

States including sales under the Western Systems Power Pool (WSPP) agreements and sales to consumers. BPA is not obligated to offer nonfirm energy to any purchaser that results in displacement of firm power purchases under BPA's "1981" or "1996" Power Sales Contracts. The offer of nonfirm energy under this schedule shall be determined by BPA. For purchases under this rate schedule, transmission service over FCRTS facilities shall be available at the applicable transmission rate schedule.

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

Section II. Rates, Billing Factors, and Adjustments

The average cost of nonfirm energy is 20.92 mills per kilowatt-hour. The NF-96 rate schedule provides for upward and downward pricing flexibility from this average nonfirm energy cost. All rates and any subsequent adjustments contained in this rate schedule shall not exceed in total the NF Rate Cap calculated in accordance with the methodology specified in the Adjustments, Charges, and Special Rate Provisions section of this document.

A. Rates for Nonfirm Energy

1. Standard Rate

The Standard rate is any offered rate not to exceed 25.12 mills per kilowatt-hour.

2. Market Expansion Rate

The Market Expansion rate is any offered rate below the Standard rate in effect. BPA may have one or more Market Expansion rates in effect simultaneously.

3. Incremental Rate

The Incremental Rate is the Incremental Cost of energy plus 2.00 mills per kilowatt-hour, where the Incremental Cost is defined as all identifiable costs (expressed in mills per kilowatt-hour) that BPA would have avoided had it not produced or purchased the energy being sold under this rate.

4. Contract Rate

The Contract Rate is 20.92 mills per kilowatt-hour.

B. Billing Factor for Nonfirm Energy

The billing factor for nonfirm energy purchased under this rate schedule shall

be the Measured Energy unless otherwise specified by contract.

C. Adjustments for Nonfirm Energy

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

1. Rate Adjustments

Rate adjustment	Section
Guaranteed Delivery Charge	II.G.
Preschedule Change Charge	II.M.
Reactive Power Charge	II.N.

2. Special Rate Provisions

Special rate provision	Section
Cost Contributions	II.B.
NF Rate Cap	II.J.

Section III. Determination of the Applicable NF Rate

Any time that BPA has nonfirm energy for sale, the Standard rate, the Market Expansion rate, the Incremental rate, the Contract rate, or any combination of these rates may be in effect.

A. Standard Rate

The Standard rate:
 1. is available for all purchases of nonfirm energy; and
 2. applies to nonfirm energy purchased pursuant to the Relief from Overrun Exhibit to the "1981" utility power sales contract.

B. Market Expansion Rate

1. Application of the Market Expansion Rate

The Market Expansion rate applies when BPA determines that all markets at the Standard rate have been satisfied and BPA offers additional nonfirm energy.

2. Market Expansion Rate Qualification Criteria

In order to purchase nonfirm energy at the Market Expansion rate, a purchaser must:

- a. have a displaceable resource, displaceable purchase of electricity, or
- b. be an end-user load with a displaceable alternative fuel source. In addition, a purchaser must demonstrate one of the following:

- a. shutdown or reduction of the output of the displaceable resource in an amount equal to the amount of Market Expansion rate energy purchased; or
- b. reduction of a displaceable purchase and the output of the resource associated with that purchase, in an

amount equal to the amount of Market Expansion rate energy purchased; or

- c. shutdown or reduction of the identified output of the resource(s) indirectly in an amount equal to the amount of Market Expansion rate energy purchased (for example, the purchase may be used to run a pumped storage unit); or

- d. decrease of an end-user alternate fuel source in an amount equivalent to the amount of Market Expansion rate energy purchased.

3. Eligibility Criteria for Market Expansion Rate

a. When only one Market Expansion rate is offered: Purchasers satisfying the Market Expansion Rate Qualifying Criteria specified in section III.B.2, above, who purchased nonfirm energy directly from BPA are eligible to purchase power under the Market Expansion rate offered if the decremental cost of the qualifying resource, purchase, or qualifying alternative fuel source is lower than the Standard rate in effect plus 2.00 mills per kilowatt-hour.

Purchasers qualifying under section III.B.2 who purchase nonfirm energy through a third party are eligible to purchase power under the Market Expansion rate offered if the cost of the qualifying alternative fuel source is lower than the Standard rate in effect plus 4.00 mills per kilowatt-hour.

b. When more than one Market Expansion rate is offered: Purchasers qualifying under section III.B.2 who purchase nonfirm energy directly from BPA are eligible to purchase power under the Market Expansion rate if the decremental cost of the qualifying resource, purchase, or qualifying alternative fuel source is lower than the Standard rate in effect plus 2.00 mills per kilowatt-hour. The rate applicable to a purchaser shall be the highest Market Expansion rate offered that is below the purchaser's qualifying decremental cost minus 2.00 mills per kilowatt-hour.

Purchasers qualifying under section III.B.2 who purchase nonfirm energy through a third party are eligible to purchase power under the Market Expansion rate if the decremental cost of the qualifying alternative fuel source is lower than the Standard rate plus 4.00 mills per kilowatt-hour. The rate applicable to a purchaser shall be the highest Market Expansion rate offered that is below purchaser's qualifying decremental cost minus 4.00 mills per kilowatt-hour.

C. Incremental Rate

The Incremental rate applies to sales of energy: