

Rock Island Implementation Agreement

- Why
 - Simplify the contract
 - Reduce staff time allocating costs
 - Reduce complicated calculations to determine share of energy, pond, & capacity
 - Reduce chance of errors
 - Simplify audits

Rock Island Contract

- Rock Island Power Contract
 - June 19, 1974 to June 7, 2012
 - In preparation of construction of 2nd powerhouse
 - Defined District's System 1 share each year from 12.9% on July 1, 1974 to a maximum of 50% on June 30, 1999
 - Define System 1 energy as if System 2 was not there
 - District's option to receive System 2 shares starting July 1, 2000 with 5 year advance notice to serve District's load

Rock Island Powerhouse 2 Allocations

	District %	Puget %
• 7-1-2000	5 %	95 %
• 7-1-2002	15 %	85 %
• 7-1-2003	25 %	75 %
• 2-1-2005	35 %	65 %
• 7-1-2005	45 %	55 %
• 11-1-2006	50 %	50 %

Rock Island System 1 & 2

- 1978 Letter Agreement defining the calculation of System 1 Energy
- February 2000 Implementation Agreement defining calculation of System 1 & System 2 energy, capacity, & pondage
- Various letters defining different percentage splits between RI1 & RI2 for parks, fish, O&M, and fish spill

New Implementation Agreement

- Since District receives 50% of RI1 & RI2
- Treat project as one project not two
- Eliminate the handful of allocation calculations determining RI1 vs. RI2 costs
- Eliminate multiple layers of calculations to determine RI1 vs. RI2 energy, pond, & capacity
- Does not affect capital costs that need to be kept track of separately