

$$\text{Energy Charge} = \frac{(\text{heat rate} * \text{fuel price})}{1,000} + \text{adder}$$

Heat rate = 10,000 BTU/kWh

Fuel price = Average mainline interruptible or spot market natural gas price at Sumas, Washington, in \$/MMBTU (dollars per million BTUs), for the twelve months ending the immediately preceding June 30, as published in *Inside FERC*, or, in the event that *Inside FERC* is no longer published, a similar replacement publication.

Adder = 4.75 mills/kWh, adjusted each August 1 beginning August 1, 1997, by the change in the Consumer Price Index (for all urban consumers as published by the Bureau of Labor Statistics) for Portland, Oregon, for the twelve-month period ending the immediately preceding June 30.

2. Return of Interchange Energy

The Energy Charge for Return of Interchange Energy shall be the charge in effect for initial deliveries of Interchange Energy at the time the energy being delivered as Return of Interchange Energy was delivered as an initial delivery of Interchange Energy.

B. Interchange Energy Service Charge

1. No charge for energy returned between 7:00 a.m. and 10:00 p.m., Monday through Saturday.

2. 2.50 mills per kilowatthour of energy returned at other hours, unless such energy was supplied during such other hours, or its return during such other hours was requested, in either of which events there shall be no charge.

C. Interchange Capacity Imbalances

\$2.00 per kilowatt week of demand.

D. Transfers Due to Forced Outage

1. Transfer Due to Loss of Thermal Capability

\$2.00 per kilowatt week of demand plus the greater of (a) the charge for Interchange Energy Imbalances and (b) the incremental costs of operating the resource used to supply the requested energy plus an adder of 4.00 mills per kilowatthour. The adder shall be adjusted each August 1 beginning August 1, 1997 by the change in the Consumer Price Index (for all urban consumers as published by the Bureau of Labor Statistics) for Portland, Oregon, for the twelve-month period ending the immediately preceding June 30.

2. Transfer of Emergency Capacity

\$2.00 per kilowatt week of demand plus the greater of (a) the charge for

Interchange Energy Imbalances and (b) the incremental costs of operating the resource used to supply the requested energy. In the event that BPA requires the receiving party to return the energy associated with the transfer of emergency capacity, only the demand charge shall apply.

E. Holding Interchange Energy Service Charge

1. Basic Charge

2.00 mills per kilowatthour of Holding Interchange Energy on delivery to BPA and 1.50 mills per kilowatthour of Holding Interchange Energy on return from BPA (3.50 mills per kilowatthour total). A loss of Holding Interchange Energy because of spill will result in a refund of 2.00 mills per kilowatthour of Holding Interchange Energy that is converted to Stored Energy and spilled.

2. Reshaping Charge

2.50 mills per kilowatthour of energy. This charge shall apply, in each Light Load Hour during which the energy delivered or returned is greater than the average hourly amount of energy delivered or returned that day, to the amount of energy delivered or returned during such hour that exceeds the daily hourly average. This charge applies in addition to the basic charge.

F. Stored Energy Service Charge

For the purposes of this rate, light load hours and heavy load hours shall not include any hours designated by the reservoir party as peak load hours.

1. Charges Paid on Delivery of Energy to a Reservoir Party

a. 2.00 mills per kilowatthour of energy delivered to BPA on Light Load Hours.

b. 1.00 mill per kilowatthour of energy delivered to BPA on Heavy Load Hours.

c. No charge for energy delivered to BPA on Peak Load Hours.

2. Charges Paid on Return of Energy Stored Less Than Two Weeks

a. 1.00 mill per kilowatthour of energy returned from BPA on Light Load Hours.

b. 3.50 mills per kilowatthour for energy returned from BPA on Heavy Load Hours.

c. 5.00 mills per kilowatthour for energy returned from BPA on Peak Load Hours.

3. Charges Paid on Return of Energy Stored for Two Weeks or More

a. No charge for energy returned from BPA on Light Load Hours.

b. 2.50 mills per kilowatthour for energy returned from BPA on Heavy Load Hours.

c. 4.00 mills per kilowatthour for energy returned from BPA on Peak Load Hours.

4. Charges Paid on Return of Energy in Cases of Imminent Spill

a. No charge for energy returned from BPA on Light Load Hours.

b. 2.50 mills per kilowatthour for energy returned from BPA on Heavy Load Hours.

c. 2.50 mills per kilowatthour for energy returned from BPA on Peak Load Hours.

5. Refund of Storage Charges in Cases of Spill

In the event that stored energy is not returned to a party because of spill on BPA's system, or in the event that BPA transfers the stored energy to another Reservoir Party to avoid spill and the transferred energy is later spilled, BPA will refund the charges paid under section F.1. in an amount equal to the charges paid under such section, divided by the kilowatthours of energy delivered to BPA, multiplied by the kilowatthours of stored energy that is spilled.

G. Transfers To Avoid Spill

1. No charge for stored energy transferred by a Reservoir Party to BPA in order to avoid spill.

2. The applicable Stored Energy Service charge shall apply in the event that BPA accepts the transfer of stored energy to avoid spill and then returns the stored energy to the original delivering party.

H. Transmission Service Charges

In any energy or capacity transaction that utilizes BPA transmission facilities where BPA acts solely as a transferor the following charges shall apply to both delivery and return of the energy, if applicable:

1. 1.60 mills per kilowatthour of Interchange Energy or Generation Impact Replacement Energy paid by the receiving party.

2. 1.75 mills per kilowatthour of Holding Interchange and Storage Energy paid by the party requesting the return.

3. No charge for In Lieu Energy, except when the supplying or receiving