

185810

**PORTLAND HYDROELECTRIC PROJECT
COST SHARING AGREEMENT**

This agreement ("Agreement") represents the understanding and agreement of Portland General Electric Company ("PGE") and the City of Portland, Oregon (the "City") with respect to funding and implementing certain remedial investigation and clean-up activities regarding a diesel spill (the "Work") to be undertaken at the number two generator facility of the Portland Hydroelectric Project on the Bull Run River in Multnomah and Clackamas Counties (the "Site"). Signatories to this Agreement are referred to individually as "Party," and collectively as "Parties." The Effective Date of this Agreement is the date upon which it is fully executed by both parties.

The signatory Parties are parties to an April 12, 1979 Power Sales Agreement and several subsequent amendments concerning the Site (collectively, the "Power Sales Agreement"). By entering into this Agreement, the Parties do not amend the Power Sales Agreement nor interpret or apply any terms or provisions of the Power Sales Agreement. In addition, the Parties, by entering into this Agreement, do not admit any matter of law or fact with respect to the Site or their connection with the Site, and the division of costs provided in this Agreement does not represent and shall not be interpreted to represent in any subsequent negotiations or proceedings an admission by either Party hereto as to its liability for any costs at the Site or its share of such costs if found liable.

The Parties to this Agreement have determined that in furtherance of compliance with Oregon Administrative Rules set forth in 340 Division 142, "Oil and Hazardous Materials Emergency Response Requirements," they will collectively commit to carry out and apportion the cost responsibility for the Work as described below. Money paid to consultants by PGE to investigate the spill prior to execution of this Agreement will be incorporated into the costs to be allocated as provided in this Agreement. The Parties hereby rescind any previous understanding to charge those previous consulting expenses to the Repair and Replacement Fund established pursuant to the Power Sales Agreement. PGE agrees to manage the project and contract for services necessary to perform the Work described below at the Site. The Work may include such tasks as necessary to characterize and remediate the diesel spill as directed and determined by PGE, including but not limited to the following:

- a.) Preparing a plan to collect samples and characterizing the diesel spill on the Site
- b.) Providing a cost estimate for plan implementation
- c.) Implementing the sampling plan
- d.) Preparation of, and presentation of, as necessary, reports to DEQ

- e.) Preparing a Scope of Work for a for remedial action alternatives analysis
- f.) Preparing a Scope of Work for remedy of the diesel spill for the Site
- g.) Performance of the remedy for the Site
- h.) Restoration of site to pre-remedy conditions
- i.) Preparing a Plan for post remedial monitoring; and
- j.) Post remedy monitoring.

PGE shall consult with the City and DEQ regarding all Work prior to performing any Work or approving any Work by contractors at the site. Should the Parties' representatives disagree about the nature of any proposed Work, the dispute shall be resolved as provided in Section 13 of the Parties' Settlement Agreement of March 15, 1989. The Parties agree that cost responsibility for contracted services to complete the Work shall be allocated sixty percent (60%) to PGE and forty percent (40%) to the City. PGE shall initially cover costs for Work completed, and the City shall reimburse PGE for its forty percent share. PGE and the City shall each pay the cost of its own activities participating in management, review, and oversight of the Work.

PGE will invoice the City for costs of Work completed and shall provide supporting documentation to the City for contract services and project management hours. Project Management hours will be billed at PGE's standard billing rates. All invoices will be paid within 30 days after receipt of an invoice (Net 30).

Each Party agrees to indemnify and hold harmless the other Party and its respective officers, directors, employees, and agents from and against any and all costs, expenses, attorneys' costs and fees (including, but not limited to, costs and fees at trial, on appeal and in connection with any petition for review), court costs, and expert and consulting costs, liabilities, claims, demands, debts, causes of action, fines, losses, damages, judgments and penalties (collectively, "Liability") to the extent such Liability arises from third party claims based on: (1) personal injury (including death) or tangible property damage caused by the negligence or intentional misconduct of the indemnifying Party or its employees, agents or contractors in connection with this Agreement, or (2) the violation of any local, state or federal law, regulation or code by the indemnifying Party or its employees, agents, or contractors in connection with this Agreement.

NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER ARISING FROM CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

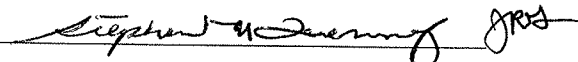
Nothing in this Agreement shall be altered or modified without the express written consent of each Party. This Agreement constitutes the complete agreement between the Parties regarding the Work described herein, and shall be interpreted in accordance with the substantive and procedural laws of the State of Oregon without regard to choice-of-law principles. The Parties irrevocably consent to the jurisdiction of the courts of the State of Oregon or of the U.S. District Court for the District of Oregon located in Portland, Oregon for any action, suit or proceeding in connection with this Agreement.

This Agreement may be revised or amended in writing, including with respect to the Work and allocated funding, by agreement of the Parties.

This Agreement shall expire upon completion of the Work and reimbursement of PGE by the City for all Work, but no later than January 31, 2016.

Each Party indicates acceptance of the terms of this Agreement by the signature of its authorized representative below.

PORTLAND GENERAL ELECTRIC COMPANY

By: 

Name: Stephen M. Quennoz

Title: VP Power Supply & Generation

Date: 10/18/2012

CITY OF PORTLAND, OREGON

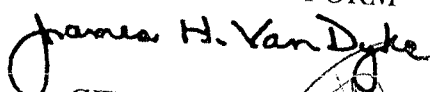
By: 

Name: DAVID G. SHAFF

Title: ADMINISTRATOR

Date: 12.03.2012

APPROVED AS TO FORM


CITY ATTORNEY