

**SCHEDULE 86  
DEMAND BUY BACK RIDER  
NONRESIDENTIAL**

**PURPOSE**

This rider is an optional, supplemental service that allows participating Customers an opportunity to voluntarily reduce their Electricity usage in return for a payment, at times and prices determined by the Company.

**AVAILABLE**

In all territory served by the Company.

**APPLICABLE**

To qualifying Industrial, Commercial and General Service electric Customers served under Schedules 38, 83, 85, 89 and 99 who satisfy the conditions contained in this rider. Customers must execute a Demand Buy Back Agreement prior to receiving service and have the capability to reduce not less than 250 kW aggregated from one or more points of delivery for each hour during a Buy Back Event. (C)

**BUY BACK CREDIT DETERMINATION**

Energy Price

The Energy Price will be a price or prices quoted by the Company for a specified Buy Back Event, subject to requirements and other conditions described in Special Conditions.

Hourly Credit

$$\text{Buy Back Amount (kWh)} \times \text{Energy Price} = \text{Hourly Credit}$$

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 Energy Price. The Hourly Credit will not be less than zero.

Buy Back Credit

The Buy Back Credit is the amount paid to the Customer for its Electricity reduction during a Buy Back Event and is the sum of each Hourly Credit during such event (minus any amounts owed as a result of failure to comply during an Extended Buy Back Event).

**PAYMENTS**

The Company will pay the Buy Back Credit to the Customer within 60 days of the Buy Back Event.

**SCHEDULE 86 (Continued)**

**BUY BACK AMOUNT**

The Buy Back Amount will be the difference between the Customer's Baseline Usage and the Customer's measured hourly load during the term of the Buy Back Event. The Customer will participate by operating below its Baseline Usage for the length of the requested Buy Back Event. A participating Customer's measured load for purposes of determining a Buy Back Amount must be zero kW or greater. The Company at its discretion may limit the Buy Back Amount to the Buy Back Pledge.

**BASELINE USAGE**

The Customer's Baseline Usage is dynamic and is defined as the average Energy usage for each hour for a minimum of approximately 14 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 may, in collaboration with the Customer, develop an alternate method to determine Baseline Usage when the Customer's Energy usage is highly variable.

**BUY BACK PLEDGE**

The Buy Back Pledge is the amount of Energy the Customer commits to curtail when it agrees to participate in a Buy Back Event. The Buy Back Pledge must be at least 250 kW 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 Buy Back Amount for the Buy Back Event.

**NOTIFICATIONS**

The Company will utilize a secure Internet web site as the primary method to notify participants of Buy Back Events and to receive Customer notification of participation in a Buy Back Event. The Company's notification will include a time and date by which the participating Customers must submit a Buy Back Pledge. The Company will provide the Customer with access codes to the secure Internet web site. Other methods of notification such as facsimile, telephone and electronic mail, may be utilized at the discretion of the Company.

**BUY BACK EVENT**

A Buy Back Event specifies the dates, times and duration of a Company requested load reduction and will be for one or more consecutive hours. A Buy Back Event with a duration of more than 24 consecutive hours is an Extended Buy Back Event. An Extended Buy Back Event may include requirements for a single, continuous Buy Back Pledge to which the participant must comply for the duration of the event. More than one Buy Back Event may occur in one day and more than one Buy Back Event may be in effect simultaneously.

**SCHEDULE 86 (Continued)**

**BUYBACK EVENT (Continued)**

The Company is not obligated to call a Buy Back Event, and the Customer is not obligated to reduce Energy upon being advised of a Buy Back Event. The Company will not be liable for failure to advise a Customer of a Buy Back Event.

**FAILURE TO COMPLY WITH BUY BACK PLEDGE**

Single Day Buy Back Event

If a Customer's Buy Back Amount for any hour is less than 90% 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.

Extended Buy Back Event

If a Customer's actual Buy Back Amount for any hour of an Extended Buy Back Event (as defined in Special Condition 3 below) is less than the Buy Back Pledge, the Customer will pay to the Company an amount equal to the applicable Dow Jones Mid-Columbia Daily Electricity Firm On-Peak Price Index, plus 5%, multiplied by the difference between the Buy Back Pledge and the actual hourly Buy Back Amount for all of the hours during the Extended Buy Back Event that the pledge is not met. The Company may for any Extended Buy Back Event establish other lesser consequences for noncompliance.

**SPECIAL CONDITIONS**

1. The Customer and Company must execute a Demand Buy Back Agreement prior to receiving service on this rider.
2. The Customer may not participate in this rider until the Company has installed metering that records usage in 15 minute intervals. The Customer will provide communication service to the meter if requested by the Company. Service under this rider is subject to meter availability.
3. The Company is not responsible for any load reduction that has not been confirmed and accepted by the Company.
4. The Company is not responsible for any consequences to the participating Customer that result from a Buy Back Event or the Customer's effort to reduce Energy in response to a Buy Back Event.
5. This schedule is not applicable when the Company requests or initiates load interruptions affecting a Customers meter for a system emergency.

**SCHEDULE 86 (Concluded)**

SPECIAL CONDITIONS (Continued)

6. The Company may utilize a third party to provide program management support for this rider. The Company has the right to provide the Customer's Energy consumption data to a third party for the purpose of providing service under this rider. Such information will be provided to a third party subject to confidentiality requirements.
7. The Company may quote a separate Energy Price for Customers that shift load in conjunction with a Buy Back Event. Load shifting is the change in a Customer's Energy usage during non-Buy Back Event hours to compensate for reduced Energy usage during the Buy Back Event. For purposes of this rider, load shifting occurs when the Customer's Energy usage during the 24 hours preceding or following a Buy Back Event (or any day of an extended Buy Back Event) increases from the applicable hourly Baseline Usage by more than 50% of the Buy Back Amount.
8. The Company and the Customer will test the Customer's ability to reduce Energy usage prior to the Customer's participation in a Buy Back Event.
9. If a Customer takes service under a direct access schedule (when available), it is no longer eligible to participate in this rider.
10. Should an error occur in the calculation of the Buy Back Credit or any of the underlying components, the Company will provide written notice to the Customer detailing the circumstances and amount of adjustment. The Customer will return the overpayment to the Company or the Company will pay the underpayment to the Customer, as applicable, within a period of time agreed to by the Customer and the Company after notice has been given.
11. The Company will not cancel or shorten the duration of a Buy Back Event once notification has been given.

**TERM**

Service under this schedule will not be for less than a one-year term.