



Department of Energy
Bonneville Power Administration
P.O. Box 491
Vancouver, WA 98666-0491
NOV 12 1993

In reply refer to: PSC

Contract No. DE-MS79-93BP94190

Mr. Gene Spina
Elf Atochem North America
P.O. Box 4102
Portland, OR 97208

Dear Mr. Spina:

Subject: Industrial Replacement Energy Interim Agreement

The Bonneville Power Administration ("Bonneville") and Elf Atochem North America ("Industry"), are currently engaged in contract negotiations to finalize a new long-term agreement under which Bonneville will provide Industrial Replacement Energy (IRE) to the Industry. The parties intend to continue such negotiations, but desire to enter into this Interim Agreement (Agreement) to facilitate operations during a period of energy restriction, should one occur before said new long term agreement is executed.

At the present time, most Industries have an existing IRE Agreement in place (Prior Agreement) and an existing Protected Storage Agreement (Protected Storage Agreement). IRE matters not addressed by this Agreement shall be resolved pursuant to the terms of the Prior Agreement. By signing this Agreement, those Industries that did not execute a Prior Agreement are agreeing to be bound by the terms of the Prior Agreement, attached hereto as Exhibit D, to the same extent as those Industries that are parties to the Prior Agreement. In addition, by signing this Agreement, all Industries (irrespective of whether or not they are signatories to the Protected Storage Agreement) are agreeing to be bound by the terms and conditions of such agreement, attached hereto as Exhibit E.

The purpose of this Agreement is to formalize agreements between the parties regarding procedural and other matters related to IRE. Accordingly, Bonneville proposes to provide the Industries with IRE in accordance with the terms and conditions as expressed below and the terms and conditions of the Prior Agreement, to the extent such terms and conditions of the Prior Agreement are not inconsistent with this Agreement.

This amended version of the IRE Agreement contains the following changes to the original version that was accepted by you:

1. On page three, Section 3 (i) "Exhibit I (List of Preexisting Contracts)" has been deleted;
2. Paragraph 5 (d) has been deleted;
3. Paragraph 6 titled "Industry Resources" has been deleted;
4. The body of the contract was amended to conform with the above changes;
5. On page 21, in the sixth line of the third paragraph of Section 17(a)(1)(B), the words "for Industry Resources" has been deleted; and

6. Several section reference errors have been corrected throughout the body of the agreement.

1. **TERM**

This amended Agreement shall take effect when signed by the Industry and will remain in effect until the earlier of:

- (a) July 1, 1994; or
- (b) The Effective Date of a new IRE Agreement.

2. **DEFINITIONS**

The following terms are defined for purposes of this Agreement, and the definitions shall apply irrespective of whether or not the terms are capitalized when used in the Agreement.

- (a) "Availability Notice" shall mean the notice that Bonneville provides to the Industry (through the Consultant) identifying potential sources of IRE.
- (b) "Best Estimate" shall mean the most up-to-date information Bonneville has at its disposal regarding the duration of a restriction or potential restriction.
- (c) "Confirmation Notice" shall mean the notice that Bonneville sends to the Consultant acknowledging that Bonneville has acquired IRE for the Industry pursuant to a Purchase Notice and the terms of this Agreement.
- (d) "Confiscate" or "Confiscation" shall mean Bonneville's taking and paying for energy which the Industry had previously acquired as IRE pursuant to a Confirmation Notice; provided, however, that neither the term "confiscation" nor the provisions of Section 12 of this Agreement shall apply to IRE acquired by Bonneville pursuant to Section 15(b) of this Agreement, Assignment of IRE to Bonneville.
- (e) "Delivered Cost" shall mean the total cost paid by the Industry for energy provided as IRE. The Delivered Cost includes the cost of the energy as well as related charges such as charges for wheeling and storage.
- (f) "Open Market" shall mean the condition when Bonneville sells nonfirm energy on a day-to-day basis.
- (g) "Peak Period(s)/Off-Peak Period(s)" shall have the meaning set forth in the General Rate Schedule Provisions (Exhibit B).
- (h) "Preempt" or "Preemption" shall mean the exercise of Bonneville's right under Section 15 of this Agreement to take energy identified in the Purchase Notice from the Industry by purchasing said energy for Bonneville's own account.

- (i) "Preschedule Day" shall mean the last workday before the day on which the Industry takes delivery of IRE.
- (j) "Purchase Notice" shall mean the notice that the Consultant provides to Bonneville in response to the IRE Availability Notice; the Purchase Notice authorizes Bonneville to acquire energy as IRE for the account of the Industry.
- (k) "Spot-Market Purchase(s)" shall mean energy purchases, typically nonfirm, made on the day of delivery (real-time) or scheduled for delivery on the next day or days (prescheduled).
- (l) "Stored Energy" shall mean the amount of IRE delivered to Bonneville's system on an hourly basis that is in excess of the amount of energy delivered to the Industry's(ies') restricted load in that hour.

All other terms used in this Agreement shall have the meaning given to them in the Prior Agreement or in the Power Sales Contract. In the event of conflict between the meaning of a term as expressed in the Power Sales Contract and the Prior Agreement, the definition in the Power Sales Contract shall apply.

3. EXHIBITS

The following exhibits are by this reference incorporated herein and made a part of this Agreement:

- (a) Exhibit A (SP-91 rate schedule);
- (b) Exhibit B (General Rate Schedule Provisions);
- (c) Exhibit C (General Contract Provisions);
- (d) Exhibit D (Prior Agreement);
- (e) Exhibit E (Protected Storage Agreement);
- (f) Exhibit F (IRE Contacts);
- (g) Exhibit G (Equity Panel Principles);
- (h) Exhibit H (Routine Suppliers of Energy for Northwest Loads);
- (i) Exhibit I (Bonneville's 1991 Transmission Rate Schedules and General Transmission Rate Schedule Provisions).

4. NOTICE OF RESTRICTION

- (a) **Notice of Restriction**
If possible before an anticipated restriction, or as soon as practicable after implementation of a restriction, Bonneville shall provide the Industry, through the Consultant, with a formal Notice of Restriction. Such notice shall be given by telephone, and later in writing, and shall be transmitted to the Consultant by FAX and then, as needed, by hard copy. Such notice shall contain the following information:
 - (1) The date and time when Bonneville provided the restriction notice to the Consultant;

- (2) The date and time when the restriction will commence or has commenced;
- (3) The amount of restriction required by Bonneville from all Industries and each Industry's share (in kilowatts) of the restriction; each Industry's actual share of the restriction obligation (in terms of load reduction on the FCRPS) shall be reduced by any First Quartile curtailment existing at the time restriction is implemented; (if Bonneville restricts Second or Third Quartile loads, any curtailment of such Quartiles would likewise reduce the Industry's obligation to reduce its load on the FCRPS;) and
- (4) Bonneville's Best Estimate of the duration of the restriction.
- (b) **Twenty-Four Hours Notice**
For other than forced outage and stability reserve restrictions (i.e., capacity restrictions), Bonneville will attempt to give at least 24 hours advance notice of any restriction.
- (c) **Price Adjustment if Bonneville Does Not Give Twenty-Four Hours Advance Notice of an Energy Restriction**
If Bonneville does not provide a full 24-hours advance notice of an energy restriction pursuant to section 7(c) of the Power Sales Contract, Bonneville shall attempt to make Spot-Market Purchases of replacement energy for the Industry's restricted load. If Bonneville has given the Industry less than 24 hours advance notice of restriction, the Industry shall pay for IRE at the rate established according to the terms of this section for the period of time determined by subtracting the advance notice period from 24 hours; provided, however, that energy purchased during this initial 24-hour period for use in the Industry's load at a later time and energy purchased after this 24-hour period shall be subject to the pricing principles set forth in Section 10.
- The rate that the Industry will pay for any IRE used during this initial 24-hour period shall be equal to the sum of the then-effective industrial rate for its non-restricted purchases from Bonneville plus one half the difference between what would have been the delivered cost of the IRE (expressed in mills/kWh absent this contract provision and Bonneville's industrial rate. Whenever Bonneville does not provide a 24-hour advance notice of restriction, Bonneville shall inform the Consultant of the number of hours of IRE purchases that will be subject to this contract provision; Bonneville's determination shall be based on a comparison of the data identified in Sections 9(a) and 9(b), hereof.
- (d) **Advance Communications**
In addition to the notice of restriction and the routine communications required by Section 6(b), Bonneville shall inform the Consultant as soon as practicable of any condition which could realistically be expected to result in a restriction of service to the Industry. Bonneville shall use reasonable efforts to contact the Consultant or, if such Consultant is unavailable, the

designated alternate to provide information about these conditions or an impending restriction. If Bonneville is unable to reach the Consultant or designated alternate, Bonneville shall use reasonable efforts to contact the Industry.

- (e) **Notice of Termination of Restriction**
Bonneville shall provide as much advance notice as practicable before the end of a restriction.

5. **BONNEVILLE ACTS AS INDUSTRY'S AGENT**

Bonneville shall act as the Industry's agent for purposes of acquiring and disposing of IRE under this Agreement. In undertaking these obligations, Bonneville and the Industry recognize that:

- (a) Bonneville has its own separate and, at times, conflicting interests in purchasing, transmitting, and selling energy either for its own account or for others;
- (b) Bonneville's obligation to purchase IRE is subject to the provisions of Sections 7 and 10 herein;
- (c) Bonneville has no fiduciary or other agency obligations to the Industry beyond those expressly included herein or in other contractual agreements with the Industry; and

6. **BONNEVILLE/INDUSTRY COMMUNICATION**

- (a) **Industry and Bonneville Contacts for IRE Matters**
At all times during the term hereof, the Industry, jointly with the other Industries, shall designate a Consultant to perform the Consultant's functions as provided in this Agreement and the Prior Agreement. The Consultant, with the consent of the Industries, may designate an alternate to serve from time to time in the absence of the Consultant. The Industry, jointly with the other Industries, will notify Bonneville in writing of the name of the Consultant, any alternate, and any change or changes thereto, as such changes may take place. The parties agree that Bonneville may rely on the information provided to it by the Consultant and that Bonneville has no responsibility to determine the accuracy of any such information. The Industry shall designate someone with authority to act on its behalf in the event that the Consultant and alternate are unavailable and/or Bonneville needs to communicate directly with the Industry about IRE matters. The Consultant, alternate, and Industry Contact are identified in Exhibit F.

Bonneville shall designate a person and alternate as the contact person for receipt of communications to Bonneville regarding administration of this Agreement. Bonneville shall notify the Consultant of the person(s) so designated. Such person and alternate are identified in Exhibit F of this Agreement.

(b) **Communications Between Bonneville and Industry Prior to Restriction**

Bonneville will routinely inform the Industry and/or Consultant about system conditions and forecasts of resources, loads, and weather. The purpose of such communications shall be to provide information to the Industry and to determine the Industry's needs. Any ensuing decision regarding restriction shall be made solely by Bonneville consistent with its contract obligations to the Industry.

7. **SUPPLY PRIORITY OF IRE AMONG BONNEVILLE'S PURCHASES**

Bonneville will attempt to acquire the total quantity of IRE identified in the Purchase Notice for the account of the Industry. Under certain circumstances, Bonneville's ability to make acquisitions and make deliveries of IRE may be affected by limited supplies of available energy and transmission limitations. At all times, Bonneville shall have the right to satisfy the needs specified in (a) and (b), below, before providing IRE (to the extent it is available) to the Industries:

- (a) To meet Bonneville's Firm Obligations; and
- (b) To meet Bonneville's operational obligations for the Federal Columbia River Power System (FCRPS), including fish measures and all other nonpower requirements.

In the event that Bonneville has idled one or more Federal resources for economic reasons, pursuant to contract or Bonneville's authorities, prior to a period of Industry restriction, and if such Federal resources remain idle and available during a period of limited IRE supplies, Bonneville shall use reasonable efforts to offer said idle and available resource(s) to the Industry as IRE, with the cost of said IRE being set equal to the SP Flexible Rate, calculated for the purposes of this Agreement as the variable cost of the identified resource plus 2 mills per kilowatt-hour/kWh. Bonneville shall advise the Industry of the availability of such resource through an Availability Notice, and the Industry shall indicate its interest in such resource by requesting Bonneville to provide service with such resource priced at the rate, described herein in the Purchase Notice.

8. **STANDARD IRE ACQUISITION AND ALLOCATION PROCEDURES**

IRE shall be acquired pursuant to the provisions of this section whenever the parties have had reasonably sufficient time to exchange the required notices as described herein.

(a) **IRE Supply Information**

(1) **IRE Availability Notice**

Prior to periods of foreseeable or actual restriction, and at other times when reasonably requested by the Consultant, Bonneville shall provide the Consultant with an IRE Availability Notice. In preparing such notice, Bonneville shall survey the energy suppliers with whom Bonneville routinely does business to determine potential sources of IRE. Such suppliers are identified in Exhibit H, hereof. The

Availability Notice shall include, to the extent such information is known, the following information for each identified energy supplier who can provide energy in advance of, and/or during the period of anticipated or actual restriction:

- (A) The name of the supplier, for all suppliers listed in Category C of Section 8(a)(2), below; for suppliers in Categories A, B, and D, Bonneville need only describe the supplier in broad geographic terms (e.g. a Pacific Southwest supplier, a Canadian supplier, etc.);
- (B) The quantity of available energy from such supplier;
- (C) The period of energy availability;
- (D) The price;
- (E) Any anticipated Minimum Acquisition requirements;
- (F) Estimated or actual (if known) deadline dates for expiration of offer; and
- (G) Other relevant terms.

If only estimated quantities, prices, or deadlines are known, then Bonneville's IRE Availability Notice shall state that such terms are "estimates." Bonneville and the Industry recognize that such estimates may vary from the supplier's subsequent actual terms. (See Section 8(f).)

(2) Bonneville's Rights to Acquire Energy Identified in the Availability Notice

In the Availability Notice, Bonneville shall categorize the offers of available energy, designating the following groupings:

- (A) Energy which Bonneville is actively negotiating to acquire for its own use;

To the extent any Industry has elected Price Averaging, then "for its own use" shall include purchases to provide Price Averaging IRE service.

- (B) Energy which Bonneville is considering acquiring for its own use;

To the extent any Industry has elected Price Averaging, then "for its own use" shall include purchases to provide Price Averaging IRE service.

- (C) Energy which Bonneville does not expect to acquire for its own use and which is available for immediate purchase by the Industry for use as IRE; and

To the extent any Industry has elected Price Averaging, then "for its own use" shall include purchases to provide Price Averaging IRE service.

- (D) Energy which may be available in the future, but which has not, as yet, been actually offered for sale.

The purpose of providing the Industry with the information in Categories A, B, and D is to put Category C offers in perspective relative to total energy availability.

At any time prior to receipt of a Purchase Notice from the Consultant, Bonneville may acquire any resources identified in the IRE Availability Notice (as well as any other energy that may have since become available), but shall immediately so notify the Consultant. Upon receipt of a Purchase Notice, Bonneville's right to purchase Category C energy pursuant to the provisions of this section is extinguished to the extent that the Industries have asked Bonneville to purchase such energy as IRE. Bonneville may, however, preempt such energy pursuant to the terms of Section 15, hereof, until such time as Bonneville provides the Consultant with a Confirmation Notice for such energy.

In responding to the IRE Availability Notice, the Industry shall select IRE exclusively from those suppliers listed in Category C. The Industry may also indicate which suppliers in Categories A, B, and D have energy which the Industry would like to acquire as IRE if Bonneville decides not to purchase such energy for its own account.

Upon receipt of the Purchase Notice, Bonneville shall determine which of the energy suppliers in Categories A and B have energy that the Industry may want to purchase as IRE. With respect to only such selected suppliers, Bonneville shall decide, within one working day during a restriction and five working days at all other times, whether Bonneville intends to pursue acquisition of such energy for its own account. If Bonneville decides not to pursue the purchase of any such energy, Bonneville shall so inform the Consultant and shall promptly make reasonable efforts to obtain such energy as IRE for the Industries in accordance with the provisions of this section and section 8(f)(3), herein.

If Bonneville decides to attempt, or continue attempting, to purchase a particular block of Category A or B energy for its own use, Bonneville shall have an additional five working days to conclude the purchase (culminating in an oral or signed contract) during an actual restriction

and 20 working days at all other times. Notwithstanding such five- or 20-day periods, Bonneville shall attempt to conclude such arrangements expeditiously. If, at any time during said five- or 20-day period, Bonneville purchases such energy, Bonneville shall so notify the Consultant.

As requested by the Industries, Bonneville will actively attempt to obtain an offer for IRE from potential sources identified as Category D. As soon as reasonably practicable following receipt of information that allows Bonneville to reclassify Category D energy into one of the other three categories, Bonneville shall issue a revised Availability Notice, therein indicating the appropriate category for such energy. Once a revised Availability Notice is issued reflecting an actual offer for energy previously in Category D, then the appropriate timeline shall apply.

If Bonneville does not purchase such energy within the time periods stated above, Bonneville shall so notify the Consultant, and the Consultant shall determine if any Industry is still interested in acquiring such energy as IRE. If so, Bonneville shall immediately attempt to purchase such energy as IRE. If not, Bonneville may elect to continue its negotiations to purchase the energy for its own account.

- (E) If Bonneville imposes a restriction during the five-day decision period or the 20-day acquisition period described above, Bonneville shall comply with the shorter of the following two timelines in making its purchase decision:
- (i) The timeline permitted for purchases during a restriction; provided, however, that Bonneville shall respond hereunder as if the Purchase Notice had been delivered to Bonneville on the date that the restriction was actually imposed (as opposed to the date on which the Purchase Notice was actually received); or
 - (ii) The number of days remaining in the decision/ acquisition period based on the date of the original Purchase Notice.

If the restriction is imposed during the five-day decision period, the one-day decision period applicable to decisions made during restrictions shall apply, as will the five-day period to conclude the purchase.

In responding to the IRE Availability Notice, the Industry may direct Bonneville to postpone some or all purchases pursuant to the Purchase Notice until Bonneville has determined its proposed course of action with respect to the energy in Categories A and B. If the Industry chooses this course of action, the Industry may elect to serve

its load in the meantime with short-term purchases from Category C or to have Bonneville make Spot-Market Purchases of IRE on the Industry's behalf pursuant to the provisions of Section 8 herein until such time as Bonneville makes its purchase decision regarding such energy supplies.

(3) **Procedures for Spot-Market Purchases**

Aside from providing the IRE Availability Notice to the Consultant, Bonneville shall apprise the Consultant of the prospective availability of and approximate quantities and price of spot-market energy potentially available to Bonneville.

- (A) When the Industry is restricted by Bonneville, Bonneville shall notify the Consultant by 2:00 p.m. each Tuesday and Thursday of the approximate quantities and price of spot-market energy potentially available to Bonneville.
- (B) At any time during a restriction, an Industry may request Bonneville to make a Spot-Market Purchase. The Industry will request Bonneville to make a Spot-Market Purchase, first, by notifying the Consultant of the quantity of energy and the highest price the Industry is willing to pay for spot-market energy by 3:00 p.m. two working days prior to the day the Industry requires delivery of the energy. For example, for energy to be delivered on Friday, the Industry must notify the Consultant by 3:00 p.m. on the previous Wednesday.

Secondly, the Consultant shall compile all Industry requests for Spot-Market Purchases and the highest price the Industry is willing to pay for a Spot-Market Purchase, and transmit the package of requests to Bonneville by 0600 hours on the Preschedule Day. Bonneville shall attempt to preschedule the requested Spot-Market Purchase(s).

- (C) Bonneville shall make the requested Spot-Market Purchase(s), provided it is available, up to and including the highest price the Industry is willing to pay. If Bonneville is unable to purchase the requested energy at less than or equal to the Industry's highest price for spot-market energy given, it will notify the Consultant as soon as possible of the situation but no later than 11 a.m. prior to the Preschedule Day. Otherwise, Bonneville shall report back to the Consultant by the close of business on such day the quantity and price of the Spot-Market Purchase(s) scheduled to be delivered for the following day(s).
- (D) In the event that the deliveries of a Spot-Market Purchase can not be delivered from the supplier on real-time, Bonneville shall attempt to purchase additional energy on real-time up to the Industry's stated highest price for spot-market energy to

replace such undeliverable energy. Additional real-time purchases shall be made after Bonneville has purchased energy on the spot-market for its own needs as set forth in Section 7, above.

- (4) **Availability of Federal Storage**
 Concurrent with providing the IRE Availability Notice to the Consultant, Bonneville shall apprise the Consultant of the prospective availability of protected and unprotected Federal storage.
- (b) **Consultant Communications to the Industry**
 Upon receipt of the IRE Availability Notice, the Consultant shall promptly communicate to the Industry:
- (1) The information obtained in the IRE Availability Notice; and
- (2) A deadline date by which the Industry must give the Consultant its response.
- (c) **Industry Response to Consultant**
 The Industry shall promptly inform the Consultant of:
- (1) Any orders it elects to give the Consultant to enable Bonneville to acquire IRE for its account; and
- (2) Any limitation it desires to place on the amount and/or price of IRE to be acquired from each supplier for the account of the Industry; **provided**, that the Industry may give the Consultant standing authority to authorize Bonneville to acquire IRE for its account within limits stated by the Industry; and, **provided further**, that the Industry may withdraw or modify its response to the IRE Availability Notice prior to the earlier of:
- (A) The date on which the Consultant has received responses from all Industries; or
- (B) The deadline date for responding to such offer.
- (d) **Preparation of Purchase Notice; Estimated Allocation of Limited Quantities of IRE Among the Industries**
 The Consultant shall consolidate all Industry responses to the IRE Availability Notice and prepare a Purchase Notice to be provided to Bonneville.

In preparing the Purchase Notice, the Consultant shall allocate each offer of IRE based on the Operating Demands at the time of the offer of the Industries which elect to acquire a portion of the IRE offered; **provided**, that if any of the Industries request an amount less than the amount which would be allocated to it based on its Operating Demand, the excess between its

requested amount and the amount to which it would have been entitled based on its allocation right shall be reallocated to the other Industries (in amounts not exceeding their requests) which have elected to participate in the offer. Such reallocation is to be in proportion to the Operating Demands of such other Industries. Any subsequent adjustments to requested allocations based on changes in quantities of available IRE shall likewise be based on Operating Demands.

(e) **Purchase Notice to Bonneville**

The Consultant will promptly deliver to Bonneville (by any means including, but not limited to, personal delivery or telecopies) a Purchase Notice stating, for each individual supplier of IRE, the share (expressed as a percentage) and any limitation of amounts (expressed in MWh), and/or of price, regarding IRE that each of the participating Industries desires Bonneville to acquire for its account.

The Consultant's Purchase Notice to Bonneville shall be a binding offer by the Industry to purchase its share of IRE, as allocated by the Consultant, so acquired in accordance with the terms of the Purchase Notice and the provisions of this Agreement.

(f) **Bonneville's Response to a Purchase Notice**

(1) **Obligation to Attempt to Acquire Energy as IRE**

Bonneville shall attempt to acquire the energy identified in the Purchase Notice, if still available, and deliver it as IRE in accordance with the terms of the Consultant's Purchase Notice, this Agreement, and, if applicable, the Prior Agreement.

(2) **Bonneville's Actions in the Event of a Price Increase Relative to the Price Listed in the IRE Availability Notice**

In the event that the Industry has directed Bonneville to acquire IRE from a particular source and the actual price for such energy has increased relative to the price specified in the Availability Notice, Bonneville shall be authorized to acquire said energy as IRE pursuant to the Purchase Notice only if the price of such energy is no more than 3 mills higher than the price reported in the Availability Notice.

If the price is more than 3 mills higher than reported in the IRE Availability Notice, Bonneville shall not make the purchase and shall submit a new IRE Availability Notice to the Consultant, reflecting the actual price of such energy in such new notice. In the event of such price increase, Bonneville may purchase said energy for its own account pursuant to the provisions of Section 8(a)(2), above, just as if no Purchase Notice had been issued.

(3) **Substitution of Lower Cost Energy for Energy Requested by the Industry in the Purchase Notice**

Whenever it is possible for Bonneville to substitute lower-priced

energy for energy that the Industry had authorized Bonneville to acquire on its behalf, Bonneville shall do so, provided such lower-priced energy has comparable or more favorable terms and conditions relative to those associated with the higher-cost purchase. The Consultant shall prorate any such available, less expensive energy among the Industries based on their respective Operating Demands.

(4) **Confirmation Notice**

After concluding contractual arrangements for the acquisition of IRE, Bonneville shall promptly prepare a Confirmation Notice and shall provide said notice to the Consultant as soon as possible, but in no event later than two working days after the acquisition has been made, unless otherwise agreed. Bonneville shall not delay or withhold delivery of the Confirmation Notice in order to preserve its preemption rights. In the Confirmation Notice, Bonneville shall separately identify, for each individual acquisition of IRE, the final terms and conditions of sale and the amount of IRE respectively purchased by each Industry.

(g) **Industry Commitment to Pay for IRE Acquisitions**

The acquisition, as reflected in the Confirmation Notice, shall constitute a binding commitment by the Industry to pay for its share of IRE. Whenever the parties are adhering to the standard IRE acquisition procedures (Section 8), the Confirmation Notice shall serve to record the Industry's contractual obligation to pay for energy acquired as IRE. The Industry's obligation to pay for such energy shall not, however, be extinguished by Bonneville's failure to issue, or the Industry's failure to receive, a timely Confirmation Notice.

9. **AMOUNT AND SHAPE OF IRE**

(a) **IRE Deliveries in Shape of Restricted Load**

An Industry may purchase IRE in an amount and shape equal to its restricted load during all hours, subject to Section 10 herein. Bonneville shall deliver IRE in such restricted amount and shape to the Industry's facility (or facilities), subject to Section 7 herein.

(b) **IRE Deliveries in Excess of Restricted Load**

The hourly quantities of IRE requested by the Industry during any hour when combined with the Industry's other IRE purchases shall not exceed its restricted load for such hour on any day unless agreed to by Bonneville. Such agreement shall not indicate a waiver of storage fees. If any such deliveries are agreed to between the parties to this Agreement, the Industry shall pay Bonneville for storage pursuant to Section 16(a)(5).

(c) **Bonneville shall provide the Industry, on each Preschedule Day, with the amount and shape of IRE scheduled to be delivered by IRE suppliers before the next Preschedule Day.**

10. PRICING OF IRE

When Bonneville is purchasing for itself and others, including purchases of IRE, all such purchases shall be allocated in the following order beginning with the lowest price purchases:

- (a) Purchases to meet Bonneville's Firm Obligations and operational obligations at Federal projects, excluding purchases for flow augmentation and, to the extent applicable under Section 11, to provide Price Averaging IRE service.
- (b) Purchases for IRE and flow augmentation, irrespective of whether such purchases are for the account of Bonneville or another utility; the cost of such purchases shall be averaged in accordance with Equity Panel Principle #6, as stated in the principles dated June 26, 1991, and attached hereto as Exhibit G; **provided, however**, that if the Equity Panel parties are unable to agree on an averaging mechanism, Bonneville shall average, over a calendar week, the cost of all IRE delivered to the FCRPS during the week and the cost of any designated "flow augmentation" energy that is delivered to the FCRPS during that same week.
- (c) All other purchases, in accordance with Equity Panel Principle #9, including new purchases by Bonneville to displace Federal resources that were not displaced prior to the restriction.

11. PRICE AVERAGING OF IRE

The Industry, at its option, may purchase IRE subject to the following terms and conditions:

- (a) **Minimum Period of Restriction**
Bonneville shall make Price Averaging of IRE available to the Industry whenever the Best Estimate of the duration of the restriction included in the Notice of Restriction (see Section 4(a)(4)) is 30 days or longer.
- (b) **Notice of Participation, Period of Industry Commitment, and Extension of the Industry Commitment**
The Industry may elect Price Averaging by submitting a Notice of Participation to Bonneville. Such Notice of Participation shall be submitted 30 days before the date of restriction or, if the Notice of Restriction is given less than 35 days before the date of restriction, then such Notice of Participation shall be submitted within five working days after receipt of the Notice of Restriction but no later than the date of restriction. The Industry may submit a Notice of Participation 30 days prior to the date of participation in Price Averaging. There shall be no retroactive participation in Price Averaging. The Notice of Participation shall state the initial date of Participation, Period of Industry Commitment, and the Demand and the load factor for the Period of Industry Commitment. The Period of Industry Commitment may range from 30 days up to and including the Best Estimate of the duration of the restriction.

At any time, but no later than 30 days before the end of the Period of Industry Commitment, the Industry may extend its participation in Price Averaging by submitting a Revised Notice of Participation. The Revised Notice of Participation may extend the Period of Industry Commitment by one day or more, but shall not exceed the Best Estimate.

If Bonneville issues a new or revised Notice of Restriction which establishes a new Best Estimate or extends the current Best Estimate, then the Industry, if it has previously elected Price Averaging, may submit a Revised Notice of Participation and may extend its Period of Commitment by any duration, up to and including the new or revised Best Estimate.

The Industry may participate in Price Averaging purchases of IRE in conjunction with purchasing blocks of energy and spot-market energy as IRE. All Price Averaging IRE shall be used in the Industry's load before any purchases of such IRE is used in the Industry's load.

- (c) **Take-or-Pay; Return to Direct Service, and Uncontrollable Force**
As specified below, the Industry shall be required to purchase IRE during the Period of Industry Commitment; provided that if Bonneville restores direct service to the Industry's restricted load, then Bonneville shall waive Industry's obligation to purchase IRE in lieu of direct service. Bonneville shall not waive the Industry's commitment to purchase IRE during the Period of Commitment in the event that the Industry can not take delivery of its scheduled IRE due to uncontrollable circumstances affecting its plant operations.

Bonneville shall allow the Industry to take Price Averaging IRE in a range of plus or minus three percent of its Energy Requirement, within which to operate its restricted load under Price Averaging. Industry's Energy Requirement shall be the product of such load factor, multiplied by the demand then multiplied by the hours in the Period of Industry Commitment for each Price Averaging Period. The load factor of Price Averaging IRE shall be the same as the load factor of the Industry's entire load.

If the Industry exceeds the Energy Requirement level as stated in the Notice of Participation plus three percent, the Industry shall pay the charge for Unauthorized Increase for energy in excess of the Energy Requirement plus three percent in the next Price Averaging Period, and pay Bonneville storage fees, as set forth in Section 16(a)(5), on such energy.

- (d) **Interruption of Service**
Upon receipt of Industry's Notice of Participation, Bonneville shall be required to provide IRE to Industry's restricted load for the Period of Commitment; provided that Bonneville may interrupt Price Averaging IRE Service under the same conditions that Bonneville can confiscate IRE (see Section 15(b)); provided further, that Bonneville shall not pay Industry any confiscation charge for interrupting Price Averaging IRE service and that

Bonneville shall waive Industry's obligation to take-or-pay for any further Price Averaging IRE service.

(e) **Price**

The price for Price Averaging IRE Service shall be the sum of:

- (1) The average price of all Bonneville purchases, delivered within a Price Averaging Period, excluding only purchases to provide IRE to Industries which are not Price Averaging purchases of more than 1 year in duration, exchanges, purchases included by Bonneville in PNCA planning, and Bonneville joint ventures;
- (2) A surcharge of 2.2 mills per kWh in December and January and 1.2 mills per kWh in all other months; and
- (3) Applicable transmission charges pursuant to Section 16. Except for storage fees on Industry's amount of Price Averaging IRE in excess of its Energy Requirement plus three percent, no storage charges shall apply to Price Averaging IRE Service.

(f) **Price Averaging Periods**

The Price Averaging Periods shall be:

- (1) August through October;
- (2) November and December;
- (3) January and February;
- (4) March and April; and
- (5) May through July.

The Price Averaging Period shall not include the time Bonneville interrupted IRE deliveries or the period for which Bonneville restored the Industry to direct service.

12. BACK-UP ACQUISITION PROCEDURES

The provisions of this section apply whenever there is insufficient time to adhere to the standard acquisition procedures and still provide, or attempt to provide, continuous electric service to the Industry's restricted load.

(a) **Emergency Purchase: Bonneville's Acquisition Actions Absent a Purchase Notice**

In the event that, prior to an Industry's return of a Confirmation Notice, Bonneville has implemented a restriction and IRE service is not arranged pursuant to Section 8 or 12 herein, Bonneville shall attempt to acquire IRE pursuant to this section so as to ensure, if possible, continuous electric service

to the Industry's load through the following workday or the end of the restriction, whichever first occurs.

If the Consultant has not delivered a Purchase Notice to Bonneville before the beginning of the restriction and in time for Bonneville to act on such Notice, Bonneville shall promptly use its best efforts to make real-time purchases of IRE for the account of the Industry. Bonneville shall use best efforts to purchase IRE at the lowest available prices for IRE. Bonneville shall attempt to purchase sufficient quantities of IRE to ensure uninterrupted service to the Industry's load at the Industry's most recently requested Operating Level. Bonneville shall give the Consultant notice of any IRE so acquired as soon as possible. This Agreement shall constitute a firm commitment by the Industry to pay for its share of each supplier's IRE to the extent it is acquired pursuant to this section.

(b) **Emergency Purchase: Bonneville's Acquisition Limitations Absent a Purchase Notice**

In no event shall Bonneville purchase, pursuant to this section, more energy than the Industry can use in load through the following workday or the expected duration of the restriction, whichever is less.

Any additional supplies of IRE shall be acquired pursuant to the provisions of Section 8 or Section 12 herein. If Bonneville does not receive a timely Purchase Notice for additional IRE following an emergency purchase pursuant to this section, Bonneville shall so inform the Consultant and shall direct the Industry to shed load pursuant to the provisions of Section 12, herein.

13. **INADEQUACY OF IRE SUPPLIES**

In the event that IRE supplies are inadequate to serve the Industry's restricted load for any reason including, but not limited to, an actual lack of energy or an inability to acquire sufficient amounts of IRE at a price that the Industry is willing to pay, or in the event that Bonneville does not receive a timely Purchase Notice for IRE to be acquired subsequent to an emergency purchase pursuant to Section 12, above, Bonneville shall so inform the Consultant, and Bonneville shall direct the Industry to shed load in amounts that will ensure that the Industry is in compliance with its obligations under its Power Sales Contract.

14. **DISPOSAL OF IRE**

Bonneville shall act as the Industry's agent in disposing of IRE that the Industry deems to be surplus to its needs. Any such surplus IRE shall be offered first to other Industries, second to Bonneville, and third to entities purchasing power on the open market.

(a) **Assignment of IRE to Other Industries**

In the event the Industry determines that IRE it had previously acquired is surplus to its future needs, it may notify the Consultant and/or Bonneville that such surplus is available for assignment to other Industries. Any such surplus IRE shall be offered by Bonneville, for the account of the Industry,

through the Consultant to the other Industries. IRE assigned under this section to one or more of the Industries shall be treated as an IRE acquisition subject to the terms of such assignee's IRE Agreement and the terms of the assignment. Charges for services provided by Bonneville shall be assessed on the assignee in accordance with the provisions of Section 16(c), below.

(b) **Assignment of IRE to Bonneville**

If the Industry is disposing of IRE that is excess to its needs and if Bonneville is interested in acquiring such IRE, the Industry and Bonneville may agree to the assignment of such IRE to Bonneville with terms and conditions to be agreed upon by Bonneville and the Industry at the time of assignment.

(c) **Assignment of IRE on the Open Market**

(1) **Assignment when Bonneville is Not Selling Energy on the Open Market**

When Bonneville is not selling energy on the open market, and the Industry is interested in assigning its IRE to a third party or to Bonneville for subsequent sale to a third party, Bonneville shall provide marketing and transmission services for the Industry's surplus IRE if:

- (A) Such services will not conflict with Bonneville's other contractual and operational obligations; and
- (B) Bonneville determines that sufficient transmission capacity is available for such use.

The Industry shall specify the price it wishes to obtain for IRE so assigned. The price actually paid by the third party purchaser for such IRE shall be equal to the price specified by the Industry plus associated Bonneville charges as identified in Section 16(c), below.

(2) **Assignment when Bonneville is Selling Energy on the Open Market**

Every workday when Bonneville is selling energy on the open market, and at the Industry's specific request, Bonneville shall take assignment of IRE from the Industry through the following workday in amounts up to the maximum amounts determined daily according to the terms of this section. Bonneville shall pay for the IRE assignments by crediting the Industry's wholesale power bill at Bonneville's average daily sales price for open market energy sales (including any sales of assigned IRE). Bonneville will reduce the Industry's IRE Account to reflect such assignments. Bonneville's total daily acquisitions of IRE from all of the Industries shall not exceed the amounts determined by the following table, unless otherwise mutually agreed. Each Industry's individual assignment to Bonneville shall not exceed its pro rata share of the amounts shown in the table below. Such pro rata share is obtained by dividing the amount of each

Industry's stored IRE by the total amount of stored IRE for all Industries.

Bonneville will accept assignments of IRE for the respective accounts of the Industries up to the following limits, unless otherwise agreed:

- (A) 25 percent of the projected average daily sales (excluding assignments of IRE) if Bonneville's daily average sales are 600 average megawatt (aMW) or less (0-150 aMW);
- (B) 200 aMW if Bonneville's daily projected average sales (excluding assignments of IRE) are more than 600 aMW, but less than 1000 aMW;
- (C) 250 aMW if Bonneville's daily projected average sales (excluding assignments of IRE) are 1000 aMW or more, but less than 1500 aMW;
- (D) 300 aMW if Bonneville's daily projected average sales (excluding assignments of IRE) are 1500 aMW or more, but less than 3000 aMW;
- (E) 400 aMW if Bonneville's daily projected average sales (excluding assignments of IRE) are 3000 aMW or more, but less than 4000 aMW;
- (F) 500 aMW if Bonneville's daily projected average sales (excluding assignments of IRE) are 4000 aMW or more, but less than 5000 aMW; or
- (G) 600 aMW if Bonneville's daily projected average sales (excluding assignments of IRE) are 5000 aMW or more.

At the Industry's specific request, assignments of stored IRE in excess of the amounts specified directly above may be made if, in Bonneville's sole determination, such assignments would not interfere with Bonneville's marketing activities.

15. PREEMPTION AND CONFISCATION

(a) Preemption

Bonneville may preempt IRE, but only to meet its needs as expressed in Section 7 and only if energy is not otherwise available to Bonneville to meet these needs. Bonneville's preemption right is extinguished when Bonneville provides the Consultant with a Confirmation Notice pursuant to Section 8 acknowledging the purchase of said energy for use as IRE or when, pursuant to Section 12, the energy is delivered to the Industry for use in its load. Bonneville shall not preempt IRE solely for economic reasons. Bonneville

shall pay the power supplier for preempted IRE and hold the Industry harmless from paying for all IRE that Bonneville preempts.

(b) **Confiscation**

At any time Bonneville may confiscate IRE, but only if Bonneville requires the confiscated energy (in addition to any preempted energy) to meet its needs as defined in Section 7 and only if energy is not otherwise available to Bonneville to meet those needs. Bonneville shall not confiscate IRE solely for economic reasons. Bonneville shall pay the Industry for confiscated IRE at the higher of the following two rates:

- (1) 72 mills/kWh; or
- (2) The price that the Industry paid for the confiscated energy, including any related charges for wheeling, shaping, storage and/or other power services.

16. PAYMENT

(a) **Payments for Services**

(1) **Billing Procedures for IRE**

(A) **Unallocated Hourly IRE Energy Deliveries**

Each Thursday of a month, Bonneville shall provide the Consultant with all hourly schedules of IRE deliveries from the beginning of the month through Wednesday. All IRE energy deliveries through the last day of a month shall be forwarded to the Consultant on the working day following the end of a month. The hourly schedules of IRE deliveries provided by Bonneville shall include information by IRE supplier, which includes the supplier's price and the IRE delivery's associated wheeling charge and transmission loss factor.

By the third working day of a month, Bonneville shall provide the Consultant with all Industry load data and unallocated hourly schedules of actual IRE energy deliveries to the Industries for the preceding month and an explanation of the deviation between the amount delivered and the amount purchased/contracted for during the preceding month.

(B) **Allocated Hourly IRE Energy Deliveries**

Within two working days after receiving the information in Section 16(a)(1)(A), above, the Consultant shall provide Bonneville with the allocation of IRE as set forth in the Purchase Notice, estimate(s) of associated transmission costs, and allocation, among the Industries, of any IRE placed into or delivered from storage.

If the Consultant does not provide Bonneville with the allocation of IRE purchased by the Industries, estimate(s) of associated transmission costs, and the amount of and allocation, among the Industries, of any IRE placed into or delivered from storage within two working days after receiving the information in Section 16(a)(1)(A), above, Bonneville will invoice each Industry by FAX, based on the Confirmation Notice, requesting payment for the IRE delivered the preceding month.

Bonneville shall review the information provided by the Consultant regarding allocation of IRE purchased by the Industries, estimate(s) of associated transmission costs, and the amount of and allocation, among the Industries, of any IRE placed into or delivered from storage, and all applicable fees and charges for such IRE delivered to the Industry. Bonneville shall prepare and submit an IRE invoice within two working days after receiving the IRE allocation from the Consultant.

(2) IRE Invoice and Acquisition Costs

Bonneville shall invoice the Industry by FAX for purchases pursuant to this Agreement. The invoice shall contain a statement of IRE purchases, deliveries, and sales for the period covered by the invoice. Information on the deviation between the amount delivered and the amount purchased/contracted for during the preceding month shall be attached to the invoice.

The FAX invoice and a hard copy of the invoice shall be sent to the appropriate person listed in Exhibit F.

If Bonneville submits an estimated invoice to the Industry, Bonneville shall make any necessary corrections and reflect such corrections on a subsequent month's invoice.

The price that the Industry shall pay for IRE acquisitions pursuant to a Confirmation Notice shall be the price Bonneville pays to the seller for such IRE unless:

- (A) The flow augmentation averaging provisions of Section 10(b) of this Agreement apply, and/or
- (B) The provisions of Section 4(c) apply; such provisions provide for a price adjustment in the event that Bonneville does not provide a 24-hour advance notice of restriction.
- (C) Whenever Bonneville has calculated the cost of IRE acquisitions pursuant to the provisions of Section 11 of this Agreement, Bonneville shall bill the Industry for the IRE used

at Bonneville's average purchase price using the purchases allowed in Section 11(e) plus the appropriate surcharge for the month unless the billing month is the last month of the billing block noted in Section 11(f), in which case the IRE used will be billed at the average purchase price for the block of months. In this latter case, any adjustment in price needed for the earlier month will also be made.

Whenever Bonneville has calculated the cost of IRE acquisitions pursuant to the provisions of Section 11(e) of this Agreement, Bonneville shall provide the Industry with a listing of all kWh purchased for flow augmentation and for IRE and the price associated with each such block of energy.

The Industry shall pay Bonneville any amount owed by close of business on the tenth calendar day after the date of the FAX invoice. Such payment shall be by direct wire transfer to the bank designated by Bonneville or by other means that ensures receipt of funds by Bonneville within ten calendar days. Invoices for amounts due Bonneville of fifty thousand dollars (\$50,000) or more must be paid by direct wire transfer. Bills for amounts due Bonneville under fifty thousand dollars (\$50,000) may be paid by direct wire transfer or mailed to:

The Bonneville Power Administration
P.O. Box 6040
Portland, OR 97228-6040

The procedures to be followed in making direct wire transfers will be provided by the Bonneville Office of Financial Management and updated as necessary.

Invoices not paid in full on or before the close of business on the due date shall be subject to a penalty charge of 25 dollars. In addition, an interest charge of 1/20 percent (0.05%) shall be applied each day to the sum of the unpaid amount and the penalty charge. This interest charge shall be assessed on a daily basis until such time as the unpaid amount and penalty charges are paid in full. Other provisions related to payment of bills specified in the current General Rate Schedule Provisions shall apply. If the Industry fails to make any such payment in the ten calendar day period, Bonneville may require the Industry to have funds or a letter of credit on deposit with Bonneville equal to such required payment, or equal to the estimated cost of any subsequent acquisition of IRE, before making such acquisition for the account of the Industry.

(3) Transmission of IRE Acquisitions

The Industry shall pay Bonneville at the ET-91 rate or its successor rate for transmission of IRE to the Industry or to Bonneville for

storage. There shall be no additional transmission charge for delivery of IRE from storage to the original purchasing Industry. The Industry shall also pay the appropriate Intertie charge for any extraregional purchases and all losses on the Federal System. Bonneville's losses have been determined and may be modified or updated by Bonneville as needed, as follows:

- (A) 1.6 percent for network transactions
- (B) 0.3 percent for Northern Intertie transactions
- (C) 3.0 percent for Southern Intertie transactions

The Industry shall also reimburse Bonneville in full for any losses and transmission charges that Bonneville pays to other entities for wheeling IRE purchases to the Federal System. Transmission charges for Industries electing Price Averaging IRE service shall be the average cost of transmission (1991 Energy Transmission rate (Exhibit I), Intertie, and transmission charges and losses paid by Bonneville to other utilities for transmission to the Federal System) of all Bonneville purchases delivered within the applicable Price Averaging Period, excluding only purchases to provide IRE to Industries which are not Price Averaging, purchases of more than one year duration, exchanges, purchases included by Bonneville in PNCA planning, and Bonneville joint ventures.

- (4) **Transmission of IRE Disposed of by the Industry**
Whenever Bonneville is selling energy on the open market, Bonneville will assess the Industry transmission charges on any IRE which is assigned by the Industry to another party which results in a resale to any entity other than Bonneville.

Whenever Bonneville is not selling energy on the open market, Bonneville will assess any Northwest recipient, except Bonneville, transmission charges on any IRE which the Industry disposes of through assignment. Bonneville shall assess the Industry transmission charges on any IRE assignment which results in direct assignment to another party or a resale by Bonneville to any extraregional recipient.

Transmission charges shall be calculated by applying the ET-91 rate or its successor rate to such energy, except for assignments to Bonneville. Any sales to extraregional entities shall also be assessed the appropriate Intertie charge.

- (5) **Storage**
The Industry shall pay Bonneville for storage services provided pursuant to this Agreement; provided, however, that if IRE is transferred from unprotected storage to Protected Storage, the

unprotected storage charge under this paragraph shall not apply and the payment provisions of the Protected Storage Agreement shall apply. Applicable storage fees shall be paid by the initial purchasing Industry unless otherwise agreed. Return of unprotected storage will be charged at a rate of 3.0 mills per kWh except for:

- (A) Storage of IRE delivered during a heavy load hour period and returned in the immediately following light load hour period, and
- (B) That portion of the unprotected storage which, when delivered to Bonneville, was within three percent of the total restricted load of all Industries except those which chose price averaging, and
- (C) Storage spilled and not returned.

Although storage fees are determined from the aggregate deliveries of all Industries; the Industry obligation to pay for storage shall be based on its individual deliveries or be determined by the Consultant.

(b) **Payments to IRE Suppliers**

Payments to IRE suppliers shall be made by Bonneville in accordance with the agreements between Bonneville and such energy suppliers.

(c) **Payments by Third Party Purchasers of IRE Disposed of by the Industry**

Any third party (including other Industries) purchasing IRE that the Industry is disposing of pursuant to Section 14 of this Agreement shall pay a rate for such energy that includes:

- (1) The established price for such energy, with such price set by the Industry in the event that Bonneville is not selling energy on the open market and for assignments to other Industries or entities, and set by Bonneville under all other circumstances;
- (2) Network transmission charges whenever Bonneville is not selling nonfirm energy on the open market and/or when the Industry is making assignment to another Industry or entity; and
- (3) Any additional applicable charges such as charges for storage, or other power services; such charges would apply under all circumstances.

Bonneville shall bill the third party for such energy and shall credit the Industry's monthly wholesale power bill to Bonneville with the total of the product(s) of the number of kWh and the established price(s) per kWh obtained for such energy. In the event that the third party defaults on its payment to Bonneville, Bonneville may bill the Industry for the charges specified in (2) and (3), above. If Bonneville has previously credited the

Industry for the IRE assigned to Bonneville and resold to such third party or directly assigned to a third party, Bonneville shall also bill the Industry for the amount so credited.

17. ACCOUNTING

(a) Maintenance of IRE Accounts

The Consultant shall allocate IRE deliveries among the Industries. Bonneville and the Consultant shall maintain records of IRE transactions for the Industries. The IRE account shall contain the following information:

- (1) The amount of IRE acquired for the Industry at each price;
- (2) The amount of IRE losses;
- (3) The amount of IRE used in load to date, calculated as the remainder obtained by subtracting the sum of deliveries under the Power Sales Contract and any other energy delivered by Bonneville to the Industry other than IRE from the total amount of energy delivered by Bonneville to the Industry. All IRE delivered pursuant to this Agreement shall be assumed to be delivered at a load factor equal to the load factor of that portion of the Industry's load that is either subject to the IP and/or the VI rate schedule. Any IRE acquired by Bonneville on behalf of the Industry and not delivered to the Industry shall be deemed stored if storage is available, and spilled if storage is not available;
- (4) The amount of IRE stored in the Federal System;
- (5) The amount of IRE disposed of pursuant to Section 14, hereof;
- (6) The amount of IRE spilled, with Bonneville determining the amount of IRE spill which, in Bonneville's sole determination, results in a fair distribution of spill among all affected Northwest entities; and
- (7) The balance in the Industry's IRE Account.

(b) Accounting for IRE that has been Assigned Pursuant to the Disposal Provisions of this Agreement

If the Industry disposes of IRE pursuant to Section 14, the balance in the Industry's IRE Account shall be adjusted accordingly and, as appropriate, Bonneville shall arrange for the related payments, credits, and billings.

(c) Electronic Mail Link

Bonneville and the Industry shall jointly develop, at the Industry's expense, an electronic mail link to exchange information through the Consultant regarding IRE purchases and certain spot market information. Such direct electronic mail link will allow the Consultant and the Industries to access and retrieve daily, or more frequently as necessary, the information

contained in the IRE Availability Notice and, for billing purposes, information regarding IRE purchases and charges.

If the terms of this Agreement are satisfactory have two originals signed and returned to Bonneville. The other original is for your files.

Sincerely,



Mark W. Maher
Director, Division of Power Supply

ACCEPTED:

ELF ATOCHEM NORTH AMERICA

By 
Title Manufacturing Manager
Date 11-16-93