

obligated to sell power under this rate schedule. Products available under this rate schedule are defined in BPA's General Rate Schedule Provisions (GRSPs).

A customer electing to purchase power under this rate schedule must first elect service to its entire load under either the IP-96.2 rate schedule or the IP-96.5 rate schedule. The purchaser may not purchase power under both rate schedules pursuant to the election process described in section II.E. of the GRSPs. Any variable rate established pursuant to this rate schedule will apply to the purchaser's entire load.

At the expiration of the variable rate formula, a new one can be established, or the customer may purchase power under the applicable IP rate. However, the total term of all variable rate formulas for any DSI customer shall not be longer than 2 years under the IP-96.2 rate schedule and five years under the IP-96.5 rate schedule.

This rate schedule supersedes Schedule VI-95, which went into effect on October 1, 1995. Sales under the VI-96 rate schedule are subject to BPA's General Rate Schedule Provisions. For sales under this rate schedule, bills shall be rendered and payments shall be due pursuant to BPA's Billing Procedures.

## *Section II. Rates, Billing Factors, and Adjustments*

### *A. Variable Industrial Firm Power*

#### *1. Rates*

The variable rate formula will be based on the IP rate under which the customer has elected service. The Demand Charge for the variable rate will be the same as the Demand Charge in the applicable IP rate. The Base Energy Charge will be the average annual charge that results from applying the Energy Charges and the Load Regulation charge from the applicable IP rate to the customer's forecasted load. For customers that have elected service under the IP-96.2 rate schedule, upon the expiration of such schedule the Base Energy Charge shall be such annual average charge from any subsequent Industrial Firm Power Rate Schedule under which such customer elects service.

The monthly Energy Charge varies with the price of aluminum, in the case of customers engaged in primary aluminum reduction, and with the price of nickel, in the case of customers engaged in primary nickel reduction. Individual rate formulas will be established for each customer. Each rate formula shall be such that, at the time BPA enters into a Variable Industrial Rate Contract with the individual

customer incorporating such formula, BPA has the ability to hedge the aluminum or nickel price risk inherent in such rate formula, at zero cost to BPA, by entering into transactions with one or more substantial financial institutions.

("Zero cost to BPA" means that either a) BPA will incur no cost to hedge the price risk of the variable rate, or b) BPA will recover the sum it pays to hedge the price risk of the variable rate from the applicable customer, either as a lump sum paid at the time BPA and the customer enter into the Variable Rate Contract, or over a time period no longer than the term of the variable rate formula incorporated in such contract. In the event that such sum is recovered over time, it shall bear interest at the rate payable on the Bonneville Fund in the United States Treasury at the time BPA and the customer enter into the Variable Rate Contract.)

Individual rate formulas may be established for any period from one to two years, in the case of customers purchasing power under the IP-96.2 rate schedule, and for any period from one to five years, in the case of customers purchasing power under the IP-96.5 rate schedule. At the expiration of any rate formula, a new rate formula for that customer may be established pursuant to the guidelines stated in this section, or the customer may purchase power under the applicable Industrial Firm Power rate schedule. However, the total term of all variable rate formulas for any single DSI purchaser shall not be longer than two years in the case of customers that have elected service under the IP-96.2 rate schedule, and five years in the case of customers that have elected service under the IP-96.5 rate schedule.

The monthly Energy Charge shall be based on the monthly billing aluminum or nickel price. The monthly billing aluminum or nickel price shall be the average price of aluminum or nickel, in dollars per metric ton, on the London Metal Exchange (LME) during the calendar month immediately preceding the billing month. The average price during the month shall equal the average of all official LME daily cash settlement prices during such month rounded to the nearest dollar. BPA and each customer may agree to base the monthly energy charge on the average price of aluminum or nickel during a month other than the immediately preceding month.

In the case of variable industrial rate formulas that contain pivot prices, the monthly Energy Charge shall be the Base Energy Charge when the monthly billing aluminum or nickel price is

between the Lower Pivot Aluminum or Nickel Price and the Upper Pivot Aluminum or Nickel Price inclusive. In the case of variable industrial rate formulas that do not contain pivot prices, the monthly Energy Charge shall be the Base Energy Charge when the monthly billing aluminum or nickel price equals the price established in the customer's Variable Industrial Rate Contract at which the Base Energy Charge applies.

The Lower Pivot Aluminum or Nickel Price is the aluminum or nickel price established in an individual customer's Variable Industrial Rate Contract such that the monthly energy charge decreases when the monthly billing aluminum or nickel price is below such price.

The Upper Pivot Aluminum or Nickel Price is the aluminum or nickel price established in an individual customer's Variable Industrial Rate Contract such that the monthly energy charge increases when the monthly billing aluminum or nickel price is above such price.

## *2. Billing Factors*

### *2.1. Billing Demand*

Purchaser's Demand Subscription.

### *2.2. Billing Energy*

Purchaser's Energy Subscription.

## *B. Transmission*

The transmission charge for deliveries under this rate shall be the charge for Network Integration service under the Network Integration (NT) rate or the charge for Point-to-Point service under the Point-to-Point (PTP) rate.

## *C. Adjustments, Charges, and Special Rate Provisions*

All adjustments are described in the GRSPs. The applicable sections are identified for each adjustment.

### *1. Rate Adjustments*

Rate adjustment	Section
Preschedule Change Charge .....	II.M.
Reactive Power Charge .....	II.N.
Unauthorized Increase Charge ....	II.Q.

### *2. Special Rate Provisions*

Special rate provisions	Section
Cost Contributions .....	II.B.

## **Schedule NF-96—Nonfirm Energy Rate**

### *Section I. Availability*

This schedule is available for the purchase of nonfirm energy to be used both inside and outside the United