

SCHEDULE 88
LOAD REDUCTION PROGRAM

PURPOSE

The Load Reduction Program is an optional, supplemental service that allows participating Consumers an opportunity to voluntarily reduce Electricity usage to a Company-determined level during an Emergency Curtailment as described in Rule C(1)(B) in exchange for partial exemption from Emergency Curtailments.

AVAILABLE

In all territory served by the Company but total pledges shall not exceed five percent of Company primary voltage circuits.

APPLICABLE

To an individual or a group of Large Nonresidential Consumers receiving Electricity Service under Schedules 83 and/or 583 from one or more Point(s) of Delivery but from the same dedicated primary circuit and able to reduce Baseline Usage from the primary circuit by a minimum of 15 percent. Consumers applying as a group must be represented by a Lead Consumer. A group may consist of multiple points of delivery under one Consumer name that are all located on the same primary circuit. Participation is dependent upon satisfaction of all conditions contained in this schedule.

BASELINE USAGE

The Baseline Usage is defined as the average usage for each hour for a minimum of 14 typical operational days prior to the Emergency Curtailment. Typical operational days exclude days that a Consumer has participated in either an Emergency Curtailment or a Demand Buy Back Event (Schedule 86). Holidays and weekends shall be excluded when determining the Baseline Usage except when the Emergency Curtailment includes weekends or holidays. The Consumer may request that specific days be excluded from the 14 day baseline calculation upon demonstrating to the Company's satisfaction that the specific days are not similar days. The Company and Consumer may mutually agree to use an alternate method to determine Baseline Usage when the Consumer's usage is highly variable.

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LOAD REDUCTION DETERMINATION

During an Emergency Curtailment, the individual Consumer or group of Consumers will be required to reduce Baseline Usage to a Company-determined Maximum Circuit Load (MCL). The MCL is the Consumer's or group of Consumer's Baseline Usage minus the necessary load reduction of 5, 10 or 15 percent.

The Company may choose at any time during an Emergency Curtailment to increase the load reduction percentage. Upon notification of an MCL change, the Consumer/Lead Consumer has one half hour (30 minutes) to meet the new MCL. The Company may only make one notification of an increased increment of reduction per hour.

If the Consumer is participating in Demand Buy Back Rider (Schedule 86), Baseline Usage will be determined after subtracting the Buy Back amount stipulated under that schedule. State mandated curtailments as defined under Rule K will also be subtracted before determining Baseline Usage.

LOAD REDUCTION PLAN

Participation depends upon the Company approval of a single submitted Load Reduction Plan. A renewed Plan is due annually on March 15.

A Lead Consumer will submit one Load Reduction Plan for the group of Consumers served on the same dedicated primary circuit and jointly participating. The Lead Consumer assumes responsibility for submitting the group's Load Reduction Plan, managing the load reduction and paying all noncompliance charges. The Load Reduction Plan must include the following.

- (1) Consumer or Lead Consumer's name.
- (2) A list of all other participating Consumers, their account numbers, service and mailing addresses, and contact information.
- (3) The Consumer or Lead Consumer's alphanumeric pager and facsimile numbers to be used for notification of an Emergency Curtailment.
- (4) A Company and Consumer mutually agreed upon Baseline Usage.

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- (5) An estimated MCL for the 5, 10 and 15 percent load reduction levels. The MCL for the 5 percent load reduction is equal to the Baseline Usage times 0.95; 10 percent load reduction is Baseline Usage times 0.90; 15 percent reduction is Baseline Usage times 0.85.
- (6) Specific quantifiable measures to be utilized by the Consumer to reduce load to or below each MCL.

NOTIFICATION

The Company will notify the Consumer/Lead Consumer as to the percent of load reduction needed by alphanumeric pager and/or facsimile. The Consumer/Lead Consumer is responsible for keeping the pager and facsimile functioning and able to receive notification.

Upon notification, the Lead Consumer will be responsible for contacting all other Consumers participating under that Plan. Upon notification, the Consumer or Lead Consumer will have 30 minutes to establish the determined MCL.

METERING EQUIPMENT

Consumers on a dedicated circuit with one Point of Delivery shall have load reduction compliance audited by an interval meter with remote access capacity. The Company shall install metering that records usage in 15-minute intervals. The Consumer shall provide communication service to the meter if requested by the Company. Participation under this schedule is subject to meter availability.

Consumers on a dedicated circuit with more than one Point of Delivery shall have compliance monitored from individual meters or electronic recording equipment located at Company substations. Where the circuit does not have electronic recording equipment to monitor its load, the Company shall install such equipment subject to availability. The Consumer/Lead Consumer shall provide communication service when requested by the Company.

A Consumer/Lead Consumer will not be allowed to participate in any Load Reduction Programs until the proper monitoring equipment is installed and operational.

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FAILURE TO COMPLY

Failure to meet the required MCL, to maintain the MCL for the duration of the Emergency Curtailment or to meet the required MCL within the required 30 minutes after notification will result in a noncompliance penalty. The penalty is equal to two times the baseline circuit load (BCL) on the applicable circuit, less the required MCL by hour, times the market price (MP) for power during the Emergency Curtailment as determined by an appropriate index such as the Dow Jones Mid-Columbia Daily Electricity Firm Price Index:

$$\text{Penalty} = 2[\text{MP}(\text{BCL} - \text{MCL})]$$

Such penalties will be in addition to all other Company charges for Electricity Service.

After two noncompliance penalties, the Consumer/Lead Consumer will be removed from the program. Failure to pay noncompliance penalties may result in the termination of the Consumer's/Lead Consumer's Electricity Service.

ADJUSTMENTS

Supplemental adjustment schedules are applicable to Consumers' underlying Rate Schedule and not applicable to this schedule unless approved by the Commission.

SPECIAL CONDITIONS

The Company may not be able to supply advance notice of an Emergency Curtailment. Participation in this program does not guarantee that the Consumer or group of Consumers will not be subject to outages related to maintenance, storms or system emergencies caused by natural catastrophes.

The Company is not liable for any damage to Consumer's property resulting from participation in this program.

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TERM

Service under this schedule shall be for a term of one year. Service thereafter may be extended after Company review of Consumer's/Lead Consumer's annually updated Load Reduction Plan. Consumer/Lead Consumer's decision to leave the program at any time may limit its eligibility to participate in the program in the future.

RULES AND REGULATIONS

Service and rates under this schedule are subject to all applicable General Rules and Regulations contained in the Tariff of which this schedule is a part.