



**City Of Cheney
Light Department
112 Anderson Road
Cheney, Washington 99004**

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19 September 2016

Ms. Hope Ross, Account Executive
Bonneville Power Administration
707 West main, Suite 500
Spokane, WA 99201-0641

Dear Ms. Ross:

In accordance with the terms of City of Cheney’s Power Sales Agreement 09PB-13017, I am hereby making our election for Above Rate Period High Water Mark (RHWM) Load power supply for the third Purchase Period beginning October 1, 2019 through September 30, 2024.

City of Cheney elects to use Alternative A (“Customer Planned Load Not Otherwise Served”) of the Tier 2 Short-Term Rate (Section 2.4.1.1 of Exhibit C of the Power Sales Agreement). The table below indicates the “up to” amounts of Dedicated Resources that City of Cheney elects to use to serve its Above-RHWM load for each year of the third Purchase Period, as applicable. Third Purchase Period Dedicated Resource Elections

FY	2020	2021	2022	2023	2024
Election (aMW)	2	2	2	3	3

Furthermore, City of Cheney elects the “round down” option offered by BPA for the third Purchase Period. By electing the “round down” option, after the Above-RHWM load amounts are set in the applicable RHWM process, the Dedicated Resource amounts will be “rounded down” to the next lowest whole average megawatt amount, if necessary. Any fractional megawatt amount resulting from the rounding down will be served at the Tier 2 Short-Term Rate.

At this point in time, City of Cheney is not adding a Specified Resource to its Exhibit A and therefore the Dedicated Resource amounts stated above will be served with Unspecified Resource Amounts. Notwithstanding the foregoing, City of Cheney reserves its right to add Specified Resources pursuant to Section 3.5.1.2 of the Power Sales Agreement.

Thank you for your consideration.

Sincerely,

Tom Trulove,
Mayor