Schedule VI-95

Variable Industrial Power Rate Section I. Availability

This schedule is available to DSI customers for purchases under the Power Sales Contract implementing the VI rate schedule (Variable Rate Contract) of: (1) Industrial Firm Power: and (2) Auxiliary Power if requested by the DSI customer and made available by BPA. This schedule is available only for that portion of a DSI's load used in primary aluminum reduction including associated administrative facilities, if any. By virtue of incorporation of this rate schedule and associated GRSPs in the Variable Rate Contract, DSIs electing to purchase power under this rate schedule contractually agree to the terms and conditions of this rate schedule. A DSI further agrees to waive, for that portion of their load designated to purchase power at the VI rate, all rights they might otherwise have to purchase power at the Industrial Firm Power Rate Schedule for the duration of the Variable Rate Contract. Sales under this schedule are made subject to BPA's GRSPs.

Section II. Term of the Rate

This rate schedule shall take effect on October 1, 1995, and shall terminate at midnight September 30, 1996.

Section III. Rate

A. Base Rate

The formula to be used in the calculation of the monthly power bill is contained in section IV. A separate billing adjustment for the value of the reserves provided by 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 Plateau Energy Charge.

- 1. Base Variable Industrial Rate
- a. Demand Charge

\$6.233 per kilowatt of billing demand, as adjusted, occurring during the Peak Period during a billing month. No demand charge is applied during Offpeak Period hours.

b. Plateau Energy Charge

18.83 mills per kilowatt-hour of billing energy, as adjusted.

- 2. First Quartile Service Discount
- 0.59 mills per kilowatt-hour of billing energy.
- 3. Lower Rate Limit

15.03 mills per kilowatt-hour of billing energy.

4. Upper Rate Limit

24.63 mills per kilowatt-hour of billing energy.

B. Base Rate Parameters Subject to Annual Adjustments

The following base rate parameters shall be used to determine power bills for DSI customers purchasing power under the Variable Rate Contract. These parameters will be adjusted July 1, 1996, in accordance with the procedures contained in section VII.B of the GRSPs.

- Lower Pivot Aluminum Price
 75.4 cents per pound.
- Upper Pivot Aluminum Price91.6 cents per pound.

Section IV. Formula

The Variable Industrial Power rate is a formula rate tied to the U.S. market price of aluminum. Under this rate schedule, the monthly energy charge varies in response to changes in the average price of aluminum in U.S. markets.

A. Demand Charge

- 1. The Demand Charge, as stated in section III.A.1.a of this rate schedule, remains constant over all aluminum prices. The demand charge is applied to billing demand occurring during all Peak Period hours for all billing months.
- 2. No demand charge during Offpeak Period hours.
- B. Energy Charge

1. Plateau Energy Charge

When the monthly billing aluminum price (described in section VII.A of the GRSPs) is between the Lower Pivot Aluminum Price and the Upper Pivot Aluminum Price inclusive (as stated in sections III.B.1 and III.B.2 of this rate schedule), the monthly energy charge shall be the Plateau Energy Charge as stated in section III.A.1.b of this rate schedule.

2. Reductions to Plateau Energy Charge

When the monthly billing aluminum price is less than the Lower Pivot Aluminum Price, the monthly energy charge shall be the greater of:

a. The Plateau Energy Charge - (LP-MAP) * (LS)

where:

- LP=the Lower Pivot Aluminum Price as stated in section III.B.1 of this rate schedule.
- MAP=the monthly billing aluminum price in cents per pound determined pursuant to section VII.A of the GRSPs

LS=lower slope=1 mill per kilowatthour

1 cent per pound

or

- b. The Lower Rate Limit as stated in section III.A.3 of this rate schedule.
- 3. Increases to Plateau Energy Charge

When the monthly billing aluminum price is greater than the Upper Pivot Aluminum Price, the monthly energy charge shall be the lesser of:

a. The Plateau Energy Charge+(MAP-UP) * (US)

where:

- MAP=the monthly billing aluminum price in cents per pound, as determined according to section VII.A of the GRSPs.
- UP=the Upper Pivot Aluminum Price as stated in section III.B.2 of this rate schedule.
- US=upper slope=0.75 mills per kilowatt-hour

1 cent per pound

b. The Upper Rate Limit, as stated in section III.A.4 of this rate schedule.

Section V. Billing Factors

A. Billing Demand

1. Billing Demand for Customers Whose Entire BPA Load Is Served at the VI Rate

The billing demand for power purchased 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.

2. Billing Demand or Customers When Only a Portion of Their Total BPA Load Is Served at the Variable Rate

The Billing Demand shall be the portion of the BPA Operating Level attributable to the VI rate as determined by the method specified in the Variable Rate Contract.

3. Billing Demand During Periods of Transitional Service

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), sections V.A.1 and V.A.2 of the rate schedule shall not apply, and BPA shall bill the purchaser in accordance with the provisions of section V.C of the GRSPs.