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Bonneville Power Administration's (BPA) 1996 Wholesale Power Rate Schedules, 1996 Ancillary Products and Services Rate Schedule, 1996 Transmission Rate Schedules, and General Rate Schedule Provisions, contained herein, were approved on an interim basis effective October 1, 1996. These rate schedules and provisions were approved by the Federal Energy Regulatory Commission (FERC), United States Department of Energy, in September 1996 (Docket Nos. EF96-2011-000 and EF96-2021-000).

Except as noted elsewhere, these 1996 rate schedules and provisions supersede BPA's Wholesale Power Rate Schedules and General Rate Schedule Provisions, and Transmission Rate Schedules and General Transmission Rate Schedule Provisions, effective October 1, 1995.

1996
WHOLESALE
POWER AND TRANSMISSION
RATES

PREPARED BY
BONNEVILLE POWER ADMINISTRATION
U.S. DEPARTMENT OF ENERGY

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1996 WHOLESALE POWER AND TRANSMISSION RATES

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COMMONLY USED ACRONYMS

| | |
|---------|---|
| AC | Alternating Current |
| ACME | Accelerated California Market Estimator (computer program) |
| AFUDC | Allowance for Funds Used During Construction |
| aMW | Average Megawatt |
| APS | Ancillary Products and Services (rate) |
| ASC | Average System Cost |
| ASM | Aluminum Smelter Model |
| BASC | BPA Average System Cost |
| BTU | British Thermal Unit |
| CE | Emergency Capacity (rate) |
| CF | Firm Capacity (rate) |
| CO-OP | Co-operative Electric Utility |
| COB | California -Oregon Border |
| COE | United States Army Corps of Engineers |
| Con/Mod | Conservation Modernization Program |
| COSA | Cost of Service Analysis |
| CSPE | Columbia Storage Power Exchange |
| CT | Combustion Turbine |
| CWIP | Construction Work In Progress |
| CY | Calendar Year (Jan - Dec) |
| DC | Direct Current |
| DOE | Department of Energy |
| DSIs | Direct Service Industrial Customers |
| DSM | Demand-Side Management |
| EA | Environmental Assessment |
| ECC | Energy Content Curve |
| EIS | Environmental Impact Statement |
| ET | Energy Transmission (rate) |
| F & O | Financial and Operating Reports |
| FBS | Federal Base System |
| FCRPS | Federal Columbia River Power System |
| FCRTS | Federal Columbia River Transmission System |
| FELCC | Firm Energy Load Carrying Capability |
| FERC | Federal Energy Regulatory Commission |
| FPS | Firm Power Products and Services (rate) |
| FPT | Formula Power Transmission (rate) |
| FSEA | Federal Secondary Energy Analysis |
| FY | Fiscal Year (Oct - Sep) |
| GCPs | General Contract Provisions |
| GRSPs | General Rate Schedule Provisions |
| GTRSPs | General Transmission Rate Schedule Provisions |
| IDUEIS | Intertie Development and Use Environmental Impact Statement |

| | |
|----------|---|
| IE | Eastern Intertie Transmission (rate) |
| IN | Northern Intertie Transmission (rate) |
| IOUs | Investor-Owned Utilities |
| IP | Industrial Firm Power (rate) |
| IR | Integration of Resources (rate) |
| IRE | Industrial Replacement Energy |
| IS | Southern Intertie Transmission (rate) |
| ISAAC | Integrated System for Analysis of Acquisitions (computer program) |
| ISC | Investment Service Coverage |
| KV | Kilovolt (1000 volts) |
| KW | Kilowatt (1000 watts) |
| kWh | Kilowatthour |
| LDD | Low Density Discount |
| LOLP | Loss of Load Probability |
| LTIAF | Long-Term Intertie Access Policy |
| M/kWh | Mills per kilowatthour |
| MC | Marginal Cost |
| MCA | Marginal Cost Analysis |
| MCS | Model Conservation Standards |
| MW | Megawatt (1 million watts) |
| MW-miles | Megawatt-miles |
| MWh | Megawatthour |
| MT | Market Transmission (rate) |
| NEPA | National Environmental Policy Act |
| NF | Nonfirm Energy (rate) |
| NFRAP | Nonfirm Revenue Analysis Program (computer program) |
| NOB | Nevada-Oregon Border |
| NR | New Resource Firm Power (rate) |
| NTSA | Non-Treaty Storage Agreement |
| NWPP | Northwest Power Pool |
| NWPPC | Northwest Power Planning Council |
| O&M | Operation and Maintenance |
| OMB | Office of Management and Budget |
| OY | Operating Year (Jul - Jun) |
| PA | Public Agency |
| PIP | Programs in Perspective |
| PF | Priority Firm Power (rate) |
| PNCA | Pacific Northwest Coordination Agreement |
| PNUCC | Pacific Northwest Utilities Conference Committee |
| PNW | Pacific Northwest |
| POD | Point of Delivery |
| PSW | Pacific Southwest |
| PURPA | Public Utilities Regulatory Policies Act |
| PUD | Public or Peoples' Utility District |
| RAM | Rate Analysis Model (computer model) |

| | |
|--------|---|
| REVEST | Revenue Estimate (computer program) |
| ROD | Record of Decision |
| RP | Reserve Power (rate) |
| RPSA | Residential Purchase and Sale Agreement |
| SAM | System Analysis Model |
| SI | Special Industrial Power (rate) |
| SPM | Supply Pricing Model (computer program) |
| SPOM | Surplus Power-Open Market |
| SS | Share-the-Savings Energy (rate) |
| TGT | Townsend-Garrison Transmission (rate) |
| UFT | Use of Facilities Transmission (rate) |
| USBR | United States Bureau of Reclamation |
| VI | Variable Industrial Power (rate) |
| VOR | Value of Reserves |
| WNP | Washington Public Power Supply System (Nuclear) Project |
| WPPSS | Washington Public Power Supply System |
| WPRDS | Wholesale Power Rate Development Study |
| WSPP | Western Systems Power Pool |
| WSCC | Western Systems Coordinating Council |

BPA'S 1996
POWER RATE SCHEDULES

INDEX

1996 POWER RATE SCHEDULES

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**SCHEDULE PF-96
PRIORITY FIRM POWER**

SECTION I. AVAILABILITY

This schedule is available for the contract purchase of firm power or capacity to be used within the Pacific Northwest. Priority Firm Power may be purchased by public bodies, cooperatives, and Federal agencies for resale to ultimate consumers; for direct consumption; and for construction, test and startup, and station service. Utilities participating in the exchange under section 5(c) of the Northwest Power Act may purchase Priority Firm Power pursuant to their Residential Purchase and Sale Agreements (RPSA). Rates in this schedule are available for purchases under requirements sales contracts under which power deliveries began before October 1, 1996 (hereinafter termed the 1981 Contract, although some are actually dated 1984 or later), and under contracts under which power deliveries may begin on or after October 1, 1996 (1996 Contract), for up to a 5-year period.

This rate schedule supersedes the PF-95 rate schedule, which went into effect October 1, 1995. Sales under the PF-96 rate schedule are subject to BPA's General Rate Schedule Provisions (GRSPs). Products available under this rate schedule are defined in the GRSPs. For sales under this rate schedule, bills shall be rendered and payments due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES, BILLING FACTORS, AND ADJUSTMENTS FOR EACH PF PRODUCT

For each customer designation, the rate(s) for each product along with the associated billing factor(s) are identified below. Applicable adjustments and special rate provisions are listed for each customer designation. PF customers shall be charged for transmission service under separate transmission rate schedules (NTP, NT, or PTP). 1981 Contract customers shall be charged for transmission service under the NTP rate schedule. A PF customer who amends its 1981 Contract and executes a Network Integration (NT) or Point-to-Point (PTP) Service Agreement shall be charged for transmission service for PF power under the NT rate schedule or PTP rate schedule, respectively. 1996 Contract customers shall be charged for transmission service under the NT or PTP rate schedule depending on which transmission service they have. Rates under contracts that contain charges that escalate based on rates listed in this rate schedule shall include applicable transmission charges and shall not be based on rates under the Flexible PF rate option.

This rate schedule contains six subsections, corresponding to the customer categories to which this rate schedule applies:

Section II.A. Metered Requirements customers who purchase under 1981 Contracts.

Section II.B. Full Requirements customers who purchase under 1996 Contracts.

Section II.C. Customers who elect to purchase on a composite rate basis.

Section II.D. Computed Requirements customers who purchase under 1981 Contracts.

Section II.E. Partial Requirements customers who purchase under 1996 Contracts.

Section II.F. Customers who purchase under Residential Purchase and Sale Agreements (RPSA).

A. METERED REQUIREMENTS CUSTOMERS WHO PURCHASE UNDER 1981 CONTRACTS

Metered Requirements customers purchasing power under a 1981 Contract receive Full Load Shaping service and will be charged for that product at the rate specified in this section of the rate schedule. Customers in BPA’s Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this section of the rate schedule. Customers purchasing under the Flexible PF rate option purchase the same set of power products and services that they would otherwise purchase under this section of the rate schedule. Metered Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. PRIORITY FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser’s Measured Demand that occurs during the hour of the Monthly Federal System Peak Load.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of (1) and (2):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser’s HLH Measured Energy, and
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser’s LLH Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh |

2. FULL LOAD SHAPING

2.1. For Purchasers without Industrial Exemption loads

The charge for Full Load Shaping shall be 0.32 mills/kWh times the Utility Factor, *multiplied by* the Purchaser's total HLH and LLH Measured Energy, which includes Measured Energy under the PF rate schedule and Measured Energy, if any, for New Large Single Loads under the NR rate schedule.

2.2. For Purchasers with Industrial Exemption loads

The charge for Full Load Shaping shall be the sum of (1) and (2):

- (1) The Full Load Shaping rate, 0.32 mills/kWh, times the Adjusted Utility Factor, *multiplied by* the Purchaser's total HLH and LLH Measured Energy, which includes Measured Energy under the PF rate schedule and Measured Energy, if any, for New Large Single Loads under the NR rate schedule;
- (2) The Industrial Exemption rate, 1.16 mills/kWh, *multiplied by* the *sum* of (2a) and (2b):
 - (2a) the absolute value of the difference between the Purchaser's HLH Industrial Exemption Measured Energy and HLH Industrial Exemption energy forecast; and
 - (2b) the absolute value of the difference between the Purchaser's LLH Industrial Exemption Measured Energy and LLH Industrial Exemption energy forecast.

3. LOAD REGULATION

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate times the Utility Factor, *multiplied by* the Purchaser's total HLH and LLH Measured Energy, which includes Measured Energy under the PF rate schedule and Measured Energy, if any, for New Large Single Loads under the NR rate schedule.

4. FLEXIBLE PF RATE OPTION

The Flexible PF rate option shall be offered at BPA’s discretion to purchasers who make a contractual commitment to purchase under this option. The charges and billing factors under this option shall be specified by BPA at the time the Administrator offers to make power available to a Purchaser under this option. The actual charges and billing factors will be mutually agreed to by BPA and the Purchaser subject to satisfying both of the following conditions:

- 4.1. Equivalent Net Present Value Revenues: Forecasted revenues from a Purchaser under the Flexible PF rate option must be equivalent, on a net present value basis, to the revenues BPA would have received had the appropriate charges specified in sections 1, 2, and 3 above been applied to the same sales.
- 4.2. Cash flow test: Forecasted revenues from all Purchasers under the Flexible PF rate option shall not create an annual cash flow problem for BPA compared to forecasted revenues at the charges specified in sections 1, 2, and 3 above for the same products.

The Flexible PF rate contract may establish a limit on the amount of power purchased at the Flexible PF rate. In this case, purchases beyond the contractual limit shall be billed at the Demand and Energy (and Load Shaping and Load Regulation, if appropriate) charges specified in sections 1, 2, and 3, above, unless such power would be charged as an unauthorized increase.

5. TRANSMISSION

Transmission services for delivery of PF power shall be billed under the applicable rate schedule (NTP, NT, or PTP).

6. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

6.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Conservation Surcharge | II.C. |
| Low Density Discount | II.K. |
| Phase-In Mitigation | II.N. |
| Transitional Service | II.Q. |

6.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |
| Utility Factor | II.S. |

B. FULL REQUIREMENTS CUSTOMERS WHO PURCHASE UNDER 1996 CONTRACTS

Full Requirements customers purchasing power under a 1996 Contract receive Full Load Shaping service and will be charged for that product at the rate specified in this section of the rate schedule. Customers in BPA’s Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this section of the rate schedule. Customers purchasing under the Flexible PF rate option purchase the same set of power products and services that they would otherwise purchase under this section of the rate schedule. Full Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. PRIORITY FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser’s Measured Demand that occurs during the hour of the Monthly Federal System Peak Load.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of (1) and (2):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser’s HLH Measured Energy, and
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser’s LLH Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh |

2. FULL LOAD SHAPING

2.1. For Purchasers without Industrial Exemption loads

The charge for Full Load Shaping shall be 0.32 mills/kWh, *multiplied by* the Purchaser's Total Retail Load.

2.2. For Purchasers with Industrial Exemption loads

The charge for Full Load Shaping shall be the sum of (1) and (2):

- (1) The Full Load Shaping rate, 0.32 mills/kWh, *multiplied by* the *difference* between (1a) and (1b):
 - (1a) the Purchaser's Total Retail Load;
 - (1b) the Purchaser's total HLH and LLH Industrial Exemption Measured Energy.

- (2) The Industrial Exemption rate, 1.16 mills/kWh, *multiplied by* the *sum* of (2a) and (2b):
 - (2a) the absolute value of the difference between the Purchaser's HLH Industrial Exemption Measured Energy and HLH Industrial Exemption energy forecast; and
 - (2b) the absolute value of the difference between the Purchaser's LLH Industrial Exemption Measured Energy and LLH Industrial Exemption energy forecast.

3. LOAD REGULATION

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate *multiplied by* the Purchaser's Total Retail Load.

4. FLEXIBLE PF RATE OPTION

The Flexible PF rate option shall be offered at BPA's discretion to purchasers who make a contractual commitment to purchase under this option. The charges and billing factors under this option shall be specified by BPA at the time the Administrator offers to make power available to a Purchaser under this option. The actual charges and billing factors will be mutually agreed to by BPA and the Purchaser subject to satisfying both of the following conditions:

- 4.1. Equivalent Net Present Value Revenues: Forecasted revenues from a Purchaser under the Flexible PF rate option must be equivalent, on a net present value basis,

to the revenues BPA would have received had the appropriate charges specified in sections 1, 2, and 3 above been applied to the same sales.

- 4.2. Cash flow test: Forecasted revenues from all Purchasers under the Flexible PF rate option shall not create an annual cash flow problem for BPA compared to forecasted revenues at the charges specified in sections 1, 2, and 3 above for the same products.

The Flexible PF rate contract may establish a limit on the amount of power purchased at the Flexible PF rate. In this case, purchases beyond the contractual limit shall be billed at the Demand and Energy (and Load Shaping and Load Regulation, if appropriate) charges specified in sections 1, 2, and 3 above, unless such power would be charged as an unauthorized increase.

5. TRANSMISSION

Transmission services for delivery of PF power shall be billed under the applicable rate schedule (NT or PTP).

6. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

6.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Conservation Surcharge | II.C. |
| Deviation Adjustment | II.G. |
| Low Density Discount | II.K. |
| Phase-In Mitigation | II.N. |

6.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

C. CUSTOMERS WHO ELECT TO PURCHASE POWER ON A COMPOSITE RATE BASIS

Only customers whose average annual retail loads during each year of the 1996-2001 rate period, as forecasted by BPA, are 25 average annual MW or less are eligible to purchase at this rate. Such customers also must agree to buy all their power from BPA during the entire rate period. The composite rate charge includes the PF-96 charges for Demand, Energy, Load Shaping, and Load Regulation. These customers are charged for transmission service under the applicable transmission rate schedule.

1. COMPOSITE CHARGE

The composite charge shall be 23.42 mills/kWh in all months of the year, *multiplied by* the Purchaser's monthly Measured Energy.

2. TRANSMISSION

Transmission services for delivery of PF power shall be billed under the applicable rate schedule (NTP, NT, or PTP).

3. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

3.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|------------------------|----------------|
| Conservation Surcharge | II.C. |
| Low Density Discount | II.K. |
| Phase-In Mitigation | II.N. |
| Transitional Service | II.Q. |

3.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

D. COMPUTED REQUIREMENTS CUSTOMERS WHO PURCHASE UNDER 1981 CONTRACTS

Actual Computed Requirements customers purchasing power under a 1981 Contract receive Full Load Shaping service and will be charged for that product at the rate specified in this section of the rate schedule. Planned Computed Requirements customers do not receive Full Load Shaping but have the option of purchasing Partial Load Shaping. Contracted Computed Requirements customers do not receive Load Shaping. Customers in BPA's Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this section of the rate schedule. Customers purchasing under the Flexible PF rate option purchase the same set of power products and services that they would otherwise purchase under this section of the rate schedule. Computed Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. PRIORITY FIRM POWER

1.1. Demand Charge

1.1.1. For purchasers who have not waived part of their Computed Maximum Requirement

The total monthly charge for demand shall be the sum of (1) and (2):

- (1) The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser's highest monthly HLH Measured Demand for power delivered under the 1981 Contract, measured coincidentally across the Purchaser's PODs.
- (2) The charge for reserving power demand shall be \$0.67/kW/mo. in all months of the year, *multiplied by* the Purchaser's Computed Maximum Requirement minus the Purchaser's highest monthly HLH Measured Demand for power delivered under the 1981 Contract, measured coincidentally across the Purchaser's PODs.

1.1.2. For purchasers who have waived part of their Computed Maximum Requirement

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser’s Computed Maximum Requirement minus the declared megawatt amount waived.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of (1), (2), and (3):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser’s HLH Measured Energy;
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser’s LLH Measured Energy; and
- (3) the applicable Availability Charge rate for that month, *multiplied by* the Purchaser’s Computed Energy Maximum minus the Purchaser’s Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> | <i>Availability Charge</i> |
|--------------------------|-----------------|-----------------|----------------------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh | 7.00 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh | 8.00 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh | 8.00 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh | 4.99 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh | 4.60 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh | 7.00 mills/kWh |

2. FULL LOAD SHAPING

2.1. For Purchasers without Industrial Exemption loads

The charge for Full Load Shaping shall be 0.32 mills/kWh times the Utility Factor, *multiplied by* the Purchaser’s Computed Energy Maximum.

2.2. For Purchasers with Industrial Exemption loads

The charge for Full Load Shaping shall be the sum of (1) and (2):

- (1) The Full Load Shaping rate, 0.32 mills/kWh, times the Adjusted Utility Factor, *multiplied by* the Purchaser's Computed Energy Maximum;
- (2) The Industrial Exemption rate, 1.16 mills/kWh, *multiplied by* the *sum* of (2a) and (2b):
 - (2a) the absolute value of the difference between the Purchaser's HLH Industrial Exemption Measured Energy and HLH Industrial Exemption energy forecast; and
 - (2b) the absolute value of the difference between the Purchaser's LLH Industrial Exemption Measured Energy and LLH Industrial Exemption energy forecast.

3. PARTIAL LOAD SHAPING

The Partial Load Shaping charge shall be \$2.27/MWh-hr. *multiplied by* the Purchaser's Partial Load Shaping Purchase Amount for the month.

4. LOAD REGULATION

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate times the Utility Factor, *multiplied by* the Purchaser's Computed Energy Maximum, which includes that part of the Purchaser's Computed Energy Maximum, if any, for New Large Single Loads under the NR rate schedule.

5. FLEXIBLE PF RATE OPTION

The Flexible PF rate option shall be offered at BPA's discretion to purchasers who make a contractual commitment to purchase under this option. The charges and billing factors under this option shall be specified by BPA at the time the Administrator offers to make power available to a Purchaser under this option. The actual charges and billing factors will be mutually agreed to by BPA and the Purchaser subject to satisfying both of the following conditions:

- 5.1. Equivalent Net Present Value Revenues: Forecasted revenues from a Purchaser under the Flexible PF rate option must be equivalent, on a net present value basis, to the revenues BPA would have received had the appropriate charges specified in sections 1-4 above been applied to the same sales.
- 5.2. Cash flow test: Forecasted revenues from all Purchasers under the Flexible PF rate option shall not create an annual cash flow problem for BPA compared to forecasted revenues at the charges specified in sections 1-4 above for the same products.

The Flexible PF rate contract may establish a limit on the amount of power purchased at the Flexible PF rate. In this case, purchases beyond the contractual limit shall be billed at the Demand and Energy (and Load Shaping and Load Regulation, if appropriate) charges specified in sections 1-4 above, unless such power would be charged as an unauthorized increase.

6. FIRM CAPACITY WITHOUT ENERGY

The monthly charge for Firm Capacity Without Energy shall be the applicable rate for that month, *multiplied by* the Purchaser's Computed Peak Requirement associated with the purchase of Firm Capacity Without Energy.

| <i>Applicable Months</i> | <i>Rate</i> |
|--------------------------|---------------|
| September - December | \$1.18/kW-mo. |
| January - March | \$1.18/kW-mo. |
| April | \$1.07/kW-mo. |
| May - June | \$1.18/kW-mo. |
| July | \$1.25/kW-mo. |
| August | \$1.42/kW-mo. |

7. TRANSMISSION

Transmission services for delivery of PF power shall be billed under the applicable rate schedule (NTP, NT, or PTP).

8. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

8.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Conservation Surcharge | II.C. |
| Energy Return Surcharge | II.H. |
| Low Density Discount | II.K. |
| Transitional Service | II.Q. |
| Unauthorized Increase Charge | II.R. |

8.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |
| Utility Factor | II.S. |

E. PARTIAL REQUIREMENTS CUSTOMERS WHO PURCHASE UNDER 1996 CONTRACTS

Partial Requirements customers purchasing power under a 1996 Contract who are either required to purchase Full Load Shaping or have the option to purchase Full or Partial Load Shaping (as determined by the Purchaser’s contract) will be charged for that product at the rate specified in this section of the rate schedule. Customers in BPA’s Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this section of the rate schedule. Customers purchasing under the Flexible PF rate option purchase the same set of power products and services that they would otherwise purchase under this section of the rate schedule. Partial Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. PRIORITY FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the *greater* of (1) the Purchaser’s Measured Demand that occurs during the hour of the Monthly Federal System Peak Load *or* (2) the Purchaser’s Monthly Contract Obligation.

1.2. Energy Charge

1.2.1. For customers without a contractual right to displace their PF purchases

The total monthly charge for energy shall be the sum of (1) and (2):
 (1) the applicable HLH rate for that month, *multiplied by* the *greater* of Purchaser’s HLH Adjusted Measured Energy *or* Purchaser’s Monthly Minimum HLH Contract Obligation, and
 (2) the applicable LLH rate for that month, *multiplied by* the *greater* of Purchaser’s LLH Adjusted Measured Energy *or* Purchaser’s Monthly Minimum LLH Contract Obligation.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh |

1.2.2. For customers with a contractual right to displace their PF purchases

The total monthly charge for energy shall be the sum of (1), (2), and (3):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser's HLH Adjusted Measured Energy;
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser's LLH Adjusted Measured Energy; and
- (3) unless otherwise agreed to by BPA and the Purchaser, the applicable Availability Charge rate for that month, *multiplied by* the sum of the Purchaser's Monthly Minimum HLH and LLH Contract Obligations minus the Purchaser's Adjusted Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> | <i>Availability Charge</i> |
|--------------------------|-----------------|-----------------|----------------------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh | 7.00 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh | 8.00 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh | 8.00 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh | 4.99 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh | 4.60 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh | 7.00 mills/kWh |

2. FULL LOAD SHAPING

2.1. For Purchasers without Industrial Exemption loads

The charge for Full Load Shaping shall be 0.32 mills/kWh, *multiplied by* the Purchaser's Total Retail Load.

2.2. For Purchasers with Industrial Exemption loads

The charge for Full Load Shaping shall be the sum of (1) and (2):

- (1) The Full Load Shaping rate, 0.32 mills/kWh, *multiplied by* the *difference* between (1a) and (1b):
 - (1a) the Purchaser's Total Retail Load;
 - (1b) the Purchaser's total HLH and LLH Industrial Exemption Measured Energy.

- (2) The Industrial Exemption rate, 1.16 mills/kWh, *multiplied by* the *sum* of (2a) and (2b):
 - (2a) the absolute value of the difference between the Purchaser's HLH Industrial Exemption Measured Energy and HLH Industrial Exemption energy forecast; and
 - (2b) the absolute value of the difference between the Purchaser's LLH Industrial Exemption Measured Energy and LLH Industrial Exemption energy forecast.

3. PARTIAL LOAD SHAPING

The Partial Load Shaping charge shall be \$2.27/MWh-hr. *multiplied by* the Purchaser's Partial Load Shaping Purchase Amount for the month.

4. LOAD REGULATION

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate *multiplied by* the Purchaser's Total Retail Load.

5. FLEXIBLE PF RATE OPTION

The Flexible PF rate option shall be offered at BPA's discretion to purchasers who make a contractual commitment to purchase under this option. The charges and billing factors under this option shall be specified by BPA at the time the Administrator offers to make power available to a Purchaser under this option. The actual charges and billing factors will be mutually agreed to by BPA and the Purchaser subject to satisfying both of the following conditions:

- 5.1. Equivalent Net Present Value Revenues: Forecasted revenues from a Purchaser under the Flexible PF rate option must be equivalent, on a net present value basis, to the revenues BPA would have received had the appropriate charges specified in sections 1-4 above been applied to the same sales.

- 5.2. Cash flow test: Forecasted revenues from all Purchasers under the Flexible PF rate option shall not create an annual cash flow problem for BPA compared to forecasted revenues at the charges specified in sections 1-4 above for the same products.

The Flexible PF rate contract may establish a limit on the amount of power purchased at the Flexible PF rate. In this case, purchases beyond the contractual limit shall be billed at the Demand and Energy (and Load Shaping and Load Regulation, if appropriate) charges specified in sections 1-4 above, unless such power would be charged as an unauthorized increase.

6. TRANSMISSION

Transmission services for delivery of PF power shall be billed under the applicable rate schedule (NT or PTP).

7. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

7.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Conservation Surcharge | II.C. |
| Deviation Adjustment | II.G. |
| Low Density Discount | II.K. |

7.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

F. CUSTOMERS WHO PURCHASE UNDER RESIDENTIAL PURCHASE AND SALE AGREEMENTS (RPSA)

The PF Exchange rate includes Load Shaping and Load Regulation. These customers are charged for transmission service under the NTP rate schedule.

1. PRIORITY FIRM POWER

1.1 Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser’s Billing Demand, which is calculated by applying the load factor, determined as specified in the RPSA, to the Billing Energy for each billing period.

1.2. Energy Charge

The monthly charge for energy shall be the applicable rate for that month, *multiplied by* the Purchaser’s Billing Energy, which is the energy associated with the utility’s residential load for each billing period. Residential load shall be computed in accordance with the provisions of the purchaser’s RPSA.

| <i>Applicable Months</i> | <i>Rate</i> |
|--------------------------|-----------------|
| September - December | 32.33 mills/kWh |
| January - March | 32.83 mills/kWh |
| April | 29.37 mills/kWh |
| May - June | 15.39 mills/kWh |
| July | 18.91 mills/kWh |
| August | 26.92 mills/kWh |

2. TRANSMISSION

Transmission services for delivery of PF power shall be billed under the NTP rate schedule.

3. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

| <i>Rate Adjustment</i> | <i>Section</i> |
|------------------------|----------------|
| Conservation Surcharge | II.C. |
| Low Density Discount | II.K. |

**SCHEDULE NR-96
NEW RESOURCE FIRM POWER RATE**

SECTION I. AVAILABILITY

This schedule is available for the contract purchase of firm power or capacity to be used within the Pacific Northwest. New Resource Firm Power is available to investor-owned utilities (IOUs) under net requirements contracts for resale to ultimate consumers; for direct consumption; and for construction, test and startup, and station service. New Resource Firm Power also is available to any public body, cooperative, or Federal agency to the extent such power is needed to serve any New Large Single Load (NLSL), as defined by the Northwest Power Act.

Rates in this schedule are available for purchases under requirements sales contracts under which power deliveries began before October 1, 1996 (hereinafter termed the 1981 Contract, although some are actually dated 1984 or later), and under contracts under which power deliveries begin on or after October 1, 1996 (1996 Contract), for up to a 5-year period. Products available under this rate schedule are defined in BPA's General Rate Schedule Provisions (GRSPs).

This rate schedule supersedes the NR-95 rate schedule, which went into effect October 1, 1995. Sales under this schedule are subject to BPA's General Rate Schedule Provisions. For sales under this rate schedule, bills shall be rendered and payments due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES, BILLING FACTORS, AND ADJUSTMENTS FOR EACH NR PRODUCT

For each customer designation, the rate(s) for each product along with the associated billing factor(s) are identified below. Applicable adjustments and special rate provisions are listed for each customer designation. NR customers shall be charged for transmission service under separate transmission rate schedules (NTP, NT, or PTP). 1981 Contract customers shall be charged for transmission service under the NTP rate schedule. An NR customer who amends its 1981 Contract and executes a Network Integration (NT) or Point-to-Point (PTP) Service Agreement shall be charged for transmission service for NR power under the NT rate schedule or PTP rate schedule, respectively. 1996 Contract customers shall be charged for transmission service under the NT or PTP rate schedule depending on which transmission service they have. Rates under contracts that contain charges that escalate based on rates listed in this rate schedule shall include applicable transmission charges and shall not be based on rates under the Flexible NR rate option.

This rate schedule contains four subsections, corresponding to the customer categories to which this rate schedule applies:

Section II.A. Customers who serve New Large Single Loads.

Section II.B. Full Requirements customers who purchase under 1996 Contracts.

Section II.C. Computed Requirements customers who purchase under 1981 Contracts.

Section II.D. Partial Requirements customers who purchase under 1996 Contracts.

A. CUSTOMERS WHO SERVE NEW LARGE SINGLE LOADS

Customers purchasing power to serve a New Large Single Load (NLSL) buy New Resource Firm Power as needed for that NLSL. Customers in BPA’s Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this section of the rate schedule. Customers purchasing under the Flexible NR rate option purchase the same set of power products and services that they would otherwise purchase under this section of the rate schedule. These customers are charged for transmission service under the applicable transmission rate schedule.

1. NEW RESOURCE FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser’s Measured Demand, unless mutually agreed by BPA and the Purchaser, that occurs during the hour of the Monthly Federal System Peak Load.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of (1) and (2):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser’s HLH Measured Energy, unless BPA and the Purchaser agree to bill based on a contracted amount of energy, and
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser’s LLH Measured Energy, unless BPA and the Purchaser agree to bill based on a contracted amount of energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh |

2. LOAD REGULATION

2.1 For purchasers whose requirements service is provided exclusively under the NR rate

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate times the Utility Factor, *multiplied by*

the Purchaser's HLH and LLH Measured Energy, unless BPA and the Purchaser agree to bill based on a contracted amount of energy.

2.2 For purchasers whose requirements service is provided under both the PF rate and the NR rate

There is no separate charge for Load Regulation under the NR rate schedule.

3. FLEXIBLE NR RATE OPTION

The Flexible NR rate option shall be offered at BPA's discretion to purchasers who make a contractual commitment to purchase under this option. The charges and billing factors under this option shall be specified by BPA at the time the Administrator offers to make power available to a Purchaser under this option. The actual charges and billing factors will be mutually agreed to by BPA and the Purchaser subject to satisfying both of the following conditions:

- 3.1. Equivalent Net Present Value Revenues: Forecasted revenues from a Purchaser under the Flexible NR rate option must be equivalent, on a net present value basis, to the revenues BPA would have received had the appropriate charges specified in sections 1 and 2 above been applied to the same sales.
- 3.2. Cash flow test: Forecasted revenues from all Purchasers under the Flexible NR rate option shall not create an annual cash flow problem for BPA compared to forecasted revenues at the charges specified in sections 1 and 2 above for the same products.

The Flexible NR rate contract may establish a limit on the amount of power purchased at the Flexible NR rate. In this case, purchases beyond the contractual limit shall be billed at the Demand and Energy (and Load Regulation if appropriate) charges specified in sections 1 and 2 above, unless such power would be charged as an unauthorized increase.

4. TRANSMISSION

Transmission services for delivery of NR power shall be billed under the applicable rate schedule (NTP, NT, or PTP).

5. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

5.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Conservation Surcharge | II.C. |
| Low Density Discount | II.K. |
| Phase-In Mitigation | II.N. |
| Transitional Service | II.Q. |

5.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

B. NR RATES FOR FULL REQUIREMENTS CUSTOMERS WHO PURCHASE UNDER 1996 CONTRACTS

Full Requirements customers purchasing power under a 1996 Contract receive Full Load Shaping service and will be charged for that product at the rate specified in this section of the rate schedule. Customers in BPA’s Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this section of the rate schedule. Customers purchasing under the Flexible NR rate option purchase the same set of power products and services that they would otherwise purchase under this section of the rate schedule. Full Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. NEW RESOURCE FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser’s Measured Demand that occurs during the hour of the Monthly Federal System Peak Load.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of (1) and (2):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser’s HLH Measured Energy, and
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser’s LLH Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh |

2. FULL LOAD SHAPING

2.1. For Purchasers without Industrial Exemption loads

The charge for Full Load Shaping shall be 0.32 mills/kWh, *multiplied by* the Purchaser's Total Retail Load.

2.2. For Purchasers with Industrial Exemption loads

The charge for Full Load Shaping shall be the sum of (1) and (2):

- (1) The Full Load Shaping rate, 0.32 mills/kWh, *multiplied by* the *difference* between (1a) and (1b):
 - (1a) Purchaser's Total Retail Load;
 - (1b) the Purchaser's total HLH and LLH Industrial Exemption Measured Energy.

- (2) The Industrial Exemption rate, 1.16 mills/kWh, *multiplied by* the *sum* of (2a) and (2b):
 - (2a) the absolute value of the difference between the Purchaser's HLH Industrial Exemption Measured Energy and HLH Industrial Exemption energy forecast; and
 - (2b) the absolute value of the difference between the Purchaser's LLH Industrial Exemption Measured Energy and LLH Industrial Exemption energy forecast.

3. LOAD REGULATION

3.1 For purchasers whose requirements service is provided exclusively under the NR rate

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate *multiplied by* the Purchaser's Total Retail Load.

3.2 For purchasers whose requirements service is provided under both the PF rate and the NR rate

There is no separate charge for Load Regulation under the NR rate schedule.

4. FLEXIBLE NR RATE OPTION

The Flexible NR rate option shall be offered at BPA's discretion to purchasers who make a contractual commitment to purchase under this option. The charges and billing factors

under this option shall be specified by BPA at the time the Administrator offers to make power available to a Purchaser under this option. The actual charges and billing factors will be mutually agreed to by BPA and the Purchaser subject to satisfying both of the following conditions:

- 4.1. Equivalent Net Present Value Revenues: Forecasted revenues from a Purchaser under the Flexible NR rate option must be equivalent, on a net present value basis, to the revenues BPA would have received had the appropriate charges specified in sections 1, 2, and 3 above been applied to the same sales.
- 4.2. Cash flow test: Forecasted revenues from all Purchasers under the Flexible NR rate option shall not create an annual cash flow problem for BPA compared to forecasted revenues at the charges specified in sections 1, 2, and 3 above for the same products.

The Flexible NR rate contract may establish a limit on the amount of power purchased at the Flexible NR rate. In this case, purchases beyond the contractual limit shall be billed at the Demand and Energy (and Load Shaping and Load Regulation, if appropriate) charges specified in sections 1, 2, and 3 above, unless such power would be charged as an unauthorized increase.

5. TRANSMISSION

Transmission services for delivery of NR power shall be billed under the applicable rate schedule (NT or PTP).

6. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

6.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Conservation Surcharge | II.C. |
| Deviation Adjustment | II.G. |
| Low Density Discount | II.K. |
| Phase-In Mitigation | II.N. |

6.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

C. COMPUTED REQUIREMENTS CUSTOMERS WHO PURCHASE UNDER 1981 CONTRACTS

Actual Computed Requirements customers purchasing power under a 1981 Contract receive Full Load Shaping service and will be charged for that product at the rate specified in this section of the rate schedule. Planned Computed Requirements customers do not receive Full Load Shaping but have the option of purchasing Partial Load Shaping. Contracted Computed Requirements customers do not receive Load Shaping. Customers in BPA's Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this section of the rate schedule. Customers purchasing under the Flexible NR rate option purchase the same set of power products and services that they would otherwise purchase under this section of the rate schedule. Computed Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. NEW RESOURCE FIRM POWER

1.1. Demand Charge

1.1.1. For purchasers who have not waived part of their Computed Maximum Requirement

The total monthly charge for demand shall be the sum of (1) and (2):

- (1) The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser's highest monthly HLH Measured Demand for power delivered under the 1981 Contract, measured coincidentally across the Purchaser's PODs.
- (2) The charge for reserving power demand shall be \$0.67/kW/mo. in all months of the year, *multiplied by* the Purchaser's Computed Maximum Requirement minus the Purchaser's highest monthly HLH Measured Demand for power delivered under the 1981 Contract, measured coincidentally across the Purchaser's PODs.

1.1.2. For purchasers who have waived part of their Computed Maximum Requirement

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser's Computed Maximum Requirement minus the declared megawatt amount waived.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of (1), (2), and (3):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser's HLH Measured Energy;
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser's LLH Measured Energy; and
- (3) the applicable Availability Charge rate for that month, *multiplied by* the Purchaser's Computed Energy Maximum minus the Purchaser's Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> | <i>Availability Charge</i> |
|--------------------------|-----------------|-----------------|----------------------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh | 7.00 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh | 8.00 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh | 8.00 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh | 4.99 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh | 4.60 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh | 7.00 mills/kWh |

2. FULL LOAD SHAPING

2.1. For Purchasers without Industrial Exemption loads

The charge for Full Load Shaping shall be 0.32 mills/kWh times the Utility Factor, *multiplied by* the Purchaser's Computed Energy Maximum.

2.2. For Purchasers with Industrial Exemption loads

The charge for Full Load Shaping shall be the sum of (1) and (2):

- (1) The Full Load Shaping rate, 0.32 mills/kWh, times the Adjusted Utility Factor, *multiplied by* the Purchaser's Computed Energy Maximum;

- (2) The Industrial Exemption rate, 1.16 mills/kWh, *multiplied by* the *sum* of (2a) and (2b):
 - (2a) the absolute value of the difference between the Purchaser's HLH Industrial Exemption Measured Energy and HLH Industrial Exemption energy forecast; and
 - (2b) the absolute value of the difference between the Purchaser's LLH Industrial Exemption Measured Energy and LLH Industrial Exemption energy forecast.

3. PARTIAL LOAD SHAPING

The Partial Load Shaping charge shall be \$2.27/MWh-hr. *multiplied by* the Purchaser's Partial Load Shaping Purchase Amount for the month.

4. LOAD REGULATION

4.1 For purchasers whose requirements service is provided exclusively under the NR rate

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate times the Utility Factor, *multiplied by* the Purchaser's Computed Energy Maximum.

4.2 For purchasers whose requirements service is provided under both the PF rate and the NR rate

There is no separate charge for Load Regulation under the NR rate schedule.

5. FLEXIBLE NR RATE OPTION

The Flexible NR rate option shall be offered at BPA's discretion to purchasers who make a contractual commitment to purchase under this option. The charges and billing factors under this option shall be specified by BPA at the time the Administrator offers to make power available to a Purchaser under this option. The actual charges and billing factors will be mutually agreed to by BPA and the Purchaser subject to satisfying both of the following conditions:

- 5.1. Equivalent Net Present Value Revenues: Forecasted revenues from a Purchaser under the Flexible NR rate option must be equivalent, on a net present value basis, to the revenues BPA would have received had the appropriate charges specified in sections 1-4 above been applied to the same sales.

- 5.2. Cash flow test: Forecasted revenues from all Purchasers under the Flexible NR rate option shall not create an annual cash flow problem for BPA compared to forecasted revenues at the charges specified in sections 1-4 above for the same products.

The Flexible NR rate contract may establish a limit on the amount of power purchased at the Flexible NR rate. In this case, purchases beyond the contractual limit shall be billed at the Demand and Energy (and Load Shaping and Load Regulation, if appropriate) charges specified in sections 1-4 above, unless such power would be charged as an unauthorized increase.

6. FIRM CAPACITY WITHOUT ENERGY

The monthly charge for Firm Capacity Without Energy shall be the applicable rate for that month, *multiplied by* the Purchaser’s Computed Peak Requirement associated with the purchase of Firm Capacity Without Energy.

| <i>Applicable Months</i> | <i>Rate</i> |
|--------------------------|---------------|
| September - December | \$1.56/kW-mo. |
| January - March | \$1.55/kW-mo. |
| April | \$1.31/kW-mo. |
| May - June | \$1.55/kW-mo. |
| July | \$1.70/kW-mo. |
| August | \$2.09/kW-mo. |

7. TRANSMISSION

Transmission services for delivery of NR power shall be billed under the applicable rate schedule (NTP, NT, or PTP).

8. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

8.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Conservation Surcharge | II.C. |
| Energy Return Surcharge | II.H. |
| Low Density Discount | II.K. |
| Transitional Service | II.Q. |
| Unauthorized Increase Charge | II.R. |

8.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |
| Utility Factor | II.S. |

D. PARTIAL REQUIREMENTS CUSTOMERS WHO PURCHASE UNDER 1996 CONTRACTS

Partial Requirements customers purchasing power under a 1996 Contract who are either required to purchase Full Load Shaping or have the option to purchase Full or Partial Load Shaping (as determined by the Purchaser's contract) will be charged for that product at the rate specified in this section of the rate schedule. Customers in BPA's Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this section of the rate schedule. Customers purchasing under the Flexible NR rate option purchase the same set of power products and services that they would otherwise purchase under this section of the rate schedule. Partial Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. NEW RESOURCE FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the *greater* of (1) the Purchaser's Measured Demand that occurs during the hour of the Monthly Federal System Peak Load *or* (2) the Purchaser's Monthly Contract Obligation.

1.2. Energy Charge

1.2.1 For customers without a contractual right to displace their NR purchases

The total monthly charge for energy shall be the sum of (1) and (2):
(1) the applicable HLH rate for that month, *multiplied by* the *greater* of Purchaser's HLH Adjusted Measured Energy *or* Purchaser's Monthly Minimum HLH Contract Obligation, and
(2) the applicable LLH rate for that month, *multiplied by* the *greater* of Purchaser's LLH Adjusted Measured Energy *or* Purchaser's Monthly Minimum LLH Contract Obligation.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh |

1.2.1 For customers with a contractual right to displace their NR purchases

The total monthly charge for energy shall be the sum of (1), (2), and (3):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser's HLH Adjusted Measured Energy;
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser's LLH Adjusted Measured Energy; and
- (3) unless otherwise agreed to by BPA and the Purchaser, the applicable Availability Charge rate for that month, *multiplied by* the sum of the Purchaser's Monthly Minimum HLH and LLH Contract Obligations minus the Purchaser's Adjusted Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> | <i>Availability Charge</i> |
|--------------------------|-----------------|-----------------|----------------------------|
| September - December | 22.43 mills/kWh | 20.99 mills/kWh | 7.00 mills/kWh |
| January - March | 22.78 mills/kWh | 21.36 mills/kWh | 8.00 mills/kWh |
| April | 20.22 mills/kWh | 19.32 mills/kWh | 8.00 mills/kWh |
| May - June | 11.01 mills/kWh | 9.59 mills/kWh | 4.99 mills/kWh |
| July | 13.53 mills/kWh | 11.79 mills/kWh | 4.60 mills/kWh |
| August | 19.29 mills/kWh | 16.75 mills/kWh | 7.00 mills/kWh |

2. FULL LOAD SHAPING

2.1. For Purchasers without Industrial Exemption loads

The charge for Full Load Shaping shall be 0.32 mills/kWh, *multiplied by* the Purchaser's Total Retail Load.

2.2. For Purchasers with Industrial Exemption loads

The charge for Full Load Shaping shall be the sum of (1) and (2):

- (1) The Full Load Shaping rate, 0.32 mills/kWh, *multiplied by* the *difference* between (1a) and (1b):
 - (1a) Purchaser's Total Retail Load;
 - (1b) the Purchaser's total HLH and LLH Industrial Exemption Measured Energy.

- (2) The Industrial Exemption rate, 1.16 mills/kWh, *multiplied by* the *sum* of (2a) and (2b):
 - (2a) the absolute value of the difference between the Purchaser's HLH Industrial Exemption Measured Energy and HLH Industrial Exemption energy forecast; and
 - (2b) the absolute value of the difference between the Purchaser's LLH Industrial Exemption Measured Energy and LLH Industrial Exemption energy forecast.

3. PARTIAL LOAD SHAPING

The Partial Load Shaping charge shall be \$2.27/MWh-hr. *multiplied by* the Purchaser's Partial Load Shaping Purchase Amount for the month.

4. LOAD REGULATION

4.1 For purchasers whose requirements service is provided exclusively under the NR rate

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate *multiplied by* the Purchaser's Total Retail Load.

4.2 For purchasers whose requirements service is provided under both the PF rate and the NR rate

There is no separate charge for Load Regulation under the NR rate schedule.

5. FLEXIBLE NR RATE OPTION

The Flexible NR rate option shall be offered at BPA's discretion to purchasers who make a contractual commitment to purchase under this option. The charges and billing factors under this option shall be specified by BPA at the time the Administrator offers to make power available to a Purchaser under this option. The actual charges and billing factors

will be mutually agreed to by BPA and the Purchaser subject to satisfying both of the following conditions:

- 5.1. Equivalent Net Present Value Revenues: Forecasted revenues from a Purchaser under the Flexible NR rate option must be equivalent, on a net present value basis, to the revenues BPA would have received had the appropriate charges specified in sections 1-4 above been applied to the same sales.
- 5.2. Cash flow test: Forecasted revenues from all Purchasers under the Flexible NR rate option shall not create an annual cash flow problem for BPA compared to forecasted revenues at the charges specified in sections 1-4 above for the same products.

The Flexible NR rate contract may establish a limit on the amount of power purchased at the Flexible NR rate. In this case, purchases beyond the contractual limit shall be billed at the Demand and Energy (and Load Shaping and Load Regulation, if appropriate) charges specified in sections 1-4 above, unless such power would be charged as an unauthorized increase.

6. TRANSMISSION

Transmission services for delivery of NR power shall be billed under the applicable rate schedule (NT or PTP).

7. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

7.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Conservation Surcharge | II.C. |
| Deviation Adjustment | II.G. |
| Low Density Discount | II.K. |

7.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

**SCHEDULE IP-96
INDUSTRIAL FIRM POWER RATE**

SECTION I. AVAILABILITY

This schedule is available to BPA's direct-service industrial (DSI) customers for firm power to be used in their industrial operations. DSIs that purchase power under power sales contracts under which power deliveries began on or before September 30, 1996 (hereinafter termed the 1981 Contracts), and DSIs that purchase power under contracts under which power deliveries begin on or after October 1, 1996 (1996 Contracts), are eligible to purchase under this rate schedule for up to a 5-year period. Products available under this rate schedule are defined in BPA's General Rate Schedule Provisions (GRSPs).

This rate schedule supersedes the IP-95 rate schedule, which went into effect October 1, 1995. Sales under the IP-96 rate schedule are subject to BPA's GRSPs. For sales under this rate schedule, bills shall be rendered and payments due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES, BILLING FACTORS, AND ADJUSTMENTS FOR EACH IP PRODUCT

For each customer designation, the rate(s) for each product along with the associated billing factor(s) are identified in separate sections of the rate schedule. Under the power sales contracts, the DSIs provide operating reserves and stability reserves, the latter provided by the Import Contingency Load Tripping Scheme (ICLTS). The credit for these reserves is reflected in the level of the applicable energy charges specified in this rate schedule. Applicable adjustments and special rate provisions are listed for each customer designation. IP customers shall be charged for transmission service under separate transmission rate schedules (NTP, NT, or PTP).

This rate schedule contains three subsections, corresponding to the customer categories to which this rate schedule applies:

Section II.A. DSI customers who purchase under 1981 Contracts.

Section II.B. Full Requirements DSI customers who purchase under 1996 Contracts.

Section II.C. Partial Requirements DSI customers who purchase under 1996 Contracts.

A. DSI CUSTOMERS WHO PURCHASE UNDER 1981 CONTRACTS

Customers in BPA’s Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this rate schedule. These customers are charged for transmission service under the applicable transmission rate schedule.

1. INDUSTRIAL FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser’s BPA Operating Level that occurs during the hour of the Monthly Federal System Peak Load.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of (1) and (2):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser’s HLH Measured Energy, and
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser’s LLH Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.80 mills/kWh | 21.34 mills/kWh |
| January - March | 23.15 mills/kWh | 21.71 mills/kWh |
| April | 20.56 mills/kWh | 19.63 mills/kWh |
| May - June | 11.19 mills/kWh | 9.74 mills/kWh |
| July | 13.76 mills/kWh | 11.99 mills/kWh |
| August | 19.61 mills/kWh | 17.03 mills/kWh |

2. LOAD REGULATION

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate *multiplied by* the Purchaser’s Total Plant Load.

3. TRANSMISSION

Transmission services for deliveries of IP power shall be billed under the applicable rate schedule (NTP, NT, or PTP).

4. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

4.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|-------------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Curtailement Charge | II.E. |
| Local Stability Reserves Adjustment | II.J. |
| Operating Reserves Adjustment | II.M. |
| Transitional Service | II.Q. |
| Unauthorized Increase Charge | II.R. |

4.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

B. FULL REQUIREMENTS DSI CUSTOMERS WHO PURCHASE UNDER 1996 CONTRACTS

Full Requirements customers purchasing power under a 1996 Contract receive DSI Load Shaping service and will be charged for that product at the rate specified in this section of the rate schedule. Customers in BPA’s Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this rate schedule. Customers who choose to purchase the Fixed Curtailment Fee product will be charged at the rate specified in this rate schedule. Full Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. INDUSTRIAL FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Purchaser’s Measured Demand that occurs during the hour of the Monthly Federal System Peak Load.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of:

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser’s HLH Adjusted Measured Energy, and
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser’s LLH Adjusted Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.80 mills/kWh | 21.34 mills/kWh |
| January - March | 23.15 mills/kWh | 21.71 mills/kWh |
| April | 20.56 mills/kWh | 19.63 mills/kWh |
| May - June | 11.19 mills/kWh | 9.74 mills/kWh |
| July | 13.76 mills/kWh | 11.99 mills/kWh |
| August | 19.61 mills/kWh | 17.03 mills/kWh |

2. DSI LOAD SHAPING

The charge for DSI Load Shaping shall be \$201/aMW, *multiplied by* the Purchaser’s Calculated Energy Capacity.

3. LOAD REGULATION

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate *multiplied by* the Purchaser's Total Plant Load.

4. FIXED CURTAILMENT FEE

The charge for the Fixed Curtailment Fee shall be 4.95 mills/kWh, *multiplied by* the Purchaser's Curtailed Energy.

5. TRANSMISSION

Transmission services for delivery of IP power shall be billed under the applicable rate schedule (NT or PTP).

6. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

6.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|-------------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Deviation Adjustment | II.G. |
| Local Stability Reserves Adjustment | II.J. |
| Operating Reserves Adjustment | II.M. |

6.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

C. PARTIAL REQUIREMENTS DSI CUSTOMERS WHO PURCHASE UNDER 1996 CONTRACTS

Partial Requirements customers purchasing take-or-pay power under a 1996 Contract who choose to purchase DSI Load Shaping and/or the Fixed Curtailment Fee product will be charged at the rates specified in this rate schedule. Customers purchasing non-take-or-pay power under a 1996 Contract may not purchase the Fixed Curtailment Fee product. Customers in BPA’s Control Area and those served by transfer receive Load Regulation service and will be charged at the rate specified in this rate schedule. Partial Requirements customers are charged for transmission service under the applicable transmission rate schedule.

1. INDUSTRIAL FIRM POWER

1.1. Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the *greater* of (1) the Purchaser’s Measured Demand that occurs during the hour of the Monthly Federal System Peak Load *or* (2) the Purchaser’s Monthly Contract Obligation.

1.2. Energy Charge

The total monthly charge for energy shall be the sum of (1) and (2):

- (1) the applicable HLH rate for that month, *multiplied by* the *greater* of Purchaser’s HLH Adjusted Measured Energy *or* Purchaser’s Monthly Minimum HLH Contract Obligation, and
- (2) the applicable LLH rate for that month, *multiplied by* the *greater* of Purchaser’s LLH Adjusted Measured Energy *or* Purchaser’s Monthly Minimum LLH Contract Obligation.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 22.80 mills/kWh | 21.34 mills/kWh |
| January - March | 23.15 mills/kWh | 21.71 mills/kWh |
| April | 20.56 mills/kWh | 19.63 mills/kWh |
| May - June | 11.19 mills/kWh | 9.74 mills/kWh |
| July | 13.76 mills/kWh | 11.99 mills/kWh |
| August | 19.61 mills/kWh | 17.03 mills/kWh |

2. DSI LOAD SHAPING

The charge for DSI Load Shaping shall be \$201/aMW, *multiplied by* the Purchaser’s Calculated Energy Capacity.

3. LOAD REGULATION

The rate for Load Regulation shall not exceed 0.28 mills/kWh. Any discounts shall be determined pursuant to section II.A. of the GRSPs.

The charge for Load Regulation shall be the effective rate *multiplied by* the Purchaser’s Total Plant Load.

4. FIXED CURTAILMENT FEE

The charge for the Fixed Curtailment Fee shall be 4.95 mills/kWh, *multiplied by* the Purchaser’s Curtailed Energy.

5. DSI NON-TAKE-OR-PAY OPTION

The charge for the DSI Non-Take-or-Pay Option shall be 0.46 mills/kWh, *multiplied by* the Purchaser’s Billing Energy.

6. TRANSMISSION

Transmission services for deliveries of IP power shall be billed under the applicable rate schedule (NT or PTP).

7. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

7.1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|-------------------------------------|----------------|
| Ancillary Services Rate Discount | II.A. |
| Deviation Adjustment | II.G. |
| Local Stability Reserves Adjustment | II.J. |
| Operating Reserves Adjustment | II.M. |

7.2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

**SCHEDULE IPG-96
INDUSTRIAL POWER SPOT GAS RATE**

SECTION I. AVAILABILITY

This schedule is available to BPA's direct-service industrial (DSI) customers for firm power to be used in their industrial operations. If a DSI customer is purchasing power under a 1996 Contract, this rate schedule is available only for power purchases above the amount specified in such contract. Purchases of power under this rate must be for the full five-year term, beginning on October 1, 1996, and ending on September 30, 2001. Products available under this rate schedule are defined in BPA's General Rate Schedule Provisions (GRSPs).

Sales under the IPG-96 rate schedule are subject to BPA's GRSPs. For sales under this rate schedule, bills shall be rendered and payments shall be due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES, BILLING FACTORS, AND ADJUSTMENTS

If the customer is receiving Load Regulation service from BPA under the IP rate schedule or the VI rate schedule, it will not be charged for Load Regulation under this rate schedule. If the customer is purchasing power from BPA only under this rate schedule and is in BPA's Control Area or is served by transfer, it will receive Load Regulation service and will be charged at the rate specified in this rate schedule. Purchasers under this rate schedule are charged for transmission service under the applicable transmission rate schedule.

A. INDUSTRIAL FIRM POWER

1. RATES

The spot gas rate is the sum of two components: a fixed charge and a variable charge derived by multiplying the Average Spot Market Gas Price by an energy multiplier. Both of these charges are expressed in mills per kilowatthour. The Average Spot Market Gas Price will be calculated monthly on a rolling twelve-month average basis and will be a simple average of the monthly spot gas price in each of the previous twelve months. The monthly spot gas price will be the price reported in Natural Gas Week as "Spot Prices on Interstate Pipeline System, Delivered to Pipeline: California border: Topock Station." If this gas index is discontinued, another index, chosen by mutual agreement between BPA and the customer, will be used as the basis of the monthly spot gas price.

1.1 Fixed Charge

4.75 mills/kWh.

1.2 Variable Charge

Average Spot Market Gas Price multiplied by 10.25 (resulting in a mills/kWh charge).

2. BILLING FACTORS

The *greater* of the Purchaser's Adjusted Measured Energy *or* the Purchaser's Monthly Minimum HLH and LLH Contract Obligation.

B. LOAD REGULATION

1. RATE AND BILLING FACTOR

0.28 mills/kWh multiplied by Purchaser's Total Plant Load.

C. TRANSMISSION

Transmission services for deliveries of IPG power shall be billed under the applicable rate schedule (NT or PTP).

D. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

All adjustments are described in the GRSPs. The applicable sections are identified for each adjustment.

1. RATE ADJUSTMENTS

| <i>Rate Adjustment</i> | <i>Section</i> |
|-------------------------------------|----------------|
| Deviation Adjustment | II.G. |
| Local Stability Reserves Adjustment | II.J. |
| Operating Reserves Adjustment | II.M. |

2. SPECIAL RATE PROVISIONS

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

**SCHEDULE VI-96
VARIABLE INDUSTRIAL POWER RATE**

SECTION I. AVAILABILITY

This schedule is available to BPA's direct-service industrial (DSI) customers for firm power to be used in their aluminum and nickel smelting operations. This schedule is made available only for that portion of a DSI's load used in primary metal reduction including associated administrative facilities, if any. Only DSIs that purchase power under the 1996 Contract and that have signed a new Variable Industrial Rate Contract are eligible to purchase under this rate schedule. BPA is not obligated to sell power under this rate schedule. Products available under this rate schedule are defined in BPA's General Rate Schedule Provisions (GRSPs).

Sales under the VI-96 rate schedule are subject to BPA's GRSPs. For sales under this rate schedule, bills shall be rendered and payments shall be due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES, BILLING FACTORS, AND ADJUSTMENTS

A. VARIABLE INDUSTRIAL FIRM POWER

1. Rates

The variable rate formula will be based on the IP rate. The Demand Charge for the variable rate will be the same as the Demand Charge in the IP rate schedule. The Base Energy Charge will be the average annual charge that results from applying the Energy Charges and the Load Regulation charge from the IP rate schedule to the customer's Contract Obligation.

The monthly Energy Charge varies with the price of aluminum, in the case of customers engaged in primary aluminum reduction, and with the price of nickel, in the case of customers engaged in primary nickel reduction. Individual rate formulas will be established for each customer. Each rate formula shall be such that, at the time BPA and the individual customer enter into a Variable Industrial Rate Contract incorporating such formula, BPA has the ability to hedge the aluminum or nickel price risk inherent in such rate formula, at zero cost to BPA, by entering into transactions with one or more substantial financial institutions.

"Zero cost to BPA" means that either a) BPA will incur no cost to hedge the price risk of the variable rate, or b) BPA will recover the sum it pays to hedge the price risk of the variable rate from the applicable customer, either as a lump sum paid at the time BPA and the customer enter into the Variable Rate Contract, or over a time period no longer than the term of the variable rate formula incorporated in such contract. In the event that such sum is recovered over time, it shall bear interest at the rate payable on the Bonneville Fund in the United States Treasury at the time BPA and the customer enter into the Variable Rate Contract.

Individual rate formulas may be established for any period from one to five years. At the expiration of any rate formula, a new rate formula for that customer may be established pursuant to the guidelines stated in this section, or the customer may purchase power under the IP rate schedule. However, the total term of all variable rate formulas for any single DSI purchaser shall not be longer than five years.

The monthly Energy Charge shall be based on the monthly billing aluminum or nickel price. The monthly billing aluminum or nickel price shall be the average price of aluminum or nickel, in dollars per metric ton, on the London Metal Exchange (LME) during the calendar month immediately preceding the billing month. The average price during the month shall equal the average of all official LME daily cash settlement prices during such month rounded to the nearest dollar. BPA and each customer may agree to base the monthly energy charge on the average price of aluminum or nickel during a month other than the immediately preceding month.

In the case of variable industrial rate formulas that contain pivot prices, the monthly Energy Charge shall be the Base Energy Charge when the monthly billing aluminum or nickel price is between the Lower Pivot Aluminum or Nickel Price and the Upper Pivot Aluminum or Nickel Price inclusive. In the case of variable industrial rate formulas that do not contain pivot prices, the monthly Energy Charge shall be the Base Energy Charge when the monthly billing aluminum or nickel price equals the price established in the customer's Variable Industrial Rate Contract at which the Base Energy Charge applies.

The Lower Pivot Aluminum or Nickel Price is the aluminum or nickel price established in an individual customer's Variable Industrial Rate Contract such that the monthly energy charge decreases when the monthly billing aluminum or nickel price is below such price.

The Upper Pivot Aluminum or Nickel Price is the aluminum or nickel price established in an individual customer's Variable Industrial Rate Contract such that the monthly energy charge increases when the monthly billing aluminum or nickel price is above such price.

2. Billing Factors

2.1. Billing Demand

The *greater* of the Purchaser’s Measured Demand that occurs during the hour of the Monthly Federal System Peak Load *or* the Purchaser’s Monthly Contract Obligation.

2.2. Billing Energy

The *greater* of the Purchaser’s Adjusted Measured Energy *or* the Purchaser’s Monthly Minimum HLH and LLH Contract Obligation.

B. TRANSMISSION

Transmission services for deliveries of IP power shall be billed under the applicable rate schedule (NT or PTP).

C. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

All adjustments are described in the GRSPs. The applicable sections are identified for each adjustment.

1. Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|-------------------------------------|----------------|
| Deviation Adjustment | II.G. |
| Local Stability Reserves Adjustment | II.J. |
| Operating Reserves Adjustment | II.M. |

2. Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

**SCHEDULE NF-96
NONFIRM ENERGY RATE**

SECTION I. AVAILABILITY

This schedule is available for the purchase of nonfirm energy to be used both inside and outside the United States including sales under the Western Systems Power Pool (WSPP) agreements and sales to consumers. BPA is not obligated to offer nonfirm energy to any purchaser that results in displacement of firm power purchases under BPA's 1981 or 1996 Power Sales Contracts. The offer of nonfirm energy under this schedule shall be determined by BPA.

This rate schedule supersedes schedule NF-95, which went into effect on October 1, 1995. Sales under the NF-96 rate schedule are subject to BPA's General Rate Schedule Provisions. For sales under this rate schedule, bills shall be rendered and payments due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES, BILLING FACTORS, AND ADJUSTMENTS

The average cost of nonfirm energy is 22.25 mills per kilowatthour. The NF -96 rate schedule provides for upward and downward pricing flexibility from this average nonfirm energy cost. All rates and any subsequent adjustments contained in this rate schedule shall not exceed in total the NF Rate Cap calculated in accordance with the methodology specified in the Adjustments, Charges, and Special Rate Provisions section of this document. For purchases under the NF-96 rate schedule, transmission service shall be charged under the applicable transmission rate schedule.

A. RATES FOR NONFIRM ENERGY

1. STANDARD RATE

The Standard rate is any offered rate not to exceed 26.70 mills per kilowatthour.

2. MARKET EXPANSION RATE

The Market Expansion rate is any offered rate below the Standard rate in effect. BPA may have one or more Market Expansion rates in effect simultaneously.

3. INCREMENTAL RATE

The Incremental Rate is the Incremental Cost of energy plus 2.00 mills per kilowatthour, where the Incremental Cost is defined as all identifiable costs (expressed in mills per kilowatthour) that BPA would have avoided had it not produced or purchased the energy being sold under this rate.

4. CONTRACT RATE

The Contract Rate is 22.25 mills per kilowatthour.

B. BILLING FACTOR FOR NONFIRM ENERGY

The billing factor for nonfirm energy purchased under this rate schedule shall be the Measured Energy unless otherwise specified by contract.

C. ADJUSTMENTS FOR NONFIRM ENERGY

All adjustments are described in the GRSPs. The applicable sections are identified for each adjustment.

1. RATE ADJUSTMENTS

| <i>Rate Adjustment</i> | <i>Section</i> |
|----------------------------|----------------|
| Guaranteed Delivery Charge | II.I. |
| Reactive Power Charge | II.O. |

2. SPECIAL RATE PROVISIONS

| <i>Special Rate Provision</i> | <i>Section</i> |
|-------------------------------|----------------|
| Cost Contributions | II.D. |
| NF Rate Cap | II.L. |

SECTION III. DETERMINATION OF THE APPLICABLE NF RATE

Any time that BPA has nonfirm energy for sale, the Standard rate, the Market Expansion rate, the Incremental rate, the Contract rate, or any combination of these rates may be in effect.

A. STANDARD RATE

The Standard rate:

1. is available for all purchases of nonfirm energy; and
2. applies to nonfirm energy purchased pursuant to the Relief from Overrun Exhibit to the 1981 utility power sales contract.

B. MARKET EXPANSION RATE

1. APPLICATION OF THE MARKET EXPANSION RATE

The Market Expansion rate applies when BPA determines that all markets at the Standard rate have been satisfied and BPA offers additional nonfirm energy.

2. MARKET EXPANSION RATE QUALIFICATION CRITERIA

In order to purchase nonfirm energy at the Market Expansion rate, a purchaser must:

- a. have a displaceable resource, displaceable purchase of electricity, or
- b. be an end-user load with a displaceable alternative fuel source.

In addition, a purchaser must demonstrate one of the following:

- a. shutdown or reduction of the output of the displaceable resource in an amount equal to the amount of Market Expansion rate energy purchased;
or
- b. reduction of a displaceable purchase and the output of the resource associated with that purchase, in an amount equal to the amount of Market Expansion rate energy purchased; or
- c. shutdown or reduction of the identified output of the resource(s) indirectly in an amount equal to the amount of Market Expansion rate energy purchased (for example, the purchase may be used to run a pumped storage unit); or
- d. decrease of an end-user alternate fuel source in an amount equivalent to the amount of Market Expansion rate energy purchased.

3. ELIGIBILITY CRITERIA FOR MARKET EXPANSION RATE

- a. When only one Market Expansion rate is offered:

Purchasers satisfying the Market Expansion Rate Qualifying Criteria specified in section III.B.2, above, who purchased nonfirm energy directly from BPA are eligible to purchase power under the Market Expansion rate offered if the decremental cost of the qualifying resource, purchase, or qualifying alternative fuel source is lower than the Standard rate in effect plus 2.00 mills per kilowatthour.

Purchasers qualifying under section III.B.2 who purchase nonfirm energy through a third party are eligible to purchase power under the Market Expansion rate offered if the cost of the qualifying alternative fuel source is lower than the Standard rate in effect plus 4.00 mills per kilowatthour.

- b. When more than one Market Expansion rate is offered:

Purchasers qualifying under section III.B.2 who purchase nonfirm energy directly from BPA are eligible to purchase power under the Market Expansion rate if the decremental cost of the qualifying resource, purchase, or qualifying alternative fuel source is lower than the Standard rate in effect plus 2.00 mills per kilowatthour. The rate applicable to a purchaser shall be the highest Market Expansion rate offered that is below the purchaser's qualifying decremental cost minus 2.00 mills per kilowatthour.

Purchasers qualifying under section III.B.2 who purchase nonfirm energy through a third party are eligible to purchase power under the Market Expansion rate if the decremental cost of the qualifying alternative fuel source is lower than the Standard rate plus 4.00 mills per kilowatthour. The rate applicable to a purchaser shall be the highest Market Expansion rate offered that is below purchaser's qualifying decremental cost minus 4.00 mills per kilowatthour.

C. INCREMENTAL RATE

The Incremental rate applies to sales of energy:

1. that is produced or purchased by BPA concurrently with the nonfirm energy sale;
2. that BPA may at its option not produce or purchase; and
3. that has an Incremental Cost greater than the Standard rate (plus the Intertie Charge, if applicable) less 2.00 mills per kilowatthour.

D. CONTRACT RATE

The Contract rate applies to contracts (except power sales contracts offered pursuant to sections 5(b), 5(c), and 5(g) of the Northwest Power Act) that refer to the Contract rate:

1. for the sale of nonfirm energy; or
2. for determining the value of energy.

E. WESTERN SYSTEMS POWER POOL TRANSACTIONS (WSPP)

BPA may make available nonfirm energy for transactions under the WSPP agreement. WSPP sales shall be subject to the terms and conditions specified in the WSPP agreement and shall be consistent with regional and public preference. The rate for transactions under the WSPP agreement is any rate within the limits specified by the Standard, Market Expansion, and Incremental rates but may not exceed the maximum rate specified in the WSPP Agreement. The rate for WSPP sales may differ from the actual rate offered for non-WSPP transactions in any hour. The rate for WSPP transactions is independent of any other rate offered concurrently under this rate schedule outside that agreement.

F. END-USER RATE

BPA may agree to a rate or rate formula for nonfirm energy purchases by end-users. Such rate or rate formula shall be within the limits specified for the Standard and Market Expansion rates but may differ from the actual rates offered during any hour.

SECTION IV. DELIVERY

A. RATE OF DELIVERY

BPA shall determine the amount of nonfirm energy to be made available for each hour. Such determination shall be made for each applicable nonfirm energy rate.

B. GUARANTEED DELIVERY

1. AVAILABILITY

BPA will determine the amount and duration of nonfirm energy to be offered on a guaranteed basis. Such daily or hourly amounts may be as small as zero or as much as all the nonfirm energy that BPA plans to offer for sale on such days.

2. CONDITIONS

Scheduled amounts of guaranteed nonfirm energy may not be changed except:

- a. when BPA and the purchaser mutually agree to increase or decrease the scheduled amounts; or
- b. when BPA must reduce nonfirm energy deliveries in order to serve firm loads.

**SCHEDULE RP-96
RESERVE POWER RATE**

SECTION I. AVAILABILITY

This schedule is available for the purchase of power:

- A. In cases where a purchaser's power sales contract states that the rate for Reserve Power shall be applied;
- B. For which BPA determines no other rate schedule is applicable; or
- C. To serve a purchaser's firm power load in circumstances where BPA does not have a power sales contract in force with such purchaser, and BPA determines that this rate should be applied.

This rate schedule may be applied to power purchased by entities both inside and outside the United States. This rate schedule supersedes the RP-95 rate schedule, which went into effect on October 1, 1995. Purchases under this rate schedule shall be charged for transmission service under the applicable transmission rate schedule. Sales under this schedule are subject to BPA's General Rate Schedule Provisions (GRSPs). For sales under this rate schedule, bills shall be rendered and payments due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES AND BILLING FACTORS

A. DEMAND CHARGE

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Billing Demand. If applicable, the Billing Demand shall be the Contract Demand as specified in the power sales contract. Otherwise, the Billing Demand shall be the Measured Demand that occurs during the hour of the Monthly Federal System Peak Load.

B. ENERGY CHARGE

The total monthly charge for energy shall be the sum of (1) and (2):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser's HLH Billing Energy, and
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser's LLH Billing Energy.

If use of the Contract Demand for determining Billing Energy is specified in the power sales contract, the Billing Energy shall be the Contract Demand multiplied by the number of hours in the relevant diurnal period in the billing month. Otherwise, the Billing Energy for such purchasers shall be the HLH and LLH Measured Energy.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|---------------------|---------------------|
| September - December | 20.4 mills/kWh | 19.2 mills/kWh |
| January - March | 20.7 mills/kWh | 19.5 mills/kWh |
| April | 18.5 mills/kWh | 17.7 mills/kWh |
| May - June | 10.3 mills/kWh | 9.1 mills/kWh |
| July | 12.6 mills/kWh | 11.0 mills/kWh |
| August | 17.7 mills/kWh | 15.4 mills/kWh |

C. TRANSMISSION

Transmission service for delivery of RP power shall be billed under the applicable transmission rate schedule.

SECTION III. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

A. RATE ADJUSTMENTS

| <i>Rate Adjustment</i> | <i>Section</i> |
|------------------------|----------------|
| Reactive Power Charge | II.O. |

B. SPECIAL RATE PROVISIONS

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

**SCHEDULE PS-96
POWER SHORTAGE RATE SCHEDULE**

SECTION I. AVAILABILITY

This schedule is available inside the Pacific Northwest for the purchase of Shortage Power by signatories to the Share-the-Shortage Agreement, or a similar substitute agreement. Any transactions entered into by BPA pursuant to a Share-the-Shortage Agreement shall be subject to the terms and conditions specified in that agreement. The PS-96 rate does not incorporate the Agreement, but the Agreement controls if there is any conflict between the PS-96 rate and the Agreement. The PS-96 rate shall not be available for transactions with a party who triggers the Share-the-Shortage Agreement if BPA elects to meet its required service obligations under the agreement by entering into an alternative agreement.

This rate schedule is also available inside the Pacific Northwest when BPA arranges for the purchase of energy at the request of, and for the account of, a customer pursuant to a Share-the-Shortage Agreement.

BPA is not obligated either to make Shortage Power available or to broker power under this rate schedule unless specified by contract.

This schedule supersedes the PS-95 rate schedule, which went into effect on October 1, 1995. Sales under the PS-96 rate schedule are subject to BPA's General Rate Schedule Provisions (GRSPs) and BPA's Billing Procedures.

SECTION II. RATES AND BILLING FACTORS

A. POWER PURCHASES

The charge for Power Purchases shall be the applicable rate(s) times the applicable billing factor(s), pursuant to the agreement between BPA and the Purchaser.

1. Rate

The power rate is any offered rate not to exceed the lesser of:

1. 100.00 mills per kilowatthour; or
2. the maximum rate specified in the Share-the Shortage Agreement.

The offered rate may be specified as an energy charge only or as demand and energy charges.

2. Billing Factors

The billing factors shall be the Contract Demand and Contract Energy, unless otherwise specified in the agreement initiating the Share-the-Shortage sales transaction.

B. BROKERING SERVICES

The charge for Brokering Services shall be the applicable rate(s) times the applicable billing factor(s), pursuant to the agreement between BPA and the Purchaser.

1. Rate

The brokering rate may be up to 1.00 mill per kilowatthour for services provided when BPA arranges for energy purchases for a customer from a seller other than BPA.

2. Billing Factors

When BPA arranges for energy purchases at the request of a customer, the purchaser shall be billed for such services based on the total number of kilowatthours purchased.

The charge for power brokering applies only to the service provided by BPA of finding purchased power for a customer from a seller other than BPA. BPA may agree to provide other services in addition to finding purchased power, but these services shall be billed separately at charges specified in the appropriate rate schedule(s) or agreement(s). Such services may include, but are not limited to, wheeling and load shaping.

SECTION III. TRANSMISSION

The transmission charge for deliveries under this rate shall be the charge for Network Integration service under the Network Integration (NT) rate or the charge for Point-to-Point service under the Point-to-Point (PTP) rate.

SECTION IV. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

**SCHEDULE FPS-96
FIRM POWER PRODUCTS AND SERVICES**

SECTION I. AVAILABILITY

This rate schedule is available for the purchase of Firm Power, Supplemental Control Area Services, Shaping Services, and Reservation and Rights to Change Services for use inside and outside the Pacific Northwest during the period beginning October 1, 1996, and ending September 30, 2006.

Products and services available under this rate schedule are described in section III.A. of BPA's General Rate Schedule Provisions (GRSPs). BPA is not obligated to enter into agreements to sell products and services under this rate schedule or make power or energy available under this rate schedule if such power or energy would displace sales under the PF -96, NR-96, IP-96, or VI-96 rate schedules or their successors. Sales under the FPS -96 rate schedule are subject to BPA's GRSPs. Transmission service over Federal Columbia River Transmission System facilities shall be charged under the applicable transmission rate schedule. Ancillary services shall be available under, or at charges consistent with, the Ancillary Products and Services (APS) rate schedule.

This rate schedule supersedes the Surplus Firm Power (SP -93) and Emergency Capacity (CE -95) rate schedules. Rates under contracts that contain charges that escalate based on rates listed in this rate schedule shall include applicable transmission charges. For sales under this rate schedule, bills shall be rendered and payments due pursuant to BPA's Billing Procedures and/or as agreed to in purchase agreements.

SECTION II. RATES, BILLING FACTORS, AND ADJUSTMENTS

For each product, the rate(s) for each product along with the associated billing factor(s) are identified below. Applicable adjustments, charges, and special rate provisions are listed for each product. This rate schedule contains four subsections, corresponding to the products offered under this rate schedule:

Section II.A. Firm Power.

Section II.B. Supplemental Control Area Services.

Section II.C. Shaping Services.

Section II.D. Reservation and Rights to Change Services.

A. FIRM POWER

1. RATES AND BILLING FACTORS

1.1 Contract Rate

1.1.1 Demand Charge

The charge for demand shall be \$0.87 per kilowatt per month in all months of the year, *multiplied by* the Contract Demand unless otherwise agreed by BPA and the Purchaser.

1.1.2 Energy Charge

The total monthly charge for energy shall be the sum of (1) and (2):

- (1) the applicable HLH rate for that month, *multiplied by* the Purchaser's HLH Contract Energy unless otherwise agreed by BPA and the Purchaser, and
- (2) the applicable LLH rate for that month, *multiplied by* the Purchaser's LLH Contract Energy unless otherwise agreed by BPA and the Purchaser.

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 49.63 mills/kWh | 46.45 mills/kWh |
| January - March | 50.39 mills/kWh | 47.25 mills/kWh |
| April | 44.74 mills/kWh | 42.73 mills/kWh |
| May - June | 24.36 mills/kWh | 21.21 mills/kWh |
| July | 29.94 mills/kWh | 26.09 mills/kWh |
| August | 42.68 mills/kWh | 37.06 mills/kWh |

1.2 Flexible Rate

Demand and/or energy charges may be specified at a higher or lower average rate as mutually agreed by BPA and the Purchaser. Billing factors shall be Contract Demand and Contract Energy unless otherwise agreed by BPA and the Purchaser.

2. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

2.1 Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|------------------------------|----------------|
| Energy Return Surcharge | II.H. |
| Reactive Power Charge | II.O. |
| Unauthorized Increase Charge | II.R. |

2.2 Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

B. SUPPLEMENTAL CONTROL AREA SERVICES

1. RATES AND BILLING FACTORS

The charge for Supplemental Control Area Services shall be the applicable rate(s) times the applicable billing factor(s), pursuant to the agreement between BPA and the Purchaser.

The rate(s) and billing factor(s) for Supplemental Control Area Services shall be as established by BPA or as mutually agreed by BPA and the Purchaser.

2. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

2.1 Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|------------------------------|----------------|
| Energy Return Surcharge | II.H. |
| Reactive Power Charge | II.O. |
| Unauthorized Increase Charge | II.R. |

2.2 Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

C. SHAPING SERVICES

1. RATES AND BILLING FACTORS

The charge for Shaping Services shall be the applicable rate(s) times the applicable billing factor(s), pursuant to the agreement between BPA and the Purchaser.

The rate(s) and billing factor(s) for use of Shaping Services shall be as established by BPA or as mutually agreed by BPA and the Purchaser.

2. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

Adjustments, Charges, and Special Rate Provisions are described in the GRSPs. Relevant sections are identified below.

2.1 Rate Adjustments

| <i>Rate Adjustment</i> | <i>Section</i> |
|------------------------------|----------------|
| Energy Return Surcharge | II.H. |
| Reactive Power Charge | II.O. |
| Unauthorized Increase Charge | II.R. |

2.2 Special Rate Provisions

| <i>Special Rate Provisions</i> | <i>Section</i> |
|--------------------------------|----------------|
| Cost Contributions | II.D. |

D. RESERVATION AND RIGHTS TO CHANGE SERVICES

1. RATES AND BILLING FACTORS

The charge for Reservation and Rights to Change Services shall be the applicable rate(s) times the applicable billing factor(s), pursuant to the agreement between BPA and the Purchaser.

The rate(s) and billing factor(s) for Reservation and Rights to Change Services shall be as established by BPA or mutually agreed by BPA and the Purchaser.

2. ADJUSTMENTS, CHARGES, AND SPECIAL RATE PROVISIONS

There are no additional adjustments, charges, or special rate provisions for the Reservation and Rights to Change Services.

BPA'S 1996

ANCILLARY PRODUCTS AND SERVICES RATE

**SCHEDULE APS-96
ANCILLARY PRODUCTS AND SERVICES**

SECTION I. AVAILABILITY

This rate schedule is available for ancillary services necessary to support the firm or non -firm delivery of power from resources to loads using the Federal Columbia River Transmission System (FCRTS) facilities. The ancillary services available under this rate schedule are: Energy Imbalance; Control Area Reserves for Resources; Control Area Reserves for Interruptible Purchases; Load Regulation; and Transmission Losses. These services are defined in section III.A of BPA's General Rate Schedule Provisions (GRSPs). This schedule also is available for ancillary services of a similar nature as BPA may be ordered to make available by the Federal Energy Regulatory Commission (FERC) pursuant to sections 211 and 212 of the Federal Power Act (16 U.S.C. §§ 824j and 824k).

This rate schedule also is available for discounted rates for ancillary services, as applicable, pursuant to section II.A of BPA's GRSPs.

Sales under this schedule are made subject to BPA's GRSPs. For sales under this rate schedule, bills shall be rendered and payments due pursuant to BPA's GRSPs and Billing Procedures.

SECTION II. RATES AND BILLING FACTORS

For each service, the rate(s) and associated billing factor(s) are identified below. Applicable adjustments and special rate provisions are listed for each service. This rate schedule contains five subsections, corresponding to the services offered under this rate schedule:

Section II.A. Energy Imbalance

Section II.B. Control Area Reserves for Resources

Section II.C. Control Area Reserves for Interruptible Purchases

Section II.D. Load Regulation

Section II.E. Transmission Losses

A. ENERGY IMBALANCE

The rates below for Energy Imbalance apply to uses of the FCRTS where there are differences between the hourly scheduled amounts and the hourly metered amounts of power deliveries to load and from resources within the BPA control area. The rates shall not apply to scheduled transmission of power using the FCRTS that is not delivered to load or does not originate from resources within the BPA control area.

1. RATES FOR POSITIVE DEVIATIONS

The Purchaser shall pay BPA the applicable rates for Positive Deviations as provided below.

1.1 Rates for Positive Deviations within Energy Imbalance Band

1.1.1 Demand Charge for Generation Capacity

\$0.87 per kilowatt per month of Billing Demand.

1.1.2 Energy Rate

The energy rate shall not exceed the rates below:

| <i>Applicable Months</i> | <i>HLH Rate</i> | <i>LLH Rate</i> |
|--------------------------|-----------------|-----------------|
| September - December | 18.60 mills/kWh | 17.50 mills/kWh |
| January - March | 19.00 mills/kWh | 17.80 mills/kWh |
| April | 16.80 mills/kWh | 16.10 mills/kWh |
| May - June | 9.20 mills/kWh | 8.00 mills/kWh |
| July | 11.30 mills/kWh | 9.80 mills/kWh |
| August | 16.10 mills/kWh | 13.90 mills/kWh |

1.2 Rate for Positive Deviations Greater than the Energy Imbalance Band

1.2.1 Demand Charge for Generation Capacity

\$0.87 per kilowatt per month of Billing Demand.

1.2.2 Energy Rate

100 mills per kWh.

2. BILLING FACTORS FOR POSITIVE DEVIATIONS

2.1 Billing Factors for Positive Deviations within the Energy Imbalance Band

2.1.1 Billing Demand for Generation Capacity

The billing demand shall be the Positive Deviation that occurs during the hour of the Monthly Federal System Peak Load.

2.1.2 HLH Billing Energy

If the direction of the monthly HLH Energy Imbalance account is positive, then the billing energy shall be the Net Monthly HLH kilowatthours of Positive Deviation within the Band.

2.1.3 LLH Billing Energy

If the direction of the monthly LLH Energy Imbalance account is positive, then the billing energy shall be the Net Monthly LLH kilowatthours of Positive Deviation within the Band.

2.2 Billing Factors for Positive Deviations Greater than the Energy Imbalance Band

2.2.1 Billing Demand for Generation Capacity

The billing demand shall be the Positive Deviation less 1.5 percent of the scheduled transaction that occurs during the hour of the Monthly Federal System Peak Load.

2.2.2 HLH Billing Energy

The billing energy shall be the total monthly HLH kilowatthours of energy greater than the +1.5 percent Energy Imbalance Band on any HLH.

2.2.3 LLH Billing Energy

The billing energy shall be the total monthly LLH kilowatthours of energy greater than the +1.5 percent Energy Imbalance Band on any LLH.

3. CREDIT OR PAYMENT FOR NEGATIVE DEVIATION ENERGY IMBALANCE

BPA shall credit or pay the Purchaser, as applicable, for Negative Deviations as provided below.

3.1 Energy Credit or Payment for Negative Deviations within the Energy Imbalance Band

If BPA determines the Negative Deviation was an Intentional Deviation and/or if BPA is in Spill Condition during same billing period as Negative Deviation occurs, the credit or payment for Negative Deviations is zero for the billing month. Otherwise, the credit or payment shall be equal to the applicable rates in effect in section A.1.1.2 of this rate schedule.

3.2 Energy Credit or Payment for Negative Deviations Greater than the Energy Imbalance Band

If BPA determines the Negative Deviation was an Intentional Deviation and/or if BPA is in Spill Conditions during same billing period as Negative Deviation occurs, the credit or payment for Negative Deviations outside the +1.5 percent Energy Imbalance Band shall be zero for the billing month. Otherwise the credit or payment shall not exceed:

| <i>Applicable Months</i> | <i>HLH Credit or Payment</i> | <i>LLH Credit or Payment</i> |
|--------------------------|--------------------------------------|--------------------------------------|
| September - December | 9.30 mills/kWh | 8.70 mills/kWh |
| January - March | 9.50 mills/kWh | 8.90 mills/kWh |
| April | 8.40 mills/kWh | 8.00 mills/kWh |
| May - June | 4.60 mills/kWh | 4.00 mills/kWh |
| July | 5.60 mills/kWh | 4.90 mills/kWh |
| August | 8.00 mills/kWh | 7.00 mills/kWh |

4. BILLING FACTORS FOR NEGATIVE DEVIATION ENERGY IMBALANCE

4.1 Billing Factors for Negative Deviation within the Energy Imbalance Band

4.1.1 HLH Billing Energy

If the direction of the monthly HLH Energy Imbalance account is negative, then the billing energy shall be the Net Monthly HLH kilowatthours of Negative Deviation within the -1.5 percent Energy Imbalance Band on any HLH.

4.1.2 LLH Billing Energy

If the direction of the monthly LLH Energy Imbalance account is negative, then the billing energy shall be the Net Monthly LLH kilowatthours of Negative Deviation within the -1.5 percent Energy Imbalance Band on any LLH.

4.2 Billing Factor for Negative Deviations Greater than the Energy Imbalance Band

4.2.1 HLH Billing Energy

The billing energy shall be the total monthly HLH kilowatthours of Negative Deviation outside the -1.5 percent Energy Imbalance Band on any HLH.

4.2.2 LLH Billing Energy

The billing energy shall be the total monthly LLH kilowatthours of Negative Deviation outside the -1.5 percent Energy Imbalance Band on any LLH.

B. CONTROL AREA RESERVES FOR RESOURCES

The rates below for Control Area Reserves For Resources apply to all hydroelectric and non-hydroelectric generating resources with a generating capacity of 3 MW or greater located in BPA's control area. The rates do not apply to a resource that has a generating capacity of less than 3 MW (Small Resource); provided however, if the purchaser has multiple Small Resources and the total generating capacity of those multiple Small Resources is greater than 6 MW, then only the first 3 MW of the total generating capacity of those multiple Small Resources is exempt from the rates below.

The rates are available for Full or Partial Service. Full Service shall be provided, unless BPA agrees to provide Partial Service to meet the resource owner's control area reserve obligations. If BPA provides Full Service, the rates and billing factors in sections 1 and 2, respectively, shall apply. If BPA provides Partial Service, the rates and billing factors for the appropriate service in sections 3 and 4, respectively, shall apply.

1. RATES FOR CONTROL AREA RESERVES FOR RESOURCES (FULL SERVICE)

1.1 Rate for Control Area Reserves for Hydroelectric Resources

The rate shall not exceed \$0.27 per kilowatt per month of billing demand.

1.2 Rate for Control Area Reserves for Non-Hydroelectric Resources

The rate shall not exceed \$0.36 per kilowatt per month of billing demand.

2. BILLING FACTORS FOR CONTROL AREA RESERVES FOR RESOURCES (FULL SERVICE)

2.1 Billing Demand

If BPA receives the appropriate metering information regarding the Purchaser's resource(s), regardless of resource type, then the billing demand shall be determined as specified in section 2.1.1 below. Otherwise, for the Purchaser's hydroelectric resource(s) the billing demand shall be determined in accordance with section 2.1.2, and for the Purchaser's thermal and any other non-hydroelectric resource(s) the billing demand shall be determined in accordance with section 2.1.3.

2.1.1 Billing Demand for Metered Resources

For service applicable to the Purchaser's resource(s) regardless of type for which BPA receives the appropriate metering information, the billing demand shall be the average metered energy for each resource for the billing month.

2.1.2 Billing Demand for Unmetered Hydroelectric Resources

For service applicable to the Purchaser's hydroelectric resource(s) for which BPA does not receive the appropriate metering information, the billing demand shall be the total Resource Capability, as specified in section B.2.1.4, for the Purchaser's hydroelectric resource(s), multiplied by a capacity factor not to exceed 0.60. BPA may agree to a capacity factor other than 0.60 based on the historical and planned operation of the resource(s).

2.1.3 Billing Demand for Unmetered Non-Hydroelectric Resources

For service applicable to the Purchaser's thermal resource(s) and any other non-hydroelectric resource(s) for which BPA does not receive the appropriate metering information, the billing demand shall be the total Resource Capability for the Purchaser's thermal resource(s) and any other non-hydroelectric resource(s), multiplied by a capacity factor not to exceed 0.90. BPA may agree to a capacity factor other than 0.90 based on the historical and planned operation of the resource(s).

2.1.4 Resource Capability

For service under the 1981 Contracts, the Resource Capability, expressed in kilowatts, shall be equal to the peak capability of the Purchaser's Firm Resource(s) specified in the Firm Resources Exhibit, and the peak capability of other resources specified in the Service Charges Exhibit. For 1996 Contracts and all other agreements, the Resource Capability shall be the Monthly Resource Peaking Capability as specified in the Agreement.

3. RATES FOR CONTROL AREA RESERVES FOR RESOURCES (PARTIAL SERVICE)

3.1 Rate for Non-Spinning Operating Reserve

The rate shall not exceed \$4.38 per kilowatt per month of billing demand.

3.2 Rate for Spinning Operating Reserve

The rate shall not exceed \$5.39 per kilowatt per month of billing demand.

3.3 Rate for Generation Following

The rate shall not exceed \$0.02 per kilowatt per month of billing demand.

4. BILLING FACTORS FOR CONTROL AREA RESERVES FOR RESOURCES (PARTIAL SERVICE)

4.1 Billing Demand

The Billing Demand for Control Area Reserves for Resources (Partial Service) shall be the billing demand for the appropriate component of the Control Area Reserves for Resources in accordance with sections 4.1.1, 4.1.2 and 4.1.3 below.

4.1.1 Billing Demand for Non-Spinning Operating Reserves

The billing demand for Non-Spinning Operating Reserves shall be the contract demand.

4.1.2 Billing Demand for Spinning Operating Reserves

The billing demand for Spinning Operating Reserves shall be the contract demand.

4.1.3 Billing Demand for Generation Following

The billing demand for Generation Following shall be determined pursuant to section 2 above.

C. CONTROL AREA RESERVES FOR INTERRUPTIBLE PURCHASES

The rate below for Control Area Reserves for Interruptible Purchases applies to the schedules of all power purchases imported into BPA's control area that are designated as subject to interruption.

1. RATE

The rate shall not exceed 2.87 mills per kilowatthour.

2. BILLING FACTOR

The billing factor shall be the sum of scheduled amounts of Interruptible Purchases per billing month.

D. LOAD REGULATION

The rate below for Load Regulation applies to all retail and plant load within the BPA control area and BPA customer load served by transfer service outside of BPA's control area. If a Purchaser is taking Load Regulation service under multiple rate schedules, the Purchaser shall pay for Load Regulation for its total retail or plant load under only one rate schedule during the Billing Period.

1. RATE

The rate shall not exceed 0.28 mills per kilowatthour.

2. BILLING FACTOR

The billing factor for Load Regulation shall be the measured monthly kilowatthours of the Receiving Party's Total Retail or Total Plant Load.

E. TRANSMISSION LOSSES

The rate below for Transmission Losses applies to all Transmission Losses that occur on the BPA transmission system that are purchased from BPA.

1. RATE

The rate shall not exceed 22.80 mills per kilowatthour.

2. BILLING FACTOR

The billing factor shall be the amount of losses for the billing month calculated as specified in the applicable Agreement.