JOHNSON, Manager
Water Right Permits Section

JJ:dc

DEC 19 1994

Little Mac Power Company

RECEIVED
NOV 17 1994

Department of Water Resources
11/16/94

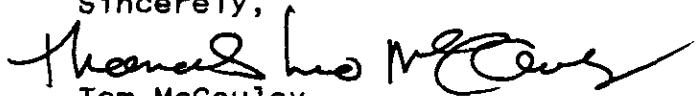
Cindy Zimmerman
Dept. of Water Resources
1301 No. Orchard St.
Boise, Idaho 83720-9000

Dear Cindy,

Thank you for your comments during our phone conversation earlier. I have included all the items requested in you letter dated 11/10/1994. These permits were once held by us and assigned to Bonneville Pacific Corporation. For your information I have included a letter from Dept. of Water resources dated 5/10/1984. As you will note we are now asking that these water rights be reassigned to us in the name of our company Little Mac Power Company Inc.

If there are any other requirements or if you have any questions please call my office at 543-8486. Thank you for your efforts in this matter.

Sincerely,


Tom McCauley

Note our address: Little Mac Power Co. Inc
324 11th Ave N
Buhl Idaho 83316

P.S. OWNERS OF LITTLE MAC POWER CO. INC. ARE

Thomas Lee McCauley
Rebecca R. McCauley

Route 4, Box 1566 / Buhl, Idaho, U.S.A. 83316 / 208-543-8486

DEC 19 1994



State of Idaho
DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000
Phone: (208) 327-7900 FAX: (208) 327-7866

November 10, 1994

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

LITTLE MAC POWER CO INC
324 ELEVENTH AVE N
BUHL ID 83315

RE: Assignments of Permit Nos. 47-07830 and 47-07960

Dear Sirs;

I recently received 'Assignment of Permit' forms on the above referenced permits assigning the permits to your company

These permits for power use are subject to the provisions of Sections 42-205 through 42-210, Idaho Code. I have enclosed a copy of these statutes for your reference.

Prior to the department processing these assignments, you need to submit additional information. The additional information required includes a completed copy of the enclosed "Affidavit for Water Rights to be used for Power Purposes" form, a certificate of incorporation allowing your company to do business in Idaho, a complete list of names and address of the directors, officers, and/or partners of the corporation, and evidence of ownership (i.e. proof of purchase, bill of sale, or warranty deed).

These assignments of permit cannot be processed until the above statutory provisions have been met and the requested information has been submitted. I will hold further action on these assignments for 14 days pending your response.

If you have any questions, please contact me directly at (208) 327-7944.

Sincerely,

A handwritten signature in cursive script that reads 'Cindy Zimmerman'.

Cindy Zimmerman
Water Resource Agent

Enclosures

NOV 10 1994

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
COMMENCEMENT OF WORKS

Permit Nos. 47-7830 and 47-7960
Name(s) of Permit Holder(s): Bonneville Pacific Corporation
Post Office Address: 200 East South Temple, Suite 300
Salt Lake City, Utah 84111 Tel. No. (801) 363-1900

☒ I hereby certify that construction of diversion works for the above referenced permit began on NOV. 15, 1983 (date). I understand that I must continue to develop the water system with due diligence to maintain a valid permit.

☐ I hereby certify that construction of diversion works on the above referenced project has not yet begun due to the following reason beyond my control*:

*Note: A financing difficulty is not an acceptable reason.

DEC 19 1984
NOV 15, 1984
Date

BOYNEVILLE PACIFIC CORP.

BY: [Signature] SEC.
Signature of Permit Holder

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
BENEFICIAL USE FIELD REPORT

RECEIVED
OCT 31 1986

Department of Water Resources
47-8016

A. GENERAL INFORMATION

1. Owner: Thomas Leo McCauley Permit No. 47-7830
Current Address: Rte. #4, Box 139, Buhl, Idaho 83316 Phone No. 543-8486
2. Accompanied by: - EXAM. DATE: October 7, 1986
Address: - Phone No. -
Relationship to Permit Holder: -
3. Source: Cedar Draw Creek tributary to Snake River

B. OVERLAP REVIEW

1. Other water rights with same place of use: 47-8016 (Approved Permit)
- ☒ Copies Attached
2. Other water rights with same point of diversion: None
- ☐ Copies Attached ☐ Copies of Field Exam's Attached

C. SYSTEM DESCRIPTION

1. **Diversion System Diagram:** Indicate all major components and distances between components. Indicate weir size/ditch size/pipe i.d. as applicable. ☒ Alternative diagram attached

attachments to field exam filed in 47-7830

RECEIVED

DEC 19 1994

Scale: 1" = _____

2. ☒ Copy of U.S.G.S. Quadrangle Attached
Showing location(s) of point(s) of diversion and
place(s) of use (required). ☐ Aerial Photo Attached
(required for irrigation of 10 acres or more).
☒ Photo of Diversion and System Attached
(required for all but single household domestic groundwater, and stockwater).

System Description (continued)

3. **Narrative:** Description (As operating at time of measurement. Indicate pressure, number of sprinklers, etc.)

Water is diverted out of Cedar Draw Creek and into an earthen power canal. The diversion consists of stop log channels across both Cedar Draw Creek and the power canal of which the flow can be adjusted by adding or removing stop log boards. The power canal is approximately 2500 feet long and ends at a concrete penstock intake structure. The intake structure consists of self cleaning trash racks and an overflow spillway which dumps excess water back to Cedar Draw Creek. A 48-inch diameter steel penstock (approximately 836 feet long) conveys the water to the powerhouse. The powerhouse houses four turbine/generator units of which all four were operating at the time of

☒ See Remarks on page 4 for continuation
Design Turbine

~~XXXXXX~~ Turbine Identification No.*	~~XXXXXX~~ Generator Make	~~XXXXXX~~ KW	~~XXXXXX~~ Motor Serial No.	~~XXXXXX~~ Turbine Make	~~XXXXXX~~ Discharge Size
16 LNHT 23	Westinghouse	411	N/A	Worthington	35.5 CFS
16 LNHT 23	Westinghouse	411	N/A	Worthington	35.5 CFS
16 LNHT 23	Westinghouse	411	N/A	Worthington	35.5 CFS
14 LNT 24	Westinghouse	257	N/A	Worthington	22.5 CFS

5. **Point(s) of Diversion:**

Ident. No.	Gov't. Lot	1/4	1/4	1/4	Sec.	Twp.	Rge.	County	Method of Determination/Remarks
		SE	SE	SE	23	9S	15E	Twin Falls	As Built Survey

6. **Place(s) of Use:**

Indicate Method of Determination As Built Survey

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
9S	15E	23														X			--

Do not use this space

DEC 19 1964

Do not use this space

D. FLOW MEASUREMENTS

☐ Additional Data Sheets Attached

1.

Measurement Equipment	Type	Make	Model No.	Serial No.	Size	Calib. Date

2. Measurements:

Construction plans of the project indicate a gross head on the turbines of approximately 175 feet (depending on tailwater fluctuations). After discounting friction and minor losses in the penstock, the net head is approximately 165 feet (which is the design head to the turbines). The attached turbine curves indicate a total flow of 129 CFS at this head (with all four turbines operating simultaneously).

E. FLOW CALCULATIONS

☐ Additional Computation Sheets Attached

1. Measured Method:

Certified turbine curves were used to determine flow. (See attached turbine curves.) The head to the turbines was determined from as-built construction plans.

2. Alternate Method for Checking Purposes:

N/A

F. PUMP EFFICIENCY DATA (Optional)

Not Applicable

Discharge Pressure: _____ psi x 2.31 = _____ ft (1); Dynamic pumping level: _____ ft (2)

Total Head: (1) + (2) = _____ (3); Flow rate: _____ cfs (4)

Water HP: (3) x (4) ÷ 8.8 = _____ (5)

Meter Input KW: 3.6 x _____ KH x _____ CTR or _____ MULT x _____ PTR x _____ N/ _____ T = _____ (6)

Meter Input HP: (6) x 1.34 = _____ (7)

Panel Input KW: _____ Ave PF x _____ Ave Volts x _____ Ave Ampsx .001732 = _____ (6)

Panel Input HP: (6) x 1.34 = _____ (7) Efficiency: (5)/(7) x 100 = _____ %

G. VOLUME CALCULATIONS Not Applicable

1. Volume Calculations for Irrigation:

$V_{I.R.} = (\text{Acres Irrigated}) \times (\text{Irrigation Requirement}) =$ _____

$V_{D.R.} = [\text{Diversion Rate (cfs)}] \times (\text{Days in Irrigation Season}) \times 1.9835 =$ _____

$V = \text{Smaller of } V_{I.R.} \text{ and } V_{D.R.} =$ _____

2. Volume Calculations for Other Uses:

DEC 19 1994

H. REMARKS AND OVERLAP REVIEW ANALYSIS

inspection. Water is then discharged directly back to Cedar Draw Creek from the powerhouse (See as-built survey blueprint and attached photos of the various project components.)

When all four turbines operate at the design net head of 165 feet, the combined flow to the turbines is 129 CFS. (See attached turbine curves.) The project, in its as-built condition, is capable of supplying this head to the turbines. As a result, the project is using more water than the combined permit amount of 120 CFS. At this time it is felt that the total combined permit amount of 120 CFS be recommended for beneficial use.

I. RECOMMENDATIONS

1. Recommended Amounts

Beneficial Use	Period of Use		Rate of Diversion Q (cfs)	Annual Volume V (afa)
	From	To		
Power Generation	Jan. 1	Dec. 31	120 CFS	
Totals:			120 CFS	

2. Recommended Amendments

- ☐ Change P.D. as reflected above ☐ Add P.D. as reflected above ☒ None
☐ Change P.U. as reflected above ☐ Add P.U. as reflected above ☐ Other

J. AUTHENTICATION

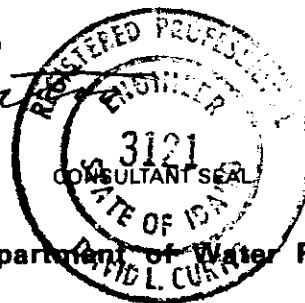
Field Examiner's Name

Signature

Certification Date

Field Report Preparation Date

David L. Curtis
David L. Curtis
14 Oct., '86
16 Oct., '86



K. Licensing recommendation shall be prepared by an Idaho Department of Water Resources employee on a computer printout attached hereto.

DEC 19 1986

November 25, 1986

Thomas Leo McCauley
Rt. 4 Box 139
Buhl, ID 83316

Dear Mr. McCauley:

Re: Permit Nos. 47-7960 and 47-7830

Returned are the proof of beneficial use forms submitted to this office on October 30, 1986 in connection with the above referenced permits.

According to our records, the permits were assigned to Bonneville Pacific Corporation on May 8, 1984 which means that Bonneville now owns all rights, title and interest in and to the permits. Bonneville in turn, made proof on the permits.

Please contact this office if you have any questions concerning this matter.

Sincerely,

RITA I. FLECK
Secretary/Records Manager

Enclosures

DEC 19 1986



J-U-B ENGINEERS, INC.

800 Falls Avenue • Twin Falls, Idaho 83301 • Telephone (208) 733-2414

October 30, 1986

RECEIVED

OCT 30 1986

Department of Water Resources
Southern Region Office

Mr. Loren Holmes
Department of Water Resources
1041 Blue Lakes Boulevard North
Twin Falls, Idaho 83301

RE: Beneficial Use Examinations for Permits No. ⁴⁷⁻~~37~~-7830 and
⁴⁷⁻~~37~~-7960 - Cedar Draw Hydroelectric Project

Dear Loren:

This letter serves to formally notify you that J-U-B ENGINEERS, Inc., has been retained by Bonneville Pacific Corporation to conduct the Proof of Beneficial Use field examination for the above noted project and permits.

The beneficial use field report was prepared under the supervision of Mr. David L. Curtis, P.E., of our Boise office who is a certified water rights field examiner. The field examination was conducted on October 7, 1986.

Sincerely yours,

J-U-B ENGINEERS, Inc.

David D. Joerger

DDJ/sc

cc: Mr. Orlin V. Clements, Bonneville Pacific Corp.

3-11-86
OCT 30 1986

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Southern Region

1041 Blue Lakes Blvd. N.
Twin Falls, Idaho 83301
(208) 734-3578

NOVEMBER 19, 1985

BONNEVILLE PACIFIC CORP.
200 E. TEMPLE
SUITE 300
SALT LAKE CITY UT 84111

RE: Permit No. 47-7960

Dear Permit Holder:

We acknowledge receipt of your statement submitted as proof of beneficial use for the above referenced permit.

Before a license can be issued, a field examination must be made by a representative of this department.

A field examiner will contact you to arrange to examine your system.

If you have any questions regarding the field examination, please contact this office by phone at 734-3578 or in person at our office at 1041 Blue Lakes Blvd. N. Twin Falls, Idaho.

Sincerely,
s/Mary A. Newby
Secretary

MARY A. NEWBY
DEC 19 1985

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
PROOF OF BENEFICIAL USE

RECEIVED
OCT 3 1985

Department of Water Resources

The Idaho Department of Water Resources will consider this form as a statement that the permit holder(s) has completed development under this permit and that water has been applied according to the provisions of the permit for the beneficial use(s) described below:

Permit No. 47-7960

Name(s) of Permit Holder: BONNEVILLE PACIFIC CORPORATION

Post Office Address: 200 E. TEMPLE SUITE 300

SALT LAKE CITY, UTAH 84111 Telephone No. 801-363-1900

Source of Water: CEDAR DRAW CREEK

Extent of Use:

Domestic _____ (number of households)

Stockwater _____ (number and type of stock)

Irrigation _____ (acres)

Other/Remarks POWER GENERATION 50 cfs

Indicate the date water was first diverted and beneficially used under this permit: MAY 1984

Measuring Device: Required? ☒ Yes ☐ No
Installed? ☒ Yes ☐ No

Flow Measurement Port: Required? ☐ Yes ☒ No
Installed? ☐ Yes ☒ No

Person to contact to accompany the Department representative during the field examination:

MR. ORLIN CLEMENTS

(Name)

834 FALLS AVE, TWIN FALLS, IDAHO 83301 208- 734-0551

(Address)

(Telephone Number)

The above information is a true statement of the extent to which the above numbered permit has been developed.

Date

Oct 2, 1985

Signature of Permit Holder (and Title, if appropriate)

Bonnie D. Dyer V.P. Operations

MICROFILMED

Place
Stamp
Here

Idaho Department of Water Resources
Statehouse Mail
Boise, ID 83720



State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

May 10, 1984

RE: Permit Nos. 47-7660 & 47-7960

Bonneville Pacific Corporation
c/o David P. Hirschi
Parsons, Behle & Latimer
185 South State Street
P.O. Box 11898
Salt Lake City, UT 84147

Gentlemen:

Enclosed is a copy of the approved amendment submitted for Permit No. 47-7660.

Also enclosed is a copy of the approved Application for Permit No. 47-7960. Be sure to note the conditions of approval on the fourth page. Please note the requirement that as a permit holder you must commence the excavation or construction of diverting works within one year of the date the permit was issued, and you must proceed diligently until the project is completed. The enclosed blue card must be completed and returned to this office as soon as you commence construction, no later than one year from the date the permit was approved.

We have enclosed instructions entitled "Making Proof of Beneficial Use". Please read the instructions carefully since you must take further action to develop this permit into a license.

Sincerely,

JIM JOHNSON
Water Distribution Supervisor

JJ:sc

Enclosures

MICROFILMED



State of Idaho
DEPARTMENT OF WATER RESOURCES
STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS
Governor

A. KENNETH DUNN
Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

May 10, 1984

Bonneville Pacific Corporation
c/o David P. Hirschi
Parsons, Behle & Latimer
185 South State Street
P.O. Box 11898
Salt Lake City, UT 84147

RE: Assignment of Permit Nos. 47-7830 and 47-7960
(Thomas Leo McCauley)

Gentlemen:

This office has reviewed the Assignment of the above referenced Permits dated May 8, 1984 between Thomas Leo McCauley and Rebecca McCauley, husband and wife, as Assignors, and Bonneville Pacific Corporation, a Utah Corporation qualified to do business in the State of Idaho, as Assignee.

This office has also reviewed the Lease Agreement between Thomas Leo McCauley and Rebecca McCauley and Bonneville Pacific Corporation dated May 18, 1983, and certain loan agreements between Bonneville Pacific Corporation and Mistletoe Financial Company (the construction lender), relating to the proposed Cedar Draw Hydroelectric Project (also known as the Little Mac Hydroelectric Project).

This letter confirms that this office has received the documentation needed to process the assignment of the above referenced permits from Thomas Leo McCauley and Rebecca McCauley to Bonneville Pacific Corporation. The material submitted satisfies the requirements of Sections 42-206 and 42-207, Idaho Code for the Assignment to Bonneville Pacific Corporation, and said Assignment is effective as of the date of this letter.

Sincerely,

NORMAN C. YOUNG
Administrator, Resources Admin. Division

NCY:sc

cc: Fred Decker

MICROFILMED

CONVERSATION MEMORANDUM

DATE May 9, 1984FILE 47-7960NAME OF PARTY Loren HolmesEMPLOYEE Dave TuthillRE: Eligibility for Approval of 47-7960

1. All difficulties with approval of this permit apparently have been resolved by the attached agreement dated May 8, 1984.

2. One overlapping/conflicting power right located in the research that had not yet been resolved was 47-7768. Loren indicates that the project contemplated by 47-7960 and the project contemplated by 47-7768 are ^{not} mutually exclusive, with the latter project diverting below Cedar Falls and using the water of the upper (former) project. (47-7960 diverts above the falls & discharges above the p.d. for 47-7768.)

3. Loren knows of no reason not to approve this application.

DRT

MICROFILMED

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 8th day of ~~March~~ ^{May}, 1984 by and among THOMAS LEO McCAULEY, an individual ("McCauley"), BONNEVILLE PACIFIC CORPORATION, a Utah corporation qualified to do business in Idaho ("Bonneville"), LEROY BYLUND, an individual ("Bylund") and CRYSTAL SPRINGS HYDRO-ELECTRIC CO., an Idaho general partnership ("Crystal Springs").

RECITALS:

A. McCauley is the Applicant under Application for Permit to the Idaho Department of Water Resources No. 47-7961 (the "McCauley Application") having a priority date of September 21, 1983, which Application involves the use of 25 cfs of water diverted from the F Lateral located in Twin Falls County, Idaho, all as more particularly described in the McCauley Application on file with the Department of Water Resources.

B. Bonneville is the assignee of the McCauley Application under that certain Lease Agreement between Thomas and Rebecca McCauley and Bonneville Pacific Corporation dated May 18, 1983.

C. Bylund is the Applicant under Application for Permit to the Idaho Department of Water Resources No. 47-7672 (the "Bylund Application"), having a priority date of July 30, 1980, as amended December 16, 1980, which Application involves

MICROFILMED

the use of 110 cfs of water diverted from Cedar Draw and F Lateral, all as more particularly described in the Bylund Application on file with the Department of Water Resources.

D. The McCauley Application and the Bylund Application are in conflict as to the amount of water usage and physical points of diversion. The Bylund Application also impacts upon the usage by McCauley of his approved Application for Permit No. 47-7830 for use of 70 cfs of water diverted from Cedar Draw, having a priority date of July 21, 1982.

E. A dispute has arisen between McCauley and Bylund as to the feasibility and priority of the inconsistent water rights, and Crystal Springs on its own behalf and on behalf of Bylund and other parties has entered a formal protest with the Department of Water Resources against the McCauley Application, and McCauley has entered a formal protest with the Department of Water Resources against the Bylund Application.

F. A hearing before the Department of Water Resources was held in Twin Falls, Idaho on March 14, 1984, wherein the parties hereto, represented by legal counsel, and in the presence of the hearing officer appointed by the Department of Water Resources, agreed to resolve the dispute by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Bylund and Crystal Springs shall formally withdraw their protest to the McCauley Application by written correspondence to the Department of Water Resources within ten (10) days of the date of this Agreement.

2. McCauley and Bonneville shall formally withdraw the McCauley protest to the Bylund Application by written correspondence to the Department of Water Resources within ten (10) days of the date of this Agreement.

3. Bylund shall make application to the Department of Water Resources to amend the Bylund Application to provide that (a) no diversion structure will be constructed by Bylund or Crystal Springs on the Cedar Draw tributary at or upstream from the site of the powerhouse and tailrace being constructed by Bonneville at the Cedar Draw Hydroelectric Project, (b) the water supply for the Bylund Project represented by the Bylund Application as amended, will be solely from the F Lateral, and (c) all diversion structures, penstocks and other facilities relating to the Bylund Project shall be located upon lands owned or controlled by Bylund or Crystal Springs.

4. McCauley and Bonneville agree to refrain from protesting the Application for Amendment to be filed by Bylund as required herein, provided that the conditions of paragraph 3 hereof are satisfied.

5. In the event the Amendment described in paragraph 3 hereof is not approved by the Department of Water Resources, the parties hereto nevertheless agree to be bound by this Agreement.

6. Bylund and Crystal Springs hereby recognize and agree that approved Application for Permit No. 47-7830, and pending Application for Permit No. 47-7960 relating to a total of 120 cfs of water diverted from Cedar Draw shall be deemed superior to any rights of Bylund or Crystal Springs to divert water in Cedar Draw above the site of the Cedar Draw Hydroelectric Project, and Bylund and Crystal Springs agree to recognize the rights of McCauley and Bonneville to develop said water supply in connection with said Cedar Draw Hydroelectric Project currently under construction by Bonneville and McCauley. Bylund and Crystal Springs shall claim no right to any portion of said water supply on the basis of Application for Permit No. 47-7672. Bylund and Crystal Springs further agree to refrain from any action which may materially and adversely affect the construction or operation of said Cedar Draw Hydroelectric Project.

7. McCauley and Bonneville agree to recognize the seniority of the Bylund Application as it affects the F Lateral water supply and Bylund's rights to develop a hydroelectric facility utilizing said water supply.

8. Bonneville and McCauley shall have the right to review all engineering data and construction plans and specifications for any hydroelectric project developed on F Lateral by Bylund or Crystal Springs to ensure that such facility will not materially impact upon the Cedar Draw Hydroelectric Project currently under construction or any part thereof. During

construction of the hydroelectric facility on F Lateral by Bylund and Crystal Springs, Bylund and Crystal Springs shall use due care to ensure that no damage is caused to lands owned or controlled by McCauley, and in the event such damage occurs, Bylund and Crystal Springs, jointly and severally, agree to indemnify McCauley and Bonneville against any loss, damage, cause of action, liability, cost or fee, including reasonable attorneys' fees, incurred by McCauley or Bonneville as a result of the damage caused to said property during the course of construction of the F Lateral facility.

9. It is the intent of Bonneville and McCauley to allow the McCauley Application to remain pending before the Department of Water Resources and to take no action at the present time to have the McCauley Application approved by the Department of Water Resources.

10. In the event the F Lateral hydroelectric facility is not constructed and completed by Bylund and Crystal Springs or their successors within five (5) years from the date of the approval of the application described in paragraph 3 hereof, Bylund and Crystal Springs agree to voluntarily withdraw the Bylund Application and to allow McCauley and Bonneville to proceed to have the McCauley Application processed by the Department of Water Resources. Thereafter, Bonneville and McCauley shall have the right, but not the obligation, to use 25 cfs of water from the F Lateral in the Cedar Draw Hydroelectric Project in accordance with the McCauley Application, if approved.

11. In the event any party hereto defaults in its obligations to be performed hereunder, such defaulting party shall be liable for all costs and fees, including reasonable attorneys' fees, incurred by the nondefaulting party or parties in enforcing this Agreement against such defaulting party.

12. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

13. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof, and shall not be modified or amended except by written instrument executed by all of the parties hereto.

14. Any notices permitted or required hereunder shall be deemed duly delivered when personally delivered or when sent by United States Mail, postage prepaid, certified or registered mail with return receipt requested, and addressed to the parties as follows:

Leroy Bylund
P. O. Box 109
Buhl, Idaho 83316

Crystal Springs Hydroelectric Co.
P. O. Box 1892
Twin Falls, Idaho 83301
Attention: David R. Millard

Bonneville Pacific Corporation
200 East South Temple, Suite 300
Salt Lake City, Utah 84111
Attention: Raymond L. Hixson
President

Thomas McCauley
Route 4, Box 139
Buell, Idaho 83316

15. This Agreement is made and entered into in the State of Idaho and shall be construed and interpreted in accordance with the laws of said state.

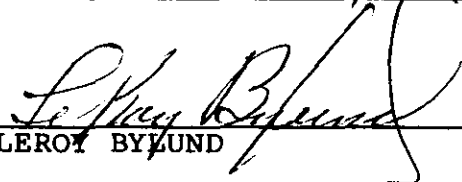
16. By execution of this Agreement in the space provided herein, the Department of Water Resources acknowledges receipt of this Agreement and further acknowledges that this Agreement accurately reflects the Settlement Agreement reached orally by the parties hereto at the hearing held before the Department of Water Resources on March 14, 1984.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.


THOMAS LEO MCCAULEY

BONNEVILLE PACIFIC CORPORATION

By 
Its Secretary


LEROY BYLUND

CRYSTAL SPRINGS HYDROELECTRIC
COMPANY

By 
Its General Manager

Received and acknowledged this 8 day of May, 1984.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

By Loren O. Palmer
Its Southern Region Supervisor

5347C

SEE PARA 6 OF

INTER-DEPARTMENT MEMO — 1

FROM *Ylen*

AGREEMENT DATED

DATE 1-30-84

MAY 8, 1984

TO File 47-7960

SUBJECT - I discussed w/ David Hershey
(801-532-1234) in a phone convers.
Today why prior app 47-7672 (Bylund)
needs to be resolved before action
can be taken on app 47-7960.

- Hershey will coordinate w/
Loren Holmes for hearing
Scheduling. *YH*

MICROFILMED RE

INTER-DEPARTMENT MEMO — 1

FROM *Glen*

DATE *1-27-83*

TO *File 47-7960*

SUBJECT - *This app is being held
pending the resolution of
prior app 47-7672 filed essentially
for the same matter.*



SIGNATURE

MICROFILMED

LEASE AGREEMENT AND LEASE

THIS AGREEMENT AND LEASE ("Agreement"), made and entered into this 18th day of MAY, 1983, by and between THOMAS AND REBECCA MCCAULEY, Husband and Wife (the "Lessor") and BONNEVILLE PACIFIC CORPORATION, a Utah corporation duly authorized to transact business in the State of Idaho (the "Lessee"),

W I T N E S S E T H:

WHEREAS, Lessor owns or has the right to acquire certain real property (the "Leased Premises") located in Twin Falls County, State of Idaho, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof; and

WHEREAS, Lessor owns or has the right to acquire certain non-consumptive water rights and appropriations for electrical generation (the "Water Rights"), more particularly described on Exhibit "B" attached hereto and by this reference made a part hereof; and

WHEREAS, the parties intend to enter into a Power Sales Contract (the "Power Contract") with Idaho Power Company for the purchase and the sale of power generated from the Leased Premises, a copy of the standard form of which contract is attached hereto as Exhibit "C" and by this reference made a part hereof; and

WHEREAS, Lessor has obtained an Order Granting Exemption from Licensing for a Conduit Hydroelectric Project from the Federal Energy Regulatory Commission (the "FERC Exemption"), a copy of which is attached hereto as Exhibit "D" and by this reference made a part hereof; and

WHEREAS, Lessee desires to lease the Leased Premises and to acquire the use of the Water Rights, FERC Exemption for purposes of constructing, operating and maintaining a hydroelectric project on the Leased Premises to be known as the Little Mac Power Project (the "Project"); and

WHEREAS, Lessor desires to lease the Leased Premises and to make available to the Lessee the foregoing rights and interests upon the terms herein contained,

NOW, THEREFORE, for the consideration hereinafter described and in further consideration of the mutual promises and covenants of the parties hereto, the parties agree as follows:

1. Agreement to Lease Premises and Make Available Permits in Existence. Lessor hereby leases to Lessee and Lessee hereby hires and takes from Lessor the Leased Premises. Lessor agrees to provide for Lessees use the existing Water Rights, and FERC Exemption, in accordance with and subject to the terms of this Agreement.

2. Term of Agreement. This Agreement shall remain in full force and effect and binding upon the parties hereto for a term of twenty-five (25) years from the date of first power production by the Project unless earlier terminated as herein provided.

3. Construction of the Project. Lessee shall have the right to go upon the Leased Premises for purposes of constructing the Project. Lessee shall be solely responsible to construct, install or complete on the Leased Premises a power generating facility with an estimated installed capacity of 1.35 megawatts.

4. Control and Ownership of Project. Lessee shall have complete control over the construction, operation and maintenance of the Project during the term of this Agreement and Lessor grants to Lessee all rights and privileges necessary or desirable in the construction, operation and maintenance of the Project, including, without limitation, rights of ingress and egress and such reasonable easements, privileges, water lines, electrical transmission lines and other utility easements as may be necessary or desirable in the construction, operation and maintenance of the Project. At the end of the term hereof, Lessee shall transfer to Lessor, without cost to Lessor, by good and sufficient bills of sale, quitclaim deeds or assignments, all of its right, title and interest in and to the Leased Premises, Water Rights, Power Contract, FERC Exemption, and any and all improvements or personal property situated upon the Leased Premises at the end of the term hereof.

5. Rental. As rental for the Leased Premises and as total consideration for the other Agreements herein contained Lessee agrees to pay to Lessor the following amounts within the times and upon the terms as follows:

(a) The sum of Twenty-Five Thousand Dollars (\$25,000) upon verification by Lessee of the existence of a valid FERC Exemption, rights to non-consumptive use of projected water flows for electrical generation, and an engineering feasibility study for a plant of 1.69 megawatts of installed capacity, which verification shall be completed on or before May 10, 1983; or upon execution of this document, whichever shall last occur.

(b) The sum of Twenty-Five Thousand Dollars (\$25,000) at the time of the first draw on construction financing for the Project, or September 1, 1983, whichever event shall first occur.

(c) The sum of Fifty Thousand Dollars (\$50,000) upon the completion of the construction phase of the Project.

(d) At such time as the Project is completed and declared to be in commercial operation, Lessee shall pay to Lessor (i) for the first ten (10) years of operation a sum equal to twelve and one-half percent (12.5%) of the gross income received by Lessee from the operation of the Project, and (ii) for the remaining term a sum equal to twenty-five percent (25%) of the gross revenues received by Lessee from the operations of the Project. Such payments shall be made quarterly, in arrears.

6. Tax Benefits. For purposes of federal taxation, Lessee is hereby declared to be the owner of the Project and shall receive all federal tax benefits (ITC, ETA and ACRS depreciation, et.) available under the tax regulations relating to power projects of this nature. All Idaho state tax benefits, credits and deductions, to the extent allowed by law, shall inure to the benefit of Lessor.

7. Default. In the event either party hereto is in default under this Agreement, and such default is not cured within 10 days after written notice of the default is delivered to the defaulting party, the non-defaulting party shall have the right to bring one or more of the following actions:

(a) An action for specific performance under this Agreement;

(b) An action for damages incurred as a result of the default;

(c) An action to rescind this Agreement; and

(d) Any other rights and remedies provided by law.

In the event of default, the defaulting party shall pay all costs and fees incurred by the non-defaulting party, in enforcing this Agreement against such defaulting party, including reasonable attorneys' fees and court costs.

8. Covenant of Title and Peaceful Possession. Lessor covenants that it has full right, power and authority to make this Lease, and that Lessee or any permitted assignee or sublessee of Lessee, upon payment of the rentals and performance of the covenants upon Lessee's part to be performed hereunder, shall and may peaceably and quietly have, hold and enjoy the Leased Premises, any improvements thereon, and the rights assigned hereby, during the term hereof.

9. Force Majeure. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockout, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing the work or doing the acts required under the terms of this Lease, then performance of such action shall be excused for the period of delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

10. Additional Instruments. In the event it is necessary or desirable to prepare and execute additional instruments or documents to effectuate the terms of this Agreement, the parties hereto agree to cooperate fully in the preparation and execution of the same.

11. Eminent Domain. In the event the Leased Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and both Lessor and Lessee shall thereupon be released from any liability thereafter accruing hereunder. It is understood and agreed that Lessee shall be entitled to the entire award

or compensation under any proceeding in eminent domain except such portion of the award or compensation specifically relating to the value of the unimproved real property leased hereunder.

12. Notices. All notices required or permitted hereunder shall be deemed duly delivered when personally delivered or when sent by United States Mail, postage prepaid, registered or certified mail with return receipt requested, and addressed to the parties as follows:

IF TO LESSOR:	Mr. and Mrs. Thomas McCauley Route 4, Box 139 Buhl, Idaho 83316
IF TO LESSEE:	Bonneville Pacific Corporation 200 East South Temple Suite #300 Salt Lake City, Utah 84111 Attention: Raymond L. Hixson, President

Either party may change its address in writing by giving notice of such change in the manner herein provided.

13. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and shall not be modified or amended except written instrument duly executed by the parties hereto.

14. Binding Agreement. This Agreement shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

15. Captions. Captions throughout this instrument are for convenience of reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation construction or meaning of the provisions of this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease and Assignment of the day and year first above written.

LESSOR:

Thomas McCauley
Thomas McCauley

Rebecca McCauley
Rebecca McCauley

LESSEE:

BONNEVILLE PACIFIC CORPORATION

By: L. Wyren Johnson
Its: Vice President

EXHIBIT "A"

(Description of Real Property)

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LEGAL DESCRIPTION

A parcel of land located in the W 1/2 of the S E 1/4 Section 23, Township 9 South, Range 15, East of the Boise Meridian, Twin Falls County, Idaho. Beginning at the S E 1/16 corner of said Section 23, thence North 0 degrees 14' 16" East along the 1/16 line of said Section 23 a distance of 392.78 feet; thence North 54 degrees 56' 58" West, 228.63 feet; thence North 21 degrees 13' 16" West, 853.64 feet to a point on the East West centerline of said Section 23; thence North 89 degrees 59' 24" West, 200.00 feet along the East West centerline of said Section 23; thence south 10 degrees 55' 12" East, 1103.58 feet; thence South 50 degrees 25' 12" East, 370.38 feet; thence South 0 degrees 14' 16" West, 100.00 feet; thence South 89 degrees 55' 12" East 200.00 feet; thence North 0 degrees 14' 16" East, 100.00 feet to the Point of Beginning.

Also, that parcel of land located in the SE 1/4 of the SE 1/4 Section 23, Township 9 South, Range 15, East of the Boise Meridian Twin Falls County, Idaho lying South and West of Cedar Draw Creek.

860315

STATE OF IDAHO }
County of Twin Falls } ss.

I hereby certify that this instrument
filed for record at the request of

FIRST AMERICAN

clock, this MAY 8 1984

in my office and duly recorded in book

of page

RICHARD A. PENCE

Deputy Recorder

Fee \$

Return to FIRST AMERICAN

MICROFILMED

EXHIBIT "B"

(Water Rights)

EXHIBIT "C"

(Copy of Power Sales Contract)

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EXHIBIT "D"

(Copy of FERC Exemption)

- PAGE 10 -

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Thomas Leo and Rebecca Rose McCauley) Project No. 6443-000
Cedar Draw Falls Generating Company) Project No. 6371-000

ORDER GRANTING EXEMPTION FROM LICENSING OF A
SMALL HYDROELECTRIC PROJECT OF 5 MW OR LESS
AND DENYING PRELIMINARY PERMIT APPLICATION

(Issued November 30, 1982)

The Applicant 1/ filed an application for exemption from all or part of Part I of the Federal Power Act pursuant to 18 C.F.R. Part 4 Subpart K (1980) implementing in part Section 408 of the Energy Security Act (Act) of 1980 for a project as described in the attached public notice. 2/ 3/

Notice of the application was published in accordance with Section 408 of the Act and the Commission's regulations and comments were requested from interested Federal and State agencies including the U.S. Fish and Wildlife Service and the State Fish and Wildlife Agency. All comments, protests and petitions to intervene that were filed have been considered. No agency has any objection relevant to issuance of this exemption.

- 1/ Thomas Leo and Rebecca Rose McCauley, Project No. 6443, filed on June 17, 1982.
- 2/ Pub. Law 96-294, 94 Stat. 611. Section 408 of the FSA amends inter alia, Sections 405 and 408 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. §§2705 and 2708).
- 3/ Authority to act on this matter is delegated to the Deputy Director, Office of Electric Power Regulation, under §375.308 of the Commission's regulations, 18 C.F.R. §375.308 (1981) FERC Statutes and Regulations §30,238. This order may be appealed to the Commission by any party within 30 days of its issuance pursuant to Rule 1902, 18 C.F.R. §§1,902, FERC Statutes and Regulations §29,052 47 Fed. Reg. 19014 (1982). Filing an appeal and final Commission action on that appeal are prerequisites for filing an application for rehearing as provided in Section 313(a) of the Act. Filing an appeal does not operate as a stay of the effective date of this order or of any other date specified in this order, except as specifically directed by the Commission.

-2-

Standard Article 2, included in this exemption, requires compliance with any terms and conditions that Federal or State fish and wildlife agencies have determined appropriate to prevent loss of, or damage to, fish and wildlife resources. The terms and conditions referred to in Article 2 are contained in any letters of comment by these agencies which have been forwarded to the Applicant in conjunction with this exemption.

Should the Applicant contest any terms or conditions that were proposed by Federal or State agencies in their letters of comment as being outside the scope of Article 2, the Commission shall determine whether the disputed terms or conditions are outside the scope of Article 2.

Based on the terms and conditions required by Federal and state fish and wildlife agencies, the environmental information in the application for exemption, other public comments, and staff's independent analysis, issuance of this order is not a major Federal action affecting the quality of the human environment.

Cedar Draw Falls Generating Company filed a preliminary permit application (FERC No. 6371) on May 26, 1982, for a project that would utilize the same water resources that would be developed by the Little Mac Project (FERC No. 6443). Pursuant to Section 4.104(e)(1) of the Commission's regulations, the Commission will favor an application for exemption over an application for preliminary permit for mutually exclusive projects. Therefore, the application for the preliminary permit is hereby denied.

It is ordered that:

(A) Little Mac Project No. 6443 as described and designated in Thomas Leo and Rebecca Rose McCauley's application filed on June 17, 1982, is exempted from all of the requirements of Part I of the Federal Power Act, including licensing, subject to the standard articles in §4.106 of the Commission's regulations attached hereto as Form E-2, 18 C.F.R. §4.106, 45 Fed. Reg. 76115 (November 18, 1980), and the following Special Articles:

Article 6. The construction, operation, and maintenance of the exempt project may be reviewed by the Commission and subjected to further requirements for consistency with the terms and conditions of the regional fish and wildlife program developed pursuant to the Pacific Northwest Electric Power Planning and Conservation Act. Inconsistencies between the regional program and the mandatory conditions under Article 2 will be resolved by the Commission.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Thomas Leo and Rebecca Rose McCauley) Project No. 6443-000

NOTICE OF APPLICATION FOR EXEMPTION FOR SMALL
HYDROELECTRIC POWER PROJECT UNDER 5 MW CAPACITY
(August 20, 1982)

Take notice that on June 17, 1982, Thomas Leo and Rebecca Rose McCauley, (Applicant) filed an application, under Section 408 of the Energy Security Act of 1980 (Act) (16 U.S.C. §§7705, and 2708 as amended), for exemption of a proposed hydroelectric project from licensing under Part 1 of the Federal Power Act. The proposed small hydroelectric Project No. 6443 would be located on Cedar Draw Creek, in Twin Falls County, Idaho. Correspondence with the Applicant should be directed to: Thomas Leo and Rebecca Rose McCauley, Rt. 4, Box 139, Sunli, Idaho 83318.

Project Description - The proposed project would consist of: (1) a 7-foot-high diversion structure; (2) a 44-inch-diameter, 1400-foot-long penstock; (3) a powerhouse containing five generating units with a combined rated capacity of 253 kw; and (4) appurtenant facilities. The Applicant estimates a 2,000,000 kwh average annual energy production.

Purpose of Exemption - An exemption, if issued, gives the Exemptee priority of control, development, and operation of the project under the terms of the exemption from licensing, and protects the Exemptee from permit or license applicants that would seek to take or develop the project. Power would be sold to Idaho Power Company.

Agency Comments - The U.S. Fish and Wildlife Service, The National Marine Fisheries Service, and the Idaho Department of Fish & Game are requested, for the purposes set forth in Section 408 of the Act, to submit within 60 days from the date of issuance of this notice appropriate terms and conditions to protect any fish and wildlife resources or to otherwise carry out the provisions of the Fish and Wildlife Coordination Act. General comments concerning the project and its facilities are requested; however, specific terms and conditions to be included as a condition of exemption must be clearly identified in the agency letter. If an agency does not file terms and conditions within this time period, that agency will be presumed to have none. Other Federal, State, and local agencies are requested to provide any comments they may have in accordance with their duties and responsibilities. No other formal response for comments will be made. Comments should be confined to substantive issues relevant to the granting of an exemption. If an agency does not file comments within 60 days from the date of issuance of this notice, it will be presumed to have no comments. Comments or an agency's comments must also be sent to the Applicant's representative.

LC-A-40

Project No. 6443-000

- 2 -

Competing Applications - Any qualified license applicant desiring to file a competing application must submit to the Commission, on or before October 6, 1982, either the competing license application that proposes to develop at least 7.5 megawatts in that project, or a notice of intent to file such a license application. Submission of a timely notice of intent allows an interested person to file the competing license application no later than 120 days from the date that comments, protests, etc. are due. Applications for preliminary permit will not be accepted.

A notice of intent must conform with the requirements of 16 C.F.R. §4.33(a) and (c) (1960). A competing license application must conform with the requirements of 16 C.F.R. §4.33(a) and (d) (1980).

Comments, Protests, or Petitions to Intervene - Anyone may submit comments, a protest, or a petition to intervene in accordance with the requirements of the Rules of Practice and Procedure, 16 C.F.R. §1.4 or §1.10 (1980). In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a petition to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or petitions to intervene must be received on or before October 6, 1982.

Filing and Service of Responsive Documents - Any filings must bear in all capital letters the title "COMMENTS", "NOTICE OF INTENT TO FILE COMPETING APPLICATION", "COMPETING APPLICATION", "PROTEST", or "PETITION TO INTERVENE", as applicable, and the Project Number of this notice. Any of the above named documents must be filed by providing the original and three copies required by the Commission's regulations to: Kenneth F. Plump, Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426. An additional copy must be sent to: Fred E. Springer, Chief, Applications Branch, Division of Hydropower Licensing, Federal Energy Regulatory Commission, Room 204-B at the above address. A copy of any notice of intent, competing application, or petition to intervene must also be served upon each representative of the Applicant specified in the first paragraph of this notice.

Kenneth F. Plump,
Secretary

- 3 -

(u) Cedar Draw Falls Generating Company's preliminary permit application (FERC Project No. 6371) filed on May 26, 1982, is hereby denied.

Robert E. Cichowski
Robert E. Cichowski
Deputy Director, Office of
Electric Power Regulation

(d) Article 4. This exemption is subject to the navigation servitude of the United States if the project is located on navigable waters of the United States.

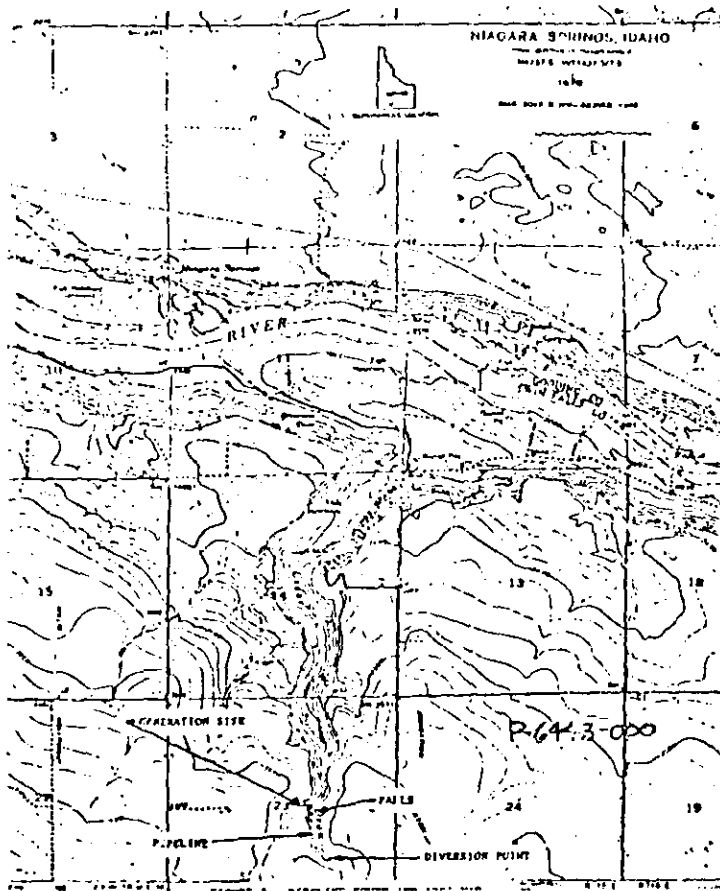
(e) Article 5. This exemption does not confer any right to use or occupy any Federal lands that may be necessary for the development or operation of the project. Any right to use or occupy any Federal lands for those purposes must be obtained from the administering Federal land agencies. The Commission may accept a license application by any qualified license applicant and revoke this exemption, if any necessary right to use or occupy Federal lands for those purposes has not been obtained within one year from the date on which this exemption was granted.

State of Idaho
Department of Water Resources
State House
Boise, Idaho 83720
P-6443



POSTAGE AND FEES PAID
FEDERAL ENERGY REGULATORY COMMISSION
FERC361
FIRST CLASS MAIL

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D. C. 20426
EQUAL OPPORTUNITY EMPLOYER



§ 4.106 Standard terms and conditions of exemption from licensing.

Any exemption from licensing granted under this subpart for a small hydroelectric power project is subject to the following standard terms and conditions:

(a) Article 1. The Commission reserves the right to conduct investigations under sections 4(g), 306, 307, and 311 of the Federal Power Act with respect to any acts, complaints, facts, conditions, practices, or other matters related to the construction, operation, or maintenance of the exempt project. If any term or condition of the exemption is violated, the Commission may revoke the exemption, issue a suitable order under section 4(g) of the Federal Power Act, or take appropriate action for enforcement, forfeiture, or penalties under Part III of the Federal Power Act.

(b) Article 2. The construction, operation, and maintenance of the exempt project must comply with any terms and conditions that any Federal or state fish and wildlife agencies have determined are appropriate to prevent loss of, or damage to, fish or wildlife resources or otherwise to carry out the purposes of the Fish and Wildlife Coordination Act, as specified in Exhibit E of the application for exemption from licensing or in the comments submitted in response to the notice of the exemption application.

(c) Article 3. The Commission may accept a license application by any qualified license applicant and revoke this exemption if actual construction or development of any proposed generating facilities has not begun within 18 months, or been completed within four years, from the date on which this exemption was granted. If an exemption is revoked, the Commission will not accept a subsequent application for exemption within two years of the revocation.

February 6, 1984

Thomas Leo McCauley
Route 4, Box 139
Buhl, ID 83316

Dear Mr. McCauley:

Re: Application for Permit No. 47-7960

This office has received the above-referenced application from our Southern Regional Office. The application will be held without action pending the resolution of prior Application No. 47-7672 in the name of LeRoy Bylund. Application No. 47-7672 essentially competes for the same water as Application No. 47-7960.

Please feel free to contact our Southern Regional Office in Twin Falls concerning the resolution of Application No. 47-7672.

Sincerely,

L. GLEN SAXTON
Chief, Operations Bureau

LGS:rf

cc: Southern Region

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POWER CALCULATIONS FOR APPLICATION NO. 47-7960

P = 1600 Kilowatts .74 X hp

Q = cfs 50.0

H = feet 180

e = efficiency

proposed

- ✓ 1.) Affidavit of Residency
- ✓ 2.) Ownership of Facilities statement
- ✓ 3.) *Financial Ability see letter of 9/21/83
- ✓ 4.) Feasibility of Project
 - a. Plans, drawings
 - b. Economic analysis

see
47-7830

- 5.) *Compliance w/FERC
 - *only for projects of more than 25 cfs or more than 500 horsepower.

$$e = \frac{P(11.8)}{QH} = \frac{1600(11.8)}{50 \times 180} = \frac{18,880}{9000} = 2.10 \text{ NOT REASONABLE}$$

$$P = \frac{QHe}{11.8} = \frac{50 \times 180 \times .8}{11.8} = \frac{7200.0}{11.8} = 610.17 \text{ kW at } 80\% \text{ allow } \underline{610.}$$

Based on the above calculations the proposed project must have an 80 % efficiency.

OVERLAP REVIEW

P/D see attached for Bylund

47-7672 proposed app for power (110 cfs) Cedar Draw + LE of Cedar Draw Falls source: Cedar Draw Falls Co.

47-7748 app. for Cedar Draw Falls source: Cedar Draw Falls Co.

110 cfs ~~47-7748~~ Cedar Draw p/d: SWNE, Sec. 23, 9S, 15E

power p/u: NWNE, Sec. 23, 9S, 15E

47-7830 permit for McCauley 70 cfs source: Cedar Draw p/d: NWSE, Sec. 23, 9S, 15E, power p/u: NWSE, Sec. 23, 9S, 15E

P/U see attached

47-7672

47-7748

47-7830

47-7961 app for McCauley from unnamed stream trib. to Cedar Draw - 25 cfs p/d: SWNE, Sec. 26, 9S, 15E for power p/u: NWSE, Sec. 23, 9S, 15E

BYPASSED AREA

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filed 12/30/83

Overlap Review
~~for amendment~~ of 47-~~7830~~⁷⁹⁶⁰

new p/d: SESE, Sec. 23, Twp. 9S, Rge. 15E

- ✓(1.) 47-7672 for power from Cedar Draw & LF Lateral of Twin Falls Canal Co for 110 cfs is a protested application. p/d is within the NWSE, S. 23, T. 9S, R. 15E plu is within the SWNE, Sec. 23.
in name of Heroy Bylund

not same source

p/d/sec (2.) 47-2360 license for irrigation
source: Desert Cr. p/d NESE, Sec. 23

✓(3.) 47-7265 license for irrigation
no source on computer
p/d SESE, Sec. 23 source: Cedar Draw

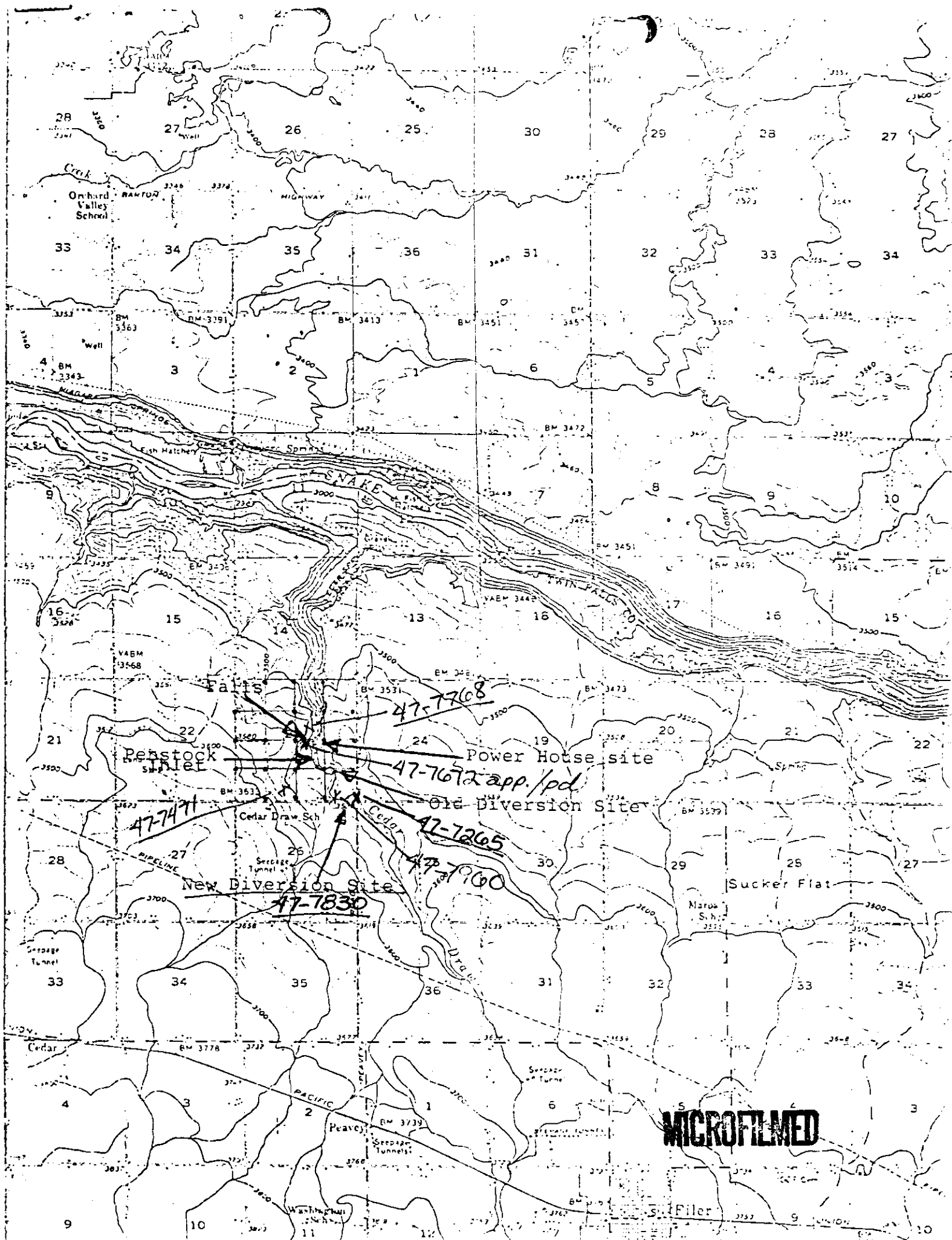
(4.) 47-7471 permit for fish prop. name
of Sligar source: LF Coulee p/d SESE
Sec. 23

✓(5.) 47-7768 app. for power name of
Cedar Draw Falls Generating Co.
source: Cedar Draw p/d SWNE, Sec. 23

7830 permit
✓(6.) 47-~~7960~~ app for power for McCauley
source: Cedar Draw, p/d SESE, Sec.
23 - 70 cfs - same plu

key 1/4/1984
see attached map of
platted rights.

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File

47-7960 - overlap review for power 12/20/8

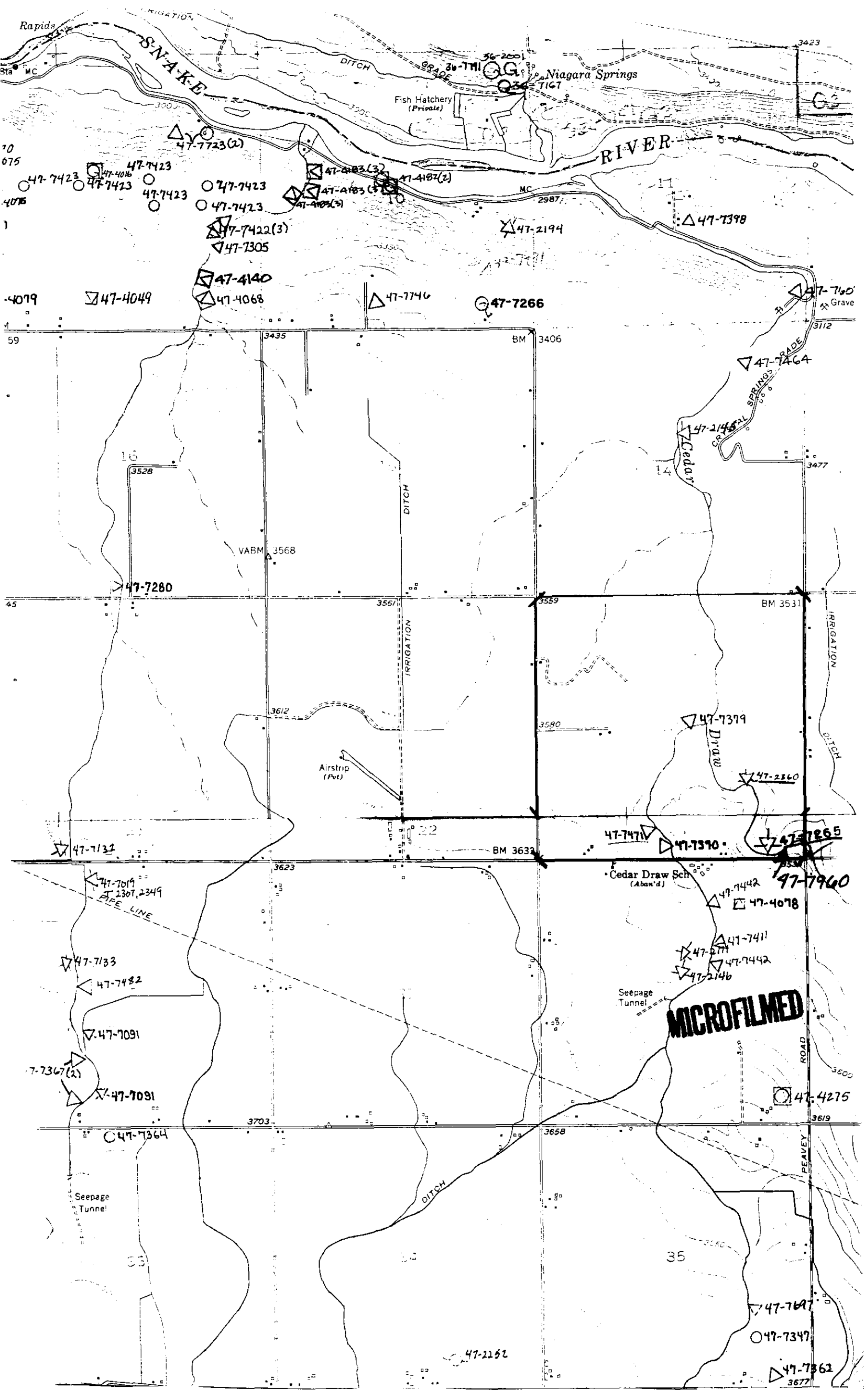
	pd/sec	stage	use
	47-2360 ✓	L	A
	47-7265 ✓	L	A
→	47-7672	A	P (Bylund)
	47-7471 ✓	P	H
→	47-7768	A	P (Cedar Draw Falls Generating Co.)
→	47-7830	P	P (McCauley)

other power rights

	pu/sec	
→	47-7672	P
	47-2111	A
	47-2360	A
	47-7265	A
	47-7471	H
→	47-7768	P
→	47-7830	P
→	47-7961	P

other power rights

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NOTICE OF APPLICATION FOR WATER RIGHT

Notice is hereby given that the following application(s) have been submitted for permit to appropriate the public waters of the State of Idaho:

42-2960-

MC CAULEY, THOMAS LEO

RT. 4 BOX 139, BUHL, ID 83316

Source: CEDAR DRAW trib. to SNAKE RIVER

Date Filed: 09/20/1983

Diversion Pt: SESE Sec 23 T 09S R 15E

Use: POWER (50.00 CFS)

In: NWSE Sec 23 T 09S R 15E

If issued, the permit(s) will be subject to all prior water rights. Protests against the granting of any permit must be filed with the Director of the Idaho Department of Water Resources, 1041 Blue Lakes Blvd. North, Twin Falls, Idaho 83301 and received on or before NOVEMBER 14, 1983.

A. KENNETH DUNN

Director

Published 10/27 & 11/3/83.

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47-7988

MR. BAULEY, THOMAS

LEO

RT. 4 BOX 139, BUHL, ID

83316

Source: CEDAR DRAW

trib. to SNAKE RIVER

Date Filed: 09/20/1983

Diversion Pt: SESE Sec

23 T 09S R 15E

Use: POWER (50.00 CFS)

In: NWSE Sec 23 T 09S R

15E

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES
Southern Region

1041 Blue Lakes Blvd N.
Twin Falls, Idaho 83301
(208) 734-3578

OCTOBER 19, 1983

Times News
P. O. Box 548
Twin Falls, Idaho 83301

Gentlemen:

Enclosed you will find a legal notice which we wish to have published on the dates indicated (once a week for two consecutive weekly issues) in your newspaper. We have allowed ample time for you to submit a galley proof to this office for review before the first publication date. If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Your cooperation is appreciated.

Please send the affidavit of publication and publication billing to this office before NOVEMBER 14, 1983.

Yours truly,

Mary A. Newby
Secretary

Encl.

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
SOUTHERN REGION

John V. Evans
Governor

C. Stephen Allred
Director

1041 Blue Lakes Blvd. North
Twin Falls, Idaho 83301
(208) 734-3578

September 22, 1983

Mr. Bob Bell, Regional Fisheries Biologist
Idaho Fish & Game Department
Region #4
P. O. Box 428
Jerome, Idaho 83338

Re: Application for Permit No. 47-7960 and 47-7961

Dear Mr. Bell:

Please find enclosed a copy of the above referenced application for permit for your information and files.

Very truly yours,

Mary A. Newby
Sec/Office Corrd.

for

Loren O. Holmes
Southern Region Supervisor

Encl:

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INTER-DEPARTMENT MEMO — 1

FROM Loten Holmes

DATE 9/24/83

TO File - Tom McCauley Application - Cedar Draw - 50 CFS

SUBJECT Canv w/ Applicant

The applicant, Financial Broker, Robert Wood, & Attorney, David Hirsch, came in to file the application.

I advised them that an itemized cost estimate & showing of financial capability was needed for the A/C.

LH **MICROFILMED**

SIGNATURE