

INDUSTRIAL MARKET ENERGY (IME) AGREEMENT
executed by the
UNITED STATES OF AMERICA
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
ELF ATOCHEM NORTH AMERICA

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This Agreement, executed October 27, 1995 by the UNITED STATES OF AMERICA (Government), Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (Bonneville) and ELF ATOCHEM NORTH AMERICA (hereinafter called "Industry" and collectively with other direct service industrial customers having similar agreements called "Industries").

WITNESSETH:

WHEREAS Bonneville and the Industry have executed both a power sales contract, Contract No. DE-MS79-81BP90355 (hereinafter called 81 PSC) for the sale of Federal power to the Industry, and an Industrial Replacement Energy Interim Agreement (Interim IRE Agreement), Contract No. DE-MS79-94BP94446 for the provision of open market power to the Industry during periods of restriction pursuant to section 7 of the 81 PSC; and

WHEREAS given changed electric power market conditions, the Industry desires to purchase power on the open market to displace a portion of its service from Bonneville, and Bonneville is redesigning its approach to power sales to the Industry under the terms of a new power rate structure and a new power sales contract (96 PSC); and

WHEREAS Bonneville has given the Industry the opportunity to purchase power on the open market for a portion of its First Quartile load prior to the time that unbundled products and services are available from Bonneville in exchange for a waiver and release regarding claims related to previous, current, and future service to the Industry's First Quartile load;

NOW, THEREFORE, the Parties hereto mutually agree as follows:

1. EFFECTIVE DATE AND CONTRACT TERM

The term of this Agreement shall be 2400 hours on September 30, 1995, through 2400 hours on March 31, 1996. If the Parties to this Agreement have not executed a services agreement to substitute for this Agreement by March 31, 1996, and Bonneville and the Industry mutually agree to extend this Agreement beyond its initial term, then Bonneville shall extend the term until the earlier of execution of such substitute agreement or complete termination of the 81 PSC.

2. RELATIONSHIP OF THIS AGREEMENT TO OTHER BONNEVILLE AGREEMENTS

Industrial Market Energy (IME) is energy purchased by Industry to replace purchases under its 81 PSC that have been displaced pursuant to the terms of Exhibit B. During the specific time periods and to the extent established in this Agreement, the Industry may elect to take IME for First Quartile load that is not restricted by Bonneville under the terms of the 81 PSC. The Industry's Operating Demand under the Industry's 81 PSC shall be established at a level that reflects the total of the Industry's anticipated purchases for both Federal and open market power pursuant to this Agreement for facilities subject to the terms of the 81 PSC.

3. EXHIBITS

Exhibit A (Open Market Entitlement) and Exhibit B (Waiver and Release) are attached hereto and made a part of this Agreement.

4. AMOUNT OF LOAD ELIGIBLE AS IME AND ALLOCATION PROCEDURE

(a) Amount of Load Eligible As IME

The Industry may elect IME service up to the limits described in section 3 of Exhibit B. Table 1 of Exhibit A represents each Industry's entitlement such that the total does not exceed the aggregate limit of 250 average megawatts (aMW) among all Industries. In the event one or more Industries do not fully use their entitlement of IME, other Industries may use IME in excess of their entitlements, but shall remain within the individual limits in section 3 of Exhibit B. The procedure for subscribing to unused amounts is described in section 4(b) below.

(b) Operating Level Submittal and Allocation Procedure

(1) Operating Level Submittal Procedure

The Industry shall continue to submit its monthly Operating Level(s) to Bonneville according to the 81 PSC. The Industry shall also specify that portion of its First Quartile to be served with IME. The submittal of Operating Level(s) and IME amount(s) shall not have more than three levels each month. Hourly amounts of IME shall be equal for both on-peak and off-peak periods. The Industry shall also give a copy of the monthly Operating Level(s) and the portion of the First Quartile to be served with IME to a designated representative of the Industries (Representative).

(2) Submittal of IME Amounts to the Representative

The Industry shall give the Representative its desired IME amounts by the close of the third working day prior to the end of the month. Such amount may exceed the Industry's minimum entitlement in Table 1 of Exhibit A, but shall not exceed the individual limit in Section 3 of Exhibit B.

(3) Allocation by the Representative

Using the IME requests as submitted, the Representative shall determine if the Industries' total monthly IME requests exceed the total of all entitlements shown in Table 1 of Exhibit A.

(A) If the total monthly IME requests exceed the total of all entitlements shown in Exhibit A, the Representative shall make a pro rata reduction to each request which is more than the Exhibit A quantity and notify the Industry of its allocation for the next month by close of business on the second working day prior to the end of the month. In order to facilitate each Industry matching its IME purchases to its allowable IME load consistent with Bonneville's scheduling practices, amounts may be rounded up to the next whole megawatt, provided that cumulative energy taken at any time does not exceed the limit of 250 aMW plus 6 megawatts.

(B) Each Industry that has had a reduction to its monthly request shall limit its actual IME purchase(s) for the month to the allocation provided by the Representative.

5. MECHANICS AND BILLING FOR JOINT SERVICE

(a) Billing Procedure

Bonneville will use standard billing procedures for service to the lower three quartiles of the Industry's load, including any Unauthorized Increase charges and billing for service for any Federal SP sale arranged prior to March 15, 1995. The demand level associated with the IME purchase at 100 percent load factor will be

subtracted from the First Quartile requested Operating Level. These portions will be billed as follows:

- (1) The IME portion, as delivered by the Industry's supplier(s), shall be subject only to charges for administrative charges under section 6. Any IME deliveries taken in excess of the allocation provided by the Representative, and not under some arrangement agreed to by Bonneville, shall be deemed transferred to Bonneville at no cost. Interruptions of IME deliveries for reasons other than Force Majeure, which are not otherwise replaced (which may include some arrangement agreed to by Bonneville), shall be billed at the Unauthorized Increase rate if inadvertently served by Bonneville. For such an interruption, Bonneville agrees that prior to the third hour otherwise subject to Unauthorized Increase, Bonneville shall replace the purchase at its then effective Hourly Surplus Firm Power (SP) rate, if such energy is available. If such energy is not available, Bonneville will use its best efforts to procure energy for sale at the Flexible Rate under the SP-93 rate schedule.
- (2) The Bonneville served portion will be billed pursuant to standard billing procedures. The billing determinant for demand will be as resulting from the above calculation, and that for energy will be the remainder after deducting IME energy deliveries from the total First Quartile energy.

(b) Order of Curtailment

- (1) To the extent the Industry's Bonneville-served portion of First Quartile load exceeds the IME portion, the Industry shall have the right to curtail the Bonneville portion prior to the IME portion.
- (2) At the point the Bonneville-served portion is the same as the IME portion, any further curtailment shall be shared equally. For the purposes of this section 5(b), Federal SP agreements that were executed prior to March 15, 1995, shall be included in the Bonneville portion. Nothing in this section is intended to relieve the Industry of any take-or-pay obligation in any existing or future SP agreement with Bonneville or in any agreement with other suppliers.

6. ADMINISTRATION OF IME TRANSACTIONS INCLUDING FEES

(a) Consultation with Bonneville

The Industry agrees to consult with Bonneville relating to terms of delivery and other pertinent information, but not including price. Such information shall include specification of Points of Delivery, Points of Transaction, Points of Integration, Name of Seller, Seller Contact Person, Control Area Operator, Amount and Shape of purchase, Interruption Rights, Reserve Arrangements,

Transmission Service and Mechanism for Transmission Loss Compensation. Any other requests shall be as mutually agreed to insure conformance to Bonneville's scheduling practices, and thus minimize potential delivery problems under the transaction.

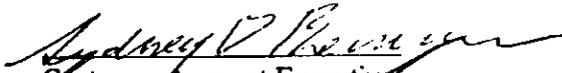
(b) **Administrative Charges**

Bonneville shall assess the following administrative charges for each transaction under this Agreement. For purposes of this Agreement, a transaction is defined as a purchase or sale associated with a set of agreed-upon schedules for a specified period of time, and from a single supplier's control area or agreed upon Point of Delivery. It may include more than one Industry, but participation shall be fixed. Examples of a transaction include schedules for delivery on 1 or more hours over the period of a day, week, or up to a month. A change to the agreed-upon level of schedules for other than unavoidable operational contingencies (such as loss of the generating unit providing the energy) shall be considered a separate transaction.

The total monthly payment due Bonneville shall be \$2,000 for every transaction occurring during each month pursuant to this Agreement. If more than one Industry participates in a transaction, the cost shall be divided equally among participants.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in several counterparts.

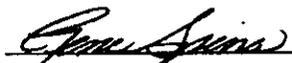
UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By 
Customer Account Executive

Name Sydney D. Berwager

Date 10/27/95

ELF ATOCHEM NORTH AMERICA

By 

Name Erik Sarna
(Print/Type)

Title MANUFACTURING MANAGER

Date 10-27-95

OPEN MARKET ENTITLEMENT EXHIBIT

TABLE 1

INDUSTRIES' ENTITLEMENTS FOR FIRST YEAR IME

	ANNUAL MAX (MW)	ALLOCATION (MW)
ALCOA	242.9	18.89
COLUMBIA	283.1	22.02
CFAC	342.1	26.61
INTALCO	456.2	35.48
KAISER	603.8	46.96
NORTHWEST	163.2	12.69
REYNOLDS	668.0	51.95
VANALCO	237.2	18.45
ACPC	1.2	0.09
ATOCHEM	78.3	6.09
GP	33.3	2.59
GILMORE	0.2	0.02
NICKEL	79.0	6.14
OREMET	12.6	0.98
PT	13.3	1.03
TOTAL	3214.4	250.00

Revision of Table 1

If, during the term of this Agreement, Bonneville restricts deliveries of Federal Power to the Industry as described in section 3(c) of Exhibit B, Bonneville shall revise this Table 1 accordingly.