

## Demand Buy Back CUSTOMER AGREEMENT

This Demand Buy Back Agreement ("Agreement") between Portland General Electric Company ("Company") having a business address of 121 SW Salmon St., Portland, Oregon 97204 and \_\_\_\_\_ ("Customer"), having a business address of \_\_\_\_\_ establishes the terms and conditions of Customer's participation in the Buy Back Events described on the attached Exhibit A (**Schedule 86 – Demand Buy Back Rider**).

1. Conditions of Service. This Agreement is subject to the conditions set forth in Schedule 86 and all applicable provisions of the Company's Tariffs, including but not limited to the Special Conditions. Schedule 86 is attached hereto as Exhibit A. All terms in this Agreement shall be given the same meaning as they have in Schedule 86. Except as otherwise provided herein, Customer shall continue to receive service under its otherwise applicable rate schedules or special contracts on file with the Oregon Public Utility Commission.
2. Baseline Usage. The Customer's Baseline Usage will be defined as the average usage for each hour for a minimum of fourteen typical operational days prior to the Buy Back Event. Typical operational days exclude days that a Customer has participated in a Buy Back Event. The Company and the Customer will agree on the typical operational days to be used to define the Baseline Usage. Holidays and weekends shall be excluded when determining the baseline usage for the Buy Back Events except where the Buy Back Event includes weekends or holidays. The Company and Customer may mutually agree to use an alternate method to determine Historical Usage when the Customer's usage is highly variable.
3. Ability to Reduce Energy. The Company and the Customer will conduct a test of the Customer's ability to reduce Energy usage prior to the Customer's participation in a Buy Back Event. The test will be conducted at the Customer's site and no payment or refund will be owed to the Customer for reduced electricity usage during the test.
4. Accounts. The Customer must list all of the accounts it wants to enroll in a Buy Back Event in the spaces provided on Exhibit B, Account Information. The Customer may not remove, add or substitute accounts without prior written approval from the Company.
5. Demand Buy Back Pledge. The Demand Buy Back Pledge is the amount of electricity the Customer commits to curtail when agreeing to participate in a Buy Back Event. The Buy Back Pledge requirement must be a reduction of no less than 250 kilowatts per meter and can vary by hour. The Customer must submit to the Company the amount of the Buy Back Pledge prior to the Buy Back Event through the specified notification method. The Customer will receive an acceptance confirmation for its pledge prior to the start of the Event. A Buy Back Pledge cannot exceed Baseline Usage and is the expected load reduction amount for the Buy Back Event.

6. Demand Buy Back Amount. The Demand Buy Back Amount shall be the difference between the Customer's Baseline Usage and the Customer's measured hourly load during the extent of the posted hours for the Buy Back Events. A participating Customer's measured load for purposes of determining a Buy Back Amount must be zero kilowatts or greater.
7. Internet Web Site. The Customer is licensed by a third party to make available to the Customer a secured Internet web site ("Web Site") for purposes of notifying the Customer about Events. The Company shall provide the Web Site address and password to the Customer upon execution of Agreement, test of ability to reduce energy, and agreement on baseline usage.
8. Price and Payment. The Buy Back Credit is the amount paid to the Customer for its Energy reduction during a Buy Back Event and is the sum of each Hourly Credit during an event. The Hourly Credit is the amount owed to the Customer for each hour of the Buy Back Event. The Hourly Credit is determined by multiplying the Buy Back Amount by the Hourly Credit Rate. The Hourly Credit Rate will be determined by subtracting the energy charge the Customer would pay on their otherwise applicable rate schedule from the Energy Price which is the quoted price posted on the Web Site. If a Customer does not achieve at least 90 percent of the Buy Back Pledge for a Single Day Event then Section 11 shall apply. If a Customer does not reduce electricity usage in accordance with its Extended Buy Back Pledge then Section 12 shall apply. The Customer will receive the Buy Back Hourly Credit in a payment separate from its electric bill within sixty days after the end of each month of the Daily Buy Back Event.
9. Confidential Information. The Company will hold all Customer information in strict confidence including, but not limited to, electricity usage, prices paid and responses. The following are exceptions and instances when the Company will release Customer information: a) at the Customer's written request b) pursuant to a subpoena from a court or agency of competent jurisdiction; and c) at the Commission's request. In the case of releases pursuant to c), the Customer shall be afforded the opportunity to obtain a protective order.
10. Exceptions to Company Payment Obligations.
  - (a) The Company will not pay the Customer for electricity reduced during any portion of a declared System Emergency as defined in Rule M of the Company's Tariff ("Rule M"). The Company and the Customer will comply with the rules specified in Rule M during a declared System Emergency. Rule M is appended as Exhibit C.
  - (b) The Company will not pay the Customer for electricity reduced during a Customer's planned maintenance period or holiday shutdown or a shutdown related to a filing for bankruptcy protection under the federal law.
11. Failure to Comply during an Single Day Buy Back Event. If a Customer's Buy Back Amount for any hour is less than 90 percent of the Customer's Buy Back Pledge, the Company may refuse to accept future pledges from the Customer until the capability to meet their pledge is demonstrated in a manner acceptable to the Company. After the third occurrence of non performance, the Company may refuse to allow the Customer to participate in future Buy Back Events.

12. Failure to Comply during an Extended Buy Back Event. If a Customer pledges, but does not reduce electricity usage in accordance with its Extended Buy Back Pledge, the Customer shall be liable to the Company for the cost of all electricity used rather than reduced for all hours that the Multi-Day Buy Back Event Pledge is not met. The cost the Customer shall pay for this electricity shall be based on the firm Dow-Jones Mid-C daily electricity price index for on-peak deliveries, plus 5% (as governed by tariff Schedule 86).
13. Liability. The Company is not responsible for any costs, damages, liabilities, claims or expenses incurred by the Customer that result from an Event or the Customer's effort to reduce electricity in response to an Event. IN NO EVENT SHALL THE COMPANY BE LIABLE TO THE CUSTOMER HERETO FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT OR OTHERWISE) UNDER OR IN RESPECT OF THIS AGREEMENT OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM THE COMPANY'S SOLE, JOINT OR CONCURRENT NEGLIGENCE.
14. Dispute Resolution. Any disputes arising under this Agreement that cannot be resolved by the parties hereto shall be submitted to the Commission for resolution in accordance with applicable statutes and rules.

THE PARTIES AGREE TO THE TERMS AND CONDITIONS CONTAINED HEREIN AS INDICATED BY THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES BELOW.

**FOR:**

**FOR:**

PORTLAND GENERAL ELECTRIC COMPANY

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Name:

Name:

Title

Title:

\_\_\_\_\_  
Date signed

\_\_\_\_\_  
Date signed

Approved as to rate: \_\_\_\_\_

Date: \_\_\_\_\_ Director, Strategic Pricing