



BPA, Glenbrook Nickel sign power deal

Bonneville Power Administration

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RIDDLE, Ore. - Glenbrook Nickel of Riddle, Ore., will buy almost half its power from the Bonneville Power Administration for the next five years under a new block-sale contract signed March 12.

"This contract will help keep Glenbrook Nickel in business and its 300 workers employed, and will help BPA meet its financial obligations through the beginning of the 21st century," said Al Perez, BPA account executive for the nickel smelting firm.

Under the new contract, Glenbrook Nickel will buy power from BPA for five years, starting Oct. 1, 1996. The contract is contingent on conclusion of BPA's current rate case, in which BPA has proposed to lower its rate to direct-service industrial customers such as Glenbrook Nickel from today's average industrial rate of 2.6 cents per kilowatt-hour to about 2.25 cents per kWh.

Perez said the block-sale contract contains a premium that relieves Glenbrook from its take-or-pay obligation, which would have required the company to pay for power even when it couldn't use it. The new contract enables the company to curtail operations if necessary to deal with the large fluctuations in the metals market.

"With this contract in place, we hope to assist them in their cost reductions and help the company remain competitive through 2001," Perez said. "This is similar to block sales we made to other large industries last fall with the exception of the premium. The companies will get a five-year guarantee of power delivered at a specific rate, as concluded in the BPA rate case, and BPA will get guaranteed revenues. It's a good deal for both sides. It helps both of us remain competitive in our industries."

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The company is also negotiating a separate agreement with BPA for the rest of its service, Perez said.

Glenbrook Nickel was shut down for 18 months before it reopened in April 1995.

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