

FINAL—LIQUIDATED DAMAGES CLAUSE COWLITZ/NORPAC
9_15_17

6. LIQUIDATED DAMAGES FOR POWER NOT TAKEN

Starting October 1, 2017 through September 30, 2018, BPA shall assess and Cowlitz shall pay liquidated damages charges calculated by BPA pursuant to this section 6 for each megawatt hour of Cowlitz’s NORPAC Load that is in excess of the forecast of monthly NORPAC Load provided in section 6.1 below.

6.1 Monthly Load Amounts

For purposes of this section 6, Cowlitz’s NORPAC Load is defined as all load consumed at the NORPAC facilities as measured and billed by Cowlitz.

By November 10, 2017 and by the tenth day of each following month through October 10, 2018, Cowlitz shall provide BPA the actual metered monthly NORPAC Load for the prior month for BPA to use in the calculation of liquidated damages charges and amounts. The forecasted NORPAC Load megawatt hour amount for each month is established in the table below.

Forecast of Monthly NORPAC Load													
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Fiscal Year 2018													
aMW	80	80	80	80	80	80	80	80	80	80	80	80	80
MWh	59,520	57,680	59,520	59,520	53,760	59,440	57,600	59,520	57,600	59,520	59,520	57,600	700,800

6.2 Liquidated Damages Charge

BPA will calculate liquidated damages charges using the absolute value of the Load Shaping Charge True-Up Rate which is \$12.75/MWh, and which is subject to adjustment during the Rate Period in accordance with section II.E of the BP-18 Power Rate Schedules and General Rate Schedule Provisions. If the FY 2018 Load Shaping Charge True-Up rate is adjusted, then BPA will use the absolute value of the adjusted Load Shaping Charge True-Up rate for all 12 monthly liquidated damages charges when calculating the annual amount.

6.3 Monthly Liquidated Damages

BPA will calculate a liquidated damages amount for each month by multiplying the difference between the actual metered monthly NORPAC Load and the forecast of monthly NORPAC Load amounts from section 6.1 for the given month by the absolute value of the applicable Load Shaping Charge True-Up Rate. These monthly liquidated damages amounts may be positive or negative. BPA will track the total monthly liquidated damages amounts to determine the annual liquidated damages charge provided in section 6.4 below and the interim liquidated damages charge provided in section 6.5 below.

6.4 Annual Liquidated Damages Charge

The annual amount BPA will charge as a liquidated damages charge shall be the greater of \$0 or the sum of all 12 monthly liquidated damages amounts. BPA shall calculate the total annual liquidated damages charge and include such amount on Cowlitz’s October 2018 power bill that is issued in November 2018.

6.5 Interim Liquidated Damages Charge(s)

If the sum of the unbilled monthly liquidated damages amounts exceeds \$4,000,000, then BPA shall bill and Cowlitz shall pay an interim liquidated damages charge equal to the accumulated amount of the liquidated damages amounts on Cowlitz's next monthly power bill.

BPA will account for any interim liquidated damages charge(s) payment made during the year when calculating the annual liquidated damages charge on the October 2018 power bill. If the interim liquidated damages charge(s) paid by Cowlitz exceed the annual liquidated damages charge, then BPA will provide a reimbursement payment to Cowlitz in November 2018.

6.6 Limit to Liquidated Damages Charges

Liquidated damages charges are not applicable to any incremental metered NORPAC Load amounts in excess of 180 annual aMW.