

Actual Firm Energy Load for such month after adjustment, if any, pursuant to subsection (e) above exceeds the Purchaser's Assured Energy Capability for such month after adjustment, if any, pursuant to subsection (d) above, and the Purchaser's Computed Peak Requirement in each month of the Operating Year shall be the amount, if any, by which the Purchaser's Actual Firm Peak Load for such month after adjustment, if any, pursuant to subsection (e) above exceeds the Purchaser's Assured Peak Capability for such month.

(g) Unless Bonneville's obligation to make Firm Power available is limited under the terms of section 7 above, Bonneville shall, subject to the conditions in the General Contract Provisions Exhibit, make available to the Purchaser hourly amounts of power as requested by the Purchaser up to the amounts specified in paragraphs (1), (2), and (3) below. If the Purchaser operates automatic generation control equipment and is thereby able to schedule amounts of power to be interchanged with Bonneville, Bonneville shall schedule such amounts to the Purchaser in accordance with the provisions of section 18. If the Purchaser does not operate automatic generation control equipment, Bonneville shall deliver the amounts which the Purchaser takes from Bonneville at the Purchaser's Points of Delivery, and the Purchaser shall prepare a tabulation pursuant to section 17(h) showing the amount of Firm Power taken from Bonneville under this contract.

(1) During Heavy Load Hours: the larger of the Purchaser's Computed Peak Requirement or its Computed Average Energy Requirement; provided, however, that Bonneville may limit the amounts of power it makes available during up to six Heavy Load Hours of each day designated by Bonneville to amounts less than the Purchaser's Computed Average Energy Requirement but not less than the Purchaser's Computed Peak Requirement. Bonneville shall not so limit the amounts of power it makes available

unless: (A) Bonneville has informed the Purchaser's representative by the time specified in the Power Scheduling Provisions Exhibit that Bonneville will make such limitation; (B) Bonneville has determined that such limitation is reasonably necessary to enable Bonneville to meet its firm obligations and its other loads in the Pacific Northwest; and (C) Bonneville has limited all other Customers having contracts which permit this limitation approximately in proportion to the amount by which each such Customer's Computed Average Energy Requirement exceeds its Computed Peak Requirement for such month. The hourly amounts of power Bonneville is obligated to make available pursuant to this paragraph (1) shall be termed Computed Maximum Requirements.

Bonneville shall consult with the Purchaser and other Customers having similar contracts before increasing its firm obligations to deliver capacity to entities outside the Pacific Northwest if such increased obligations would tend to increase the frequency with which Bonneville would invoke the limit provided for in this paragraph (1).

(2) During Light Load Hours: the product of the Purchaser's Computed Average Energy Requirement and a percentage sufficiently in excess of 100 percent to permit the Purchaser to request during Light Load Hours all of the energy to which it has a right during the month and which it did not request or receive during Heavy Load Hours during such month, as limited by the percentage determined pursuant to the Power Scheduling Procedures Exhibit.

(3) During each month: the Purchaser's Computed Energy Maximum.

(h) If the Purchaser has been designated to purchase on the basis of Computed Requirements but does not operate automatic generation control equipment, such Purchaser shall prepare and submit to Bonneville within ten

days of the last day of each month a preliminary tabulation assigning the net hourly amounts of power taken from Bonneville during such month to classes of power received from or delivered to Bonneville on such hour pursuant to contracts between Bonneville and the Purchaser or to a type of power which the Purchaser acquired from sources other than Bonneville which Bonneville delivered to the Purchaser during such hour. The Purchaser shall submit a final tabulation of such amounts within the later of 30 days of the last day of such month or ten days of the date on which all final metered data which the Purchaser needs to determine its load are available.

(i) Prior to January 15 of each year the Purchaser shall advise Bonneville in writing of its best estimate of its monthly Computed Peak Requirements and Computed Average Energy Requirements for the 48-month period beginning on the next July 1. Information so obtained will be used by Bonneville in its operational planning. Information submitted pursuant to this subsection (i) shall be as accurate as possible, but shall not be binding on the Purchaser.

(j) (1) Upon request of the Purchaser, Bonneville shall use its best efforts to acquire on behalf of the Purchaser replacement power in amounts up to 50 percent of the amount specified in the Purchaser's Firm Resources Exhibit for a resource of the type specified in subsection (2) below, under the following conditions:

(A) The date of commercial operation of such resource is delayed due to uncontrollable events by at least three months from the date of resource addition specified in the Purchaser's Firm Resources Exhibit;

(B) The Purchaser is unable to remove such Firm Resource to the extent of the delay according to the provisions of section 12;

(C) Bonneville has sufficient time to include any excess cost of such acquisition not paid by the Purchaser pursuant to this subsection (j) in its wholesale power rates for the Operating Year for which such replacement has been requested.

Such replacement acquisition shall be for the period beginning 3 months after the resource addition date specified in the Purchaser's Firm Resources Exhibit and ending either 21 months later, or on the date of commercial operation, whichever is earlier.

(2) This subsection (j) shall be applicable for a delayed Firm Resource which meets the following conditions:

(A) The firm resource is a renewable or cogeneration resource, and;

(B) The delayed portion of such resource has not been included as a 5(b)(1)(A) resource in the Purchaser's Firm Resources Exhibit or in the Firm Resources Exhibit of any other Customer with a similar power sales agreement.

(3) If the Purchaser operates automatic generation control equipment and is thereby able to schedule amounts of power to be interchanged with Bonneville, Bonneville shall schedule the hourly amounts of power Bonneville acquires on behalf of the Purchaser pursuant to paragraph (1) above to the Purchaser in accordance with the provisions of section 18. If the Purchaser does not operate automatic generation control equipment, Bonneville shall deliver such hourly amounts to the Purchaser at the Purchaser's Points of Delivery, and the Purchaser shall include such amounts in the tabulation it prepares pursuant to section 17(h).

18. Power Scheduling.

(a) All schedules between Bonneville and the Purchaser shall be submitted according to the provisions of this section and of the Power Scheduling Procedures Exhibit, as follows:

(1) All schedules of Firm Power to be made available pursuant to section 17 of this contract shall be subject to the provisions of the Power Scheduling Procedures Exhibit.

(2) All schedules of power made available under other agreements which refer to the Purchaser's power sales contract for scheduling provisions or power to be made available under this contract other than Firm Power to be made available pursuant to section 17 shall be subject to the times for submissions set out in section 1 of the Power Scheduling Procedures Exhibit.

(b) Bonneville and the Purchaser shall endeavor to avoid requesting changes in schedules hereunder. The parties shall hold deviations from schedules to a minimum and shall correct therefor as promptly as possible under conditions approximately equivalent to the conditions under which the deviation occurred. The amounts scheduled for delivery shall be deemed delivered.

(c) The Power Scheduling Procedures Exhibit may be revised from time to time as provided in this subsection. Revised exhibits shall be effective upon written agreement by Bonneville and at least 80 percent of the number of Customers operating automatic generation control equipment and designated to purchase on a Computed Requirements basis at the time of such revision. The Power Scheduling Procedures Exhibit shall be revised only in such a manner as to better effectuate the following principles:

(1) To achieve an operation of all the power generating resources of Bonneville, the Purchaser and other Customers which meets the total loads of such parties through the use of all such resources in the most efficient manner possible, as if all of such resources were operated as a single system. Assessment of most efficient operation shall include, but not be limited to, providing the required generation at the least economic and environmental costs, in the long run. To achieve this goal, the Power Scheduling Procedures Exhibit may under abnormal conditions place certain requirements on Bonneville or the Purchaser to change preschedules for the benefit of the other, but not without reasonable compensation for additional costs necessarily incurred by the party responding to such requirements.

(2) To provide both Bonneville and the Purchaser with a workable procedure which enables them to accomplish all of the complex tasks of arranging power sales, power purchases and power generation in an efficient and timely fashion.

(d) Bonneville shall separately schedule for delivery to the Purchaser during each hour in each month:

(1) The electric power and energy that the Purchaser requests Bonneville make available pursuant to section 17.

(2) The nonfirm energy and emergency and breakdown relief power requested for such hour by the Purchaser which Bonneville determines can be made available pursuant to the Nonfirm Deliveries section and the Emergency or Breakdown Relief section of the General Contract Provisions Exhibit.

(3) The electric power and energy which Bonneville is obligated to make available to the Purchaser for such hour pursuant to agreements which refer to this contract for purposes of scheduling.

(e) The Purchaser shall separately schedule for delivery to Bonneville during each hour in each month:

(1) The energy which the Purchaser is obligated to return to Bonneville pursuant to the Relief from Overrun Exhibit.

(2) The nonfirm energy and emergency and breakdown relief power requested for such hour by Bonneville which the Purchaser determines can be made available pursuant to the Nonfirm Deliveries section and the Emergency or Breakdown Relief section of the General Contract Provisions Exhibit.

(3) The electric power and energy which the Purchaser is obligated to make available to Bonneville for such hour pursuant to agreements which refer to this contract for purposes of scheduling.

19. Computed Requirements Payment for Power Sold.

(a) The determination of amounts due to Bonneville by the Purchaser and amounts due to the Purchaser by Bonneville shall be made according to the provisions of this section, the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit, the General Contract Provisions Exhibit, the Relief from Overrun Exhibit, and the Service Charges Exhibit, as such exhibits may be amended or replaced. The Wholesale Power Rate Schedules and the General Rate Schedule Provisions Exhibit shall be changed in accordance with the provisions of the Equitable Adjustment of Rates section of the General Contract Provisions Exhibit. The Relief from Overrun Exhibit shall be changed upon written agreement of Bonneville and at least 80 percent of the Purchasers to whom it is then applicable. Section I of the Service Charges Exhibit shall

apply only to charges assessed pursuant to the Relief from Overrun Exhibit. Section I of the Service Charges Exhibit shall be revised upon determination by Bonneville that any charge contained therein must be changed to properly compensate Bonneville for reasonable costs incurred by Bonneville to provide such services. Bonneville shall provide the Purchaser and other Customers with a reasonable opportunity of not less than 90 days to comment prior to the effective date of such proposed revised charges. Revised charges shall take effect on the date specified by Bonneville in its written notice to the Purchaser of its intention to revise these charges. The charges set forth in section I of the Service Charges Exhibit shall not be increased more frequently than once a year.

(b) The Purchaser shall pay Bonneville each Billing Month for all amounts described in the following paragraphs in accordance with the terms of the rate schedules specified below, the payment provisions of the General Contract Provisions Exhibit and of the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit.

(1) For Firm Power delivered hereunder in accordance with the following:

(A) If the Purchaser is a public body, cooperative or Federal Agency, payment shall be at the rate specified in the Priority Firm Power Rate Schedule for the Purchaser's Measured Demand and Measured Energy; provided, however, that, after determining the billing factors for the Firm Power delivered hereunder, the New Resource Firm Power Rate shall be substituted for the Priority Firm Power Rate Schedule for that portion of the Purchaser's billing demands, if any, identified pursuant to section 8 for service to New Large Single Loads. If the Purchaser is an investor-owned utility, payment shall

be at the rate specified in the New Resources Firm Power Rate Schedule for the Purchaser's Measured Demand and Measured Energy.

(B) If the Purchaser purchases on the basis of Actual Computed Requirements, and if the Purchaser would, due to load estimating errors, otherwise be billed for an unauthorized increase in accordance with the provisions of the Priority Firm Power Rate Schedule or New Resource Firm Power Rate Schedule, the procedures set forth in the Relief from Overrun Exhibit shall, except as provided in section 16(a), be applied for the purpose of reducing or possibly eliminating amounts due for unauthorized increases before amounts due are computed pursuant to paragraph (1)(A) above.

(C) If a portion of a Purchaser's Measured Demand for a Billing Month is being billed at the Reserve Power Rate pursuant to the Relief from Overrun Exhibit and if the billing demand for such month as specified in the applicable firm power rate is determined by a billing factor established in a previous month ("ratcheted demand"), then such billing demand shall be reduced by the lesser of the portion of the Measured Demand billed at the Reserve Power Rate or the excess of the Measured Demand over the Computed Maximum Requirement which applies to the same hour as such Measured Demand.

(D) If the Purchaser adds to its Firm Resources in the manner specified in section 12, all billing factors which are based on previous billing periods ("ratcheted demands") shall be correspondingly decreased effective on the date of resource addition as shown in the Firm Resources Exhibit in the amount by which the Purchaser's Assured Capability is increased.

(2) For any nonfirm energy delivered by Bonneville to the Purchaser hereunder at the rate specified in the Wholesale Nonfirm Energy Rate Schedule.

(3) For any Measured Demand converted to reserve power pursuant to the Relief from Oerrun Exhibit at the rate specified in the Reserve Power Rate Schedule.

(4) For any service charges assessed pursuant to the Relief from Oerrun Exhibit at the applicable charge specified in Section I of the Service Charges Exhibit.

(5) For any service charge assessed pursuant to section 13(d) at the applicable charge or charges, if any, specified in Section II of the Service Charges Exhibit.

(6) For any emergency and breakdown relief power delivered pursuant to the Emergency or Breakdown Relief section of the General Contract Provisions Exhibit at the rate agreed upon in advance of delivery by representatives of Bonneville and the Purchaser. Bonneville shall furnish a statement to the Purchaser showing such rate for the energy or power so delivered.

(7) For replacement power delivered to the Purchaser by Bonneville pursuant to section 17(j) at the rate specified in the New Resource Firm Power Rate Schedule.

(c) Bonneville shall pay the Purchaser each Billing Month for all amounts described in the following paragraphs by net billing, if possible, pursuant to the Net Billing section of the General Contract Provisions Exhibit.

(1) For any nonfirm energy delivered by the Purchaser to Bonneville pursuant to the Nonfirm Deliveries section of the General Contract Provisions Exhibit, or any emergency and breakdown relief power delivered

by the Purchaser to Bonneville pursuant to the Emergency or Breakdown Relief section of the General Contract Provisions Exhibit at the rate agreed upon in advance of delivery by representatives of the Purchaser and Bonneville. The Purchaser shall furnish a statement to Bonneville showing such rate for the energy or power so delivered.

(2) For any amounts due as payment for load curtailments as determined pursuant to section 17(e)(4).

20. Miscellaneous.

(a) Any determinations, estimates, consents, agreements or approvals under this agreement by either party shall be reasonable.

(b) Except as otherwise expressly provided to the contrary in this contract with regard to specific exhibits, the provisions of this contract may be amended only by the mutual written agreement of the parties hereto subsequent to the date of this contract. This subsection (b) shall not prevent oral waiver of performance on a temporary basis by either party or temporary, informal arrangements between the parties in response to operational conditions on the system of either party not specifically provided for in this contract.

(c) If Bonneville offers to enter into a written amendment of any other similar long-term power sales contract other than informal arrangements between the parties referred to in subsection (b) above, Bonneville shall offer to the Purchaser a corresponding amendment of this contract, to the extent such a corresponding amendment would be applicable to the Purchaser under this contract. Bonneville shall advise and use reasonable efforts to consult with the Purchaser during the development or consideration of any offer to enter into such amendments. This contract is offered pursuant to sections 5(b) and 5(g), including, but not limited to section 5(g)(7), of

P.L. 96-501, and amendments hereto shall not be construed to represent the offer of a new contract.

21. Termination of Offer. The Purchaser shall have one year from the date it receives a signed copy of this contract from Bonneville to accept this contract. Bonneville's offer to make Firm Power available to the Purchaser under the terms of this contract shall expire on such date unless Bonneville has received a signed contract from the Purchaser by such date.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in

several counterparts.

UNITED STATES OF AMERICA
Department of Energy

By *Peter T. Johnson*
Bonneville Power Administrator

PORTLAND GENERAL ELECTRIC

By *B. Lundblad*
Title President
Date AUG 27 1982

ATTEST: *J. H. [Signature]*
By *[Signature]*
Title Asst. General Counsel
Date August 27, 1982

(WP-PCI-0025c)
(8/25/81)

File received by, Bonneville: 8/27/82
Effective date: 9/30/82

EXHIBIT A

WHOLESALE POWER RATE SCHEDULES AND GENERAL RATE SCHEDULE PROVISIONS

SCHEDULE PF-1 - PRIORITY FIRM POWER RATE

SECTION 1. Availability: This schedule is available for the purchase of firm power to be used within the Pacific Northwest for resale or for direct consumption by public bodies, cooperatives, Federal agencies, and investor-owned utilities participating in the exchange under Section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act (Regional Act). This schedule supersedes Schedule EC-8 which went into effect on an interim basis on December 20, 1979.

SECTION 2. Rate:

a. Demand Charge:

(1) for the billing months December through May, Monday through Saturday, 7 a.m. through 10 p.m.: \$2.80 per kilowatt of billing demand.

(2) for the billing months June through November, Monday through Saturday, 7 a.m. through 10 p.m.: \$1.44 per kilowatt of billing demand.

(3) all other hours: No demand charge.

b. Energy Charge:

(1) for the billing months September through March: 7.4 mills per kilowatthour of billing energy.

(2) for the billing months April through August: 6.9 mills per kilowatthour of billing energy.

SECTION 3. Billing Factors: The factors to be used in determining the billing for power purchased under this rate schedule are as follows:

a. For any purchaser not designated to purchase under subsection 3(b), 3(c), or 3(d):

(1) the contract demand as specified in the contract;

(2) the measured demand for the billing month adjusted for power factor;

(3) the measured energy for the billing month.

EXHIBIT A

b. Designation of a purchaser to purchase on a computed demand basis will be according to this section unless the terms of an existing contract executed after December 5, 1980 provide otherwise. For any purchaser designated by BPA to purchase on a computed demand basis because of such purchaser's potential ability either to sell generation from its resources in such a manner as to increase BPA's obligation to deliver firm power to such purchaser in an amount in excess of BPA's obligation prior to such sale, or to redistribute the generation from its resources over time in such a manner as to cause losses of power or revenue on the Federal System; provided, however, that when a purchaser operates two or more separate systems, only those systems designated by BPA will be covered by this subsection:

- (1) the peak computed demand for the billing month;
- (2) the average energy computed demand for the billing month;
- (3) the lesser of the peak computed demand for the billing month or 60 percent of the highest peak computed demand during the previous 11 billing months;
- (4) the measured demand for the billing month adjusted for power factor;
- (5) the measured energy for the billing month;
- (6) the contract demand as specified in an agreement between a purchaser and BPA for a specified period of time.

c. For any purchaser contractually limited to an allocation of capacity and/or energy as determined by BPA pursuant to the terms of a purchaser's power sales contract:

- (1) the allocated demand for the billing month, as specified in the contract;
- (2) the measured demand for the billing month adjusted for power factor;
- (3) the allocated energy for the billing month, as specified in the contract;
- (4) the measured energy for the billing month.

d. For any purchaser participating in the exchange under Section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act:

EXHIBIT A

(1) sixty percent of the energy associated with the utility's residential load as specified in the contract for each billing period;

(2) the demand calculated by applying the load factor, determined as specified in the contract, to the energy in 3(d)(1) for each billing period.

SECTION 4. Determination of Billing Demand and Billing Energy:

a. For a purchaser governed by subsection 3(a):

(1) the billing demand for the month shall be factor 3(a)(1) or 3(a)(2), as specified in the purchaser's power sales contract, except that at such time as BPA determines that the limitation in Section 3(c) is necessary, the billing demand for the month shall be factor 3(c)(2), provided, however, that billing demand factor 3(c)(2), before adjustment for power factor, shall not exceed factor 3(c)(1).

(2) the billing energy for the month shall be factor 3(a)(3) except that at such time as BPA determines that the limitation in Section 3(c) is necessary, the billing energy shall be factor 3(c)(4), provided, however, that factor 3(c)(4) shall not exceed factor 3(c)(3).

b. For a purchaser governed by subsection 3(b):

(1) the billing demand for the month shall be the largest of factors 3(b)(3), and 3(b)(4), or 3(b)(6) if applicable. Factor 3b(4), before adjustment for power factor, shall not exceed the largest of factors 3(b)(1), 3(b)(2), or 3(b)(6) if applicable, except that at such time as BPA determines that the limitation in Section 3(c) is necessary, the billing demand for the month shall be factor 3(c)(2), provided, however, that billing demand factor 3(c)(2), before adjustment for power factor, shall not exceed factor 3(c)(1).

(2) the billing energy for the month shall be factor 3(b)(5) except that at such time as BPA determines that the limitation in Section 3(c) is necessary, the billing energy shall be factor 3(c)(4), provided, however, that factor 3(c)(4) shall not exceed factor 3(c)(3). Factor 3(b)(5) shall not exceed factor 3(b)(2) times the number of hours during such month.

c. For purchaser governed by subsection 3(d):

(1) The billing demand for the month shall be factor 3(d)(2).

(2) The billing energy for the month shall be factor 3(d)(1).

EXHIBIT A

SECTION 5. Adjustments:

a. Power Factor: The adjustment for power factor, when specified in this rate schedule or in the power sales contract, may be made by increasing the measured demand for each month by 1 percent for each 1 percent or major fraction thereof by which the average lagging power factor, or average leading power factor, at which energy is supplied during such month is less than 95 percent, such average power factor to be computed to the nearest whole percent from the formula given in Section 9.1 of the General Rate Schedule Provisions.

The adjustment for power factor may be waived in whole or in part by BPA. Unless specifically otherwise agreed, BPA may, if necessary to maintain acceptable operating conditions on the Federal System, restrict deliveries of power to a purchaser at a point of delivery or for a system at any time that the average power factor for all classes of power delivered to a purchaser at such point of delivery or for such system is below 75 percent lagging or 75 percent leading.

b. At-Site Power: At-site power purchased for consumption by a purchaser shall be used within 15 miles of the powerplant specified in the power sales contract. At least 90 percent of any at-site power purchased for resale shall be used within 15 miles of the specified powerplant.

The monthly demand charge for at-site firm power will be the monthly demand charge for priority firm power reduced by \$0.257 per kilowatt of billing demand.

At-site priority firm power is made available only for those utility customers purchasing at-site firm power under existing contracts. At-site priority firm power may be purchased by such utility customers under new contracts only until a date certain specified in such new contracts. If deliveries are made from an interconnection with the Federal System other than at one of such designated points, the purchaser shall pay an amount adequate to cover the annual cost of the facilities which would have been required to deliver such power to such point from either the generator bus at the generating plant, or from the adjacent point as designated by BPA. This use-of-facilities charge shall be in addition to the charge determined by the application of Section 2 of the Rate Schedule as reduced by the provisions of this subsection.

c. Low-Density Discount: A predetermined discount will be applied each month of a calendar year to the charges for power purchased under contracts between BPA and its customers. The amount of such discount is based on the ratio of the total annual energy requirements of the purchaser's electric operations during the preceding calendar year to the purchaser's depreciated investment in electric plant in service (excluding generating plant) at the end of such year, or the purchaser's ratio of residential consumers per mile of line. This calculation of such ratio will be made using the customer's entire system. Provided that the purchaser's

EXHIBIT A

ratio of residential consumers per mile of line does not exceed ten, this discount shall be:

(1) Seven percent if such ratio is less than 15 kilowatthours per dollar of net investment or if the number of consumers per mile of line is two or less.

(2) Five percent if such ratio is equal to or greater than 15 and less than 25 kilowatthours per dollar of net investment, or if the number of consumers per mile of line is four or less.

(3) Three percent if such ratio is equal to or greater than 25 and less than 35 kilowatthours per dollar of net investment, or if the number of consumers per mile of line is six or less.

SECTION 6. Unauthorized Increase: That portion of (a) any 60-minute clock-hour integrated demand or scheduled demand (the total amount of power scheduled to the purchaser from BPA) that cannot be assigned to a class of power which BPA delivers on such hour pursuant to contracts between BPA and the purchaser or to a type of power which the purchaser acquires from sources other than BPA which BPA delivers during such hour, or (b) the total of a purchaser's 60-minute clock-hour integrated or scheduled demands during a billing month which cannot be assigned to a class of power which BPA delivers during such month pursuant to contracts between BPA and the purchaser or to a type of power which the purchaser acquires from sources other than BPA which BPA delivers during such month, may be considered an unauthorized increase. Each 60-minute clock-hour integrated or scheduled demand shall be considered separately in determining the amount which may be considered an unauthorized increase pursuant to (a) and the total of such amounts which are in fact considered unauthorized increases shall be excluded from the total of the integrated or scheduled demands for such month in determining the amount which may be considered an unauthorized increase under (b).

The charge for an unauthorized increase shall be \$0.13 per kilowatthour.

SECTION 7. General Provisions: Sales of power under this schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the General Rate Schedule Provisions.

SCHEDULE IP-1 - WHOLESALE POWER RATE FOR INDUSTRIAL FIRM POWER

SECTION 1. Availability: This schedule is available for the purchase by existing direct-service industrial customers of industrial firm power and/or authorized increase on a contract demand basis and for auxiliary power requested by the purchaser and made available an auxiliary demand by BPA on an intermittent basis. This rate schedule supersedes

EXHIBIT A

Schedule IF-2 which went into effect on an interim basis on December 20, 1979.

SECTION 2. Rate:

a. Demand Charge:

(1) for the billing months December through May, Monday through Saturday, 7 a.m. through 10 p.m.: \$2.80 per kilowatt of billing demand.

(2) for the billing months June through November, Monday through Saturday, 7 a.m. through 10 p.m.: \$1.44 per kilowatt of billing demand.

(3) all other hours: No demand charge.

b. Energy Charge:

The greater of:

(1) for the billing months September through March: 7.4 mills per kilowatthour of billing energy; for the billing months April through August: 6.9 mills per kilowatthour of billing, or

or (2) for the billing months September through March: $[1.7 + (X/2465)]$ mills per kilowatthour of billing energy; for the billing months April through August: $[1.6 + (X/2480)]$ mills per kilowatthour of billing energy.

Where X = the actual month's cost in thousands of dollars incurred by the Administrator pursuant to Section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act.

SECTION 3. Billing Factors: The factors to be used in determining the billing for power purchased under this rate schedule are as follows:

- a. operating demand;
- b. curtailed demand;
- c. restricted demand;
- d. measured energy.

SECTION 4. Determination of Billing Demand and Billing Energy: The billing demands for industrial firm power and authorized increase, respectively, and for auxiliary power requested by the purchaser and made available by BPA as an auxiliary demand on an intermittent basis will be the lowest of the respective operating demand, curtailed demand, or restricted demand after each such demand is adjusted for power factor. The billing energy associated with each of the respective billing demands will be the

EXHIBIT A

measured energy distributed proportionately among the respective demands for each hour each such demand is applicable during the billing month.

SECTION 5. Adjustments:

a. Value of Reserves: A monthly billing credit for the value of the reserves provided by purchasers of industrial firm power shall be:

- (1) \$0.33 per kilowatt of billing demand.
- (2) 2.3 mills per kilowatthour of billing energy.

The adjustment shall be applied to the same billing factors which are used to determine the billing for power purchased under this rate schedule.

b. Power Factor: The adjustment for power factor, when specified in this rate schedule or in the power sales contract, may be made by increasing the appropriate demand (operating, curtailed, or restricted) for each month by 1 percent for 1 percent or major fraction thereof by which the average lagging power factor, or average leading power factor, at which energy is supplied during such month is less than 95 percent, such average power factor to be computed to the nearest whole percent from the formula given in Section 9.1 of the General Rate Schedule Provisions.

The adjustment for power factor may be waived in whole or in part by BPA. Unless specifically otherwise agreed, BPA may, if necessary to maintain acceptable operating conditions on the Federal System, restrict deliveries of power to a purchaser at a point of delivery or for a system at any time that the average power factor for all classes or power delivered to a purchaser at such point of delivery or for such system is below 75 percent lagging or 75 percent leading.

c. At-Site Power: At-site industrial firm power shall be used within 15 miles of the powerplant.

The monthly demand charge for at-site industrial firm power will be the monthly demand charge for industrial firm power reduced by \$0.257 per kilowatt of billing demand.

At-site industrial firm power is made available only for those industrial customers purchasing at-site industrial firm power under existing contracts. At-site industrial firm power may be purchased by such industrial customers under new contracts only until a date certain specified in such new contracts. If deliveries are made from an interconnection with the Federal System other than at one of such designated points, the purchaser shall pay an amount adequate to cover the annual cost of the facilities which would have been required to deliver such power to such point from either the generator bus at the generating plant, or from the adjacent point as designated by BPA. The use of facilities charge shall be

EXHIBIT A

in addition to the charge determined by application of Section 2 of the Rate Schedule as reduced by the provisions of this subsection.

SECTION 6. Unauthorized Increase: Any amount by which any 60-minute clock-hour integrated demand exceeds that sum of the billing demand for such hour before adjustment for power factor, plus any applicable scheduled demands which the purchaser acquires through other contracts for such hour will be assessed a charge of \$0.13 per kilowatthour.

SECTION 7. Special Conditions - Advance of Energy: BPA may elect to advance energy under terms and conditions of the purchaser's power sale contract.

SECTION 8. General Provisions: Sales of power under this schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the applicable General Rate Schedule Provisions.

SCHEDULE MP-1 - WHOLESALE POWER RATE FOR MODIFIED FIRM POWER.

SECTION 1. Availability: This schedule is available for the purchase by existing direct-service industrial customers of modified firm power on a contract demand basis for direct consumption by existing direct-service industrial customers until existing contracts terminate. This schedule is also available for the purchase of authorized increase power on a contract demand basis. This rate schedule supersedes Schedule MF-2 which went into effect on an interim basis on December 20, 1979.

SECTION 2. Rate:

a. Demand Charge:

(1) for the billing months December through May, Monday through Saturday, 7 a.m. through 10 p.m.: \$2.80 per kilowatt of billing demand.

(2) for the billing months June through November, Monday through Saturday, 7 a.m. through 10 p.m.: \$1.44 per kilowatt of billing demand.

(3) all other hours: No demand charge.

b. Energy Charge:

The greater of:

(1) for the billing months September through March: 7.4 mills per kilowatthour of billing energy; for the billing months April through August: 6.9 mills per kilowatthour of billing, or

EXHIBIT A

or (2) for the billing months September through March: $[1.7 + (X/2465)]$ mills per kilowatthour of billing energy; for the billing months April through August: $[1.6 + (X/2480)]$ mills per kilowatthour of billing energy.

Where X = the actual month's cost in thousands of dollars incurred by the Administrator pursuant to Section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act.

SECTION 3. Billing Factors: The factors to be used in determining the billing for power purchases under this rate schedule are as follows:

- a. contract demand;
- b. curtailed demand;
- c. restricted demand;
- d. measured energy.

SECTION 4. Determination of Billing Demand and Billing Energy: The billing demand for modified firm power and authorized increase, respectively, will be the lowest of the respective contract demand, curtailed demand, or restricted demand after each such demand is adjusted for power factor. The billing energy associated with each of the respective billing demands will be the measured energy distributed proportionately among the respective demands for each hour each such demand is applicable during the billing month.

SECTION 5. Adjustments:

a. **Power Factor:** The adjustment for power factor, when specified in this rate schedule or power sales contract, may be made by increasing the appropriate demand (contract, curtailed, or restricted) for each month by 1 percent for each 1 percent or major fraction thereof by which the average lagging power factor, or average leading power factor, at which energy is supplied during such month is less than 95 percent, such average power factor to be computed to the nearest whole percent from the formula given in Section 9.1 of the General Rate Schedule Provisions.

The adjustment for power factor may be waived in whole or in part by BPA. Unless specifically otherwise agreed, BPA may, if necessary to maintain acceptable operating conditions on the Federal System, restrict deliveries of power to a purchaser at a point of delivery or for a system at any time that the average power factor for all classes of power delivered to a purchaser at such point of delivery or for such system is below 75 percent lagging or 75 percent leading.

b. **At-Site Power:** At-site modified firm power shall be used within 15 miles of the powerplant.

EXHIBIT A

The monthly demand charge for at-site modified firm power will be the monthly demand charge for modified firm power reduced by \$0.257 per kilowatt of billing demand.

At-site modified firm power will be made available under existing contracts, providing for at-site modified firm power at a Federal hydroelectric generating plant or at a point adjacent thereto, and at a voltage, all as designated by BPA. If deliveries are made from an interconnection with the Federal System other than at one of such designated points, the purchaser shall pay an amount adequate to cover the annual cost of the facilities which would have been required to deliver such power to such point from either the generator bus at the generating plant, or from the adjacent point as designated by BPA. This use of facilities charge shall be in addition to the charge determined by application of Section 2 of the Rate Schedule as reduced by the provisions of this subsection.

SECTION 6. Unauthorized Increase: Any amounts by which any 60-minute clock-hour integrated demand exceeds the sum of the billing demand for such hour (before adjustment for power factor) plus any applicable scheduled demands which the purchaser acquires through other contracts for such hour will be assessed a charge of \$0.13 per kilowatthour.

SECTION 7. General Provisions: Sales of power under this schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the General Rate Schedule Provisions.

SCHEDULE CF-1 - WHOLESALE FIRM CAPACITY RATE.

SECTION 1. Availability: This schedule is available for the purchase of firm capacity without energy on a contract demand basis for supply during a contract year of 12 months, or during a contract season of 5 months, June 1 through October 31. This schedule supersedes Schedule F-7 which went into effect on an interim basis on December 20, 1979.

SECTION 2. Rate:

a. **Contract Year Service:** \$25.44 per kilowatt per year of contract demand.

b. **Contract Season Service:** \$11.76 per kilowatt per season of contract demand.

c. The capacity rate specified in subsections a. and b. above shall be increased by \$0.029 per kilowattmonth of billing demand for each hour that the purchaser's monthly demand duration exceeds nine (9) hours. The purchaser's demand duration for the month shall be determined by dividing the kilowatthours supplied under this rate schedule to a purchaser on the day of maximum kilowatthour use between the hours of 7 a.m. and

EXHIBIT A

10 p.m., excluding Sundays, by the purchaser's contract demand effective for such month. If, however, BPA does not require the delivery of peaking replacement energy by the purchaser during certain periods, the additional charge above will not be made for such periods.

SECTION 3. Billing Factors: The billing demand will be the contract demand.

SECTION 4. Special Provision: Contracts for the purchase of firm capacity under this schedule will include provisions for replacement by the purchaser of energy accompanying the delivery of such capacity.

SECTION 5. General Provisions: Sales of power under this schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the applicable General Rate Schedule Provisions.

SCHEDULE CE-1 - EMERGENCY CAPACITY RATE.

SECTION 1. Availability: This schedule is available for purchase of emergency capacity requested by a purchaser when BPA determines that an emergency condition exists on the purchaser's system and it has capacity available for such purpose. This schedule supersedes Schedule F-8 which went into effect on an interim basis on December 20, 1979.

SECTION 2. Rate: \$0.56 per kilowatt of demand per calendar week or portion thereof. For deliveries over the Pacific Northwest-Pacific Southwest intertie, made available for the account of a purchaser at the Oregon-California or the Oregon-Nevada border, the charge will be increased by \$0.22 per kilowatt per week. Bills will be rendered monthly.

SECTION 3. Billing Factors: The billing demand will be the maximum amount requested by the purchaser and made available by BPA during a calendar week, provided that if BPA is unable to meet subsequent requests by a purchaser for delivery at the demand previously established during such week, such billing demand for such week shall be the lower demand which BPA is able to supply.

SECTION 4. Special Provision: Energy delivered with such capacity shall be returned to BPA within 7 days of the date of delivery at times and rates of delivery agreed to by the purchaser and BPA prior to delivery. BPA may agree to accept delay of return energy beyond 7 days if it so agrees prior to the delivery of capacity.

SECTION 5. General Provisions: Sales of power under this schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the General Rate Schedule Provisions.

EXHIBIT A

SCHEDULE NR-1 - NEW RESOURCE FIRM POWER RATE.

SECTION 1. Availability: This schedule is available for the purchase of firm power for resale or for direct consumption by purchasers other than direct-service industrial purchasers who purchase power under rate Schedules IP-1 or MP-1.

SECTION 2. Rate:

a. Demand Charge:

(1) for the billing months December through May, Monday through Saturday, 7 a.m. through 10 p.m.: \$2.80 per kilowatt of billing demand.

(2) for the billing months June through November, Monday through Saturday, 7 a.m. through 10 p.m.: \$1.44 per kilowatt of billing demand.

(3) all other hours: No demand charge.

b. Energy Charge:

(1) for the billing months September through March: 30.8 mills per kilowatthour of billing energy.

(2) for the billing months April through August: 24.7 mills per kilowatthour of billing energy.

SECTION 3. Billing Factors: The factors to be used in determining the billing for power purchased under this rate schedule are as follows:

a. For any purchaser not designated to purchase under subsection 3(b) or 3(c):

(1) the contract demand as specified in the contract;

(2) the measured demand for the billing month adjusted for power factor;

(3) the measured energy for the billing month.

b. Designation of a purchaser to purchase on a computed demand basis will be according to this section unless the terms of an existing contract executed after December 5, 1980 provide otherwise. For any purchaser designated by BPA to purchase on a computed demand basis because of such purchaser's potential ability either to sell generation from its resources in such a manner as to increase BPA's obligation to deliver firm power to such purchaser in an amount in excess of BPA's obligation prior to such sale, or to redistribute the generation from its resources over time in

EXHIBIT A

such a manner as to cause losses of power or revenue on the Federal System; provided, however, that when a purchaser operates two or more separate systems, only those systems designated by BPA will be covered by this subsection:

- (1) the peak computed demand for the billing month;
- (2) the average energy computed demand for the billing month;
- (3) the lesser of the peak computed demand for the billing month or 60 percent of the highest peak computed demand during the previous 11 billing months;
- (4) the measured demand for the billing month adjusted for power factor;
- (5) the measured energy for the billing month;
- (6) the contract demand as specified in an agreement between a purchaser and BPA for a specified period of time.

c. For any purchaser contractually limited to an allocation of capacity and/or energy as determined by BPA pursuant to the terms of a purchaser's power sales contract:

- (1) the allocated demand for the billing month, as specified in the contract;
- (2) the measured demand for the billing month adjusted for power factor;
- (3) the allocated energy for the billing month, as specified in the contract;
- (4) the measured energy for the billing month.

SECTION 4. Determination of Billing Demand and Billing Energy:

a. For a purchaser governed by subsection 3(a):

(1) the billing demand for the month shall be factor 3(a)(1) or 3(a)(2), as specified in the purchaser's power sales contract, except that at such time as BPA determines that the limitation in Section 3(c) is necessary, the billing demand for the month shall be factor 3(c)(2), provided, however, that billing demand factor 3(c)(2), before adjustment for power factor, shall not exceed factor 3(c)(1).

(2) the billing energy for the month shall be factor 3(a)(3) except that at such time as BPA determines that the limitation in

EXHIBIT A

Section 3(c) is necessary, the billing energy shall be factor 3(c)(4), provided, however, that factor 3(c)(4) shall not exceed factor 3(c)(3).

b. For a purchaser governed by subsection 3b:

(1) the billing demand for the month shall be the largest of factors 3(b)(3), and 3(b)(4), or 3(b)(6) if applicable. Factor 3(b)(4), before adjustment for power factor, shall not exceed the largest of factors 3(b)(1), 3(b)(2), or 3(b)(6) if applicable, except that at such time as BPA determines that the limitation in Section 3(c) is necessary, the billing demand for the month shall be factor 3(c)(2), provided, however, that billing demand factor 3(c)(2), before adjustment for power factor, shall not exceed factor 3(c)(1).

(2) the billing energy for the month shall be factor 3(b)(5) except that at such time as BPA determines that the limitation in Section 3(c) is necessary, the billing energy shall be factor 3(c)(4), provided, however, that factor 3(c)(4) shall not exceed factor 3(c)(3). Factor 3(b)(5) shall not exceed factor 3(b)(2) times the number of hours during such month.

SECTION 5. Adjustments:

a. Power Factor: The adjustment for power factor, when specified in this rate schedule or in the power sales contract, may be made by increasing the measured demand for each month by 1 percent for each 1 percent or major fraction thereof by which the average lagging power factor, or average leading power factor, at which energy is supplied during such month is less than 95 percent, such average power factor to be computed to the nearest whole percent from the formula given in Section 9.1 of the General Rate Schedule Provisions.

The adjustment for power factor may be waived in whole or in part by BPA. Unless specifically otherwise agreed, BPA may, if necessary to maintain acceptable operating conditions on the Federal System, restrict deliveries of power to a purchaser at a point of delivery or for a system at any time that the average power factor for all classes of power delivered to a purchaser at such point of delivery or for such system is below 75 percent lagging or 75 percent leading.

SECTION 6. Unauthorized Increase: That portion of (a) any 60-minute clock-hour integrated demand or scheduled demand (the total amount of power scheduled to the purchaser from BPA) that cannot be assigned to a class of power which BPA delivers on such hour pursuant to contracts between BPA and the purchaser or to a type of power which the purchaser acquires from sources other than BPA which BPA delivers during such hour; or (b) the total of a purchaser's 60-minute clock-hour integrated or scheduled demands during a billing month which cannot be assigned to a class of power which BPA delivers during such month pursuant to contracts between BPA and the purchaser or to a type of power which the purchaser acquires from sources

EXHIBIT A

other than BPA which BPA delivers during such month, may be considered an unauthorized increase. Each 60-minute clock-hour integrated or scheduled demand shall be considered separately in determining the amount which may be considered an unauthorized increase pursuant to (a) and the total of such amounts which are in fact considered unauthorized increases shall be excluded from the total of the integrated or scheduled demands for such month in determining the amount which may be considered an unauthorized increase under (b).

The charge for an unauthorized increase shall be \$0.13 per kilowatthour.

SECTION 7. General Provisions: Sales of power under this Schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the General Rate Schedule Provisions.

SCHEDULE NF-1- WHOLESALE NONFIRM ENERGY RATE.

SECTION 1. Availability: This schedule is available for the purchase of nonfirm energy both inside and outside the Pacific Northwest. This schedule is also available for energy delivered for emergency use under the conditions set forth in Section 5.1 of the General Rate Schedule Provisions. This schedule is not available for the purchase of energy which BPA has a firm obligation to supply. This schedule supersedes Schedule H-6 which went into effect on an interim basis on December 20, 1979.

SECTION 2. Rate:

a. Nonfirm Energy Rate: The rate shall be the average cost of transmission which is 2.0 mills per kilowatthour, plus one of the following:

(1) the diurnally differentiated average cost of power from hydroelectric facilities, which is 4.5 mills per kilowatthour during the period Monday through Saturday, 7 a.m. through 10 p.m.; and 3.0 mills per kilowatthour for all other hours of the year, or

(2) the cost of a power purchase in mills per kilowatthour incurred since the preceding July 31, or the last time that all FCRPS reservoirs were substantially full, if they were not substantially full on that date, to the extent such purchase cost is unrecovered, or

(3) BPA's cost of other resources in mills per kilowatthour operated since the preceding July 31, or the last time that all FCRPS reservoirs were substantially full, if they were not substantially full on that date, to the extent such purchase cost is unrecovered, or

(4) a weighted average in mills per kilowatthour based on costs from the preceding categories.

EXHIBIT A

As an amount of energy associated with any given power purchase or resource is used to derive a charge for a sale of an equivalent amount of nonfirm energy, that purchase or resource cost will no longer be used to determine the rate for subsequent sales.

b. Contract Rate: For contracts which refer to this schedule for determining the value of energy, the rate is 9.6 mills per kilowatthour.

SECTION 3. Delivery: BPA shall determine the availability of energy hereunder and the rate of delivery thereof.

SECTION 4. General Provisions: Sales of energy under this schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the applicable General Rate Schedule Provisions.

SCHEDULE RP-1 - RESERVE POWER RATE

SECTION 1. Availability: This schedule is available for the purchase of:

a. firm power to meet a purchaser's unanticipated load growth as provided in a purchaser's power sales contract;

b. power for which BPA determines no other rate schedule is applicable; or

c. power to serve a purchaser's firm power loads in circumstances where BPA does not have a power sales contract in force with such purchaser, and BPA determines that this rate should be applicable. This rate schedule supersedes Schedule EC-9 which went into effect on an interim basis on December 20, 1979.

SECTION 2. Rate:

a. Demand Charge:

(1) for the billing months December through May, Monday through Saturday, 7 a.m. through 10 p.m.: \$12.57 per kilowatt of billing demand.

(2) for the billing months June through November, Monday through Saturday, 7 a.m. through 10 p.m.: \$3.47 per kilowatt of billing demand.

(3) all other hours: No demand charge.

b. Energy Charge: 62.1 mills per kilowatthour of billing energy.

EXHIBIT A

SECTION 3. Billing Factors: The factors to be used in determining the billing for power purchased under this rate schedule are as follows:

- a. the contract demand as specified in the contract;
- b. the measured demand;
- c. the contract amount of energy for the month;
- d. the measured energy for the month.

SECTION 4. Determination of Billing Demand and Billing Energy: The billing demand and billing energy shall be determined as provided in a purchaser's power sales contract. If BPA does not have a power sales contract in force with a purchaser, the billing demand and billing energy shall be the measured demand adjusted for power factor and measured energy.

SECTION 5. Unauthorized Increase: That portion of (a) any 60-minute clock-hour integrated demand or scheduled demand (the total amount of power scheduled to the purchaser from BPA) that cannot be assigned to a class of power which BPA delivers on such hour pursuant to contracts between BPA and the purchaser or to a type of power which the purchaser acquires from sources other than BPA which BPA delivers during such hour; or (b) the total of a purchaser's 60-minute clock-hour integrated or scheduled demands during a billing month which cannot be assigned to a class of power which BPA delivers during such month pursuant to contracts between BPA and the purchaser or to a type of power which the purchaser acquires from sources other than BPA which BPA delivers during such month, may be considered an unauthorized increase. Each 60-minute clock-hour integrated or scheduled demand shall be considered separately in determining the amount which may be considered an unauthorized increase pursuant to (a) and the total of such amounts which are in fact considered unauthorized increases shall be excluded from the total of the integrated or scheduled demands for such month in determining the amount which may be considered an unauthorized increase under (b).

The charge for an unauthorized increase shall be \$0.13 per kilowatthour.

SECTION 6. Adjustments.

a. **Power Factor:** The adjustment for power factor, when specified in this rate schedule or in the power sales contract, may be made by increasing the measured demand for each month by 1 percent for each 1 percent or major fraction thereof by which the average lagging power factor, or average leading power factor, at which energy is supplied during such month is less than 95 percent, such average power factor to be computed to the nearest whole percent from the formula given in Section 9.1 of the General Rate Schedule Provisions.

EXHIBIT A

The adjustment for power factor may be waived in whole or in part by BPA. Unless specifically otherwise agreed, BPA may, if necessary to maintain acceptable operating conditions on the Federal System, restrict deliveries of power to a purchaser at a point of delivery or for a system at any time that the average power factor for all classes of power delivered to a purchaser at such point of delivery or for such system is below 75 percent lagging or 75 percent leading.

SECTION 7. General Provisions: Sales of power under this Schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the General Rate Schedule Provisions.

SCHEDULE FE-1 - WHOLESALE FIRM ENERGY RATE.

SECTION 1. Availability: This schedule is available for contract purchase of firm energy, to be delivered for the uses, in the amounts, and during the period or periods specified in such contract. This schedule supersedes Schedule J-2 which went into effect on an interim basis on December 20, 1979.

SECTION 2. Rate: 10.0 mills per kilowatthour of billing energy.

SECTION 3. Billing Factors: The contract energy is the billing factor.

SECTION 4. Determination of Billing Energy: The billing energy shall be determined as provided in the purchaser's power sales contract.

SECTION 5. Delivery: Delivery of energy under this rate schedule is assured during the contract period. However, BPA may interrupt the delivery of firm energy hereunder, in whole or in part, at any time that BPA determines that BPA is unable because of system operating conditions, including lack of generation or transmission capacity, to effect such delivery.

SECTION 6. Adjustments:

a. **Power Factor:** The adjustment for power factor, when specified in this rate schedule or in the power sales contract, may be made by increasing the contract energy delivered for each month by 1 percent for each 1 percent or major fraction thereof by which the average lagging power factor, or average leading power factor, at which energy is supplied during such month is less than 95 percent, such average power factor to be computed to the nearest whole percent from the formula given in Section 9.1 of the General Rate Schedule Provisions.

The adjustment for power factor may be waived in whole or in part by BPA. Unless specifically otherwise agreed, BPA may, if necessary to

EXHIBIT A

maintain acceptable operating conditions on the Federal System, restrict deliveries of power to the purchaser at a point of delivery or for a system at any time that the average power factor for all classes of power delivered to a purchaser at such point of delivery or for such system is below 75 percent lagging or 75 percent leading.

SECTION 7. General Provisions: Sales of power under this schedule shall be subject to the provisions of the BPA Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the General Rate Schedule Provisions.

SCHEDULE SI-1 - SPECIAL INDUSTRIAL POWER RATE

SECTION 1. Availability: This schedule is available for the Hanna Nickel Smelting Company's purchase of a special class of industrial power and/or authorized increase on a contract demand basis and for additional power requested by the purchaser and made available as authorized increase by Bonneville on an intermittent basis. This rate schedule is made available pursuant to section 7(d)(2) of the Pacific Northwest Electric Power Planning and Conservation Act (Regional Act).

SECTION 2. Rate:

a. Demand Charge:

(1) For the billing months December through May, Monday through Saturday, 7 a.m. through 10 p.m.: \$2.80 per kilowatt of billing demand.

(2) For the billing months June through November, Monday through Saturday, 7 a.m. through 10 p.m.: \$1.44 per kilowatt of billing demand.

(3) All other hours: No demand charge.

b. Energy Charge:

The greater of:

(1) For the billing months September through March: 7.4 mills per kilowatthour of billing energy; for the billing months April through August: 6.9 mills per kilowatthour of billing energy; or

(2) For the billing months September through March:

[(X/2465) - 4.8] mills per kilowatthour;

for the billing months April through August:

[(X/2480) - 4.9] mills per kilowatthour

EXHIBIT A

Where X = the actual monthly costs in thousands of dollars incurred by the Administrator pursuant to section 5(c) of the Regional Act. But the energy charge is not to exceed 10.6 mills per kilowatthour in any month, excluding any surcharges that will be made applicable pursuant to provisions of the contract to recover the costs of services if conditions affecting profitability of the purchaser's operation improves.

SECTION 3. Billing Factors: The factors to be used in determining the billing for power purchased under this rate schedule are as follows:

- a. contract demand;
- b. curtailed demand;
- c. restricted demand;
- d. measured energy.

SECTION 4. Determination of Billing Demand and Billing Energy: The billing demands for this special class of industrial power and authorized increase, respectively, and for additional power requested by the purchaser and made available by Bonneville as authorized increase on an intermittent basis will be the lowest of the respective contract demand, curtailed demand, or restricted demand after each such demand is adjusted for power factor. The billing energy associated with each of the respective billing demands will be the measured energy distribute proportionately among the respective demands for each hour each such demand is applicable during the billing month.

SECTION 5. Adjustments:

a. Value of Reserves: An adjustment for the value of the reserves provided by purchasers of this special class of industrial power shall be:

- (1) \$0.33 per kilowatt of billing demand.
- (2) 2.3 mills per kilowatthour of billing energy.

The adjustment shall be applied to the same billing factors which are used to determine the billing for power purchased under this rate schedule.

b. Power Factor: The adjustment for power factor, when specified in this rate schedule or in the power sales contract, may be made by increasing the appropriate demand (operating, curtailed, or restricted) for each month by 1-percent for 1-percent or major fraction thereof by which the average lagging power factor or average leading power factor at which energy is supplied during such month is less than 95-percent, such average

EXHIBIT A

power factor to be computed to the nearest whole percent from the formula given in Section 9.1 of the General Rate Schedule Provisions.

The adjustment for power factor may be waived in whole or in part by BPA. Unless specifically otherwise agreed, BPA may, if necessary to maintain acceptable operating conditions on the Federal System, restrict deliveries of power to a purchaser at a point of delivery or for a system at any time that the average power factor for all classes of power delivered to a purchaser at such point of delivery or for such system is below 75-percent lagging or 75-percent leading.

SECTION 6. Unauthorized Increase: Any amount by which any 60-minute clock-hour integrated demand exceeds that sum of the billing demand for such hour before adjustment for power factor, plus any applicable scheduled demands which the purchaser acquires through other contracts for such hour will be assessed a charge of \$0.13 per kilowatthour.

SECTION 7. Special Conditions - Advance of Energy: BPA may elect to advance energy under terms and conditions of the purchaser's power sale contract./

SECTION 8. General Provisions: Sales of power under this schedule shall be subject to the provisions of the Bonneville Project Act, as amended, the Regional Preference Act, the Federal Columbia River Transmission System Act, the Pacific Northwest Electric Power Planning and Conservation Act, and the applicable General Rate Schedule Provisions.

EXHIBIT A

GENERAL RATE SCHEDULE PROVISIONS

SECTION 1.1. Priority and New Resource Firm Power: Priority and new resource firm power is electric power which BPA will make continuously available to a purchaser to meet its net firm load requirements within the Pacific Northwest except when restricted because the operation of generation or transmission facilities used by BPA to service such purchaser is suspended, interrupted, interfered with, curtailed, or restricted as the result of the occurrence of any condition described in the Uncontrollable Forces or Continuity of Service Sections of the General Contract Provisions of the contract. Such restriction of priority and new resource firm power shall not be made until industrial firm power has been restricted in accordance with Section 1.4 and until modified firm power has been restricted in accordance with Section 1.2.

SECTION 1.2. Modified Firm Power: Modified firm power is electric power which BPA will make continuously available to a purchaser on a contract demand basis subject to: (a) the restriction applicable to priority and new resource firm power, and (b) the following:

When a restriction is made necessary because the operation of generation or transmission facilities used by BPA to serve such purchaser and one or more priority and new resource firm power purchasers is suspended, interrupted, interfered with, curtailed, or restricted as a result of the occurrence of any condition described in the Uncontrollable Forces or Continuity of Service Sections of the General Contract Provisions of the contract BPA shall restrict such purchaser's contract demand for modified firm power to the extent necessary to prevent, if possible, or minimize restriction of any priority and new resource firm power, provided, however that:

(1) such restriction of modified firm power shall not exceed at any time 25 percent of the contract demand therefore, and

(2) the accumulation of such restrictions of modified firm power during any calendar year, expressed in kilowatthours, shall not exceed 500 times the contract demand therefor. When possible, restrictions of modified firm power will be made ratably with restrictions of industrial firm power based on the proportion that the respective contract demands bear to one another. The extent of such restrictions shall be limited for modified firm power by this subsection and for industrial firm power by the Restriction of Deliveries Section of the General Contract Provisions of the contract.

SECTION 1.3. Firm Capacity: Firm capacity is capacity which BPA assures will be available to a purchaser on a contract demand basis except when operation of generation or transmission facilities used by BPA to serve such purchaser is suspended, interrupted, interfered with, curtailed, or restricted as the result of the occurrence of any condition described in the

EXHIBIT A

Uncontrollable Forces or Continuity of Service Sections of the General Contract Provisions of the contract.

SECTION 1.4. Industrial Firm Power: Industrial firm power is electric power which BPA will make continuously available to a purchaser on a contract demand basis subject to: (a) the restriction applicable to priority and new resource firm power; and (b) the following:

(1) the restrictions given in the Restriction of Deliveries Section of the Power Sales Provisions of the contract.

(2) when a restriction is made necessary because of the operation of generation or transmission facilities used by BPA to serve such purchaser and one or more priority and new resource firm power purchasers is suspended, interrupted, interfered with, curtailed, or restricted as a result of the occurrence of any condition described in the Uncontrollable Forces or Continuity of Service Sections of the General Contract Provisions of the contract, BPA shall restrict such purchaser's operating demand for industrial firm power to the extent necessary to prevent, if possible, or minimize restriction of priority and new resource firm power. When possible, restrictions of industrial firm power will be made ratably with restrictions of modified firm power based on the proportion that the respective contract and operating demands bear to one another. The extent of such restrictions shall be limited for modified firm power by Section 1.2(b) of these General Rate Schedule Provisions and for industrial firm power by the Restrictions of Deliveries Section of the contract.

SECTION 1.5. Authorized Increase: An authorized increase is an amount of electric power specified in the contract in excess of the contract or operating demand for priority firm power, new resource firm power, modified firm power, or industrial firm power that BPA may be able to make available to the purchaser upon its request. The purchaser shall make such request in writing stating the amount of increase requested, the purpose for which it will be used, and the period for which it is needed. Such request shall be made prior to the first calendar month beginning such specified period. BPA will then determine whether such increase can be made available, but it shall retain the right to restrict the delivery of such increase if it determines at any subsequent time that such increase will no longer be available.

The purchaser may curtail an authorized increase, in whole or in part, at the end of any billing month within the period such authorized increase is to be made available.

SECTION 1.6. Firm Energy: Firm energy is energy which BPA assures will be available to a purchaser during the period or periods specified in the contract except during hours as may be specified in the contract and when the operation of the Government's facilities used to serve the purchaser are suspended, interrupted, interfered with, curtailed, or restricted by the occurrence of any condition described in the Uncontrollable Forces or

EXHIBIT A

Continuity of Service Sections of the General Contract Provisions of the contract.

SECTION 2.1. Contract Demand: The contract demand shall be the number of kilowatts that the purchaser agrees to purchase and BPA agrees to make available. BPA may agree to make deliveries at a rate in excess of the contract demand at the request of the purchaser (authorized increase), but shall not be obligated to continue such excess deliveries.

SECTION 2.2. Measured Demand:

a. The purchaser's measured demand will be determined according to this section unless the terms of a contract executed after December 5, 1980 provide otherwise.

b. Except where deliveries are scheduled as hereinafter provided, the measured demand in kilowatts shall be the largest of the 60-minute clock-hour integrated demands at which electric energy is delivered to a purchaser at each point of delivery during each time period specified in the applicable rate schedule during any billing period. Such largest 60-minute integrated demand shall be determined from measurements made as specified in the contract, or as determined in Section 3.2 herein. BPA, in determining the measured demand, will exclude any abnormal 60-minute integrated demands due to or resulting from (a) emergencies or breakdowns on, or maintenance of, the Federal System facilities; and (b) emergencies on the purchaser's facilities, provided that such facilities have been adequately maintained and prudently operated as determined by BPA. For those contracts to which BPA is a party and which provide for delivery of more than one class of electric power to the purchaser at any point of delivery, the portion of each 60-minute integrated demand assigned to any class of power shall be determined as specified in the contract. The portion of the total measured demand so assigned shall constitute the measured demand for each such class of power.

If the flow of electric energy to a purchaser's system through two or more points of delivery cannot be adequately controlled because such points are interconnected within the purchaser's system, or the purchaser's system is interconnected directly or indirectly with the Federal System, the purchaser's measured demand for each class of power for such system for any billing period shall be the largest of the hourly amounts of such class of power which are scheduled for delivery to the purchaser during each time period specified in the applicable rate schedule.

SECTION 2.3. Peak Computed Demand and Energy Computed Demand:

The purchaser's peak computed demand and energy computed demand will be determined according to this section unless terms of a contract executed after December 5, 1980 provide otherwise.

EXHIBIT A

The purchaser's peak computed demand for each billing month shall be the largest amount during such month by which the purchaser's 60-minute system demand exceeds its assured peaking capability.

The purchaser's average energy computed demand for each billing month shall be the amount during such month by which the purchaser's actual system average load exceeds its assured average energy capability.

a. General Principles:

(1) The assured peaking and average energy capability of each of the purchaser's systems shall be determined and applied separately.

(2) As used in this section, "year" shall mean the 12-month period commencing July 1.

(3) The critical period is that period, determined for the purchaser's system under adverse streamflow conditions adjusted for current water uses, assured storage operation, and appropriate operating agreements, during which the purchaser would have the maximum requirement for peaking or energy after utilizing the firm capability of all resources available to its system in such a manner as to place the least requirement for capacity and energy on BPA.

(4) Critical water conditions are those conditions of streamflow based on historical records, adjusted for current water uses, assured storage operation, and appropriate operating agreements, for the year or years which would result in the minimum capability of the purchaser's firm resources during the critical period.

(5) Prior to the beginning of each year the purchaser shall determine the assured capability of each of the purchaser's systems in terms of peaking and average energy for each month of each year or years within the critical period. The firm capability of all resources available to the purchaser's system shall be utilized in such a manner as to place the least requirement for capacity and energy on BPA. Such assured capability shall be effective after review and approval by BPA.

(6) The purchaser's assured energy capability shall be determined by shaping its firm resources to its firm load in a manner which places a uniform requirement on BPA within each year of the critical period with such requirement increasing each year not in excess of the purchaser's annual load growth.

(7) As used herein, the capability of a firm resource shall include only that portion of the total capability of such resource which the purchaser can deliver on a firm basis to its load. The capabilities of all generating facilities which are claimed as part of the purchaser's assured capability shall be determined by test or other substantiating data acceptable to BPA. BPA may require verification of the capabilities of any

EXHIBIT A

or all of the purchaser's generating facilities. Such verification will not be required more often than once each year for operating plants, or more often than once each third year for thermal plants in cold standby status, if BPA determines that adequate annual preventive maintenance is performed and the plant is capable of operating at its claimed capability.

(8) In determining assured capability, the aggregate capability of the purchaser's firm resources shall be appropriately reduced to provide adequate reserves.

b. Determination of Assured Capability: The purchaser's assured peaking and energy capabilities shall be the respective sums of the capabilities of its hydroelectric generating plants based on the most critical water conditions on the purchaser's system, the capabilities of its thermal generating plants based on the adverse fuel or other conditions reasonably to be anticipated; and the firm capabilities of other resources made available under contracts prior to the beginning of the year, after deduction of adequate reserves. Assured capabilities shall be determined for each month if the purchaser has seasonal storage. The capabilities of the purchaser's firm resources shall be determined as follows:

(1) Hydroelectric Generating Facilities: The capability of each of the purchaser's hydroelectric generating plants shall be determined in terms of both peaking and average energy using critical water conditions. The average energy capability shall be that capability which would be available under the storage operation necessary to produce the claimed peaking capability.

Seasonal storage shall mean storage sufficient to regulate all the purchaser's hydroelectric resources in such a manner that when combined with the purchaser's thermal generating facilities, if any, and with firm capacity and energy available to the purchaser under contracts, a uniform energy computed demand for a period of one (1) month or more would result.

A purchaser having seasonal storage shall, within 10 days after the end of each month in the critical period, notify BPA in writing of the assured energy capability to be applied tentatively to the preceding month; such notice shall also specify the purchaser's best estimate of its average system energy load for such month. If such notice is not submitted, or is submitted later than 10 days after the end of the month to which it applies, subject to the limitations stated herein, the assured energy capability determined for such month prior to the beginning of the year shall be applied to such month and may not be changed thereafter.

If notice has been submitted pursuant to the preceding paragraph, the purchaser shall, within 30 days after the end of the month, submit final specification of the assured energy capability to be applied to the preceding month; provided that the assured energy capability so specified shall not differ from the amount shown in the original notice by

EXHIBIT A

more than the amount by which the purchaser's actual average system energy load for such month differs from the estimate of that load shown in the original notice. If the assured energy capability for such month differs from that determined prior to the beginning of the year for such month, the purchaser, if required by BPA, shall demonstrate by a suitable regulation study based on critical water conditions that such change could actually be accomplished, and that the remaining balance of its total critical period assured energy capability could be developed without adversely affecting the firm capability of other purchaser's resources. The algebraic sum of all such changes in the purchaser's assured energy capability shall be zero at the end of the critical period or year, whichever is earlier. Appropriate adjustments in the assured peaking capability shall be made if required by any change in reservoir operation indicated by such revisions in the monthly distribution of critical period energy capability.

(2) Thermal Generating Facilities: The capability of each of the purchaser's thermal generating plants shall be determined in terms of both peaking and average energy. Such capabilities shall be based on the adverse fuel or other conditions reasonably to be anticipated. The effect of limitations on fuel supply due to war or other extraordinary situations will be evaluated at the time of occurrence.

(3) Other Sources of Power: The assured capability of other resources available to the purchaser on a firm basis under contracts shall be determined prior to each year in terms of both peaking and average energy.

c. Determination of Computed Demand: The purchaser's computed demand for each billing month shall be the greater of:

(1) The largest amount during such month by which the purchaser's actual 60-minute system demand, excluding any loads otherwise provided for in the contract, exceeds its assured peaking capability for such month, or period within such month, or

(2) The largest amount for such month, or period within such month, by which the purchaser's actual system average energy load, excluding the average energy loads otherwise provided for in the contract, exceeds its assured average energy capability.

The use of computed demands as one of the alternatives in determining billing demand is intended to assure that each purchaser who purchases power from BPA to supplement its own firm resources will purchase amounts of power substantially equivalent to the additional capacity and energy which the purchaser would otherwise have to provide on the basis of normal and prudent operations, viz, sufficient capacity and energy to carry the load through the most critical water or other conditions reasonably to be anticipated, with an adequate reserve.

EXHIBIT A

Since the computed demand depends on the relationship of capability of resources to system requirements, the computed demand for any month cannot be determined until after the end of the month. As each purchaser must estimate its own load, and is in the best position to follow its development from day to day, it will be the purchaser's responsibility to request scheduling of priority and new resource firm power, including any increase over previously established demands, on the basis estimated by the purchaser to result in the most advantageous purchase of the power to be billed at the end of the month.

SECTION 2.4. Restricted Demand: A restricted demand shall be the number of kilowatts of priority firm power, new resource firm power, modified firm power, industrial firm power, or authorized increase of any of the preceding classes of power which results when BPA has restricted delivery of such power for one (1) clock-hour or more. Such restrictions by BPA are made pursuant to the power sales contract for industrial firm power and pursuant to Section 1.1 and 1.2 of the General Rate Schedule Provisions for priority and new resource firm power and modified firm power, respectively. Such restricted demand shall be determined by BPA after the purchaser has made its determination to accept such restriction or to curtail its contract demand for the month in accordance with Section 2.5 of the General Rate Schedule Provisions.

SECTION 2.5. Curtailed Demand: A curtailed demand shall be the number of kilowatts of priority firm power, new resource firm power, modified firm power, industrial firm power, or authorized increase of any of the preceding classes of power which results from the purchaser's request for such power in amounts less than the contract demand therefor. Each purchaser of industrial firm power or modified firm power may curtail its demand in accordance with the contract. Each purchaser of an authorized increase in excess of priority firm power, new resource firm power, modified firm power, or industrial firm power may curtail its demand in accordance with Section 1.5 of the General Rate Schedule Provisions.

SECTION 3.1. Billing: Unless otherwise provided in the contract, power made available to a purchaser at more than one point of delivery shall be billed separately under the applicable rate schedule or schedules. The contract may provide for combined billing under specified conditions and terms when (a) delivery at more than one point is beneficial to BPA; or (b) the flow of power at the several points of delivery is reasonably beyond the control of the purchaser.

If deliveries at more than one point of delivery are billed on a combined basis for the convenience of the customer, a charge will be made for the diversity between the measured demands at the several points of delivery. The charge for the diversity shall be determined in a uniform manner among purchasers and shall be specified in the contract.

SECTION 3.2. Determination of Estimated Billing Data: If the purchased amounts of capacity, energy, or the 60-minute integrated demands

EXHIBIT A

for energy must be estimated from data other than metered or scheduled quantities, BPA and the purchaser will agree on billing data to be used in preparing the bill. If the parties cannot agree on estimated billing quantities, a determination binding on both parties shall be made in accordance with the arbitration provisions of the contract.

SECTION 4.1 Application of Rates during Initial Operation Period:

For an initial operating period, not in excess of 3 months, beginning with the commencement of operation of a new industrial plant, a major addition to an existing plant, or reactivation of an existing plant or important part thereof, BPA may agree (a) to bill for service to such new, additional, or reactivated plant facilities on the basis of the measured demand for each day, adjusted for power factor; or (b) if such facilities are served by a distributor purchasing power therefor from BPA to bill for that portion of such distributor's load which results from service to such facilities on the basis of the measured demand for each day, adjusted for power factor. Any rate schedule provisions regarding contract demand, billing demand, and minimum monthly charge which are inconsistent with this Section shall be inoperative during such initial operating period.

The initial operating period and the special billing provisions may, on approval by Bonneville, be extended beyond the initial 3-month period for such additional time as is justified by the developmental character of the operations.

SECTION 5.1. Energy Supplies for Emergency Use: A purchaser taking priority and/or new resource firm power shall pay in accordance with Wholesale Nonfirm Energy Rate Schedule NF-1 and Emergency Capacity Schedule CE-1 for any electric energy which has been supplied; (a) for use during an emergency on the purchaser's system; or (b) following an emergency to replace energy secured from sources other than BPA during such emergency, except that mutual emergency assistance may be provided and settled under exchange agreements.

SECTION 6.1. Billing Month: Meters will normally be read and bills computed at intervals of 1 month. A month is defined as the interval between meter-reading dates which normally will be approximately 30 days. If service is for less or more than the normal billing month, the monthly charges stated in the applicable rate schedule will be appropriately adjusted. Winter and summer periods identified in the rate schedules will begin and end with the beginning and ending of the purchaser's billing month having meter-reading dates closest to the periods so identified.

SECTION 7.1. Payment of Bills: Bills for power shall be rendered monthly and shall be payable at BPA's headquarters. Failure to receive a bill shall not release the purchaser from liability for payment. Demand and energy billings under each rate schedule application shall be rounded to whole dollar amounts, by elimination of any amount of less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

EXHIBIT A

If BPA is unable to render the purchaser a timely monthly bill which includes a full disclosure of all billing factors, it may elect to render an estimated bill for that month to be followed at a subsequent billing date by a final bill. Such estimated bill, if so issued, shall have the validity of and be subject to the same repayment provisions as shall a final bill.

Bills not paid in full on or before the close of business of the 20th day after the date of the bill shall bear an additional charge which shall be the greater of one-fourth percent (0.25%) of the amount unpaid or \$50. Thereafter a charge on one-twentieth percent (0.05%) of the sum of the initial amount remaining unpaid and the additional charge herein described shall be added on each succeeding day until the amount due is paid in full. The provisions of this paragraph shall not apply to bills rendered under contracts with other agencies of the United States.

Remittances received by mail will be accepted without assessment of the charges referred to in the preceding paragraph provided the postmark indicates the payment was mailed on or before the 20th day after the date of the bill. If the 20th day after the date of the bill is a Sunday or other nonbusiness day of the purchaser, the next following business day shall be the last day on which payment may be made to avoid such further charges. Payment made by metered mail and received subsequent to the 20th day must bear a postal department cancellation in order to avoid assessment of such further charges.

BPA may, whenever a power bill or a portion thereof remains unpaid subsequent to the 20th day after the date of the bill, and after giving 30 days advance notice in writing, cancel the contract for service to the purchaser, but such cancellation shall not affect the purchaser's liability for any charges accrued prior thereto.

SECTION 8.1. Approval of Rates: Schedules of rates and charges, or modifications thereof, for electric power sold by BPA shall become effective on a final basis after confirmation and approval by the Federal Energy Regulatory Commission. Pending the establishment of procedures by the Commission to approve rates on a final basis, the entity or entities having been designated by the Secretary of Energy prior to December 5, 1980, shall have authority to confirm and approve schedules of rates and charges on an interim basis.

SECTION 9.1. Average Power Factor: The formula for determining average power factor is as follows:

$$\text{Average Power Factor} = \frac{\text{Kilowatthours}}{\sqrt{(\text{Kilowatthours})^2 + (\text{Reactive Kilovolt-ampere-hours})^2}}$$

The data used in the above formula shall be obtained from meters which are ratcheted to prevent reverse registration.

EXHIBIT A

When deliveries to a purchaser at any point of delivery include more than one class of power or are under more than one rate schedule; and it is impracticable to separately meter the kilowatthours and reactive kilovoltamperehours for each class, the average power factor of the total deliveries for the month will be used, where applicable, as the power factor for each of the separate classes of power and rate schedules.

SECTION 10.1. Temporary Curtailment of Contract Demand: The reduction of charges for power curtailed pursuant to the purchaser's contract and Section 1.5 and 2.5 hereof shall be applied in a uniform manner.

SECTION 11.1. General Provisions: The Wholesale Rate Schedules and General Rate Schedule Provisions of the BPA Power Administration effective July 1, 1981, supersede in their entirety BPA's Wholesale Power Rate Schedule Provisions effective December 20, 1979.

(WP-PCI-0390c)

GCP Form PSC - 1

GENERAL CONTRACT PROVISIONS

Index to Sections

<u>Section</u>	<u>Page</u>
I. RELATING TO ALL PURCHASERS	
A. IN REFERENCE TO MEANING	
1. Definitions.....	1
2. Interpretation.....	4
B. IN REFERENCE TO COMPUTATION OF CHARGES	
3. Measurements.....	5
4. Adjustment for Change of Conditions.....	5
5. Adjustment for Inaccurate Metering.....	5
6. Adjustment for Unbalanced Phase Demands.....	6
7. Reducing Charges for Interruptions.....	6
C. IN REFERENCE TO RATES	
8. Equitable Adjustment of Rates.....	7
D. IN REFERENCE TO DELIVERY OF POWER	
9. Character of Service.....	15
10. Point(s) of Delivery and Delivery Voltage.....	15
11. Metered Quantities.....	15

Index to Sections (Continued)

<u>Section</u>	<u>Page</u>
12. Where Additional Facilities Required.....	15
13. Uncontrollable Forces.....	16
14. Continuity of Service.....	16
15. Delivery by Transfer.....	17
E. IN REFERENCE TO PAYMENT FOR POWER	
16. Determination of and Assignment of Measured Demand.....	18
17. Billing of Multiple Points of Delivery.....	18
18. Payment of Bills.....	19
19. Determination of Estimated Billing Data.....	20
20. Average Power Factor.....	21
F. IN REFERENCE TO USE OF POWER	
21. Changes in Requirements or Characteristics.....	21
22. Electric Disturbance.....	22
23. Harmonic Control.....	23
24. Balancing Phase Demands.....	23
G. IN REFERENCE TO FACILITIES	
25. Measurements and Installation of Meters.....	24
26. Tests of Metering Installations.....	24
27. Permits.....	24
28. Ownership of Facilities.....	25

Index to Sections (Continued)

<u>Section</u>	<u>Page</u>
29. Inspection of Facilities.....	26
30. Facilities for Maintenance of Voltage.....	26
H. MISCELLANEOUS PROVISIONS	
31. General Environmental Provision.....	27
32. Dispute Resolution and Arbitration.....	28
33. Enforcement of Rights for Benefit of Transferors.....	31
34. Net Billing.....	31
35. Contract Work Hours and Safety Standards.....	32
36. Convict Labor.....	33
37. Equal Employment Opportunity.....	33
38. Assignment of Contract.....	36
39. Waiver of Default.....	36
40. Notices and Computation of Time.....	36
41. Interest of Member of Congress.....	37
42. Priority of Pacific Northwest Customers.....	37
43. Resource Acquisition and Management.....	38
44. Cooperation with Regional Council.....	39
45. Rights of the Purchaser.....	39
II. RELATING ONLY TO PREFERENCE AGENCIES	
46. Separation of Electric Operations and Funds (All Public Agencies).....	40
47. Statement of General Policies and Practices (Cities)....	40

Index to Sections (Continued)

<u>Section</u>	<u>Page</u>
48. Approval of Contract.....	42
49. Prior Demands.....	42
 III. RELATING ONLY TO PUBLIC BODY, COOPERATIVE, FEDERAL AGENCY, AND INVESTOR-OWNED UTILITY PURCHASERS	
 A. IN REFERENCE TO COMPUTATION OF CHARGES	
50. Effect of Reduction of Contract Demand.....	43
51. Combining Deliveries Coincidentally.....	43
52. Combining Deliveries Noncoincidentally.....	44
53. Power Factor Adjustment.....	45
 B. IN REFERENCE TO PURCHASERS' OPERATING POLICIES	
54. Retail Rates.....	45
 C. IN REFERENCE TO USE OF POWER	
55. Resale of Power.....	47
 D. IN REFERENCE ONLY TO PURCHASERS WITH GENERATING FACILITIES	
56. Nonfirm Deliveries.....	47
57. Emergency or Breakdown Relief.....	48
58. Effect on Generating Utility by Direct Service	
Industrial Customer Power Sales Contract Provisions...	48

Index to Sections (Continued)

Section

Page

IV. RELATING ONLY TO DIRECT-SERVICE INDUSTRY PURCHASERS

A. IN REFERENCE TO COMPUTATION OF CHARGES

59. Demands..... 49

B. IN REFERENCE TO PURCHASE

60. Use and Resale of Power..... 49

I. RELATING TO ALL PURCHASERS

A. IN REFERENCE TO MEANING

1. Definitions. The definitions in the body of this contract and the following additional definitions apply to this exhibit.

(a) "Billing Month," when used with respect to a Direct-Service Industrial Customer, means a calendar month.

(b) "Contractor" means the Purchaser.

(c) "Direct Service Industrial Customer" means a purchaser of industrial firm power, modified firm power, or similar classes of power under contracts providing for the purchase of any such class of power directly from Bonneville.

(d) "Federal System" or "Federal System Facilities" means the facilities of the Federal Columbia River Power System, which for the purposes of this contract shall be deemed to include the generating facilities of the Government in the Pacific Northwest for which Bonneville is designated as marketing agent; the facilities of the Government under the jurisdiction of Bonneville; and any other facilities:

(1) from which Bonneville receives all or a portion of the generating capability (other than station service) for use in meeting Bonneville's loads, such facilities being included only to the extent Bonneville has the right to receive such capability; provided, however, that "Bonneville's loads" shall not include that portion of the loads of any Bonneville customer which are served by a nonfederal generating resource purchased or owned directly by such customer which may be scheduled by Bonneville;

(2) which Bonneville may use under contract, or license; or

(3) to the extent of the rights acquired by Bonneville pursuant to the Treaty, between the Government and Canada, relating to the cooperative development of water resources of the Columbia River Basin, signed in Washington, D.C., on January 17, 1961.

(e) "Federal Energy Regulatory Commission" means the Federal Energy Regulatory Commission or its successor.

(f) "Measured Demand" when used with respect to a Direct Service Industrial Purchaser means the largest of the Integrated Demands, adjusted as appropriate to the Point of Delivery, for the time periods for which there is a demand charge specified in the applicable rate schedule in the Wholesale Power Rate Schedule and General Rate Schedule Provisions Exhibit during a Billing Month.

(g) "Point(s) of Delivery" means the point(s) of delivery listed either in the Points of Delivery Exhibit to this contract or in the body of this contract.

(h) "P.L. 96-501" means the Regional Act.

(i) "Transferor" means an entity which receives Bonneville's power or energy at one point on such entity's system and makes such power or energy available at another point on its system for the account of Bonneville.

(j) "Uncontrollable Forces" means:

(1) strikes or work stoppage affecting the operation of the Purchaser's works, system, or other physical facilities or of the Federal System Facilities or the physical facilities of any Transferor upon which such operation is completely dependent; the term "strikes or work stoppage" shall be deemed to include threats of imminent strikes or work stoppage which reasonably require a party or Transferor to restrict or terminate its

operations to prevent substantial loss or damage to its works, system, or other physical facilities; or

(2) such of the following events as the Purchaser or Bonneville or any Transferor by exercise of reasonable diligence and foresight, could not reasonably have been expected to avoid:

(A) events, reasonably beyond the control of either party or any Transferor, causing failure, damage, or destruction of any works, system or facilities of such party or Transferor; the word "failure" shall be deemed to include interruption of, or interference with, the actual operation of such works, system, or facilities;

(B) floods or other conditions caused by nature which limit or prevent the operation of, or which constitute an imminent threat of damage to, any such works, system, or facilities; and

(C) orders and temporary or permanent injunctions which prevent operation, in whole or in part, of the works, system, or facilities of either party or any Transferor, and which are issued in any bona fide proceeding by:

(i) any duly constituted court of general jurisdiction; or

(ii) any administrative agency or officer, other than

Bonneville or its officers, provided by law (a) if said party or Transferor has no right to a review of the validity of such order by a court of competent jurisdiction; or (b) if such order is operative and effective unless suspended, set aside, or annulled by a court of competent jurisdiction and such order is not suspended, set aside, or annulled in a judicial proceeding

prosecuted by said party or Transferor in good faith; provided, however, that if such order is suspended, set aside, or annulled in such a judicial proceeding, it shall be deemed to be an "uncontrollable force" for the period during which it is in effect; provided, further, that said party or Transferor, shall not be required to prosecute such a proceeding, in order to have the benefits of this section, if the parties agree that there is no valid basis for contesting the order.

The term "operation" as used in this subsection shall be deemed to include construction, if construction is required to implement the contract and is specified therein.

(k) "Utility" means a party to a residential purchase and sale agreement offered pursuant to section 5(c) of P.L. 96-501 which shall also be referred to as the "Purchaser" for the purposes of this exhibit.

2. Interpretation.

(a) The provisions in this exhibit shall be deemed to be a part of the contract body to which they are an exhibit. If a provision in such contract body is in conflict with a provision contained in this exhibit, the former shall prevail.

(b) If a provision in the General Rate Schedule Provisions incorporated in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit is in conflict with a provision contained in this exhibit or the contract body, this exhibit or the contract body shall prevail.

(c) Nothing contained in this contract shall, in any manner, be construed to abridge, limit, or deprive any party hereto of any means of enforcing any

remedy, either at law or in equity, for the breach of any of the provisions of this contract which it would otherwise have.

B. IN REFERENCE TO COMPUTATION OF CHARGES

3. Measurements. Each measurement of each meter mentioned in this contract shall be the measurement automatically recorded by such meter or, at the request of either party, the measurement as mutually determined by the best available information.

If it is provided in this contract that measurements made by any of the meters specified therein are to be adjusted for losses, such adjustments shall be made by using factors, or by compensating the meters, as agreed upon by the parties hereto. If changes in conditions occur which substantially affect any such loss factor or compensation, it will be changed in a manner which will conform to such change in conditions.

4. Adjustment for Change of Conditions. Changes in conditions may occur after the date of execution of this contract which substantially affect factors required by this contract to be used in determining (a) the charge for a service or for use of facilities provided by Bonneville other than charges for the sale of electric power and energy; or (b) the amount of losses from the transmission or transformation of electric power or energy. Such factors will then be changed in an equitable manner which will conform to such changes in conditions.

5. Adjustment for Inaccurate Metering. If any meter mentioned in this contract fails to register, if the measurement made by such meter during a test

made as provided in section 26 hereof varies by more than one percent from the measurement made by the standard meter used in such test or if an error in meter reading occurs, adjustment shall be made correcting all measurements for the actual period during which such inaccurate measurements were made, if such period can be determined. If such period cannot be determined the adjustment shall be made for the period immediately preceding the test of such meter which is equal to the lesser of (a) one-half the time from the date of the last preceding test of such meter; or (b) 6 months. Such corrected measurements shall be used to recompute the amounts due from the Purchaser for the electric power and energy made available under this contract during such period and shall be used, when applicable, in future billings to the Purchaser. If the total amount due from the Purchaser for such period as recomputed varies from the total amount previously billed by Bonneville, Bonneville shall adjust the wholesale power bill(s) as soon as practicable.

6. Adjustment for Unbalanced Phase Demands. If the Purchaser fails to make promptly the changes mentioned in section 24 hereof, Bonneville may, after giving written notice one month in advance, determine that the Measured Demand of the Purchaser at the Point of Delivery in question during each month thereafter, until such changes are made, is equal to the product obtained by multiplying by three the largest of the Integrated Demands on any phase adjusted as appropriate to such point during such month.

7. Reducing Charges for Interruptions. If deliveries of electric power and energy to the Purchaser are suspended, interrupted, interfered with or curtailed due to Uncontrollable Forces on either the Purchaser's system, the Federal System or any Transferor's system, or if Bonneville or any Transferor

interrupts or reduces deliveries to the Purchaser for any of the reasons stated in section 14 hereof, the charges for power shall be appropriately reduced. Partial interruptions shall be converted to an equivalent outage of total Measured Demand. No total outage or equivalent outage of less than 30 minutes duration shall be considered for computation of such reduction in charges.

C. IN REFERENCE TO RATES

8. Equitable Adjustment of Rates.

(a) Bonneville shall establish, periodically review and revise rates for the sale and disposition of electric power, capacity or energy sold pursuant to the terms of this contract. Such rates shall be established in accordance with applicable law.

(b) As used in this section, the words "Rate Adjustment Date" mean any date as specified by Bonneville in a notice of intent to file revised rates as published in the Federal Register; provided, however, that such date shall not occur sooner than (1) nine months from the date that such notice of intent is published; or (2) twelve months from any previous Rate Adjustment Date. By giving written notice to the Purchaser 45 days prior to such Rate Adjustment Date, Bonneville may delay such Rate Adjustment Date for up to 90 days if Bonneville determines either that the revenue level of the proposed rates differs by more than five percent from the revenue requirements indicated by most recent repayment studies entered in the hearings record or that external events beyond Bonneville's control will prevent Bonneville from meeting such Rate Adjustment Date. Bonneville may cancel a notice of intent to file revised

rates at any time (1) by written notice to the Purchaser; or (2) by publishing in the Federal Register a new notice of intent to file revised rates which specifically cancels a previous notice.

(c) The Purchaser shall pay Bonneville for the electric power and energy made available under this contract during the period commencing on each Rate Adjustment Date and ending at the beginning of the next Rate Adjustment Date at the rate specified in any rate schedule available at the beginning of such period for service of the class, quality, and type provided for in this contract, and in accordance with the terms thereof, and of the General Rate Schedule Provisions as changed with, incorporated in or referred to in such rate schedule. New rates shall not be effective on any Rate Adjustment Date unless they have been approved on a final or interim basis by a governmental agency designated by law to approve Bonneville rates. Rates shall be applied in accordance with the terms thereof, the General Rate Schedule Provisions as changed with, incorporated in or referred to in such rate schedule and the terms of this contract.

(d) (1) Bonneville reserves the authority to impose a conservation surcharge as provided by section 4(f) and 7(h) of P.L. 96-501. The Purchaser shall pay the amount of any such surcharge so imposed as part of its payment to Bonneville for wholesale power.

(2) Bonneville and the Purchaser recognize that cost-effective model conservation standards are to be adopted by the Pacific Northwest Electric Power and Conservation Planning Council ("the Council") pursuant to P.L. 96-501, and that, in accordance with section 4(f) of P.L. 96-501, such standards are required to include, but are not limited to, standards

applicable to Customer and governmental conservation programs. Bonneville will make available financial assistance to implement such cost-effective standards pursuant to its obligations under section 6(a)(1) and 6(e)(1) of P.L. 96-501, and as described at page 43 of the Report of the Committee on Interior Affairs of the U.S. House of Representatives (Report No. 96-976, Part II) regarding section 4(f).

(3) Upon adoption of a methodology as provided in section 4(f)(2) and section 4(e)(3)(G) of P.L. 96-501, Bonneville will give notice of intent to adopt a rule, provide opportunity for public comment, and publish draft procedures in the Federal Register for imposing surcharges. Such rule shall include:

(A) standards to be met before Bonneville will excuse surcharges which would otherwise be appropriate, consistent with Bonneville's obligations to implement cost-effective conservation measures to the maximum extent practicable;

(B) that Bonneville will impose surcharges to the extent not excused or suspended under the terms of the rule;

(C) an opportunity for interested persons to present views, data, questions, and arguments to Bonneville relevant to the imposition of surcharges in specific instances, and the adequacy of financial assistance made available by Bonneville;

(D) that surcharges imposed will be continued to the extent and for the period projected energy savings attributable to cost-effective model conservation standards are not achieved;

(E) for recovery from the Purchaser of the additional costs (including increases in the Utility's average system cost) that Bonneville will incur because the projected energy savings attributable to model conservation standards have not been achieved, subject to the limitations set forth in sections 4(f)(1) and 4(f)(2) of P.L. 96-501; provided, however, that surcharges will not be levied as a result of an increase in a Utility's average system cost except to the extent that the Utility failed to implement conservation measures that are designed to be cost-effective for its Consumers in terms of the electric rates its Consumers pay.

(4) Nothing in this section shall waive or prejudice the right of any person or Customer to assert any of its legal rights with respect to the model conservation standards, their application, or the imposition of any surcharges.

(e) Bonneville's wholesale power rates established on any Rate Adjustment Date shall be developed consistent with the provisions of section 7 of P.L. 96-501. Bonneville shall develop in consultation with its utility Customers and shall publish by July 1, 1983, methodologies as required for implementing section 7(b)(2).

(f) Power Cost Allocations After July 1, 1985. Power cost allocations among Customer classes will follow the same methods set forth in Appendix B of the Senate Report S.885 (S. Rep. 272, 96 Cong., 1st Sess. 1979) for the period after July 1, 1985, and in the same general manner as further explained in the 1981 Bonneville wholesale power rate case by Exhibit U submitted in such rate case and the accompanying Bonneville testimony.

(g) Bonneville shall establish and apply a discount to the rate or rates of utility Customers with low system densities. The level of such discount and the standards for determining which Customers qualify for such discount shall be established pursuant to the rate adjustment process described in this section.

After five years of experience in the application of such discount, Bonneville shall review the level and standards of such discount. Such review will occur independent of the rate adjustment process, and at such time Bonneville and the Purchaser may consider an amendment to this contract to fix the level of the discount and the standards for Customer qualification for the balance of the term of this contract, or such other amendments as the parties deem appropriate. Any such amendments shall be by mutual agreement of Bonneville and the Purchaser.

(h) Individual Customer Rate Limit Under Section 7(f) of P.L. 96-501.

(1) The provisions of this subsection shall apply to any Customer from whom or on behalf of whom Bonneville has acquired a resource pursuant to section 6 of P.L. 96-501, if and to the extent such Customer purchases Firm Power from Bonneville at a rate established pursuant to section 7(f) of P.L. 96-501.

(2) The rate established pursuant to section 7(f) charged to any such Customer for an amount of Firm Power not exceeding that acquired by Bonneville from or on behalf of such Customer, exclusive of any costs allocated to such rate in accordance with sections 7(b)(3), 7(g), and 7(h) of P.L. 96-501, shall not exceed the average cost of the resources acquired by Bonneville from such Customer, exclusive of resources whose costs are

allocated by Bonneville pursuant to section 7(g) and any resources acquired under section 5(c). The average cost of such resources shall be adjusted for any additional costs such Customer would have incurred in order to provide itself the same quantity and quality of power from such resources if such resources had not been acquired by Bonneville.

(3) Bonneville shall develop a methodology for performing the adjustments required by paragraph (2) by procedures comparable to those employed in establishing the methodology referred to in subsection (e) above.

(4) Costs not recovered from any Customer because of the provisions of paragraph (2) shall be recovered from other Customers through rates established pursuant to section 7(f), to the extent that such recovery can be made without exceeding the allowable section 7(f) rates for such other Customers pursuant to paragraph (2). To the extent such recovery cannot be made without exceeding the allowable section 7(f) rates established pursuant to paragraph (2), the unrecovered balance shall be spread on a pro rata kilowatt and kilowatthour basis among all Firm Power purchased by Customers under rates established pursuant to section 7(f) and not be borne by other Customer classes under rates established pursuant to sections 7(b) and 7(c) of P.L. 96-501. The pro rata recovery shall be limited to rates established pursuant to section 7(f) and shall not increase the cost of the "other resources" specified in section 7(b)(1) of P.L. 96-501.

(i) Rates for Firm Power sold pursuant to sections 14 and 17 of the utility power sales contract shall be established in such a fashion that the Purchaser shall not be billed for Firm Power during any twelve month rate

period in excess of the amount to which the Purchaser was entitled to take during such twelve-month period.

(j) Allocation of Certain Section 7(g) Costs. Costs of uncontrollable events, including but not limited to costs of a terminated generating facility, and costs of experimental resources, in excess of the cost of cost-effective resources, shall be allocated pursuant to section 7(g) of P.L. 96-501 and shall be allocated among Customers on a uniform per kilowatt or kilowatthour basis. Beginning on July 1, 1985; such costs and other costs allocated pursuant to section 7(g) of P.L. 96-501 will be reflected in the rates charged Direct-Service Industrial Customers only to the extent they modify Bonneville's wholesale power rates to public body and cooperative Customers for power that serves such Customers' retail industrial Consumers.

(k) Bonneville's wholesale power rates shall include the amount by which the cost of resources acquired either at the request of the Purchaser pursuant to section 17(j) of the utility power sales contract or at the request of other Customers under similar power sales contracts exceed the estimated revenues Bonneville expects to recover for sale of such power pursuant to section 19(b)(1)(E) of such contract or similar power sales contracts. Such costs shall be recovered from Bonneville's Customers pursuant to section 7(g) of P.L. 96-501, as the cost of an uncontrollable event.

(l) Allocation of Exchange Resources. The energy or capacity, or both, associated with resources acquired by Bonneville pursuant to section 5(c)(2) of P.L. 96-501 shall be allocated at the cost thereof to Customers purchasing Firm Power under rates established pursuant to section 7(b) of P.L. 96-501 to the extent that the load requirements of such Customers exceed the amount of

Federal base system resources, including replacements thereto, determined to be available for ratemaking purposes. Such energy and capacity allocated to Customers purchasing Firm Power under rates established pursuant to section 7(f) of P.L. 96-501 shall be allocated at the cost thereof. The total cost of resources acquired under section 5(c) of P.L. 96-501 allocated to Direct-Service Industrial Customers purchasing power under rates established pursuant to section 7(c)(1)(A) of P.L. 96-501 shall not exceed the average costs associated with the amount of such resources determined by Bonneville to be required to serve that portion of the firm load of Direct-Service Industrial Customers not served by other resources.

(m) Revenue obtained by Bonneville through the recapture of costs associated with section 5(c)(7)(C) of P.L. 96-501 shall be equitably allocated through Bonneville's wholesale power rates to Customer classes in proportion to the respective prior payment of such costs by such classes through Bonneville's wholesale power rates.

(n) Bonneville shall consult with the Purchaser and other Customers prior to making a determination to replace reductions in the capability of the Federal base system resources and shall make such replacements in an economically prudent manner. Resources acquired as a replacement shall not be from resources purchased by Bonneville under section 5(c) of P.L. 96-501. All or a portion of a resource acquired from or on behalf of the Purchaser may be used as a replacement according to the terms specified in the resource purchase agreement. Bonneville may replace reductions in the capability of the Federal base system resources for plant delays when and to the extent needed to meet the sum of (1) Bonneville's obligation to supply Firm Power during an Operating

Year to public bodies, cooperatives and Federal agencies; and (2) Bonneville's firm contractual obligations with its other Customers in place on the effective date of P.L. 96-501 and which contracts are or would have been effective during such Operating Year.

D. IN REFERENCE TO DELIVERY OF POWER

9. Character of Service. Unless otherwise specifically provided for in the contract, electric power or energy made available pursuant to this contract shall be in the form of three-phase current, alternating at a nominal frequency of 60 hertz.

10. Point(s) of Delivery and Delivery Voltage. Electric power and energy shall be delivered to each Purchaser at the Point(s) of Delivery and at such voltage(s) as specified. Unless otherwise agreed, delivery at more than one voltage shall constitute delivery at more than one point.

11. Metered Quantities. The amount(s) of energy, Integrated Demands therefor and amount(s) of reactive energy delivered to the Point(s) of Delivery during each month shall be determined from measurements made by meters installed for such Point(s) of Delivery in the circuit specified.

12. Where Additional Facilities Required. If additional delivery point facilities must be constructed or installed to enable Bonneville to supply any increase in the Purchaser's contract demand, or in the Purchaser's requirements if Bonneville agrees by this contract to supply such requirements, Bonneville shall not be required to provide such additional facilities unless the parties mutually agree: (a) that Bonneville's providing such facilities is in

accordance with its customer service policies; (b) that reasonable utilization has been made of existing facilities; and (c) that reasonable utilization of such additional facilities will be assured. If the parties so agree, Bonneville nevertheless shall not become obligated to supply such increase in such demand or requirements until such period of time has elapsed as may be reasonably necessary to complete the installation of such additional facilities.

13. Uncontrollable Forces. Each party shall notify the other as soon as possible of any Uncontrollable Forces which may in any way affect the delivery of power hereunder. In the event the operations of either party are interrupted or curtailed due to such Uncontrollable Forces, such party shall exercise due diligence to reinstate such operations with reasonable dispatch.

14. Continuity of Service. The Purchaser, Bonneville or a Transferor may temporarily interrupt or reduce deliveries of electric power or energy if the Purchaser, Bonneville or the Transferor determines that such interruption or reduction is necessary or desirable in case of system emergencies, or in order to install equipment in, make repairs to, make replacements within, make investigations and inspections of, or perform other maintenance work on, the Purchaser's facilities, the Federal System or the Transferor's system. Except in case of emergency and in order that the Purchaser's operations will not be unreasonably interfered with, Bonneville shall give notice to the Purchaser of any such interruption or reduction, the reason therefor, and the probable duration thereof to the extent Bonneville has knowledge thereof. The Purchaser or Bonneville shall effect the use of temporary facilities or equipment to minimize the effect of any such interruption or outage to the extent reasonable or appropriate.

15. Delivery by Transfer. If it is provided in this contract that delivery to the Purchaser at any Point of Delivery will be made by transfer over the facilities of a Transferor or Transferors:

(a) Bonneville shall be obligated to make available to the Purchaser at such point only such amounts of electric power and energy as are made available to the Purchaser by such Transferor or Transferors at such point, and the obligation of Bonneville to make electric power and energy available to the Purchaser at such point shall be in all respects subject to all provisions contained in the agreement or agreements executed, or to be executed, if not already in effect, by Bonneville and such Transferor or Transferors providing for such transfer;

(b) Bonneville shall use its best efforts to effect a quality of service to the Purchaser comparable to that provided under direct service from Bonneville; and

(c) Bonneville's right to terminate deliveries at such point, under the agreement or agreements providing for such transfer, shall not be exercised while such Transferor or Transferors meet their obligations to make such deliveries under such agreement or agreements unless (1) the Purchaser consents thereto; or (2) Bonneville determines that the Purchaser's requirements for electric power and energy at such point may be adequately supplied under reasonable conditions and circumstances at another point or points (A) directly from the Federal System (B) indirectly from the facilities of another Transferor or Transferors, or (C) both.

E. IN REFERENCE TO PAYMENT FOR POWER

16. Determination of and Assignment of Measured Demand. Bonneville in determining Measured Demand shall exclude any abnormal Integrated Demand or Measured Amount due to or resulting from (a) emergencies or breakdowns on, or maintenance of, the Federal System Facilities; and (b) emergencies on the Purchaser's facilities to the extent Bonneville determines that such facilities have been adequately maintained and prudently operated.

If timely determination of Measured Demand cannot be made, such determination shall be made in accordance with section 19 below.

Where Bonneville delivers, pursuant to this or other contracts, more than one class of electric power to the Purchaser at any Point of Delivery, the portion of the Measured Demand assigned to each such class of power shall be as specified in such contracts. Any portion of Measured Demand which is not assigned to other classes of power delivered pursuant to this or other contracts shall be deemed to be a Firm Power delivery under this contract.

17. Billing At Multiple Points of Delivery. For electric power or energy made available hereunder to the Purchaser at more than one Point of Delivery, the Purchaser shall be billed for each Point of Delivery separately on a non-coincidental basis under the applicable rate schedule in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit, unless otherwise provided herein. The Points of Delivery Exhibit may provide for combined billing on a coincidental basis under specified conditions and terms either when delivery at more than one point is beneficial to Bonneville or when

the flow of power at several Points of Delivery is reasonably beyond the control of the Purchaser.

If deliveries at more than one Point of Delivery are billed on a coincidental basis for the convenience of the Purchaser, a charge shall be made for the diversity among Measured Demands at such Points of Delivery. Charges for diversity shall be specified in the Special Provisions Exhibit and determined in a uniform manner among Customers.

At any rate adjustment date after January 1, 1982, Bonneville may establish its wholesale power rate schedules applicable to this contract using Customers' coincidental peak demands as the basis for proportioning its revenue recovery. In such event all diversity factors or charges applicable to Measured Demands determined on a coincidental basis shall be invalid and appropriate factors to reduce Measured Demands determined on a non-coincidental basis shall be developed and applied.

18. Payment of Bills. Bills for power shall be rendered monthly and shall be payable at Bonneville's headquarters. Failure to receive a bill shall not release the Purchaser from liability for payment. Each calculated monetary amount in a wholesale power bill shall be rounded to a whole dollar amount, by elimination of any amount of less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

If Bonneville is unable to render the Purchaser a timely monthly bill which includes a full disclosure of all billing factors, it may elect to render an estimated bill for that month to be followed by the final bill. Such estimated bill, if so issued, shall have the validity of and be subject to the same payment provisions as shall a final bill.

Bills not paid in full on or before the date specified in the Payment of Bills section, or its successor, of the General Rate Schedule Provisions incorporated in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit shall bear additional charges as specified therein.

Remittances received by mail will be accepted without assessment of the charges referred to in the preceding paragraph provided the postmark indicates the payment was mailed on or before the 20th day after the date of the bill. If the 20th day after the date of the bill is a Sunday or other nonbusiness day of the Purchaser, the next following business day shall be the last day on which payment may be made to avoid such further charges. Payment made by metered mail and received subsequent to the 20th day must bear a postal department cancellation in order to avoid assessment of such further charges.

Bonneville may, whenever a power bill or a portion thereof remains unpaid subsequent to the 20th day after the date of the bill, and after giving 30 days advance notice in writing, cancel the contract for service to the Purchaser, but such cancellation shall not affect the Purchaser's liability for any charges accrued prior thereto.

19. Determination of Estimated Billing Data. If the amounts of power or energy which have been delivered hereunder must be estimated from data other than metered quantities, scheduled quantities or tabulations of hourly interchange prepared by the Purchaser, Bonneville and the Purchaser shall agree on estimated billing data to be used in preparing the bill.

20. Average Power Factor. The formula for determining average power factor is as follows:

$$\text{Average Power Factor} = \frac{\text{Kilowatthours}}{\sqrt{(\text{Kilowatthours})^2 + (\text{Reactive Kilovolt-ampere-hours})^2}}$$

The data used in the above formula shall be obtained from meters which are ratcheted to prevent reverse registration.

When deliveries to a Purchaser at any Point of Delivery include more than one class of power or are under more than one rate schedule, and it is impracticable to separately meter the kilowatthours and reactive kilovolt-ampere-hours for each class, the average power factor of the total deliveries for the month shall be used, where applicable, as the power factor for each of the separate classes of power and rate schedules.

F. IN REFERENCE TO USE OF POWER

21. Changes in Requirements or Characteristics. The Purchaser will, whenever possible, give reasonable notice to Bonneville of any unusual increase or decrease of its demands for electric power and energy on the Federal System, or of any unusual change in the load factor or power factor at which the Purchaser will take delivery of electric power and energy under this contract.