

Doug Hayes

From: Kristin Ingram <Kristin.Ingram@pgn.com>
Sent: Tuesday, October 10, 2017 7:32 AM
To: Doug Hayes; Rebecca Carey-Smith; Paula Miranda
Cc: Kristin Ingram
Subject: RE: PGE / Port of St. Helens - Amendment 5

Hi Doug and Paula,

Thanks for your patience as PGE works through addressing the Port's request that certain infrastructure properties be transferred and assigned back to the Port and that more a more certain access route to the dock be established. As you know, Port Westward is a critical facility for PGE and any changes to the site or leasehold require significant internal alignment and approvals.

Below is a short summary of PGE's positions on the Port's requests.

- **Water Intake Infrastructure.** PGE agrees to assign and transfer to the Water Intake Infrastructure to the Port. PGE wants to preserve access rights to the Water Intake Infrastructure – while it is not something that PGE would regularly use, PGE does not want to be restricted in the event of a need to get on that property (i.e. for an emergency situation or environmental testing) without needing to obtain permission.
- **Discharge System Infrastructure.** PGE agrees to assign and transfer the Discharge System Infrastructure to the Port conditioned on POSH agreeing to manage (at the Port's expense) fire protection and fire water supply for the dock. PGE would like proper as-built information from the Port on the discharge piping system location from the pump station to the river. Additionally, has the Port given any consideration to vehicle access to the Port's outfall facility?
- **Rail Infrastructure (the Port Lead/West Port Lead).** PGE needs to retain the right to use the Rail Infrastructure and PGE needs to retain approval rights regarding use and improvements of the rail (i.e. PGE has the right to review and comment on any improvements or changes of use to the Rail Infrastructure and withhold consent to such improvements, changes or use if PGE determines that the proposed use would have a material adverse impact on PGE existing and future Generation Resources or the Air Shed). PGE has always had concerns about the use of the rail given its close location to PGE facilities. PGE has set Safe Harbor Rail Activities limits and other limitations with Cascade Grain/Global regarding the rail and it is critical to PGE that these are enforced. Given PGE's need and concerns, transfer and assignment to the Port may not make sense unless the Port is willing to accept and pass through these limitations.
- **Dock Access.** PGE is willing to assign and transfer both access legs as well as the connector to the Port conditioned upon (i) PGE retaining access rights and (ii) the Port agreeing to maintain and improve (at the Port's expense) the road. The parties would need to reach an understanding regarding what "maintaining" the road means, but generally that would involve reasonable and normal road improvement and maintenance work to permit all weather access (i.e. filing holes, repairing cracks, repairing and resurfacing roadbeds, maintaining related drainage structures, removing debris, signs, markers, striping and lighting).

We appreciate that these positions don't fully meet the Port's requests, but feel that this provides a good compromise. We are happy to arrange a time to discuss these items in more detail with you.

Kind regards,