FOIA Request

Kathleen Profitt, 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	LtrAgree	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

SERVICE AGREEMENT
for
NETWORK INTEGRATION
TRANSMISSION SERVICE
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
LONGVIEW ALUMINUM, L.L.C.

1. This Service Agreement, dated as of **9/27/01**, is entered into, by and between the Bonneville Power Administration Transmission Business Line (Transmission Provider) and Longview Aluminum, L.L.C. (Transmission Customer).

2. The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Transmission Provider's Open Access Transmission Tariff (Tariff).

3. The Transmission Customer has provided to the Transmission Provider an Application deposit, unless such deposit has been waived by the Transmission Provider, for Transmission Service in accordance with the provisions of Section 29.2 of the Tariff.

4. Service under this agreement shall commence on the later of (1) the requested Service Commencement Date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5. The Transmission Provider agrees to provide and the Transmission Customer agrees to pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.

6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated in Exhibit B.

7. The Tariff, Exhibit A (Specifications for Network Integration Transmission Service), Exhibit B (Notices), Exhibit C (Network Operating Agreement), and Exhibit D (Stability Reserves) are incorporated herein and made a part hereof. Capitalized terms not defined in this Agreement are defined in the Tariff.

8. This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.

9. This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors.

10. The Transmission Customer and the Transmission Provider agree that provisions of Section 3201(i) of Public Law 104-134 (Bonneville Power Administration Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.

11. The Transmission Provider shall not modify the definition of Eligible Customer under the Tariff or any successor tariff to exclude the Transmission Customer as an Eligible Customer (or to the extent that the PTP-02 or NT-02 rate schedules or any successor rate schedules are generally available to other transmission customers, modify such schedules so that they are not available to the Transmission Customer), unless the Commission or a court of competent jurisdiction issues an opinion or order holding that the Transmission Provider's Direct Service Industry (DSI) customers are not eligible under then-applicable Federal law to purchase Transmission Service from the Transmission Provider. This obligation shall survive any termination or expiration of this Service Agreement, unless the Commission or a court of competent jurisdiction issues an opinion or order holding that the Transmission Provider's DSI customers are not eligible under then-applicable Federal law to purchase Transmission Service from the Transmission Provider. For purposes of this section 11, "Eligible Customer" means Eligible Customer with respect to Transmission Service that is an amount not to exceed that which is available under section 13 of this agreement and that is for the uses specified in section 13.

12. Provisions concerning Stability Reserves are hereby incorporated as Exhibit D. Exhibit D shall not be modified except by mutual agreement of the Parties. The Transmission Customer agrees to provide Stability Reserves for the term of this Service Agreement, and for the term of any transmission service that the Transmission Provider 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 Transmission Provider transmission service over the Transmission Provider's facilities without a requirement that they provide Stability Reserves. This obligation shall survive any termination or expiration of this Service Agreement.

13. Upon determining that a request by the Transmission Customer for Network Integration Transmission Service meets the requirements of this Service Agreement and the Tariff in effect and applicable to new service requests, the Transmission Provider shall offer to incorporate the Statement of Specifications for the requested service into Exhibit A. The Transmission Customer's rights to service under the Tariff are limited to the amount of power it could have purchased from the

Bonneville Power Administration under subsection 5(a) of its 1981 Power Sales Contract (hereinafter referred to as Contract Demand), plus the megawatts for transmission losses (a.k.a. real power 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 Network Load 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 Network Integration 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. If Transmission Customer assigns this Agreement to a successor, the Transmission Customer shall include in the instrument of assignment a provision requiring the assignee to provide Stability Reserves to the Transmission Provider up to the amount of the Network Load assigned, as limited herein. The Transmission Customer may accept an assignment of transmission service from any other Eligible Customer, provided that if the Transmission Customer uses such assigned agreement to serve its Network Load, Exhibit D shall apply to such transmission service, and provided further that the sum of the Transmission Customer's transmission service under this Service Agreement, and the transmission service under all Service Agreements of which it has accepted assignment, shall not exceed Contract Demand plus the megawatts for transmission losses associated with such Contract Demand.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

LONGVIEW ALUMINUM, L.L.C.	UNITED STATES OF AMERICA Department of Energy Bonneville Power Administration
By: **/S/ MICHAEL W LYNCH**	By: **/S/ ALLAN F. PASCHKE**
Name: Michael Lynch *(Print / Type)*	Name: Allan F. Paschke *(Print / Type)*
Title: Chairman	Title: Transmission Account Executive
Date: **9/27/01**	Date: **9/26/01**

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EXHIBIT A
SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE

TABLE 1
REQUEST FOR TRANSMISSION SERVICES
The OASIS Assignment Reference Number (ARef) is: 394763

1. TERM OF TRANSACTION
Service Commencement Date: at 0000 hours on October 1, 2001.
Termination Date: at 0000 hours October 1, 2021.

2. NETWORK RESOURCES

(a) **Generation Owned by the Transmission Customer**

Resource	Capacity (MW)	Capacity Designated as Network Resource	Control Area
N/A			

(b) **Power Purchased by the Transmission Customer**

Source (Contract No.)	Capacity (MW)	Control Area (Delivered From)
BPA PBL[1]	280	BPA

(c) **Total Network Resources equals 2(a) + 2(b)**

3. POINT(S) OF RECEIPT

(a) **Federal Generation Point(s) of Receipt**

Location: FCRTS;

Voltage: varies by facility;

Metering: net requirements;

Transmission Demand: up to 280 MW;

Delivering Party: PBL;

Control Area: BPA;

Exceptions: none.

[1] Bonneville Power Administration (BPA) Power Business Line (PBL).

4. POINT(S) OF DELIVERY

(a) Description of Network Points of Delivery

(1) Longview Annex No. 2

Location: in the Transmission Provider's Longview Annex No. 2 Substation where the 13.8 facilities of the Parties hereto are connected;

Voltage: 13.8 kV;

Metering: in the Transmission Provider's Longview Annex No. 2 Substation, in the 13.8 circuits over which such electric power and energy flows;

Exceptions: the Integrated Demands for the electric power and energy delivered at the Longview and Longview Annex No. 2 metering points will be added together coincidentally for billing purposes.

(2) Longview Substation

Location: in the Transmission Provider's Longview Substation where the 13.8 kV facilities of the Parties hereto are connected;

Voltage: 13.8 kV;

Metering: in the Transmission Provider's Longview Substation, in the 13.8 circuits over which such electric power and energy flows;

Exceptions: the Integrated Demands for the electric power and energy delivered at the Longview and Longview Annex No. 2 metering points will be added together coincidentally for billing purposes.

(b) Description of Transfer Points of Delivery

Not applicable. See section 4(a) of this Table 1.

5. NETWORK LOAD

The Application provides the Transmission Customer's initial annual load and resource information. Annual load and resource information updates shall be submitted to the Transmission Provider at the address specified in Exhibit B, by September 30 of each year, unless otherwise agreed to by the Transmission Provider and the Transmission Customer. The Network Load shall not exceed 420 megawatts.

6. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE OBLIGATION

Longview Aluminum, L.L.C.

7. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None.

8. DECLARED CUSTOMER-SERVED LOAD

None.

9. OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT

The Transmission Provider's Creditworthiness business practices and provisions will apply, as revised or replaced. The Transmission Customer's Creditworthiness status is nontransferable.

10. SERVICE AGREEMENT CHARGES

Service under this Agreement will be subject to some combination of the charges detailed in Tables 1 and 2 of this exhibit.

(a) **Transmission and Ancillary Service Charges**

NT-02 Rate Schedule, UFT-02 Rate Schedule, and ACS-02 or successor rate schedules.

(b) **System Impact and/or Facilities Study Charge(s)**

System Impact and/or Facilities Study Charges are not required at this time for service under this Service Agreement.

11. DIRECT ASSIGNMENT AND USE-OF-FACILITIES CHARGES

(a) **Direct Assignment Facilities Charges**

None.

(b) **Use-of-Facilities Charges**

(1) **Calculation of Charges Pursuant to the UFT-02 Rate Schedule**[1]

Facilities	Investment	I&A Annual Cost Ratio	I&A Annual Cost	O&M Annual Cost[2]	Facility Charge $/yr
Longview Substation and Longview Annex No. 2	$17,585,090	8.44%	$1,484,182	$167,750	$1,651,932

Total Monthly UFT Charge[3] **= $137,661**

(2) **Obligations Upon Expiration of This Agreement**
On expiration or termination of this Service Agreement, the Transmission Customer will reimburse the Transmission Provider for the unrecoverable cost specified below in any of the Transmission Provider's substations or transmission facilities whose primary purpose is to serve the Transmission Customer's load during the life of this Service Agreement, to the extent that the Transmission Provider cannot mitigate such cost. Payment of the UFT Charge under this Service Agreement is mitigation for unrecoverable cost under this Agreement.

The unrecoverable cost shall include the unamortized investment totaling $14,011,779 as of October 1, 2001. If the facilities must be removed from the site, the unrecoverable costs shall include, in addition to the unamortized investment for such facilities, all reasonable costs involved in the disposition of such facilities, such as, but not limited to, labor in dismantling equipment, transportation, site restoration and cleanup, less any mitigation, such as salvage value of such equipment.

If the Transmission Provider does not have another use at the site for such facilities to serve other Transmission Customers, and the Transmission Customer makes an offer to purchase such facilities for the unamortized investment stated above plus the appraised value of the property on which the facilities are located, and the Transmission Provider rejects the offer, then the Transmission Customer shall not

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[1] UFT-02 Rate Schedule or successor rate schedules.

[2] Based on O&M table dated March 31, 2000.

[3] This charge may be revised annually to reflect changes in:
(1) the yearly noncoincidental demands on the facility under this Service Agreement and other agreements;
(2) I&A annual cost ratios;
(3) O&M annual costs; and
(4) investments in facilities.

be required to reimburse the Transmission Provider for any unrecoverable costs.

If the Transmission Provider proposes new investments in substation or transmission facilities whose primary purpose is to serve the Transmission Customer's Network Load, and the Transmission Customer consents to such investment, the unamortized investment will be amended to include such investments. The Transmission Customer's consent to such investments shall not be unreasonably withheld.

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TABLE 2
ANCILLARY SERVICE CHARGES

This Table 2 is subject to the ACS-02 Rate Schedule or successor rate schedules.

		Provided By	Contract No.
1.	**SCHEDULING, SYSTEM CONTROL AND DISPATCH**	Transmission Provider	01TX-10681
2.	**REACTIVE SUPPLY AND VOLTAGE CONTROL**	Transmission Provider	01TX-10681
3.	**REGULATION & FREQUENCY RESPONSE**	Transmission Provider	01TX-10681
4.	**ENERGY IMBALANCE SERVICE**	Transmission Provider	01TX-10681
5.	**OPERATING RESERVE – SPINNING RESERVE**	Transmission Provider	01TX-10681
6.	**OPERATING RESERVE – SUPPLEMENTAL RESERVE**	Transmission Provider	01TX-10681

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EXHIBIT B
NOTICES

1. NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice or other communication related to this Service Agreement, other than notices of an operating nature (section 2 below), shall be in writing and shall be deemed to have been received if delivered in person, First Class mail, by telefax or sent by acknowledged delivery.

If to the Transmission Customer:	**If to the Transmission Provider:**
Longview Aluminum, L.L.C. 4900 First Avenue McCook, IL 60525-3294 Attention: John Kolleng Phone: (708) 387-8523 Fax: (708) 387-8919	Bonneville Power Administration P.O. Box 491 Vancouver, WA 98666-0491 Attention: Transmission Account Executive for Longview Aluminum, L.L.C. – TM/Ditt2 Phone: (360) 418-8283 Fax: (360) 418-8320

2. NOTICES OF AN OPERATING NATURE

Any notice, request, or demand of an operating nature by the Transmission Provider or the Transmission Customer shall be made either orally or in writing by telefax or sent by First Class mail or acknowledged delivery.

If to the Transmission Customer:	**If to the Transmission Provider:**
Longview Aluminum, L.L.C. P.O. Box 2484 4029 Industrial Way Longview, WA 98632 Attention: Lou Locke Phone: (360) 636-8204 Fax: (360) 636-8197	Bonneville Power Administration Ross Complex P.O. Box 491 Vancouver, WA 98666-0491 Attention: Chief Operator - TFOG/CNTR Phone: (360) 418-2424 Fax: (360) 418-8787

3. SCHEDULING AGENT

The Transmission Customer has designated the following scheduling agent:

Power Resource Managers
2100 112th N.E., Suite 100
Bellevue, WA 98004-2911
Phone: (925) 951-9123
Fax: (925) 951-2110

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EXHIBIT C
NETWORK OPERATING AGREEMENT

1. PURPOSE OF NETWORK OPERATING AGREEMENT

The purpose of this Agreement is to identify contractual requirements related to Network Integration Transmission Service over the Transmission Provider's Transmission System. The parties to this agreement (Parties) agree to adhere to Good Utility Practice, including all applicable reliability criteria as observed in the region.

(a) This Agreement requires the Parties to recognize that:

(1) the Transmission Provider's Transmission System is directly or indirectly interconnected with transmission systems owned or operated by others;

(2) the flow of power and energy between such systems shall be controlled by the physical and electrical characteristics of the facilities involved and the manner in which they are operated; and

(3) part of the power and energy being delivered under these Provisions may flow through such other systems rather than through the Transmission Provider facilities. The Parties shall determine methods and take appropriate actions to assure capability for delivery of power and energy at the points of receipt and delivery, and at additional or alternate points of receipt and delivery as established by the Parties.

(b) The Parties shall:

(1) operate and maintain equipment[1] necessary for interconnecting the Transmission Customer with the Transmission Provider's transmission System;

(2) transfer data[2] between their respective control centers as required to maintain reliability of the Transmission System;

(3) use software programs required for data links and constraint dispatching;

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[1] Necessary equipment includes, but is not limited to, remote terminal units, metering, communications, telemetering, and relaying equipment.

[2] Data may include, but is not limited to, data pertaining to instantaneous Spinning and Non-Spinning Operating Reserves, heat rates, fuel costs, and operational characteristics of Network Resources, generation schedules for Network Resources, interchange schedules, unit outputs for redispatch, voltage schedules, flows of real and reactive power, loss factors, switch status, breaker status, megawatt (MW)/megaVAr flow on lines, bus voltages, transformer taps and other Supervisory Control and Data Acquisition System (SCADA) and real-time data.

(4) exchange data on forecasted loads and resources necessary for planning and operation; and

(5) address other technical and operational considerations required for Tariff implementation, including scheduling protocols.

2. TERM

This Agreement shall remain effective through the term of the Service Agreement.

3. ADMINISTRATION OF THE PROVISIONS

In the event of any irreconcilable differences between the Tariff and this Agreement, the language of the Tariff shall govern.

4. NOTICE

Notices or requests made by either Party regarding these provisions shall be made to the representative of the other Party as indicated in the Service Agreement.

5. DEFINITIONS

Unless otherwise defined herein, capitalized terms refer to terms defined in the Tariff or in the Rate Schedules.

(a) Automatic Generation Control (AGC)
The real-time control scheme used by all Control Areas to meet the NERC requirement that Control Areas continually adjust generation, as necessary and within predetermined limits, to meet Control Area load requirements and scheduled interchange commitments and its obligation to support interconnected frequency.

(b) Effective Control Action (ECA)
An action which results in a specific mitigating response at a location(s) in the power system related to the disturbances of concern, thereby providing acceptable power system performance.

(c) Hourly Data Reported Hourly (HDRH)
Hourly kilowatthour (kWh) and kilovarhour (kVArh) data provided to the Transmission Provider at the end of each hour. HDRH is taken from sources such as the interchange kWh system.

(d) Hourly Data Reported Monthly (HDRM)
Hourly kWh and kVArh data provided at least monthly to the Transmission Provider. HDRM is taken from sources such as the Revenue Metering System.

(e) Operating Reserves
The sum of Contingency Reserves and Regulating Reserves plus any on-demand obligations plus any reserves required for interruptible imports.

(f) Operational Constraints
Limitations on the ability of the Transmission System to operate due to any system emergency, loading condition, or maintenance outage on the Transmission Provider facilities, or on facilities of an interconnected utility, that make it prudent to reduce Transmission System loadings, whether or not all facilities are in service.

(g) Remedial Action Schemes (RAS)
Sets of fast automatic control actions employed to ensure acceptable power system performance following electrical disturbances as determined by the Transmission Provider power flows and/or stability studies. These may include generator dropping and load tripping.

(h) Revenue Metering System (RMS)
A data collection system that electronically measures hourly demand and energy quantities for both kilowatt (kW) and kiloVArs. The Transmission Provider uses this data on a HDRM basis.

(i) Single Contingency
The loss of a single generator, transmission line, transformer, bus section or DC monopole under any operating condition or anticipated mode of operation.

(j) Technical Requirements for the Connection of Transmission Lines and Loads
The detailed technical requirements generally applied to all new or modified line or load connections regardless of type or size, are posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

(k) Technical Requirements for the Interconnection of Generation Resources
The detailed technical requirements generally applied to all new or expanded generating resources, regardless of type or size, are posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

(l) Telemetry
A data collection system that provides the Transmission Provider with kilowatt information on load, generation, and powerflow, on a continuous, instantaneous basis.

(m) Transmission Customer Resource
Any Transmission Customer-owned resource, regardless of resource location, and any Third Party (consumer or independent power producer) resource directly connected to the Transmission Customer's transmission or distribution system.

6. INTERCONNECTED FACILITY REQUIREMENTS

(a) Ownership

(1) Equipment or salvageable facilities owned by one Party and installed on the property of the other Party shall remain the property of the owner, except as noted in this Agreement.

(2) A Party must identify its facilities installed on the other Party's property. Facilities include all movable equipment and other salvageable facilities which said Party installed on the other Party's property. Ownership of facilities must be made by affixing permanent suitable markers with the owner's name. The Parties shall jointly prepare an itemized list of the aforementioned equipment.

(3) Each Party agrees to be responsible for the cost of complying with all applicable Federal, State, and local environmental laws for its own facilities, regardless of where the facilities are located.

(b) Safety Design

The Transmission Provider requires clearance of equipment during maintenance, modification, and testing. Facility interconnections between the Transmission Provider and the Transmission Customer are to be designed and constructed to allow clearance of equipment using isolation devices. Isolation devices must produce a visible air gap between the energized facilities and the equipment to be worked on. Operating procedures associated with this interconnection must comply with the Transmission Provider's Accident Prevention Manual and also with the Transmission Customer's safety manual as specified in writing by the Transmission Customer.

(c) Access to Interconnected Facilities

(1) Each Party agrees to grant permission to the other to enter its property to perform operations and maintenance, meter reading, inspection or removal of the other's equipment and facilities installed on the first Party's property.

(2) In providing the above permission, the first Party waives no rights or remedies with respect to any injury, loss, or damage resulting from the other's activities on the first Party's property.

7. RESOURCE AND INTERCONNECTION PRINCIPLES AND REQUIREMENTS

(a) Remedial Action Schemes

(1) The Transmission Customer may be required (at its cost), to provide or assure the provision of its pro rata share of RAS required to support the transmission capability of the transmission paths the Transmission Customer uses.

(2) If the Transmission Customer is required to provide RAS, then the Transmission Provider and the Transmission Customer shall jointly plan and coordinate the implementation of the RAS. No Party shall unduly withhold consent regarding the implementation of the RAS. The Transmission Customer may implement the required RAS where it chooses on its system, as long as the required level of ECA is obtained. The level of reliability of the RAS design on the Transmission Customer's system shall be at least equal to the level of reliability employed in the design of the overall RAS required to support the transmission capability of the transmission path the Transmission Customer uses.

(A) The Transmission Customer's contribution to the total operational responsibility for the RAS shall be the ratio of the Transmission Customer's usage of the Transmission Provider's share of the transmission path, to the total rating of the Transmission Provider's share of the transmission path.

(B) The Transmission Provider shall provide the appropriate control signals to the Transmission Customer.

(C) The Transmission Customer shall provide the necessary equipment to receive and transmit control signals to and from its transmission, generation, and control center facilities to arm and initiate the appropriate ECA or actions determined by the Transmission Provider.

(3) Additional information regarding RAS can be found in *The Technical Requirements for the Connection of Transmission Lines and Loads and the Technical Requirements for the Interconnection of Generation Resources* posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

(b) **Operation of Resources**

(1) The Transmission Customer shall operate its generation resources that interconnect with the Transmission Provider's Transmission System or which are located in the Transmission Provider's Control Area in a manner consistent with Good Utility Practice, and the standards, criteria, and requirements of NERC, WSCC, NWPP, the Transmission Provider, and any applicable RTA.

(2) The Transmission Customer shall pay the cost of necessary communications installations, and modification of the Transmission Provider's computer hardware and software, including accommodating the Transmission Customer's decisions to change Control Areas.

(3) Any resources used by the Transmission Customer to meet its Operating Reserve obligations to the Transmission Provider's Control Area shall meet the same NERC, WSCC, NWPP, and other applicable requirements, practices, and procedures as the Transmission Provider's generating resources providing these same services including, AGC capability, reserve availability, ramp rate, governor response, random testing, and a monthly startup test.

(c) **Interconnection with Third Parties**

(1) Each Party shall cooperate with other interconnected systems in establishing arrangements or mitigation measures to minimize operational impacts on the other Party's system.

(2) Each Party recognizes that a Party's proposed new interconnection or modification of an existing interconnection between its system and the system of a Third Party, may cause adverse effects on the system of the other Party. The Party making such interconnection or modification shall minimize, or otherwise compensate for adverse operational impacts to the other Party's system.

(d) **Interconnection with the Transmission Provider**

(1) The Transmission Customer shall plan, construct, operate, and maintain its facilities and system that interconnect with the Transmission Provider's Transmission System in accordance with Good Utility Practice, including, but not limited to, all applicable guidelines of NERC, WSCC, and NWPP, the Transmission Provider and any applicable RTA, and generally accepted regional practices.

(2) Additional information regarding Interconnection Requirements can be found in *The Technical Requirements for the Connection of Transmission Lines and Loads and the Technical Requirements for the*

Interconnection of Generation Resources posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

(e) **Generation Integration**

(1) Resources connected directly to the Transmission Provider's Transmission System or which are in the Transmission Provider's Control Area are subject to compliance with the Transmission Provider's generation integration requirements, Good Utility Practice, and all applicable standards of NERC, WSCC, NWPP, the Transmission Provider and any applicable RTA, and any generally accepted regional practices that are adopted by the Transmission Provider.

All resources integrated into a Transmission Customer's system which, by virtue of their point of interconnection, are capable of energizing the Transmission Provider's facilities, must comply with safety requirements of the above standards, including those for relay protection, insulation coordination, switchgear and safety. This requirement typically applies to generators that are integrated into a system that is connected radially from a tapped Transmission Provider transmission line or Transmission Provider substation. With respect to other resources integrated into a Transmission Customer's network, all points of interconnection between the Transmission Provider and the Transmission Customer must be operated and maintained in a manner consistent with Good Utility Practice.

(2) The Transmission Customer agrees to notify the Transmission Provider a minimum of eighteen (18) months prior to energization of a resource if such resource is expected to impact the Transmission Provider's Transmission System.

8. CUSTOMER INFORMATION REQUIREMENT

The Transmission Customer shall provide to the Transmission Provider load forecasts, generation forecasts, schedules, and any other information necessary to implement Curtailment, Load Shedding, and congestion management procedures, and for ATC computations when requested by the Transmission Provider.

9. POWER QUALITY

Requirements and information regarding Power Quality can be found in *The Technical Requirements for the Connection of Transmission Lines and Loads and the Technical Requirements for the Interconnection of Generation Resources* posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

10. SERVICE INTERRUPTIONS

(a) Temporary Load Shifts and Maintenance Notification

(1) The Parties may temporarily curtail, reduce, or shift deliveries of electric power if any such Party determines that such Curtailment, reduction, or load shift is necessary or desirable in case of system emergencies or operational constraints on the system of either Party, or to install equipment in, make repairs to, make replacement within, conduct investigations and inspections of, or perform other maintenance work on the Parties' facilities. To the extent reasonable or appropriate, the Parties shall use temporary facilities or equipment to minimize the effect of any such interruption, reduction, or load shift.

(2) The Transmission Customer must submit a report concerning any such curtailment, reduction, or load shift on its transmission system to the Transmission Provider within four (4) days of such curtailment, reduction, or load shift. Reports may be made by telephone, mail, or other electronic processes. The point of contact for each Party shall be designated pursuant to the Service Agreement. On receipt of the Transmission Customer's report, the Transmission Provider shall adjust the Transmission Customer's billing determinants pursuant to the Transmission Provider's billing procedures. If the Transmission Customer does not submit the report within four (4) days of the curtailment, reduction, or load shift, the Transmission Provider shall assess charges based on available data.

(b) Additional information regarding Service Interruptions can be found in *The Technical Requirements for the Connection of Transmission Lines and Loads and the Technical Requirements for the Interconnection of Generation Resources* posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

11. EMERGENCY PLANNING AND OPERATION

(a) The Transmission Provider shall be responsible for planning, coordinating, and implementing emergency operation schemes. Examples of such schemes include the NWPP underfrequency Load Shedding program, the undervoltage Load Shedding program, and the system restoration plan. There may be additional schemes that meet the NWPP, WSCC, and RTA reliability planning objectives. If the Transmission Provider identifies reliability objectives beyond the NWPP, WSCC, and RTA objectives, they shall be

communicated to the Transmission Customer(s). The need to identify additional objectives may involve anticipated reduction in system restoration time following blackout or brownout emergencies.

(b) The Transmission Customer shall:

(1) participate in the development and implementation of Load Shedding programs for system security;

(2) install and maintain the required Load Shedding relays, including underfrequency and undervoltage relays; and

(3) participate in system restoration planning. Disputes with any of the requirements specified by the Transmission Provider shall be resolved through the dispute resolution process described in the Tariff.

(c) Additional information regarding Emergency Planning and Operation can be found in *The Technical Requirements for the Connection of Transmission Lines and Loads and the Technical Requirements for the Interconnection of Generation Resources* posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

12. INFORMATION AND METERING REQUIREMENTS

Requirements and information regarding Information and Metering Requirements can be found in *The Technical Requirements for the Connection of Transmission Lines and Loads and the Technical Requirements for the Interconnection of Generation Resources* posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

13. METERING COSTS

(a) **Metering of Existing Facilities**

The Transmission Provider shall be responsible for costs of all Transmission Provider-required new meter installation or meter replacements at a Transmission Customer facility existing on the Effective Date of this Service Agreement.

The Transmission Customer shall be responsible for the costs of:

(1) Any meter replacement or new installation at points of delivery which are not required to achieve the best overall plan of service (convenience points of delivery); and

(2) Any meters needed because the Transmission Customer changes Control Areas or is displacing transmission from the Transmission Provider; and/or meters requested by the Transmission Customers.

(b) **Metering of New Transmission Customer Facilities**
The Transmission Provider shall be responsible for costs associated with installation of the Transmission Provider-approved metering at new facilities established after the Effective Date of this Service Agreement that are connected to the Transmission Provider's Transmission System.

The Transmission Customer shall be responsible for the costs of the Transmission Provider approved metering for:

(1) all points of generation (resource) integration;

(2) all AGC interchange points; and

(3) all other points of electrical interconnection, including convenience points of delivery.

14. COMMUNICATIONS

Requirements and information regarding Communications can be found in *The Technical Requirements for the Connection of Transmission Lines and Loads and the Technical Requirements for the Interconnection of Generation Resources* posted by the Transmission Provider at:

http://www.transmission.bpa.gov/orgs/opi/system_news/index.shtm, and may be modified from time to time.

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EXHIBIT D
STABILITY RESERVES

The Transmission Customer shall provide Stability Reserves up to the Network Load for Transmission Services provided pursuant to this Service 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 Transmission Provider to the Transmission Customer restricting delivery of energy under this Service Agreement. The end of the Event shall be identified by the Transmission Provider dispatcher's notification to the Transmission Customer that transmission of all energy to which the Transmission Customer is entitled under this Service 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 Transmission Provider Stability Reserves rights under this Service 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 Transmission Provider restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 2 hours or less of the last Event Minute;

(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 Transmission Provider 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 Transmission Provider 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 Transmission Provider restricts deliveries to the Transmission Customer pursuant to its Stability Reserve rights within 8 hours or less of the last Event Minute.

(a) "Event Duration" shall be the total cumulative Event Minutes of the Event.

(b) "Event Minute" shall be the minutes of restriction (or any portion thereof) during an Event. If Transmission Provider restricts less than its full entitlement in any Event Minute, then for purposes of defining the Event, the Event Minutes and Event Duration, Transmission Provider shall be deemed to have restricted the entire amount of energy wheeled under this Service Agreement.

(c) "Material Plant Damage" means the inability of the Transmission Customer 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).

(d) "Restricted Energy" means energy not made available to the Transmission Customer hereunder because of an Event.

(e) "Stability Reserves" are those reserves, provided by the Transmission Customer under this Service 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.

2. AMOUNT OF STABILITY RESERVES

When necessary to provide Stability Reserves, Transmission Provider may restrict deliveries of energy wheeled under this Service Agreement to the Transmission Customer's aluminum smelter load (which shall not include wheel turning loads) pursuant to the schemes listed in section 10 of this exhibit 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 Service Agreement for a period of up to 30 Event Minutes per Event;

(b) provided, that Transmission Provider 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; provided, that if the wheel turning load is served exclusively by a supplier other than Transmission Provider 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 Service Agreement, Transmission Provider 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 Transmission Provider's ability to notify the Transmission Customer of the end of an Event.

Notwithstanding any other provision of this Service Agreement, including the breach and damages provisions, Transmission Provider shall have no contractual right under this Service Agreement which would cause the Transmission Customer to incur Material Plant Damages; provided, Transmission Provider 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 section 10 of this exhibit, Transmission Provider 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 Network Load at the time of the event.

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, Transmission Provider 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 Service Agreement or anything herein related to the compensation for Stability Reserves in Transmission Provider's rate cases or similar forums or in a proceeding under section 7.

(d) Transmission Provider'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 Service 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 Transmission Provider 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, Transmission Provider 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 Service 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 the Transmission Provider under this Service Agreement shall be deemed stored, at no charge, and shall not be spilled. Subject to transmission availability, Transmission Provider

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, the Transmission Provider' 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 the Transmission Provider, the arbitrator or any other party in any proceeding under section 12 of the Tariff 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. The Transmission Provider 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 the Transmission Provider 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 Service 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 Service 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) the Transmission Provider 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) the Transmission Provider 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, the Transmission Provider 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 Network Load not to exceed an amount necessary to restore the Transmission Customer's facilities to normal operating conditions.

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:

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

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

The applicable Stability Reserve Schemes are the following:

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

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AUTHENTICATED

REVISION NO. 1, EXHIBIT A
SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE

This Revision No. 1, effective October 1, 2001, reflects an update to the Use-of-Facilities Charges in Exhibit A, 11(b).

TABLE 1
REQUEST FOR TRANSMISSION SERVICES

The OASIS Assignment Reference Number (ARef) is: 394763

1. TERM OF TRANSACTION

Service Commencement Date: at 0000 hours on October 1, 2001.
Termination Date: at 0000 hours October 1, 2021.

2. NETWORK RESOURCES

(a) **Generation Owned by the Transmission Customer**

Resource	Capacity (MW)	Capacity Designated as Network Resource	Control Area
N/A			

(b) **Power Purchased by the Transmission Customer**

Source (Contract No.)	Capacity (MW)	Control Area (Delivered From)
BPA PBL[1]	280	BPA

(c) **Total Network Resources equals 2(a) + 2(b)**

3. POINT(S) OF RECEIPT

(a) **Federal Generation Point(s) of Receipt**

Location: FCRTS;

Voltage: varies by facility;

Metering: net requirements;

Transmission Demand: up to 280 MW;

Delivering Party: PBL;

[1] Bonneville Power Administration (BPA) Power Business Line (PBL).

Control Area: BPA;

Exceptions: none.

4. POINT(S) OF DELIVERY

(a) Description of Network Points of Delivery

(1) Longview Annex No. 2

Location: in the Transmission Provider's Longview Annex No. 2 Substation where the 13.8 facilities of the Parties hereto are connected;

Voltage: 13.8 kV;

Metering: in the Transmission Provider's Longview Annex No. 2 Substation, in the 13.8 circuits over which such electric power and energy flows;

Exceptions: the Integrated Demands for the electric power and energy delivered at the Longview and Longview Annex No. 2 metering points will be added together coincidentally for billing purposes.

(2) Longview Substation

Location: in the Transmission Provider's Longview Substation where the 13.8 kV facilities of the Parties hereto are connected;

Voltage: 13.8 kV;

Metering: in the Transmission Provider's Longview Substation, in the 13.8 circuits over which such electric power and energy flows;

Exceptions: the Integrated Demands for the electric power and energy delivered at the Longview and Longview Annex No. 2 metering points will be added together coincidentally for billing purposes.

(b) Description of Transfer Points of Delivery

Not applicable. See section 4(a) of this Table 1.

5. NETWORK LOAD

The Application provides the Transmission Customer's initial annual load and resource information. Annual load and resource information updates shall be submitted to the Transmission Provider at the address specified in Exhibit B, by September 30 of each year, unless otherwise agreed to by the Transmission Provider

and the Transmission Customer. The Network Load shall not exceed 420 megawatts.

6. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE OBLIGATION

Longview Aluminum, L.L.C.

7. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

None.

8. DECLARED CUSTOMER-SERVED LOAD

None.

9. OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT

The Transmission Provider's Creditworthiness business practices and provisions will apply, as revised or replaced. The Transmission Customer's Creditworthiness status is nontransferable.

10. SERVICE AGREEMENT CHARGES

Service under this Agreement will be subject to some combination of the charges detailed in Tables 1 and 2 of this exhibit.

(a) **Transmission and Ancillary Service Charges**

NT-02 Rate Schedule, UFT-02 Rate Schedule, and ACS-02 or successor rate schedules.

(b) **System Impact and/or Facilities Study Charge(s)**

System Impact and/or Facilities Study Charges are not required at this time for service under this Service Agreement.

11. DIRECT ASSIGNMENT AND USE-OF-FACILITIES CHARGES

(a) **Direct Assignment Facilities Charges**

None.

(b) **Use-of-Facilities Charges**

(1) **Calculation of Charges Pursuant to the UFT-02 Rate Schedule[1]**

Facilities	Investment	I&A Annual Cost Ratio	I&A Annual Cost	O&M Annual Cost[2]	Facility Charge $/yr
Longview Substation And	$11,456,173	8.44 %	$966,901	$76,718	$1,043,619
Longview Annex No. 2	$6,494,463	6.70%	$435,129	$95,833	$530,962
	$17,950,636		$1,402,030	$172,551	$1,574,581

Total Monthly UFT Charge[3] = $131,215

(2) **Obligations Upon Expiration of This Agreement**
On expiration or termination of this Service Agreement, the Transmission Customer will reimburse the Transmission Provider for the unrecoverable cost specified below in any of the Transmission Provider's substations or transmission facilities whose primary purpose is to serve the Transmission Customer's load during the life of this Service Agreement, to the extent that the Transmission Provider cannot mitigate such cost. Payment of the UFT Charge under this Service Agreement is mitigation for unrecoverable cost under this Agreement.

The unrecoverable cost shall include the unamortized investment totaling $10,855,774 as of July 2, 2002. If the facilities must be removed from the site, the unrecoverable costs shall include, in addition to the unamortized investment for such facilities, all reasonable costs involved in the disposition of such facilities, such as, but not limited to, labor in dismantling equipment, transportation, site restoration and cleanup, less any mitigation, such as salvage value of such equipment.

If the Transmission Provider does not have another use at the site for such facilities to serve other Transmission Customers, and the Transmission Customer makes an offer to purchase such facilities for the unamortized investment stated above plus the appraised value of the property on which the facilities are located, and the Transmission

[1] UFT-02 Rate Schedule or successor rate schedules.

[2] Based on O&M table dated March 31, 2000.

[3] This charge may be revised annually to reflect changes in:
(1) I&A annual cost ratios;
(2) O&M annual costs; and
(3) investments in facilities.

Provider rejects the offer, then the Transmission Customer shall not be required to reimburse the Transmission Provider for any unrecoverable costs.

If the Transmission Provider proposes new investments in substation or transmission facilities whose primary purpose is to serve the Transmission Customer's Network Load, and the Transmission Customer consents to such investment, the unamortized investment will be amended to include such investments. The Transmission Customer's consent to such investments shall not be unreasonably withheld.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: /S/ ALLAN F PASCHKE

Name: Allan F. Paschke
(Print/Type)

Title: Transmission Account Executive

Date: **9/19/02**

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