

SCHEDULE 88 LOAD REDUCTION PROGRAM

PURPOSE

The Load Reduction Program is an optional, supplemental service that allows participating Customers an opportunity to voluntarily reduce Electricity usage to a Company-determined level during an Emergency Curtailment as described in Rule C(2)(B) in exchange for partial exemption from Emergency Curtailments.

AVAILABLE

In all territory served by the Company but total pledges will not exceed 5% of Company primary voltage circuits.

APPLICABLE

To an individual or a group of Large Nonresidential Customers receiving Electricity Service under Schedules 83, 85, 89, 485, 489, 583, 585 and/or 589 from one or more Point(s) of Delivery (PODs) but from the same dedicated primary circuit and able to reduce Baseline Usage from the primary circuit by a minimum of 15%. Customers applying as a group must be represented by a Lead Customer. A group may consist of multiple PODs under one Customer name that are all located on the same primary circuit. Participation is dependent upon satisfaction of all conditions contained in this schedule.

(C)

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 Customer has participated in either an Emergency Curtailment or a Demand Buy Back Event (Schedule 86). Holidays and weekends will be excluded when determining the Baseline Usage except when the Emergency Curtailment includes weekends or holidays. The Customer 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 Customer may mutually agree to use an alternate method to determine Baseline Usage when the Customer's usage is highly variable.

LOAD REDUCTION DETERMINATION

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

Schedule 88 (Continued)

LOAD REDUCTION DETERMINATION (Continued)

The Company may choose at any time during an Emergency Curtailment to increase the load reduction percentage. Upon notification of an MCL change, the Customer/Lead Customer 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 Customer 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 N 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 15th.

A Lead Customer will submit one Load Reduction Plan for the group of Customers served on the same dedicated primary circuit and jointly participating. The Lead Customer 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) Customer or Lead Customer's name;
- 2) A list of all other participating Customers, their account numbers, service and mailing addresses, and contact information;
- 3) The Customer or Lead Customer's alphanumeric pager and facsimile numbers to be used for notification of an Emergency Curtailment;
- 4) A Company and Customer mutually agreed upon Baseline Usage;
- 5) An estimated MCL for the 5, 10 and 15% load reduction levels. The MCL for the 5% load reduction is equal to the Baseline Usage times 0.95; 10% load reduction is Baseline Usage times 0.90; 15% reduction is Baseline Usage times 0.85; and
- 6) Specific quantifiable measures to be utilized by the Customer to reduce load to or below each MCL.

NOTIFICATION

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

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NOTIFICATION (Continued)

Upon notification, the Lead Customer will be responsible for contacting all other Customers participating under that plan. Upon notification, the Customer/Lead Customer will have 30 minutes to establish the determined MCL.

METERING EQUIPMENT

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

Customers on a dedicated circuit with more than one POD will 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 will install such equipment subject to availability. The Customer/Lead Customer will provide communication service when requested by the Company.

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

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

Schedule 88 (Concluded)

ADJUSTMENTS

Supplemental adjustment schedules are applicable to the Customer's underlying rate schedule and not applicable to this schedule unless approved by the Commission.

SPECIAL CONDITIONS

1. The Company may not be able to supply advance notice of an Emergency Curtailment. Participation in this program does not guarantee that the Customer or group of Customers will not be subject to outages related to maintenance, storms or system emergencies caused by natural catastrophes.
2. The Company is not liable for any damage to Customer's property resulting from participation in this program.

TERM

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