

data to BPA by December 31 of the calendar year in which the sales occurred. Irrigation reports to BPA shall include the following monthly information for the reporting period:

(1) Utility name and period for which the report is being made;

(2) Total irrigation sales and total qualifying irrigation energy sales (in kilowatt-hours) by month;

(3) Total qualifying irrigation sales (in kilowatt-hours) by month under 400 horsepower, for exchanging utilities;

(4) Total utility firm system requirements for other than full requirement customers by month (in kilowatt-hours);

(5) Total energy purchased from BPA under the Priority Firm or New Resource rate by month in kilowatt-hours; and

(6) The Purchaser shall list each irrigation and drainage account number in its annual report and whether each irrigation consumer is billed monthly, bimonthly, or seasonally. If the Purchaser is an exchanging utility, the Purchaser shall also identify the size (in horsepower) of the connected load for each active account. A utility may submit monthly reports, if it chooses. In that case, the active list of accounts should be included in the last monthly report submitted.

5. Coincidental Billing

Purchasers of Priority Firm Power and New Resource Firm Power shall be billed on a noncoincidental demand basis for power purchased at each point of delivery under the applicable rate schedule(s) unless the power sales contract specifically provides for coincidental demand billing among particular points of delivery. For the purpose of these rate schedules and GRSPs, the purchaser's noncoincidental demand is the sum of the highest hourly peak demands during the billing month for each of the purchaser's points of delivery. The purchaser's coincidental demand is the highest demand for the billing month calculated by summing, for each hour of every day, the purchaser's demands for power purchased under the applicable rate schedule at all coincidentally billed points of delivery. See Special Provisions Exhibits of the Power Sales Contract, GCP E 17.

6. Conservation Surcharge

The Conservation Surcharge shall be applied monthly and shall equal 10 percent of the customer's total monthly charge for all power purchased under each rate schedule subject to the surcharge. The PF and NR rate schedules are subject to the

Conservation Surcharge. If only a portion of the customer's service area is subject to the surcharge, then the amount of the surcharge shall equal 10 percent of the total charge for all power purchases multiplied by: (a) The portion of the customer's total retail load that is subject to the surcharge, divided by (b) the customer's total retail load.

D. Billing-Related Definitions

1. Peak Period

The Peak Period includes the hours from 7 a.m. through 10 p.m. on any day Monday through Saturday inclusive. There are no exceptions to this definition; that is, it does not matter whether the day is a normal working day or a holiday. Any charges based on Peak Period hours shall be computed starting with the 8 a.m. meter reading since this reading applies to the 7 o'clock hour (7 a.m. to 8 a.m.). The 10 p.m. meter reading (for the 9 p.m. to 10 p.m. period) is the last meter reading of the day applicable to the Peak Period.

2. Offpeak Period

The Offpeak Period includes all hours which do not occur during the Peak Period. Thus, the Offpeak Period consists of the hours from 10 p.m. to 7 a.m., Monday through Saturday and all hours on Sunday.

Section IV. Other Definitions

A. Computed Requirements Purchasers

1. Designation as a Computed Requirements Purchaser

A purchaser shall be designated as a computed requirements purchaser if it is so designated pursuant to the provisions of its power sales contract.

When a purchaser operates two or more separate systems, only those systems designated by BPA will be covered by this section.

2. Purpose of the Computed Requirements Designation

Use of the computed requirements designation is intended to assure that each purchaser who purchases power from BPA to supplement its own firm resources will purchase amounts of firm capacity and firm energy substantially equal to that which the purchaser would otherwise have to provide on the basis of normal and prudent operations.

The amount of capacity and energy required for normal and prudent operations shall be determined pursuant to the purchaser's power sales contract.

B. Definitions Relating to Nonfirm Energy Decremental Cost

Unless otherwise specified in a contractual arrangement, decremental

cost as applied to Nonfirm Energy transactions shall be defined as:

1. All identifiable costs (expressed in mills per kilowatt-hour) associated with the use of a displaceable thermal resource or end-user load with alternate fuel source to serve a purchaser's load that the purchaser is able to avoid by purchasing power from BPA, rather than generating the power itself or using an alternate fuel source; or

2. All identifiable costs (expressed in mills per kilowatt-hour) to serve the load of a displaceable purchase of energy that the purchaser is able to avoid by choosing not to make the alternate energy purchase.

All identifiable costs as used in the above definition may be reduced to reflect costs of purchasing BPA energy such as transmission costs, losses, or loopflow constraints that are agreed to by BPA and the purchaser.

C. NF Rate Cap

1. Application of the NF Rate Cap

The NF Rate Cap defines the maximum nonfirm energy price for general application. At no time shall the total price for nonfirm energy, including any applicable service charges or rate adjustment, sold under any applicable rate schedule exceed the NF Rate Cap. The level of the NF Rate Cap is based on a formula tied to BPA's system cost and California fuel costs. The NF Rate Cap applies to all sales of nonfirm energy under any applicable rate schedule for a 12-year period beginning October 1, 1987.

2. Monthly Notification of the NF Rate Cap

Prior to the beginning of a calendar month BPA shall perform the calculations contained in section IV.C.3 of these GRSPs to determine the effective NF Rate Cap for that calendar month. BPA is obligated to provide advance notification of the NF Rate Cap level to purchasers of nonfirm energy. BPA may waive this requirement only if BPA does not intend to offer Nonfirm Energy at prices above BPA's Average System Cost (BASC) at any time during a month. The notification will be given at least 10 calendar days prior to the first day of any calendar month in which the NF Rate Cap applies. BPA shall also maintain, on file for public review, a record of the NF Rate Cap by month throughout the period the cap is in effect.

3. NF Rate Cap Formula

The NF Rate Cap shall be equal to the greater of the following:

a. BASC; or