

SH/700
AUTHENTICATED

Contract No. 96MS-99 169

December 6, 1995

Mr. Jack W. Snyder
Regional Financial Manager
Elf **Atochem** North America, Inc.
6400 NW. Front Avenue
Portland, OR 97210

Dear Mr. Snyder

The Bonneville Power Administration (**BPA**) and Elf **Atochem** North America, Inc. (**Atochem**) have negotiated this operating agreement for the April 1, 1996, through October 1, 1996, period. Section 8(a)(4) of the **BPA** power sales contract with **Atochem**, Contract No. DE-MS 79-81 BP90355 (1981 Contract), allows for operating agreements between **BPA** and **Atochem**. Following are the terms and conditions as agreed to by **BPA** and **Atochem** for this operating agreement

1. This operating agreement will become effective at 2400 hours on March 31, 1996, and will terminate at 2400 hours on September 30, 1996. All liabilities incurred hereunder are preserved until satisfied.
2. **BPA** will sell and **Atochem** will purchase 84 average megawatts (**aMW**) for service to its plant load. The 84 **aMW** will consist of:
 - (a) 15 **aMW** of Industrial Firm Power to be purchased by **Atochem** on a take-or-pay basis at the rate specified in the 1P-95 Industrial Firm Power Rate Schedule. **BPA** agrees to waive its rights pursuant to section 7(c) of the 1981 Contract to restrict deliveries to the first quartile for this portion of load and
 - (b) 69 **aMW** of Surplus Firm Power pursuant to and governed by Contract No. 96MS-951 13.
3. Curtailment rights and charges pursuant to section 9 of the 1981 Contract shall not apply during this period.
4. **Atochem** agrees to waive all rights under the Waiver and Release of Contract Claims and Contract Provisions, Contract No. 95MS-94741.

Your signature below is your acceptance of the terms and conditions of this operating agreement. Please sign and return one original to me and keep the remaining original.

Sincerely,

Sydney D. Berwager
Senior Customer Account Executive

Name /S/ SYDNEY D. BERWAGER
(Print/Type)

ACCEPTED:

ELF ATOCHEM NORTH AMERICA, INC.

By /S/ F. H. LAUCHERT

Name Francis H. Lauchert
(Print/Type)

Title Group President - Industrial Chemicals

Date December 8, 1995

(MCPL\N\MPSD-W\MPSD\CT\99169.DOC)