## Section II. Rate

The following rates shall be applied when first quartile service is provided under this rate schedule in accordance with the terms of a purchaser's Power Sales Contract dated August 25, 1981. A separate billing adjustment for the reserves provided by the purchasers of Industrial Firm Power is not contained in this rate schedule; the value of reserves credit has been included in the determination of the demand and energy charges.

Any contractual reference to the IP Premium rate shall be deemed to refer to the demand and energy charges set forth below. Any reference to the IP Standard rate shall be deemed to refer to the same demand and energy charges minus the Discount for Quality of First Quartile Service.

#### A. Demand Charge

1. \$5.316 per kilowatt of billing demand occurring during all Peak Period hours during a billing month.

2. No demand charge during Offpeak Period hours.

#### B. Energy Charge

1. 21.90 mills per kilowatt-hour of billing energy for the billing months September through March.

2. 18.02 mills per kilowatt-hour of billing energy for the billing months April through August.

# Section III. Billing Factors

# A. Billing Demand

The billing demand shall be the BPA **Operating Level during the Peak Period** as adjusted for power factor. If there is more than one BPA Operating Level during the Peak Period within a billing month, the billing demand shall be a weighted average of the BPA Operating Levels during the Peak Period for the billing month. The BPA Operating Level is defined in section III.A.10 of the GRSPs. If BPA has agreed to serve a portion of a DSI load under an alternative rate schedule, the billing demand under the IP-95 rate schedule shall be specified in the contract initiating such arrangement.

However, if BPA has agreed, pursuant to section 4 of the DSI power sales contract, to sell Industrial Firm Power on a daily demand basis (transitional service), then BPA shall bill the purchaser in accordance with the provisions of section V.C.3 of the GRSPs.

# B. Billing Energy

The billing energy shall be the Measured Energy for the billing month, minus any kilowatt-hours on which BPA assesses the charge for unauthorized increase.

However, if BPA has agreed to serve only a portion of the DSI's load under the IP rate schedule, the billing energy for the power purchased under the IP rate shall be specified in the contract initiating such arrangement.

# Section IV. Adjustments and Special Provisions

A. Discount for Quality of First Quartile Service

1. Application and Amount of First Quartile Discount

If a purchaser requests discounted rate service, a discount of 0.72 mills per kilowatt-hour of billing energy shall be granted. This billing credit shall be applied to the monthly billing energy under section III.B for all power purchased under this rate schedule. No credit shall be applied to those purchases subject to unauthorized increase charges under section IV.D of this rate schedule.

2. Eligibility Requirements for First Quartile Discount

To qualify for the First Quartile Discount the purchaser must request discounted rate service in writing by April 2 of each calendar year. By virtue of making such request, the Purchaser is agreeing to accept the level and quality of First Quartile service described in section 6 of the Variable Industrial rate contract. Such acceptance includes the waiver of contract rights provided in section 6.a(2)(a) of said contract.

#### B. Curtailments

BPA shall charge the DSI for curtailments of the lower three quartiles in accordance with the provisions of section 9 of the power sales contract. BPA shall apply the demand charge in effect at the time of the curtailment in the computation of the amount of the curtailment charge. In the event that a purchaser is found to be eligible to have a portion of their load served under an alternative rate schedule, application of the curtailment charge shall be specified in the contract instituting such arrangement.

#### C. Unauthorized Increase

1. Rate for Unauthorized Increase

a. 100.00 mills per kilowatt-hour during billing months August through March.

b. 57.40 mills per kilowatt-hour during billing months April through July.

#### 2. Application of the Charge

During any billing month, BPA may assess the unauthorized increase charge on the number of kilowatt-hours associated with the DSI Measured Demand in any one 60-minute clockhour, before adjustment for power factor, that exceed the BPA Operating Level for that clock-hour, regardless of whether such Measured Demand occurs during the Peak or Offpeak Period.

#### D. Power Factor Adjustment

The adjustment for power factor, when specified in this rate schedule or in the power sales contract, shall be made in accordance with the provisions of both this section and section III.C.1 of the GRSPs. The adjustment shall be made if the average leading power factor or average lagging power factor at which energy is supplied during the billing month is less than 95 percent.

To make the power factor adjustment, BPA shall increase the billing demand by 1 percentage point for each percentage point or major fraction thereof (0.5 or greater) by which the average leading power factor or average lagging power factor is below 95 percent. BPA may elect to waive the adjustment for power factor in whole or in part.

#### E. Outage Credit

Pursuant to section 7 of the General Contract Provisions, BPA shall provide an outage credit to any DSI for those hours for which BPA is unable to deliver the full billing demand during that billing month due to an outage on the facilities used by BPA to deliver Industrial Firm Power. Such credit shall not be provided if BPA is able to serve the DSI's load through the use of alternative facilities or if the outage is for less than 30 minutes. The amount of the credit shall be calculated according to the provisions of section III.C.2 of the GRSPs.

#### Section V. Resource Cost Contribution

BPA has made the following determinations:

A. The approximate cost contribution of different resource categories to the IP–95 rate is 85.8 percent Exchange and 14.2 percent New Resources.

B. The forecasted average cost of resources available to BPA under average water conditions is 19.80 mills per kilowatt-hour.

C. The forecasted cost of resources to meet load growth is 60.64 mills per kilowatt-hour.