

FOIA Request

Kathleen Proffitt, Davison Van Cleve, PC 10-24-2002

BPA Transmission Contracts
 Longview, Kaiser, Northwest, Goldendale & Golden Northwest Aluminum
 From January 1, 1995 to present

Customer	Contract No.	Type	Status
Golden Northwest Aluminum	02TX-11262	PTP	Executed
Goldendale Aluminum	01TX-10505	CSE	Executed
Goldendale Aluminum	96MS-96109	PTP	Executed
Goldendale Aluminum	95MS-94900	FPT	Terminated
Goldendale Aluminum	DE-MS79-95BP94762	IR	Executed
Northwest Aluminum	DE-MS79-95BP94766	IR	Executed
Northwest Aluminum	96MS-96111	PTP	Executed
Kaiser Aluminum	97TX-10046	LirAgree	Executed
Kaiser Aluminum	00TX-30435	CSE	Executed
Kaiser Aluminum	DE-MS79-95BP94765	Trans	Executed
Kaiser Aluminum	96MS-96107	PTP	Executed
Longview Aluminum	01TX-10681	NT	Executed
Longview Aluminum	02TX-11080	CWI	Executed
Longview Aluminum	DE-MS79-94BP94443	IR	Terminated
Longview Aluminum	DE-MS79-95BP94767	IR	Executed
Longview Aluminum	95MS-94865	PS/UFT	Terminated

AUTHENTICATED

Date: 6/23/98

Service Agreement No. 96MS-96111

SERVICE AGREEMENT
for
POINT-TO-POINT TRANSMISSION
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
NORTHWEST ALUMINUM COMPANY
A DIRECT SERVICE INDUSTRIAL CUSTOMER

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Exhibit A	(Open Access Transmission Tariff)
Exhibit B	(Application for Point-to-Point Transmission Service)
Exhibit C	(Statement of Specifications for Long-Term Firm Transmission Service)
Exhibit D	(System Impact Study Agreement)
Exhibit E	(Facilities Study Agreement)
Exhibit F	(Wholesale Power and Transmission Rate Schedules)
Exhibit G	(Facilities Charges)
Exhibit H	(Ancillary Services)
Exhibit I	(Stability Reserves)
Exhibit J	(Transmission Scheduling Provisions)

This TRANSMISSION SERVICE AGREEMENT is made and entered into this 29th day of June, 1998, by and between the Bonneville Power Administration (hereinafter referred to as "BPA") and NORTHWEST ALUMINUM COMPANY (hereinafter referred to as "the Transmission Customer"). The Transmission Customer and BPA are sometimes referred to individually as "Party" and collectively as "Parties," as the context suggests below.

W I T N E S S E T H

WHEREAS, the Parties are interconnected directly or through their Designated Agent(s) with each other and/or with other electric utility systems; and

WHEREAS, BPA provides Point-to-Point (PTP) Transmission Service under BPA's Open Access Tariff (Tariff);

WHEREAS, the Parties previously entered into a General Transmission Agreement, Contract No. DE-MS79-95BP94766, (IR Contract) for transmission of non-federal power, and the Transmission Customer now desires to receive Transmission Service under the Tariff for federal and non-federal power;

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements herein contained, the Parties do agree as follows:

ARTICLE 1

SCOPE OF SERVICE AGREEMENT

1.1 Terms and Conditions. The terms and conditions under which PTP Transmission Service is offered and accepted are pursuant to this Service Agreement and the Tariff. The Tariff in effect at the time of execution of this Service Agreement is hereby incorporated by this reference and made a part of this Service Agreement as Exhibit A. BPA may change the terms and conditions of the Tariff applicable to each such transaction upon, and only upon, a determination by the Commission that such

change is just and reasonable and not unduly discriminatory or preferential; provided, however, that, unless the Commission or a court of competent jurisdiction issues an opinion or order holding that BPA's Direct Service Industrial (DSI) customers are not Eligible Customers under the Tariff or under any successor tariff, or that such DSI customers are not eligible to purchase transmission service under the PTP-96 rate schedule or any successor rate schedule, BPA shall not modify the definition of Eligible Customer under the Tariff to exclude the Transmission Customer as an Eligible Customer, or modify the PTP-96 rate schedule so that it is not available to the Transmission Customer, if such modification is to take effect during the term of this Service Agreement. BPA and the Transmission Customer agree that transmission service provided pursuant to this Service Agreement may be provided under a Commission-approved successor tariff after September 30, 2001, if BPA supersedes the Tariff.

- 1.2 **Application.** The Application for PTP Transmission Service requested by the Transmission Customer and accepted by BPA is hereby incorporated as Exhibit B of this Service Agreement and made applicable to that transaction.

- 1.3 **Statement of Service Specifications for Long-Term Firm Transmission Service.** The Statement of Service Specifications for Long-Term Firm PTP Transmission Service requested by the Transmission Customer and accepted by BPA is hereby incorporated as Exhibit C of this Service Agreement and made applicable to that transaction.

- 1.4 **System Impact/Facilities Study Agreements.** Study agreements for a System Impact Study and/or a Facilities Study, if performed for any Application, are hereby incorporated as Exhibits D and E, respectively, of this Service Agreement and made applicable to those transactions.

- 1.5 **Wholesale Power and Transmission Rate Schedules.** BPA's Wholesale Power and Transmission Rate Schedules are hereby incorporated as Exhibit F.

- 1.6 **Facilities Charges.** All applicable charges pursuant to the Direct Assignment Facilities Provisions for existing facilities and facilities built as a result of this Service Agreement are hereby incorporated as Exhibit G.
- 1.7 **Ancillary Services.** The Ancillary Services for PTP Transmission Service under this Service Agreement are hereby incorporated as Exhibit H.
- 1.8 **Stability Reserves.** Provisions concerning Stability Reserves are hereby incorporated as Exhibit I. The Transmission Customer agrees to provide Stability Reserves for the term of this Service Agreement, and for the term of any transmission service that BPA provides the Transmission Customer under any other agreement, if the Transmission Customer submitted the request for transmission service for such transaction or under such agreement prior to the date on which other end-use customers become eligible for the same or comparable BPA transmission service over BPA facilities without a requirement that they provide Stability Reserves. This obligation shall survive any termination of this Service Agreement.
- 1.9 **Transmission Scheduling Provisions.** The Transmission Scheduling Provisions are hereby incorporated by this reference and made a part of this Service Agreement as Exhibit J.
- 1.10 **Relationship of the Parties.** BPA agrees to provide and the Transmission Customer agrees to take and pay for PTP Transmission Service in accordance with the provisions of the Tariff and this Service Agreement. Upon determining that a request by the Transmission Customer for Firm PTP Transmission Service meets the requirements of this Service Agreement and the Tariff in effect and applicable to new service requests, BPA shall offer to incorporate the Statement of Specifications for the requested service into Exhibit C. The Transmission Customer's rights to service under the Tariff are limited to the amount of power it could have purchased from BPA under subsection 5(a) of its 1981 Power Sales Contract (hereinafter referred to as Contract Demand), plus the megawatts for transmission losses associated with such Contract Demand; provided, that for purposes of this Service

Agreement, upon the Transmission Customer's request, and if transmission capacity is available, the Transmission Demand shall be increased to reflect the increase in Contract Demand to which the Transmission Customer would have been entitled under subsection 5(d), Technological Allowances, of the 1981 Power Sales Contract if the Transmission Customer's Power Sales Contract (and all other DSI power sales contracts) were in effect as of the date of the Transmission Customer's request; provided further, that for purposes of this Service Agreement, the Transmission Customer's Contract Demand shall not be reduced by any termination under section 2 of the 1981 Power Sales Contract. The transmission service made available to the Transmission Customer under this Agreement shall be used for delivery of power and energy to the Transmission Customer's production facilities for consumption; provided that the Transmission Customer may assign unused transmission capacity rights to other Eligible Customers. The assignee of such rights shall not be obligated by such assignment to provide Stability Reserves to BPA unless the assignee is a DSI Customer of BPA, or unless the assignee uses such rights to deliver power to a DSI customer of BPA, in which case the Transmission Customer shall include in the instrument of assignment a provision requiring the assignee to provide Stability Reserves to BPA up to the amount of the capacity rights assigned. The Transmission Customer may accept an assignment of a PTP agreement and/or transmission capacity from any other Eligible Customer, provided that if the Transmission Customer uses such assigned agreement and/or capacity to transmit non-Federal power, Exhibit I shall apply to such transmission, and provided further that the sum of the Transmission Customer's Transmission Demand under this Service Agreement, the Transmission Demand under all Service Agreements of which it has accepted assignment, and the transmission capacity of which it has accepted assignment shall not exceed Contract Demand plus the megawatts for transmission losses associated with such Contract Demand.

- 1.11 The Transmission Customer may request service under this Agreement in excess of the limitation in Article 1.10. Requests for service in excess of such limitation shall be subject to BPA's precedent and policy of providing transmission capacity to its DSI customers in excess of their Contract Demand.

ARTICLE 2
DEFINITIONS

Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the Tariff.

ARTICLE 3
TERM OF THE SERVICE AGREEMENT

- 3.1 Effective Date.** This Service Agreement shall commence at 2400 hours on September 30, 1996, and except as provided in Article 4.3, service under this Service Agreement shall terminate at 2400 hours on March 31, 2015.
- 3.2 Additional Service Agreement.** Upon termination or expiration of this Service Agreement, and subject to the outcome of National Environmental Policy Act review, BPA shall offer to extend transmission services provided hereunder, of the same quality as, and at terms and conditions consistent with, those offered to entities with the right to request transmission service under Section 211 of the Federal Power Act (FPA), provided that, unless the Transmission Customer's obligation to provide stability reserves has expired pursuant to Article 1.8, the Transmission Customer shall continue to provide Stability Reserves pursuant to the terms of Exhibit I or such other terms as the Parties shall agree upon.

ARTICLE 4
CHARGES AND PAYMENTS

4.1 Charges for Transmission Service. The Transmission Customer shall pay BPA the applicable charges for Transmission Services provided hereunder pursuant to the rate schedules as specified below:

4.1.1 PTP Transmission Rate (PTP-96, or its successor) listed in the Wholesale Power and Transmission Rate Schedules.

4.1.2 Intertie Rates (IS-96 and IM-96 or their successors) listed in the Wholesale Power and Transmission Rate Schedules.

4.1.3 Ancillary Products and Services Rate (APS-96, or its successor) listed in the Wholesale Power and Transmission Rate Schedules.

4.1.4 Reserved Nonfirm Transmission Rate (RNF-96, or its successor) listed in the Wholesale Power and Transmission Rate Schedules.

4.1.5 Energy Transmission Rate (ET-96, or its successor) listed in the Wholesale Power and Transmission Rate Schedules.

4.1.6 Use-of-Facilities or Advance Funding Rate for facilities listed in Exhibit G (UFT-96 and AF-96, or their successors) listed in the Wholesale Power and Transmission Rate Schedules.

4.2 Billing and Payment. Bills for all services provided under this Service Agreement shall be rendered monthly by BPA and shall be payable in accordance with the Tariff.

- 4.3 Commitment to Five-Year Rate.** The Transmission Customer agrees that, until October 1, 2001, it hereby waives its right to: (a) decrease the amount (in megawatts (MW)) of Long-Term Firm Transmission Demand set forth in Exhibit C, and (b) terminate service pursuant to the Tariff. BPA agrees that such amount constitutes a firm commitment of Transmission Demand through September 30, 2001. Through September 30, 2001, BPA shall charge the Transmission Customer for such amount of Long-Term Firm Transmission Demand at the rates currently established for such service pursuant to the PTP-96, IS-96, or IM-96 rate schedules, and the Transmission Customer agrees to pay such rates pursuant to and consistent with the Transmission Settlement Agreement dated April 4, 1996, as adopted in the Administrator's Record of Decision adopting the 1996 Final Rate Proposal (Document No. WP-96-A-02, part 2 of 2, Attachment I). The Transmission Customer's right to dispute any rate increase proposed by BPA to take effect prior to October 1, 2001, shall be pursuant to the Transmission Settlement Agreement.
- 4.4 BPA Appropriations Refinancing Act, Public Law 104-134.** The Transmission Customer and BPA agree that provisions of Section 3201(i) of Public Law 104-134 (BPA Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.

ARTICLE 5
NOTICES

- 5.1 Notices Relating to Provisions of the Service Agreement.** Any notice, request, demand or statement which is given to or made upon either Party by the other Party under any of the provisions of this Service Agreement, except those notices specified in Article 5.2 below, shall be in writing and shall be considered delivered when either personally delivered to the following or deposited in the mail postage prepaid and properly addressed to the following:

If the notice is to the Transmission Customer:

General Manager
Northwest Aluminum Company

3313 West Second Street
The Dalles, OR 97058
Phone: (541) 298-0864
Fax: (541) 298-0800

and to Scheduling Agent:

Power Scheduler
Avista Energy
201 North River Drive, Suite 610
Spokane, WA 99201
Phone: (888) 284-7724
Fax: (509) 495-8100

If the notice is to BPA:

Transmission Account Executive
for Northwest Aluminum Company
Bonneville Power Administration
PO Box 491
Vancouver, WA 98666-0491

- 5.2 Notices of an Operating Nature.** Any notice, request or demand pertaining to matters of an operating nature, exclusive of requests for additional or modified transmission service under the Tariff, shall be sufficient if given in writing, by telephone, by facsimile, or orally in person to the person designated in writing by the Party as its representative for such purposes, provided that should such notice, request, or demand not be in writing, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served. The representative for receiving notices pursuant to this Article and such representative's address shall be communicated by the Parties under separate letter within 45 days from the date of execution of this Service Agreement.

ARTICLE 6
DISPUTE RESOLUTION

- 6.1 Good Faith Effort.** The Parties shall make a good faith effort to resolve any dispute over the rights, obligations, or duties of the Parties arising under this Agreement without resort to this Article 6. Any such dispute that cannot be so settled shall be subject to arbitration consistent with the terms of this section. Disputes concerning either the level of a BPA rate or which rate or rate schedule applies to any transmission services offered under this Agreement shall not be subject to dispute resolution.
- 6.2 Notice of Arbitration.** If the Parties are unable to resolve their dispute, then either Party may begin the arbitration process by sending written notice to the other Party that it requests arbitration. The notice shall state the rights, obligations, or duties in dispute and the remedy sought in the arbitration. Within 30 days of receipt of such notice, the Party receiving such notice shall provide the other Party a reply that sets forth its position regarding the issues in dispute.
- 6.3 Selection of Arbitrator.** Within 15 days following the submission of the reply, the Parties shall agree upon an arbitrator, who shall be familiar with the policies governing the Northwest Interconnected Area transmission systems. If the Parties cannot agree on an Arbitrator, they shall take turns striking names from a list of ten qualified individuals supplied by the Northwest Regional Transmission Association (NRTA) from the list maintained by the NRTA Board, with a Party chosen by lot first striking a name. The last-remaining individual whose name is not struck shall be designated the Arbitrator.
- 6.4 Schedule and Procedures.** The Arbitrator shall establish a schedule and procedures for the arbitration. The Arbitrator may conduct the arbitration based solely on written submittals. The Arbitrator shall apply Federal law to resolve the dispute.

- 6.5 **Written Opinion.** The Arbitrator shall issue a written opinion deciding all issues necessary to resolve the dispute and explaining the basis of the decision and award. The Arbitrator shall issue such opinion no later than 115 days after his appointment as Arbitrator.
- 6.6 **Arbitrator's Award.** The Arbitrator's award shall be final and binding on the Parties, provided that either Party may seek judicial review of the Arbitrator's award for fraud, misconduct, misrepresentation, or manifest error, and provided further that with respect to issues arising under the Constitution of the United States, BPA preserves its right to seek judicial resolution of the dispute notwithstanding any decision or award by the Arbitrator.
- 6.7 **Costs.** Each Party shall pay all costs it incurs during the arbitration, including but not limited to attorney's fees and costs of expert witnesses. The costs of the Arbitrator shall be borne by the Party against whom the Arbitrator's decision was rendered.

ARTICLE 7

SYSTEM OPERATIONS

- 7.1 **Control Area Designation.** The Transmission Customer's designation of BPA as its Control Area under this Service Agreement shall not limit the Transmission Customer's right under section 19 of its Block Sales Agreement to change to another Control Area.
- 7.2 **Stability Reserves.** The Transmission Customer shall provide BPA with Stability Reserves pursuant to Exhibit I. BPA shall compensate the Transmission Customer for providing such Stability Reserves according to the provisions of Exhibit I.

ARTICLE 8
MISCELLANEOUS

- 8.1 Interconnection with Other Systems.** Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering, or terminating interconnection points with any entity not a party to this Service Agreement, or from amending or entering into such agreements.
- 8.2 Governing Law.** This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
- 8.3 Amendments.** Except as provided in Articles 1.1, 8.4, and 8.5, this Service Agreement may be amended only upon the mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.
- 8.4 Tariff Revisions.** In the event that BPA proposes to revise the Tariff, either on its own initiative or in response to a directive or order of the Commission, BPA may revise this Service Agreement (except for Exhibit I) to remove any irreconcilable differences between this Service Agreement and the proposed revised Tariff, provided that BPA has given the Transmission Customer a copy of the proposed revised Tariff and proposed revised Service Agreement not less than 60 days prior to the date BPA submits such proposed revised Tariff and such revised Service Agreement to the Commission for approval, and provided the Commission approves the proposed revised Tariff and revised Service Agreement. Within 30 days of receiving the proposed revised Tariff and revised Service Agreement, the Transmission Customer may provide BPA notice of its intent to terminate this Service Agreement in the event that the Commission approves the revised Service Agreement. If the Transmission Customer provides BPA such notice, and the Commission then approves the revised Service Agreement, the Transmission Customer may terminate this Service Agreement by providing BPA an additional notice of its intent to do so, so long as the Transmission Customer provides such additional notice within 30 days after the effective date of Commission approval of the revised Service Agreement. If the Transmission Customer terminates the

Service Agreement pursuant to this Article 8.4, the Transmission Customer shall replace the transmission service provided under this Service Agreement by commencing other transmission service under the Tariff.

8.5 Revision of Exhibits. If any changes to Exhibits C, D, E, F, G, H, I, or J are necessary to reflect changes specified below, new exhibits shall be substituted for the exhibits then in effect, and shall become effective as of the date specified therein. The Transmission Customer may use the dispute resolution procedures of Article 6 to challenge such changes other than changes in Exhibit F.

8.5.1 Subject to the rights and obligations of the Parties as set forth in the Tariff, if the Parties agree to change Exhibit C pursuant to this Service Agreement, BPA shall prepare a revised Exhibit C.

8.5.2 If the Parties execute agreements for a System Impact Study and/or Facilities Study under this Service Agreement, BPA shall prepare a new Exhibit D and/or Exhibit E.

8.5.3 Subject to the provisions of Article 4.3, BPA may change the rates that apply to transmission service under this Service Agreement pursuant to applicable law. BPA shall prepare a new Exhibit F.

8.5.4 BPA reserves the right to revise Exhibit G annually to reflect changes consistent with the provisions of Exhibit G, section 1. BPA shall prepare a new Exhibit G.

8.5.5 If the Parties agree to change Exhibit H, BPA shall prepare a new Exhibit H. BPA reserves the right to update the loss factors identified in Exhibit H, section 2, Transmission Loss Factors.

8.5.6 If the Parties agree to change Exhibit I pursuant to this Service Agreement, BPA shall prepare a new Exhibit I.

8.5.7 For changes to any of the provisions contained in Exhibit J to reflect current practice, BPA shall prepare a new Exhibit J.

- 8.6 **Severability.** In the event any term, covenant, or condition of this Service Agreement, or any amendment hereto, or the application of such term, covenant, or condition shall be held invalid as to any Party or circumstance by the Commission or by any court having jurisdiction, all other terms, covenants, and conditions of this Service Agreement or any amendment hereto, and their application shall remain in full force and effect.
- 8.7 **Computation of Time.** To compute any period of time prescribed or allowed by this Service Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday. For purposes of the administration of this Service Agreement, Pacific Time shall be used.
- 8.8 **No Third Party Beneficiaries.** This Service Agreement creates rights and obligations only between the Parties hereto. The Parties hereto do not intend to create any obligation or promise of performance to any third person or entity, nor have the Parties conferred any right to enforce this Service Agreement or any remedy upon any person or entity other than the Parties hereto, their respective successors and assigns.
- 8.9 **Waivers.** Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.
- 8.10 **Successors and Assigns.** This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

8.11 Transmission on Non-Federal Systems. BPA shall make best efforts to request and purchase, on the Transmission Customer's behalf, transmission services identified by the Transmission Customer from Northwest RTG members or Westside RTG members, or from any transmitting utility pursuant to sections 211 and 212 of the Federal Power Act. The amount so purchased (not including transmission purchased to deliver power from another transmission system to BPA's system) together with the Transmission Customer's Transmission Demand under this Service Agreement and the Transmission Demand and capacity of which the Transmission Customer has accepted assignment pursuant to Article 1.10, shall not exceed Contract Demand plus the megawatts for transmission losses associated with such Contract Demand. The Transmission Customer shall reimburse BPA for all of the costs incurred in complying with this provision.

8.12 Service Agreement Governs. In the event of any irreconcilable difference between the Tariff and this Service Agreement, the language of this Service Agreement shall govern.

8.13 Entire Agreement. This Service Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no other understandings or agreements between the Parties with respect hereto.

Exhibit A, Page 1 of 1
Service Agreement No. 96MS-96111
Northwest Aluminum Company
Effective at 2400 hours
on September 30, 1996

OPEN ACCESS TRANSMISSION TARIFF

BPA's PTP Tariff shall constitute this Exhibit A until such time as the Commission approves BPA's Open Access Transmission Tariff.

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Exhibit B, Page 1 of 1
Service Agreement No. 96MS-96111
Northwest Aluminum Company
Effective at 2400 hours
on September 30, 1996

APPLICATION FOR PTP TRANSMISSION SERVICE

(Customer Letter Attached)

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**STATEMENT OF SPECIFICATIONS FOR
 LONG-TERM FIRM TRANSMISSION SERVICE**

1. TERM OF TRANSACTION

Start Date: at 2400 hours on September 30, 1996.

Termination Date: at 2400 hours on March 31, 2015.

2. DELIVERING PARTY/CONTROL AREA/SCHEDULING AGENT

The schedules shall transpire between the POI Control Areas and the Transmission Customer.

Delivering Party	POI	POI Control Area	POI Demand	POD	POD Control Area	POD Demand	Receiving Party	Scheduling Agent
See Section 4 below	Vantage Sub.	Grant Co. PUD	See Sect. 3(a-b)	Harvey Sub.	BPA	See Sect. 3(a-b)	Northwest Aluminum	Avista Energy
See Section 4 below	Rocky Reach Sub.	Chelan Co. PUD	See Sect. 3(a-b)	Harvey Sub.	BPA	See Sect. 3(a-b)	Northwest Aluminum	Avista Energy

3. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY

(a) **October 1, 1996 - July 30, 1997**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	169,000	Harvey Substation 13.8 kV	169,000
Total Transmission Demand	169,000		169,000
Federal System (FCRTS)	169,000 1/		

(b) August 1, 1997 - March 31, 2015

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	99,000	Harvey Substation 13.8 kV	169,000
Rocky Reach Substation 230 kV	70,000		
Total Transmission Demand	169,000		169,000
Federal System (FCRTS)	169,000 ^{1/}		

^{1/} The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purposes of determining monthly charges for service.

4. DESCRIPTION OF POINTS OF INTERCONNECTION

(a) Vantage Substation

Location: The points in the BPA's Vantage Substation where the 230 kV facilities of the BPA and Grant County PUD are connected;

Voltage: 230 kV

Transmission Demand: See "SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY" at section 3(a) through 3(b) above.

Metering: Quantities to be scheduled

Delivering Party: Cowlitz PUD/Eugene Water and Electric Board/Grant PUD/PacifiCorp/Portland General Electric/Puget Sound Energy, Inc./Washington Water Power

(b) Rocky Reach Substation

Location: The points in the BPA's Rocky Reach Substation where the 230 kV facilities of the BPA and Chelan County PUD are connected;

Voltage: 230 kV

Transmission Demand: See "SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY" at section 3(a) through 3(b) above.

Metering: Quantities to be scheduled

Delivering Party: Douglas PUD/Chelan PUD /PacifiCorp/Portland
General Electric/Puget Sound Energy, Inc./Washington Water Power.

(c) Federal System POI

Location: FCRTS

Voltage: Varies by facility

Metering: Quantities to be scheduled

Transmission Demand: See "SUMMARY OF POINTS OF
INTERCONNECTION AND POINTS OF DELIVERY" at section 3(a)
through 3(f) above

Delivering Party: BPA

5. POINTS OF DELIVERY

(a) Harvey Substation

Location: The points in the BPA's Harvey Substation where the 13.8 kV
facilities of BPA and the Transmission Customer are connected.

Voltage: 13.8 kV

Metering: In BPA's Harvey Substation in the 13.8 kV facilities through
which such electrical power flows.

Loss Adjustment: If applicable, BPA will adjust for transmission losses
between the Transmission Customer's point of receipt and point of
metering. Such adjustments shall be specified in written correspondence
between BPA and the Transmission Customer.

**6. DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE
OBLIGATION**

None

7. NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None

8. SHORT DISTANCE DISCOUNT

[$0.6 + (0.4 \times \text{transmission distance}/75)$]

Not Applicable

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Exhibit D, Page 1 of 1
Service Agreement No. 96MS-96111
Northwest Aluminum Company
Effective at 2400 hours
on September 30, 1996

SYSTEM IMPACT STUDY AGREEMENT

A System Impact Study is not required at this time for the service under this Service Agreement.

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Exhibit E, Page 1 of 1
Service Agreement No. 96MS-96111
Northwest Aluminum Company
Effective at 2400 hours
on September 30, 1996

FACILITIES STUDY AGREEMENT

A Facilities Study is not required at this time for the service under this Service Agreement.

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Exhibit F, Page 1 of 1
Service Agreement No. 96MS-96111
Northwest Aluminum Company
Effective at 2400 hours
on September 30, 1996

WHOLESALE POWER AND TRANSMISSION RATE SCHEDULES

(Reference the 1996 Wholesale Power and Transmission Rate Schedules or its
successor)

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FACILITIES CHARGES

1. CHARGES ASSOCIATED WITH SERVICE OVER DSI DELIVERY FACILITIES

(a) (The DSI Delivery Charge uses Use-of-Facilities Charge Methodology)

<u>Facility</u>	<u>Investment</u>	<u>I&A ^{1/}</u> <u>Annual</u> <u>Cost Ratio</u> _{^{3/}}	<u>I&A</u> <u>Annual</u> <u>Cost</u>	<u>O&M ^{2/}</u> <u>Annual</u> <u>Cost</u> _{^{4/}}	<u>Facility</u> <u>Charge</u> <u>\$/yr</u>
Harvey Substation	\$1,791,073	9.48%	\$169,794	\$46,433	\$216,227

Total Monthly Use-of-Facilities Charge (Harvalum) = \$216,227/12=
 \$18,019

^{1/} Investment and amortization.

^{2/} Operations and maintenance.

^{3/} Based on ACR table dated 4/3/97, column 8 minus column 5 for "U" substation category.

^{4/} Based on O&M table dated 4/3/97.

(b) Changes in Costs

This Exhibit G may be revised annually to reflect changes in: (1) I&A annual cost ratios; (2) O&M annual costs; and (3) investments in facilities. Any changes in the costs used in calculating the Delivery Charge in this Exhibit G are subject to the dispute resolution provisions of Article 6.

2. DIRECT ASSIGNMENT FACILITIES CHARGES

None

3. FORMER UFT FACILITIES

None

ANCILLARY SERVICES

1. ANCILLARY SERVICES PROVIDED

	<u>Provided By</u>	<u>Contract No.</u>
(a) Scheduling and Dispatch	BPA TBL	96MS-96111
(b) Energy Imbalance	BPA PBL	95MS-94812
(c) Control Area Reserves for Resources	BPA PBL	95MS-94812
(d) Control Area Reserves for Interruptible Purchases	BPA PBL	95MS-94812
(e) Load Regulation	BPA PBL	95MS-94812
(f) Reactive Supply and Voltage Control	BPA TBL	96MS-96111
(g) Transmission Losses	BPA TBL	96MS-96111

Compensation for Transmission Losses associated with the delivery of power over the FCRTS under this Service Agreement shall be governed by the following provisions:

- (1) Transmission Losses Associated with Federal Power. Losses associated with Federal power purchased pursuant to BPA's PF-96, NR-96 and IP-96 Wholesale Power and Transmission Rate Schedules are provided by BPA and included in the rate for such power. No additional compensation is required.
- (2) Transmission Losses Associated with Non-Federal Power and Other Classes of Federal Power. The Transmission Customer shall compensate BPA for losses BPA incurs when providing transmission service over the FCRTS for non-Federal power and other classes of Federal power (unless otherwise specified in the Transmission Customer's contract for the purchase of such power) integrated at Points of Interconnection, except those amounts associated with purchases specified in 1(g)(1) above. The compensation shall be determined by multiplying the amount of power delivered under this Service Agreement by the applicable Loss Factor listed below in section 2; and
 - (A) adding the resulting amount to the billing factor for the Transmission Customer's purchases of Federal power; or
 - (B) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for

purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in subsection 1(g)(4)(A) below; or

- (C) Transmission Customer returning the resulting amount to BPA from a single control area 168 hours after the time of delivery of power for which loss compensation is required.
- (3) Transmission Losses Associated with Delivery Facilities
Transmission Losses associated with Delivery Facilities shall be determined annually, by Fiscal Year^{1/}, pursuant to the following procedure:
- (A) determining the ratio of power delivered over Delivery Facilities to the total power delivered to the Transmission Customer over the FCRTS; and
 - (B) multiplying the resulting ratio by the total amount delivered to the Transmission Customer less amounts described in 1(g)(1) above; and
 - (C) multiplying the result derived in step 1(g)(3)(B) by the Delivery Facility loss factor listed below in section 2; and
 - (D) Transmission Customer purchasing the resulting amount from BPA pursuant to the APS-96 rate schedule (or its successor) for Transmission Losses. The options for purchasing losses (i.e. fixed price, NYMEX) shall be specified in the annual notification letter described in subsection 1(g)(4)(A) below.
- (4) Notification.
- (A) Each Fiscal Year, except the Fiscal Year this Service Agreement is executed, BPA shall send a letter by August 1 requesting that the Transmission Customer choose one of the methods described in section 1(g)(2). The Transmission Customer shall indicate in the letter its choice for compensating BPA for transmission losses during the following Fiscal Year, countersign the letter and return one copy to BPA by September 1 of the current Fiscal Year. The countersigned letter shall serve as the Transmission

^{1/} Fiscal Year is defined as the twelve-month period from October 1 through September 30.

Customer's confirmation and shall constitute a revision to section 1(g)(5) of Exhibit H.

- (B) If the Transmission Customer selects option 1(g)(2)(C) above, the Transmission Customer shall inform BPA of the single control area the Transmission Customer will use during the subsequent Fiscal Year.
 - (C) In the event that, in any Fiscal Year, the Transmission Customer does not notify BPA by September 1 of the method it has chosen, the Transmission Customer's compensation method shall be the method used for the current Fiscal Year.
- (5) Transmission Customer's Method of Compensation of Annual Transmission Losses during a Fiscal Year:

The Transmission Customer has elected to purchase Transmission Losses pursuant to the APS-96 rate schedule based on the NYMEX energy price for the period 2400 hours September 30, 1997, through 2400 hours September 30, 1998.

2. TRANSMISSION LOSS FACTORS

Network Loss Factor: 1.9 percent of kWh delivered
ET Loss Factor: 1.9 percent of kWh delivered
Delivery Facility Loss Factor: 0.6 percent of kWh delivered
IS Loss Factor: 3.0 percent of kWh delivered

BPA reserves the right, after consultation with the Transmission Customer, to review the loss methodology and revise this Exhibit H as appropriate, but not more frequently than once in a 12-month period, to incorporate loss factors which represent then current FCRTS operating conditions. BPA shall prepare a new Exhibit H incorporating any revision and the revised exhibit shall become effective as of the date specified therein.

STABILITY RESERVES

The Transmission Customer shall provide Stability Reserves up to the Transmission Demand, exclusive of Transmission Demand used for deliveries of firm power purchased under the Block Sale, for transmission services provided pursuant to this Agreement.

1. DEFINITIONS

- (a) "Event" is a system condition that results in the need for Stability Reserves. The beginning of an event shall be identified by a transfer trip or other signal from BPA to the Transmission Customer restricting delivery of energy under this Agreement. The end of the Event shall be identified by the BPA dispatcher's notification to the Transmission Customer that transmission of all energy to which the Transmission Customer is entitled under this Agreement has been restored, or notice to the Transmission Customer that service to the Transmission Customer's load will continue to be fully or partially restricted for reasons other than BPA Stability Reserves rights under this Agreement. Notwithstanding the foregoing, the Event will end (subject to reinstatement as provided herein) when an undervoltage or underfrequency load shedding signal is received by the Transmission Customer and, if such undervoltage or underfrequency load shedding signal is received by the Transmission Customer prior to Event Minute 3, then the entire Event shall be deemed an event of force majeure.

The Event shall be reinstated and continue as follows:

- (1) If the Event Duration was 5 Event Minutes or less, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 2 hours or less of the last Event Minute;

Exhibit I, Page 2 of 10
Service Agreement No. 96MS-96111
Northwest Aluminum Company
Effective at 2400 hours
on September 30, 1996

- (2) If the Event Duration was more than 5 Event Minutes but not more than 15 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 4 hours or less of the last Event Minute;
 - (3) If the Event Duration was more than 15 Event Minutes but not more than 22 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 6 hours or less of the last Event Minute;
 - (4) If the Event Duration was more than 22 Event Minutes, then the Event shall be reinstated if BPA restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 8 hours or less of the last Event Minute.
- (b) "Event Duration" shall be the total cumulative Event Minutes of the Event.
 - (c) "Event Minute" shall be the minutes of restriction (or any portion thereof) during an Event. If BPA restricts less than its full entitlement in any Event Minute, then for purposes of defining the Event, the Event Minutes and Event Duration, BPA shall be deemed to have restricted the entire amount of energy wheeled under this Agreement.
 - (d) "Material Plant Damage" means the inability of the Company to resume industrial production at all or any portion of its plant because of damage to plant production facilities resulting from a restriction; for example, the inability to resume electrolysis in one or more pots without rebuilding or substantially repairing such pot(s).

- (e) "Restricted Energy" means energy not made available to the Transmission Customer hereunder because of an Event, provided, however, that for purposes of this agreement, Restricted Energy shall not include energy scheduled under the Block Sale.
- (f) "Stability Reserves" are those reserves, provided by the Transmission Customer under this Agreement, that are necessary to ensure the stability of the Federal Columbia River Transmission System against losses of transmission facilities pursuant to the schemes in section 10 or any additional scheme(s) adopted pursuant to section 7 of this exhibit. Stability Reserves provided under this Agreement shall not include, without limitation: (1) stability reserves provided by the Transmission Customer in the Block Sale; or (2) operating reserves or forced outage reserves that BPA has acquired under the Block Sale or under other agreements.

2. AMOUNT OF STABILITY RESERVES

When necessary to provide Stability Reserves, BPA may restrict deliveries of energy wheeled under this Agreement to the Transmission Customer's aluminum smelter load (which shall not include wheel turning loads) pursuant to the schemes listed in Exhibit F and to the Transmission Customer's other loads under any additional or extended scheme(s) adopted pursuant to section 7 of this exhibit, for Stability Reserves in the following manner:

- (a) up to 100 percent of the Transmission Customer's energy subject to restriction under this Agreement for a period of up to 30 Event Minutes per Event;
- (b) provided, that BPA shall have the sole right to determine whether to restrict all or part of the Transmission Customer's energy subject to restriction hereunder, when an Event occurs.

For accounting purposes, the Transmission Customer's wheel turning load shall be

deemed to be served by all of the Transmission Customer's energy suppliers (whether the sale is made directly to the Transmission Customer at its production facility or whether the sale is made at a remote point and the energy is wheeled to the Transmission Customer's production facility), in proportion to the total annual amounts of energy purchased from each such supplier, exclusive of energy purchased under the Block Sale; provided, that if the wheel turning load is served exclusively by a supplier other than BPA who contracted specifically to provide such wheel turning service, such wheel turning load shall be excluded from the allocation.

Notwithstanding any other provision of this Agreement, BPA shall use its best efforts to end an Event as soon as possible, and the Transmission Customer agrees to cooperate in development of mechanisms that will enhance BPA's ability to notify the Transmission Customer of the end of an Event.

Notwithstanding any other provision of this Agreement, including the breach and damages provisions, BPA shall have no contractual right under this Agreement which would cause the Transmission Customer to incur Material Plant Damages; provided, BPA shall not be liable for equitable relief or damages for such Material Plant Damage occurring within 45 Event Minutes or less of an Event pursuant to a Stability Reserve scheme listed in section 10 [*Stability Reserve Schemes*] of this exhibit or adopted pursuant to section 7 of this exhibit.

3. COMPENSATION FOR STABILITY RESERVES

- (a) For the right to restrict and for any restrictions provided pursuant to subsection (b) for the schemes listed in Exhibit F, BPA shall pay the Transmission Customer a "Reservation Fee" and a "Use Fee".

The Reservation Fee shall be \$0.20 per kilowatt-year for an amount equal to the Transmission Customer's Transmission Demand less the

sum of the monthly demands under the Block Sale.

The Use Fee shall be 50 mills/kWh of Restricted Energy during Event Minutes 1 through 15 (or any portion thereof) of an Event; and 100 mills/kWh of Restricted Energy during the Event Minutes 16 through 30 (or any portion thereof) of an Event.

- (b) If the Transmission Customer's load is not connected to a scheme specified in section 10 of this exhibit, or additional or extended scheme adopted pursuant to section 7 of this exhibit, BPA shall have no obligation to pay for Stability Reserves.
- (c) The charges specified in this subsection shall not have any precedential effect for the purpose of determining reasonable Stability Reserve compensation under other agreements, or for determining reasonable Stability Reserve compensation for additional or extended scheme(s) adopted pursuant to section 7 of this exhibit. Neither Party shall introduce as evidence of reasonable compensation this Agreement or anything herein related to the compensation for Stability Reserves in BPA's rate cases or similar forums or in a proceeding under section 7.
- (d) BPA's payment obligation hereunder shall not include payment for restrictions under events of force majeure or under rights provided by other agreements. Such restrictions include those restrictions associated with force majeure, which cause undervoltage and underfrequency load shedding, future similar schemes of last resort, and outages of transmission facilities required for service hereunder.

4. LIQUIDATED DAMAGES

The Parties acknowledge that restrictions beyond those allowed by this Agreement may result in damage to and lost production by the Transmission Customer's aluminum reduction facilities prior to Material Plant Damage, which is difficult to quantify. If the Event Duration exceeds 30 Event Minutes, then BPA shall be liable to the Transmission Customer as follows:

- (a) 200 mills/kWh of Restricted Energy during Event Minutes 31 through 45 (or portion thereof) of an Event;
- (b) 400 mills/kWh of Restricted Energy during Event Minutes (or portion thereof), after Event Minute 45 of an Event;
- (c) provided, that in lieu of (b) above and at the Transmission Customer's option, if the Event Duration exceeds 45 Event Minutes, and the Transmission Customer incurs, in its determination, Material Plant Damage as a direct result of the restriction, then as to the portion of its production facilities that suffers Material Plan Damage, BPA and the Transmission Customer agree that these damages can be reasonably quantified and, therefore, for that portion of its production facilities, the Transmission Customer may recover actual damages (excluding only lost production and lost profits) pursuant to section 4 of this exhibit; but such actual damages shall not exceed \$30 per kW of plant production facilities suffering Material Plant Damage. The liquidated damages charges in (a) and (b), above, shall continue to apply to that portion of the Transmission Customer's load which does not suffer Material Plant Damage. For purposes of this calculation, the Material Plant Damage shall be deemed to occur at the beginning of Event Minute 46.

5. STORAGE

During a period of restriction under section 2 of this exhibit, during any further restriction of deliveries in breach of this Agreement, and during the period of the Transmission Customer's inability to take delivery due to such breach, all of the Transmission Customer's energy scheduled and delivered to BPA under this Agreement shall be deemed stored, at no charge, and shall not be spilled. Subject to transmission availability, BPA shall deliver such energy on demand to the Transmission Customer's facilities or to another entity for resale at no charge other than the transmission charge provided herein. The Transmission Customer shall take from storage all such energy prior to purchasing any additional energy required to recover from the Event. If the Transmission Customer does not take the energy from storage within 48 hours of the end of the Event, BPA's obligation to return such energy shall terminate.

6. CONFIDENTIALITY

The Parties agree that all material related to plant technology, plant operations or to proving damages which is submitted by the Transmission Customer to BPA, the arbitrator or any other party in any proceeding under Article 6 of this Agreement is confidential. The Parties shall jointly request a protective order from the arbitrator: (a) preserving the confidentiality of such material; (b) limiting its use to such proceeding; and (c) requiring its return to the Transmission Customer at the conclusion of the proceeding. BPA agrees not to voluntarily disclose any such information outside the agency, and agrees to restrict access to and use of such information to employees necessary to and for purposes associated only with the conduct of such proceeding.

7. ADDITIONAL STABILITY RESERVE SCHEMES

To the extent BPA determines:

- (a) the need for additional Stability Reserve scheme(s) not listed in section 10 of this exhibit that would restrict, at a frequency and duration similar to the schemes listed in section 10, the energy subject to restriction under this Agreement; and
- (b) the need to apply Stability Reserve schemes listed in section 10 and additional Stability Reserve scheme(s) to energy wheeled under this Agreement to non-aluminum DSIs, or
- (c) the need for modifications to the elements of schemes listed in section 10 of this exhibit that would significantly change the expected frequency or duration of restrictions, then:
 - (1) BPA shall consult with the Transmission Customer on the need for operational characteristics as they affect the Transmission Customer, and compensation for such scheme(s); and
 - (2) BPA shall consider alternative methods and costs, including purchases from non-DSIs, for obtaining such additional reserves.

The Transmission Customer agrees to cooperate in the development of such scheme(s) and shall not unreasonably withhold its consent to implementation of such scheme(s).

8. MAKE-UP TRANSMISSION

When an Event ends, BPA shall permit, subject to Available Transmission Capacity,

without additional demand or Unauthorized Increase charges, short-term, non-recurring demand overruns of the Transmission Customer's Transmission Demand.

9. ANNUAL ADJUSTMENTS AFTER OCTOBER 1, 1995

Subsequent to October 1, 1995, on the effective date of any IP Premium or successor rate adjustment thereafter, the fees and charges (SRC_x) identified in section 3 and section 4 of this exhibit shall be adjusted as follows:

$$\text{SRC}_x = \text{SRC base} * \frac{\text{IP-New}}{\text{IP-93}}$$

where

SRC_x = Each of the stability reserve fees identified in section 3 and charges identified in section 4 of this exhibit, as adjusted hereunder, to be effective on the effective date of any IP or successor rate adjustment on or after October 1, 1995.

SRC Base = The stability reserve fees as specified in section 3 and the changes as specified in section 4 of this exhibit.

IP-New = Each newly adjusted average IP Premium rate or successor rate effective after October 1, 1995, in mills per kWh. Such IP Premium or successor rate shall be calculated at a load factor of 90 percent, and assuming a uniform demand in all months. If there is more than one IP Premium or successor rate, the average shall be determined by a weighting based on forecasted

sales in the relevant rate case.

IP-93 = The average IP Premium rate in effect on October 1, 1993, in mills per kWh. Such average IP Premium rate shall be calculated at a load factor of 90 percent and assuming a uniform demand in all months. If there is more than one IP or successor rate, the average shall be determined by a weighting based on forecasted sales in the relevant rate case.

10. STABILITY RESERVE SCHEMES

Import Contingency Load Tripping Schemes: Remedial Action Scheme for the loss of the AC Intertie and Remedial Action Scheme for the loss of the DC Intertie.

TRANSMISSION SCHEDULING PROVISIONS

1. PURPOSE OF THIS EXHIBIT

The purpose of this exhibit is to describe how the Parties will effect transmission transactions under this Service Agreement. The details of requesting and scheduling transmission can be found in the Transmission Scheduling Procedures posted on BPA's OASIS located at the following Internet URL address:

<http://www.nwoasis.org/OASIS/BPA>

The Transmission Scheduling Procedures may be revised by BPA from time-to-time to reflect changes in business practices.

2. SCHEDULING AGENT DESIGNATION

- (a) A single Designated Scheduling Agent (Scheduling Agent) will act in all capacities for the Transmission Customer to access the transmission system. All schedules and schedule changes must be submitted in the name of the Scheduling Agent. This is a yearly designation for the October through September time period.
- (b) Any Transmission Customer or its Scheduling Agent using a Host Control Area (HCA), as defined by NERC, other than BPA must establish and verify transmission schedules with other Control Areas through the HCA, but the HCA is responsible for implementing and assuring the accuracy of the transmission schedule.
- (c) Any Transmission Customer or its Scheduling Agent must arrange for wheeling across BPA's Control Area with affected parties to/from the agreed upon Points of Interconnection/Delivery consistent with BPA's Scheduling Procedures posted on BPA's OASIS.

3. EXHIBIT PROVISIONS

(a) Scheduling Principles

The procedures in this exhibit are intended to achieve the following principles:

- (1) promote reliable and efficient system operations; and

- (2) provide workable transmission scheduling provisions for the timely delivery of power.

(b) Control Area Requirements

- (1) In order to schedule transmission for the movement of power, a Transmission Customer must designate an HCA to implement its transmission schedules. Subject to subsection (b)(2) below, the HCA may be the delivering Control Area, the receiving Control Area, or an intermediary Control Area.
- (2) BPA shall be the HCA for any transaction involving either:
 - (A) generation within BPA's Control Area; or
 - (B) service to a load within BPA's Control Area.
- (3) If BPA is the intermediary Control Area in a single transaction or set of transactions, the Transmission Customer may designate an HCA other than BPA. The Transmission Customer must inform BPA of its choice no later than the time of preschedule. BPA has no obligation to accept transmission schedules from any HCA that does not agree to abide by the scheduling requirements set forth in BPA's Transmission Scheduling Procedures posted on BPA's OASIS.
- (4) If the Transmission Customer has designated an HCA for a single transmission schedule, the transmission schedule must remain with the HCA for the entire duration of the transmission schedule. In the event the Transmission Customer fails to identify a HCA for its next transmission schedule, BPA will assume that the designated HCA is the same entity as designated for the Transmission Customer's last transmission schedule.
- (5) The Transmission Customer may submit interchange transmission schedules; however, the HCA shall confirm and then implement the interchange transmission schedules.
- (6) Any Transmission Customer for whom BPA is the HCA must schedule transmission to, from, or within BPA's Control Area.

(c) Coordinating Requirements

- (1) Scheduled hourly values are to be referenced by the "Hour Ending" time on the 24-hour clock (i.e., the schedule for 2-3 p.m. is referred as the "hour ending 15" or in other words "hour ending 1500").
- (2) Unless otherwise agreed, all transmission schedules will be effectuated on an hourly basis using the standard 20-minute ramp period centered on the hour (i.e., beginning 10 minutes prior to the hour and ending 10 minutes after the hour).
- (3) All schedules with BPA are to be stated in Pacific Time (PT) and are to begin with the Hour Ending 1.
- (4) The Transmission Customer or its Scheduling Agent agrees to submit all hourly scheduled quantities in whole megawatthour amounts.

(d) Prescheduling Requirements

Prescheduling is the process of establishing hourly schedules.

(1) Preschedule Submissions

- (A) The Transmission Customer or its Scheduling Agent agrees to submit Transmission Schedule(s) covering all transactions into, out of, or within BPA's Control Area.
- (B) BPA may require the Transmission Customer or the Transmission Customer's Scheduling Agent to submit *estimated* preschedules prior to the final preschedule.
- (C) The Transmission Customer or its Scheduling Agent agrees to submit a *final* hourly preschedule for the next day or days consistent with the BPA's Transmission Scheduling Procedures as posted on BPA's OASIS.

(2) Information Required to Be Included in Preschedule

Any schedule submitted to BPA by the Transmission Customer or its Scheduling Agent must include, at a minimum, the following information:

- (A) the HCA;

- (B) the supplier (delivering party), receiver (Receiving Party), and wheeling entities involved in the transaction;
- (C) the hourly MW amount of the transmission schedule;
- (D) the starting and ending times for each transmission schedule;
- (E) the Transmission Service being scheduled by product type (i.e. PTP or NT and firm or nonfirm) and subproduct type (i.e. hourly, daily, weekly, monthly, and/or annual);
- (F) the Point of Interconnection/Delivery for the transaction;
- (G) Transmission Agreement Contract Numbers and/or OASIS Reservation identification numbers as required by NERC; and
- (H) all other pertinent information as required for transmission scheduling listed in BPA Transmission Scheduling Procedures posted on BPA's OASIS.

(e) Real Time Changes

- (1) To the extent changes from the preschedule become necessary, the Transmission Customer or its Scheduling Agent must submit such requests to change the transmission schedule as specified in BPA's Transmission Scheduling Procedures posted on BPA's OASIS.
- (2) Multihour changes from preschedule shall specify an "Hour Beginning" and an "Hour Ending" and shall never be stated as "until further notice."
- (3) Upon a Transmission Customer's or its Scheduling Agent's request, BPA will consider mid-hour changes from preschedule under critical operating conditions such as loss of a resource or transmission path. The Transmission Customer or its Scheduling Agent and BPA must agree to the effective time, ramp duration, integrated, and revised net schedules for

mid-hour changes. Mid-hour schedule changes shall not be made for economic or load shaping purposes. Such changes are subject to applicable charges.

(f) Emergency Requirements

(1) Loss of Transmission Path

- (A) The path operator shall notify affected Transmission Customers, their Scheduling Agents and HCAs as rapidly as possible of the loss of a transmission path.
- (B) The path operator will establish the effective time (midpoint of ramp) of schedule change.
- (C) All parties to a transaction shall terminate or modify transmission schedules, as required, per the established effective time, and agree on integrated and revised net transmission schedules.

(2) Loss of Generating Resource

The Transmission Customer agrees to adhere to the following requirements for any resources that it operates, and agrees to ensure, through contractual arrangement, that any entity operating a resource on its behalf likewise agrees to the following:

- (A) The operating entity (generating entity) will notify BPA and affected Transmission Customers, their Scheduling Agents, and HCAs as quickly as possible of the resource loss.
- (B) The entity with Control Area responsibility will establish the effective time (midpoint of ramp) of schedule change.
- (C) All parties to a transaction shall terminate or modify transmission schedules, as required, as of the established effective time, and agree on integrated and revised net schedules.

(3) General Provisions Regarding Emergencies

BPA and the Transmission Customer, its Scheduling Agent, and HCA agree to expedite communications to avoid accumulation of inadvertent powerflows or net transmission schedules which place a control burden on other Control Areas.

(g) After-the-Fact Verification

The Transmission Customer or its Scheduling Agent agrees to verify all transmission schedules and tie checks each week with a final verification at the end of each month consistent with the following principles:

- (1) The Transmission Customer or its Scheduling Agent and BPA will check all scheduled transmission.
- (2) The Transmission Customer or its Scheduling Agent and BPA will agree on the hourly transmission amounts and the transmission attributes of the transmission schedule (i.e. firm, nonfirm, hourly, daily, weekly, monthly, annual), transmission loss calculations, and transmission loss schedules (as appropriate).
- (3) The Transmission Customer or its Scheduling Agent will assist BPA, as necessary, to reconcile all differences between actual and scheduled deliveries in a timely manner.

AUTHENTICATED REVISION NO. 4, EXHIBIT C
STATEMENT OF SPECIFICATIONS FOR
LONG-TERM FIRM TRANSMISSION SERVICE

This revision is effective at 0000 hours on October 1, 2001. This revision changes the Scheduling Agent from Power Resource Managers, LLP to Avista Energy in section 2.

1. TERM OF TRANSACTION

Start Date: at 2400 hours on September 30, 1996.
 Termination Date: at 2400 hours on March 31, 2015.

2. DELIVERING PARTY/CONTROL AREA/SCHEDULING AGENT

The schedules shall transpire between the POI Control Areas and the Transmission Customer.

Delivering Party	POI	POI Control Area	POI Demand	POD	POD Control Area	POD Demand	Receiving Party	Scheduling Agent
See Section 4 below	Vantage Sub.	Grant Co. PUD	See Sect. 3(a-b)	Harvey Sub.	Avista Corp.	See Sect. 3(a-b)	Northwest Aluminum	Avista Energy
See Section 4 below	Rocky Reach Sub.	Chelan Co. PUD	See Sect. 3(a-b)	Harvey Sub.	Avista Corp.	See Sect. 3(a-b)	Northwest Aluminum	Avista Energy

3. SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY

(a) **October 1, 1996 - July 30, 1997**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	169,000	Harvey Substation 13.8 kV	169,000
Total Transmission Demand	169,000 ^{1/}		169,000
Federal System (FCRTS)	169,000 ^{2/}		

¹ 4,000 kW of the Total Transmission Demand shall not be reassigned by Northwest Aluminum Company or resold by BPA. This 4,000 kW is to be used only for Avista Corp. provisions of load control services.

² The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purposes of determining monthly charges for service.

(b) **August 1, 1997 – March 31, 2015**

Point of Interconnection (Voltage)	Maximum Transmission Demand (kW)	Point of Delivery (Voltage)	Maximum Transmission Demand (kW)
Vantage Substation 230 kV	99,000	Harvey Substation 13.8 kV	169,000
Rocky Reach Substation 230 kV	70,000		
Total Transmission Demand	169,000 ¹		169,000
Federal System (FCRTS)	169,000 ²		

4. **DESCRIPTION OF POINTS OF INTERCONNECTION**

(a) **Vantage Substation**

Location: The points in the BPA's Vantage Substation where the 230 kV facilities of the BPA and Grant County PUD are connected;

Voltage: 230 Kv;

Transmission Demand: See "SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY" at section 3(a) through 3(b) above;

Metering: Quantities to be scheduled;

Delivering Party: Cowlitz PUD/Eugene Water and Electric Board/Grant PUD/PacifiCorp/Portland General Electric/Puget Sound Energy, Inc./Washington Water Power.

(b) **Rocky Reach Substation**

Location: The points in the BPA's Rocky Reach Substation where the 230 kV facilities of the BPA and Chelan County PUD are connected;

Voltage: 230 kV;

¹ 4,000 kW of the Total Transmission Demand shall not be reassigned by Northwest Aluminum Company or resold by BPA. This 4,000 kW is to be used only for Avista Corp. provisions of load control services.

² The Federal System POI Transmission Demand is not used in the determination of PTP Billing Demand for purpose of determining monthly charges for service.

Transmission Demand: See “SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY” at section 3(a) through 3(b) above;

Metering: Quantities to be scheduled;

Delivering Party: Douglas PUD/Chelan PUD /PacifiCorp/Portland General Electric/Puget Sound Energy, Inc./Washington Water Power.

(c) **Federal System POI**

Location: FCRTS;

Voltage: Varies by facility;

Metering: Quantities to be scheduled;

Transmission Demand: See “SUMMARY OF POINTS OF INTERCONNECTION AND POINTS OF DELIVERY” at section 3(a) through 3(f) above;

Delivering Party: BPA.

5. **POINTS OF DELIVERY**

(a) **Harvey Substation**

Location: The points in the BPA’s Harvey Substation where the 13.8 kV facilities of BPA and the Transmission Customer are connected;

Voltage: 13.8 kV;

Metering: In BPA’s Harvey Substation in the 13.8 kV facilities through which such electrical power flows;

Loss Adjustment: If applicable, BPA will adjust for transmission losses between the Transmission Customer’s point of receipt and point of metering. Such adjustments shall be specified in written correspondence between BPA and the Transmission Customer;

Exceptions: For the purpose of determining Transmission Demand under this Service Agreement, the metered quantity shall be reduced by the amount of power sold to the Transmission Customer by Northern Wasco County People’s Utility District consistent with Exhibit C of

Northern Wasco's NT Service Agreement No. 96MS-96085. Notification procedures related to Northern Wasco's power deliveries to the Transmission Customer are contained in Northern Wasco's NT Agreement.

6. DESIGNATION OF PARTY SUBJECT TO RECIPROCAL SERVICE OBLIGATION

None.

7. NAME(S) OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None.

8. SHORT DISTANCE DISCOUNT

Not Applicable

This revision to Exhibit C is hereby executed as of the ____ day of _____, 2001.

NORTHWEST ALUMINUM COMPANY

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: /S/ GERALD F. MILLER

By: /S/ S J LONG

Name: Gerald F. Miller

Name: Sally J. Long

Print/Type

Print/Type

Title: Vice President

Title: Transmission Account Executive

Date: 10/31/01

Date: 10/2/01

(W:\TMC\CT\NW Alum\Revisions\96111C4.doc) 09/21/01

AUTHENTICATED

Revision 2
Exhibit G, Page 1 of 1
Service Agreement No. 96MS-96111
Northwest Aluminum Company
Effective at 0000 hours
on October 1, 2002

This revision deletes the UFT charges as a result of the inclusion of these charges for the Harvey Substation in the new Golden Northwest Aluminum, Inc. PTP Service Agreement, No. 02TX-11262.

FACILITIES CHARGES

1. **CHARGES ASSOCIATED WITH SERVICE OVER DSI DELIVERY FACILITIES**
None
2. **DIRECT ASSIGNMENT FACILITIES CHARGES**
None
3. **FORMER UFT FACILITIES**
None

NORTHWEST ALUMINUM COMPANY

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: /S/ BRETT WILCOX

By: /S/ SALLY J LONG

Name: Brett Wilcox
(Print/Type)

Name: Sally J. Long
(Print/Type)

Title: CEO

Title: Transmission Account Executive

Date: 9/26/02

Date: 9/26/02

AUTHENTICATED

This revision updates UFT charges based on changes to ACR and O&M Tables.

FACILITIES CHARGES

1. CHARGES ASSOCIATED WITH SERVICE OVER DSI DELIVERY FACILITIES

(a) (The DSI Delivery Charge uses Use-of-Facilities Charge Methodology)

Facility	<u>Investment</u>	<u>I&A</u>^{1/} <u>Annual</u> <u>Cost Ratio</u> ^{3/}	<u>I&A</u> <u>Annual</u> <u>Cost</u>	<u>O&M</u>^{2/} <u>Annual</u> <u>Cost</u> ^{4/}	<u>Facility</u> <u>Charge</u> <u>\$/yr</u>
Harvey Substation	\$1,790,953	8.13%	\$145,604	\$45,188	\$190,792

Total Monthly Use-of-Facilities Charge (Harvey) = $\$190,792/12 = \$15,899$

^{1/} Investment and amortization.

^{2/} Operations and maintenance.

^{3/} Based on ACR table dated 5/5/98, column 8 minus column 5 for "U" substation category.

^{4/} Based on O&M table dated 5/5/98.

(b) Changes in Costs

This Exhibit G may be revised annually to reflect changes in: (1) I&A annual cost ratios; (2) O&M annual costs; and (3) investments in facilities. Any changes in the costs used in calculating the Delivery Charge in this Exhibit G are subject to the dispute resolution provisions of Article 6.

2. DIRECT ASSIGNMENT FACILITIES CHARGES

None

3. FORMER UFT FACILITIES

None

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(w:\mcp\tmc\ct\96111R1G.doc)

AUTHENTICATED

**REVISION NO. 5, EXHIBIT H
ANCILLARY SERVICES**

This Revision No. 5 reflects the Ancillary Services effective October 1, 2001. These rates are subject to the ACS-02 Rate Schedule or successor rate schedules.

		Provided By	Contract No.
1.	SCHEDULING, SYSTEM CONTROL AND DISPATCH	Transmission Provider	96MS-96111
2.	REACTIVE SUPPLY AND VOLTAGE CONTROL	Transmission Provider	96MS-96111
3.	REGULATION & FREQUENCY RESPONSE	Not Applicable ¹	
4.	ENERGY IMBALANCE SERVICE	Not Applicable ¹	
5.	OPERATING RESERVE – SPINNING RESERVE	Transmission Provider	96MS-96111
6.	OPERATING RESERVE – SUPPLEMENTAL RESERVE	Transmission Provider	96MS-96111

NORTHWEST ALUMINUM COMPANY

**UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration**

By: /S/ GERALD F. MILLER

By: /S/ S J LONG

Name: Gerald F. Miller
(Print/Type)

Name: Sally J. Long
(Print/Type)

Title: Vice PResident

Title: Transmission Account Executive

Date: 10/31/01

Date: 10/2/01

(W:\TMC\CT\NW Alum\Revisions\96111R5H.doc) 09/20/01

¹ This service is not applicable at this time as the Transmission Customer has no load being served in the Bonneville Power Administration (BPA) Control Area.

Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

AUTHENTICATED

January 14, 1998

In reply refer to: TM/Lloyd

Mr. Allen Barkley
General Manager
Northwest Aluminum Company
3313 West Second Street
The Dalles, OR 97058

Dear Mr. Barkley:

The Bonneville Power Administration (BPA) and Northwest Aluminum Company (NW Aluminum) have been operating for some time under a draft Point to Point (PTP) Service Agreement, Contract No. 96MS-96109. The purpose of this letter is to further extend this transmission service between the BPA and NW Aluminum.

BPA desires to conclude negotiations of this PTP Service Agreement. As you are aware, however, the Federal Energy Regulatory Commission (FERC) ordered, on July 30, 1997, BPA to make a number of changes to its PTP Service Tariff to better conform to FERC's Pro Forma Open-Access Tariff. BPA has incorporated these changes into a new Open Access Tariff and submitted that tariff to FERC on December 19, 1997. BPA's new Tariff is currently under review by FERC. Until such time as FERC approves the Open Access Tariff, BPA feels it would not be prudent for BPA and NW Aluminum to enter into a final PTP Service. Therefore, in order to allow FERC time to conclude its review of BPA's Tariff and service agreements, BPA will extend the transmission service under the current arrangement, Contract No. 96MS-96111, through April 30, 1998.

If If Northwest Aluminum agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

Sincerely,

/S/ S.J. LONG

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

NORTHWEST ALUMINUM COMPANY

By Allen Barkely

Name Allen Barkley

Title General Manager

Date 1/19/98

bcc:

L. Crawford - TMC/Lloyd

C. Espiritu - TMBR/6

M. Ary - TMC/Seattle

R. Lafferty - TMC/Lloyd

S. Buckmier - TMS/DITT2

Official File - TMC (PM 11)

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

April 20, 1998

In reply refer to: TM/DITT2

Mr. Allen Barkley
General Manager
Northwest Aluminum Company
3313 West Second Street
The Dalles, OR 97058

Dear Mr. Barkley:

The Bonneville Power Administration (BPA) and Northwest Aluminum Company (Northwest Aluminum) have been operating for some time under a draft Point to Point (PTP) Service Agreement, Contract No. 96MS-96111. The purpose of this letter is to further extend this transmission service between the BPA and Northwest Aluminum.

The Federal Energy Regulatory Commission (FERC) continues its review of the BPA submittal of its Open Access Tariff and service agreements. Until such time as FERC approves the Open Access Tariff, BPA feels it may not be prudent for BPA and Northwest Aluminum to enter into a final PTP Service Agreement. Therefore, in order to allow FERC time to conclude its review of BPA's Tariff and service agreements, BPA will extend the transmission service under the current arrangement, Contract No. 96MS-96111, through June 30, 1998.

However, I do intend to proceed with preparation of a draft final PTP Service Agreement and negotiations with Northwest Aluminum between now and June 30. BPA and Northwest Aluminum may decide, prior to June 30, to go ahead and execute a final PTP Service Agreement even if FERC has not approved the Open Access Tariff. I will call you soon to discuss this matter.

If Northwest Aluminum agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me no later than April 30, 1998.

Sincerely,



Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

NORTHWEST ALUMINUM COMPANY

By 
Name Allen Barkley
(Print/Type)
Title General Manager
Date 4-21-98



Northwest Aluminum Company APR 27 1998

Fax (541) 298-0800
Sales Fax (541) 298-0888

3313 West Second Street - The Dalles, OR 97058
Phone (541) 296-6161

April 22, 1998

**Ms. Sally Long, Transmission Acct. Exec.
Transmission Marketing and Sales
Department of Energy
Bonneville Power Administration
PO Box 3621
Portland, Oregon 97208-3621**

Dear Sally:

Enclosed is a signed Point-to-Point Service Agreement, Contract No. 96MS-96111 extending transmission service between BPA and Northwest Aluminum Company through June 30, 1998.

Sincerely,

**Terrie Methvin
Administrative Asst.**

/tm
Enclosure

Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

May 21, 1997

AUTHENTICATED

In reply refer to: TM-3

Mr. Allen Barkley
Production Engineering Manager
Northwest Aluminum Company
3313 West Second Street
The Dalles, OR 97058

Dear Mr. Barkley:

As you are aware, the Bonneville Power Administration (BPA) and Northwest Aluminum Company have been operating under a Bridge Agreement Letter for Network Transmission (NT) Service dated September 30, 1996. Concurrently, representatives of BPA and Northwest Aluminum Company (the Parties) have been negotiating transmission service arrangements under a Point to Point (PTP) Service Tariff. To allow sufficient time to conclude negotiations of the PTP Service Agreement, contract No. 96MS-96111, BPA will extend the transmission service under the current arrangements to the period ending June 30, 1997, while an offer for PTP service is being finalized.

The Parties will continue to negotiate, in good faith, all unresolved issues to produce a final PTP Service Agreement prior to June 30, 1997.

If Northwest Aluminum Company agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /S/ S. J. LONG
Senior Account Executive

Name Sally J. Long
(Print/Type)

Date 5/27/97

CONCURRENCE:

Northwest Aluminum Company

By /S/ ALLEN B. BARKLEY

Name Allen Barkley
(Print/Type)

Title General Manager

Date 5-27-97

bcc:

L. Skidmore - LP

S. Long - TM-3

C. Espiritu - TMBR-6

M. Ary - TMC

L. Crawford - TMC

R. Paulsrude - TMC

J. Rogers - TMC

P. Arnold - TMS/DITT2

M. Raschio - TOC

Official File - TMC

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Department of Energy
Bonneville Power Administration
Boise Customer Service Center
1101 West River, Suite 250
Boise, Idaho 83702

March 28, 1997

AUTHENTICATED

Mr. Allen Barkley
Production Engineering Manager
Northwest Aluminum Company
3313 West Second Street
The Dalles, OR 97058

Dear Mr. Barkley:

Your transmission service, which is currently being provided under the letter dated September 30, 1996, signed by BPA and Northwest (the Parties), is pursuant to the terms and conditions specified in the draft Service Agreement dated September 27, 1996, Contract No. 96MS96111. Unless otherwise agreed, BPA shall extend the transmission service under the current arrangements to the period ending May 31, 1997, while the contract offer is being finalized.

The Parties shall negotiate, in good faith, all unresolved issues in order to produce a final draft of the Service Agreement.

If Northwest agrees with the statements in this letter, please indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /S/ ROBERT D. KING
Senior Account Executive

Name Robert D. King
(Print/Type)

Date March 28, 1997

CONCURRENCE

NORTHWEST ALUMINUM COMPANY

By /S/ ALLEN BARKLEY

Name Allen Barkley
(Print/Type)

Title Customer Service Manager

Date March 31, 1997

bcc:

S. Larson - LP

L. Skidmore - LP

L. Crawford - TMC

J. Rogers - TMC

P. Arnold - TMS/DITT2

M. Raschio - TOC

Official File - TMC

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

June 24, 1997

AUTHENTICATED

In reply refer to: TM-3

Mr. Allen Barkley
General Manager
Northwest Aluminum Company
3313 West Second Street
The Dalles, OR 97058

Dear Mr. Barkley:

This letter further extends the transmission service between the Bonneville Power Administration (BPA) and Northwest Aluminum Company (Northwest Aluminum) to allow sufficient time to conclude negotiations of the Point-to-Point (PTP) Service Agreement, Contract No. 96MS-96111. As we discussed when I visited you on May 27, the PTP Agreement between BPA and Kaiser will provide the template for PTP agreements with other direct-service industrial customers, including Northwest Aluminum, and the negotiations between BPA and Kaiser are not yet concluded. In order to give us sufficient time to negotiate the final Northwest Aluminum PTP Agreement, BPA will extend the transmission service under the current arrangements to the period ending August 31, 1997.

The Parties will continue to negotiate, in good faith, all unresolved issues to produce a final PTP Service Agreement prior to August 31, 1997.

If Northwest agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /S/ S.J. LONG
Senior Transmission Account Executive

Name Sally J. Long
(Print/Type)

Date June 24, 1997

CONCURRENCE:

NORTHWEST ALUMINUM COMPANY

By /S/ ALLEN BARKLEY

Name Allen Barkley
(Print/Type)

Title General Manager

Date June 25, 1997

Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

AUTHENTICATED

August 25, 1997

In reply refer to: TM/Lloyd

Mr. Allen Barkley
General Manager
Northwest Aluminum Company
3313 West Second Street
The Dalles, OR 97058

Dear Mr. Barkley:

This letter further extends the transmission service between the Bonneville Power Administration (BPA) and Northwest Aluminum Company (Northwest Aluminum) to allow sufficient time to conclude negotiations of the Point-to-Point (PTP) Service Agreement, Contract No. 96MS-96111. As we have discussed, there will be a PTP template for Direct-Service Industrial Customers (DSI) that will form the basis for the final PTP Service Agreement between BPA and Northwest Aluminum. That PTP template is in the final stages of completion, but not sufficiently completed to allow for a final PTP Service Agreement between BPA and Northwest Aluminum by September 1, 1997. In order to give us sufficient time to negotiate the final Northwest Aluminum PTP Agreement, BPA will extend the transmission service under the current arrangements to the period ending September 30, 1997.

If Northwest Aluminum agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /s/ SALLY J. LONG
Transmission Account Executive

Name Sally J. Long
(Print/Type)

Date August 25, 1997

CONCURRENCE:

NORTHWEST ALUMINUM COMPANY

By ALLEN BARKLEY

Name Allen Barkley
(Print/Type)

Title General Manager

Date 8/26/97

bcc:

L. Crawford - TMC/Lloyd

C. Espiritu - TMBR-6

M. Ary - TMC/Seattle

R. Paulsrude - TMC/Lloyd

L. Hoffman - TMS/DITT2

Official File - TM

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Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION BUSINESS LINE

AUTHENTICATED

October 26, 2000

In reply refer to: TM/DITT2

Letter Agreement
Contract No. 96MS-96111
Stability Reserves

Mr. Allen Barkley
General Manager
Northwest Aluminum Company
3313 West Second Street
The Dalles, OR 97058

Mr. Dwight D. Langer
General Manager
Northern Wasco County People's
Utility District
2345 River Road
The Dalles, OR 97058-3551

Dear Allen and Dwight :

This letter will serve to confirm our mutual understanding that, until further notice from Northwest Aluminum Company (Northwest Aluminum), independent of Northwest Aluminum's obligation under its Point-to-Point Transmission Service Agreement (PTP Agreement), Service Agreement No. 96MS-96111, Northwest Aluminum agrees to provide Stability Reserves to the Bonneville Power Administration (BPA) with the power delivered

to Northwest Aluminum under Northern Wasco County People's Utility District NT Agreement, Service Agreement No. 96MS-96085, beginning November 1, 2000, and that BPA will continue to provide compensation to Northwest Aluminum for such reserves pursuant to the terms of the Northwest Aluminum PTP Agreement.

Sincerely,

/S/ S. J. LONG

Sally J. Long
Transmission Account Executive
Transmission Marketing and Sales

CONCURRENCE:

NORTHWEST ALUMINUM COMPANY

By: /S/ ALLEN BARKLEY

Name: Allen Barkley

Print/Type

Title: General Manager

Date: October 30, 2000

CONCURRENCE:

NORTHERN WASCO COUNTY
PEOPLE'S UTILITY DISTRICT

By: /S/ DWIGHT LANGER

Name: Dwight Langer

Print/Type

Title: General Manager

Date: 11-14-00

bcc:

R. Lafferty – TMC/DITT 2
B. Leonard – TMB/MODD
K. Stuwe – TMB/MODD
C. Espiritu – TMB/MODD
D. Anderson – TMB/MODD
S. Buckmier – TMS/DITT 1
Official File – TM/DITT 2
Customer File – TM/DITT 2

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Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

SALES AND CUSTOMER SERVICE

AUTHENTICATED

September 30, 1996

Allen Barkley
Production Engineering Manager
Northwest Aluminum Company
3313 West Second Street
The Dalles, OR 97058

Dear Mr. Barkley:

The Bonneville Power Administration (BPA) desires to provide transmission service starting on October 1, 1996 and Northwest Aluminum Company desires to receive such requested transmission service. However, the parties have not yet executed a final agreement of the Network Integration Transmission Service Agreement (Service Agreement), Contract No. 96MS-96111 (draft date 9/27/96) for such service. Consequently, BPA and Northwest Aluminum Company agree to the following until such Service Agreement is executed:

BPA shall:

1. Initiate transmission service beginning 2400 hours, September 30, 1996 pursuant to the terms and conditions specified in the above mentioned unexecuted Service Agreement.
2. BPA shall bill Northwest Aluminum Company for transmission services pursuant to the terms and conditions of the Service Agreement.

Northwest Aluminum Company shall:

1. Comply with the terms and conditions specified in the above mentioned Service Agreement.
2. Compensate BPA for the Transmission Service in accordance with the Service Agreement and the Tariff.

BPA and Northwest Aluminum Company agree to operate according to these standards: starting on 2400 hours, September 30, 1996 and ending on the earlier of (a) execution of the Service Agreement or (b) 2400 hours, March 31, 1997. The parties will negotiate, in good faith, all unresolved issues to produce a final draft of the Service Agreement. _____

If Northwest Aluminum Company agrees with the statements in this letter, indicate by signing below and returning one copy with original signatures to me within five (5) working days.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /S/ GARY L. FUQUA
Senior Account Executive

Name Gary L. Fuqua
(Print/Type)

Date SEP 30 1996

CONCURRENCE:

NORTHWEST ALUMINUM COMPANY

By /S/ BRETT WILCOX

Name Brett Wilcox
(Print/Type)

Title President

Date 10/4/96

Enclosure