
Purpose

This is an optional, supplemental service that allows participating Customers to voluntarily reduce their electricity usage in exchange for a payment at times and at prices determined by the Company. The Company will notify participating Customers of the opportunity to exchange electricity. The Customer must execute an agreement prior to being allowed to receive service under this rider.

Applicable

To qualifying Customers with Monthly Demand exceeding 1,000 kW at least once during the last 12-month period. Any portion of the Customer's load that is billed according to a daily price option is not eligible to participate in this program. Participating Customers must execute an Energy Exchange Customer Agreement with the Company.

Energy Exchange Value

Market Price Signal

The Market Price Signal (MPS) is a price or prices quoted by the Company for a specified duration, subject to the following:

A Customer participating in an Exchange Event must maintain electricity usage below the Customer's Baseline Service Level for the duration specified by the MPS offer and accepted by the Customer (the Customer Pledge Period). Upon request the Customer also must provide the Company all documents necessary to demonstrate the Customer's planned operation level for the Pledge Period. Failure to provide detailed documentation upon request for a Customer participating in an Exchange Event shall result in application of the second occurrence of noncompliance specified in Special Condition 10. The MPS shall specify the price for an exchange amount and the specified duration during which the quote applies (including days and hours applicable).

Hourly Credit Rate

Market Price Signal **minus** Customer's Rate Schedule Effective Energy Price = Hourly Credit Rate (¢/kWh).

The Company will notify Customers of an Exchange Event when the Market Price Signal is such that it is economic for the Company to encourage Customers to reduce usage. The Hourly Credit Rate will be determined by subtracting the energy price the Customer would pay on their otherwise applicable rate schedule from the MPS. This calculation is performed for each hour during the Exchange Event.

Hourly Credit

Exchange Amount (kWh) X Hourly Credit Rate = Hourly Credit

The Hourly Credit is the amount owed to the Customer for each hour of curtailment pledged during the Exchange Event. The Hourly Credit is determined by multiplying the Exchange Amount by the Hourly Credit Rate. The Hourly Credit shall not be less than zero.

(continued)

Issued:	September 10, 2001	P.U.C. OR No. 35
Effective:	With service rendered on and after September 10, 2001	Original Sheet No. 71-1

Issued By
D. Douglas Larson, Vice President, Regulation

Energy Exchange Value *(continued)*

Exchange Credit

The Exchange Credit is the amount paid to the Customer for the Exchange Event and is the sum of each Hourly Credit during such event.

Payments

The Company will pay the Customer within 45 days of the Exchange Event. At Company's discretion, payment may be applied as a credit to the Customer's Monthly Billing.

Exchange Amount

The Exchange Amount shall be the difference between the Customer's Baseline Service Level and Customer's measured load for each hour during the term of the Pledge Period. The Customer's Baseline Service Level shall be defined as the average usage for each hour during approximately fourteen typical operational days prior to the Pledge Period. Holidays and weekends will be excluded when determining the Baseline Service Level. The Company may utilize an alternate method to determine Baseline Service Level when the Customer's usage is highly variable or when a prior Exchange Amount has been implemented within the period used to establish a subsequent Baseline Service Level.

Rate Schedule Effective Energy Price

The Rate Schedule Effective Energy Price shall be the Energy Charge Effective Rate contained in the rate schedule under which the Customer is served.

Notifications

The Company will utilize a secured Internet web site as the primary method to notify participants of Exchange Events. Other methods of notification may be utilized at the discretion of the Company. Customers must acquire and install any additional communication equipment necessary to receive notification of Exchange Events. The Customer will participate by operating below its Baseline Service Level per the Customer curtailment pledge for the length of the Pledge Period. The communication equipment must be operational as determined by periodic tests performed by the Company or designated agent.

The Company is not obligated to call an Exchange Event, and the Customer is not obligated to exchange energy upon being advised of an Exchange Event. The Company will not be liable for failure to advise a Customer of an Exchange Event.

Notification Options

The Company reserves the right to cancel an Exchange Event or a portion of an Exchange Event upon notification to the Customer. The Customer shall, at the time of enrollment, advise the Company how many hours' notification it requires prior to a Pledge Period by selecting one of the Notification Options below. Each Notification Option has a corresponding Minimum Hourly Credit Rate.

(continued)

Issued:	September 10, 2001	P.U.C. OR No. 35
Effective:	With service rendered on and after September 10, 2001	Original Sheet No. 71-3

Issued By
D. Douglas Larson, Vice President, Regulation

Notification Options *(continued)*

<u>Notification Required Prior to Cancellation</u>	<u>Minimum Hourly Credit Rate</u>
(Option 1) = 2 hours	7¢ per kWh
(Option 2) = 3 hours	5¢ per kWh
(Option 3) = 4 hours	3.5¢ per kWh

Energy Exchange Customer Agreement

The Customer and Company will execute an annual agreement for the Energy Exchange.

Adjustments

Supplemental adjustment schedules are not applicable to this schedule unless approved by the Public Utility Commission of Oregon.

Special Conditions

1. Metering. The Customer must have a meter provided by the Company, which is capable of recording usage intervals no less than 15 minutes. The Customer shall provide telephone line access to the meter if requested by the Company. Participation in the Energy Exchange program is subject to meter availability.
2. Communications Equipment. Costs associated with load monitoring and communications equipment necessary to participate in the Energy Exchange program will not be charged directly to participating Customers. The Company will provide the Customer with access to a secured Internet web site necessary for Exchange Event notification and participation.
3. Exchange Event and Pledge Period. An Exchange Event may be for one or more consecutive hours, as determined by the Company. More than one Exchange Event may occur in one day. Pledge Period is the hours during an Exchange Event for which the Customer pledges to curtail electricity usage.
4. Notification. The Company is not responsible for any exchange that not been confirmed and acknowledged by the Company as an Exchange Event.
5. Liability. The Company is not responsible for any consequences to the participating Customer that result from an Exchange Event or the Customer's effort to reduce electricity in response to an Exchange Event.
6. System Emergencies. Where the Company requests load interruptions for a system emergency, the terms of this schedule are not applicable.

(continued)

Issued:	September 10, 2001	P.U.C. OR No. 35
Effective:	With service rendered on and after September 10, 2001	Original Sheet No. 71-3

Issued By
D. Douglas Larson, Vice President, Regulation

Special Conditions *(continued)*

- 7. The purchase of energy from Customers is not permitted under this program. Load from Public Utilities Regulatory Policies Act ("PURPA") qualifying facilities may not be included in this program.
- 8. Customers participating in this program may not shift load above normal operating levels (approximating the Baseline Service Level) to hours outside the curtailment hours in the Pledge, nor may they shift load to other facilities served by the Company or purchase replacement production from another facility served by the Company.
- 9. Third Party Management. The Company may utilize a third party to provide program management support for this schedule. The Company reserves the right to provide the Customer's energy consumption data to a third party for the purpose of managing this program.
- 10. Failure to Comply during an Exchange Event. The Company may take the following action if a Customer pledges, but does not reduce electricity usage per their curtailment pledge during an Exchange Event:
 - 1st occurrence of noncompliance – The Customer shall provide the Company with a written explanation for noncompliance within 21 days at the conclusion of the Exchange Event.
 - 2nd occurrence of noncompliance – The Company will limit the Customer's Baseline Service Level.
 - 3rd occurrence of noncompliance – The Company will remove the Customer from the Energy Exchange program.
- 11. Early Termination. If the Customer is terminated from this program, the Customer shall be responsible for reimbursing the Company for setup costs associated with enrolling the Customer in this program. Setup costs include, but are not limited to, labor costs associated with enrolling the Customer in this program.

Rules and Regulations

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part.

Issued:	September 10, 2001	P.U.C. OR No. 35
Effective:	With service rendered on and after September 10, 2001	Original Sheet No. 71-4