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Salt Lake City, Utah 84111

June 25, 2015

IDAHO PUBLIC
UTILITIES COMMISSION

VIA OVERNIGHT DELIVERY

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

**Re: Case No. PAC-E-15-10
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN
POWER TO UPDATE ELECTRIC SERVICE REGULATION NO. 13 -
CURTAILMENT PLAN FOR ELECTRIC ENERGY.**

Dear Ms. Jewell:

Please find enclosed for filing an original and nine (9) copies of Rocky Mountain Power's Application and Ms. Amy Shingleton's direct testimony in the above-referenced matter. Also enclosed are clean and legislative tariff sheets for Electric Service Regulation No. 13.

This Application requests authorization to update Regulation No. 13 with the Company's current curtailment plan to reflect current technology, available resources, practices, and procedures. This update to Regulation No. 13 aligns with Rocky Mountain Power's operational approach to load curtailment, and specifically addresses:

- Operation standards
- Initiation of Load Curtailment
- Automatic, Remote and Manual Actions
- Curtailment Stages
- Interruptible Loads
- Block Rotation
- Emergency Load Shed Groups
- Minimization of Impact
- Notification and Actions

Informal questions should be directed to Ted Weston, 801-220-2963.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation

Yvonne R. Hogle (ISB No. 8930)
201 South Main Street, Suite 2400
Salt Lake City, Utah 84111
Telephone No. (801) 220-4050
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Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER TO UPDATE ELECTRIC SERVICE REGULATION NO. 13 CURTAILMENT PLAN FOR ELECTRIC ENERGY	Case No. PAC-E-15-10 APPLICATION OF ROCKY MOUNTAIN POWER
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PacifiCorp, d.b.a. Rocky Mountain Power (“Rocky Mountain Power” or “Company”) hereby respectfully applies to the Idaho Public Utilities Commission (“Commission”) for authorization to update Electric Service Regulation No. 13, Curtailment Plan for Electric Energy (“Curtilment Plan”). In support of this Application, Rocky Mountain Power represents as follows:

INTRODUCTION

1. Rocky Mountain Power does business in the state of Idaho providing retail electric service to approximately 75,400 customers and is subject to the jurisdiction of the Commission. PacifiCorp’s generation, transmission and distribution facilities serve approximately 1.8 million residential, commercial, and industrial electric customers across 136,000 square miles in the six western states. PacifiCorp does business as Pacific Power in Oregon, Washington, and California and Rocky Mountain Power in Utah, Wyoming, and Idaho.

BACKGROUND

2. In November 1993 the Commission ordered¹ the electric service suppliers in the state of Idaho to adopt provisions relating to electric service curtailment during periods of prolonged energy shortages. The provisions were based on the Regional Curtailment Plan for Electric Energy, designed to deal with long-term energy shortages and to promote curtailment uniformity among the four Pacific Northwest states of Oregon, Washington, Idaho and Montana.

3. Since the Company filed its Curtailment Plan in 1993, changes in technology, industry practices, and generation capacity have served to make it obsolete.

MODIFICATIONS TO THE CURTAILMENT PLAN

4. The Company proposes to modify the Curtailment Plan to: (a) include new provisions for load reduction with demand-side management (“DSM”) and emergency load shed groups, (b) remove financial penalties, and (c) clarify the types of entities that can initiate load curtailment. The Curtailment Plan also covers a broader range of events that can precipitate load curtailment activities. The proposed plan combines elements of the Company’s Emergency Management Plan filed in 2001 and the existing plan.

5. Currently the Curtailment Plan addresses only long-term regional energy shortages, and a significant portion of the plan is devoted to financial penalties and how curtailment is audited and tracked. In contrast, the proposed plan focuses on practical and actionable operational activities the Company can initiate during emergencies to minimize adverse impacts to customers and restore system stability.

6. The proposed plan incorporates several new curtailment sources, including DSM capabilities and interruptible customer load shed programs. Interruptible Power Service (Electric

¹ Case No. GNR-E-93-2, Order No. 25259 – Curtailment Plan.

Service Schedule No. 24) allows for curtailment to a contracted large customer when the Company's spinning reserve, transmission margin, or both are needed to meet system demands. Interruptible Power Service gives the Company the flexibility to curtail load as the first resource used when immediate system stabilization is required; this is a new addition to the proposed Curtailment Plan.

7. The modifications in the proposed plan also make use of and describe block rotation, which provides for two (2) hour rotational curtailments used in scheduled combinations until the necessary load curtailment is achieved. Block rotation provides equitable treatment to customers as the combination of blocks curtailed is dependent on the day of the week and time of day the curtailment is required. The proposed plan also includes another resource; emergency load shed groups, predetermined localized groups that are utilized for situations where load reductions might be required for specific high load areas.

JUSTIFICATION FOR MODIFICATIONS

8. Since 1993, there have been changes in Company and industry practices, technology, generation capacity, load shedding DSM programs, and resource availability. A thorough review of Regulation No. 13 revealed that the plan no longer represented how the Company addresses curtailment. The existing plan is only for long-term energy shortages, and doesn't address short-term supply emergencies resulting from loss of major generation or transmission equipment, regional operating standards, or weather extremes. Also, the existing plan contains financial penalties, contrary to Order No. 25259 (November 1993) in which the Commission states its preference that utilities not incorporate monetary penalties within their respective plans.

9. The proposed plan addresses the Company's operational approach to:

- i. Operation Standards,
- ii. Initiation of Load Curtailment,
- iii. Automatic, Remote and Manual Actions,
- iv. Curtailment Stages,
- v. Interruptible Loads,
- vi. Block Rotation,
- vii. Emergency Load Shed Groups,
- viii. Minimization of Impact, and
- ix. Notifications and Actions.

COMMUNICATONS

10. Communications regarding this Application should be addressed to:

Ted Weston
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-2963
Fax: (801) 220-2798
Email: ted.weston@pacificorp.com

Yvonne R. Hogle
201 South Main Street, Suite 2400
Salt Lake City, Utah 84111
Telephone: (801) 220-4050
Fax: (801) 220-3299
Email: yvonne.hogle@pacificorp.com

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By email (**preferred**): datarequest@pacificorp.com

By regular mail:
Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

MODIFIED PROCEDURE

11. Rocky Mountain Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201 *et. seq.* In accordance with RP 121(d), if the Commission determines that Modified Procedure is not appropriate the Company stands ready to present the Application and direct testimony of Company witness Amy Shingleton.

REQUEST FOR RELIEF

For the reasons set forth above and in the supporting testimony, Rocky Mountain Power respectfully requests that the Commission: (1) issue an order authorizing that this matter be processed by Modified Procedure; and (2) approve the modifications to Electric Service Regulation No. 13.

DATED this June 25, 2015.

RESPECTFULLY SUBMITTED,
ROCKY MOUNTAIN POWER



R. Jeff Richards
Yvonne R. Hogle

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION) CASE NO. PAC-E-15-10
OF ROCKY MOUNTAIN POWER TO)
UPDATE ELECTRIC SERVICE) DIRECT TESTIMONY OF
REGULATION NO. 13 CURTAILMENT) AMY SHINGLETON
PLAN FOR ELECTRIC ENERGY)
)**

ROCKY MOUNTAIN POWER

CASE NO. PAC-E-15-10

June 2015

1 **Q. Please state your name, business address and position with PacifiCorp dba**
2 **Rocky Mountain Power (the “Company” or “RMP”).**

3 A. My name is Amy Shingleton. My business address is 1407 West North Temple,
4 Salt Lake City, Utah 84116. My present position is Manager, Disaster / Risk
5 Planning, in Transmission and Distribution Support.

6 **Q. Briefly describe your education and professional background.**

7 A. I have worked in the electric utility industry since 2003. From 2003 to 2015
8 (present), I held various positions of increasing levels of responsibility within
9 Rocky Mountain Power. I began as an administrative assistant and was promoted
10 to project manager, until I was promoted to my current position of Disaster / Risk
11 Planning manager.

12 **Q. What is the purpose of your testimony in this case?**

13 A. The purpose of my testimony is to address the Company’s application to replace
14 Regulation No. 13, *Curtailment Plan for Electric Energy*, (“Existing Plan”) with
15 the Company’s updated Curtailment Plan, (“Proposed Plan”).

16 **Q. What prompted the Company to review its Plan?**

17 A. While reviewing outage communication protocols with various stakeholders the
18 staff of the Idaho Public Utilities Commission encouraged the Company to review
19 Regulation No. 13.

20 **Q. Is the Plan being submitted simply as a modification of the current Plan?**

21 A. No. A lot has changed since Regulation No. 13 was filed in 1993. Changes in
22 technology, industry practices, and generation capacity have served to make the
23 existing Plan obsolete. Although some elements of the Existing Plan are found

1 within the Proposed Plan, the Existing Plan and Proposed Plan vary enough in
2 format and content that it required completely re-writing Regulation No. 13.

3 **Q. Please summarize the elements of the Proposed Plan.**

4 A. The Proposed Plan includes new provisions for load reduction with demand-side
5 management (“DSM”) and emergency load shed groups, removal of financial
6 penalties, and clarification regarding what entities can initiate load curtailment. It
7 also covers a broader range of events that can precipitate load curtailment
8 activities. The Proposed Plan combines elements of the Company’s Emergency
9 Management Plan filed in 2001 and the Existing Plan.

10 **Q. Is the scope of the Proposed Plan essentially the same as the Existing Plan?**

11 A. No. The Existing Plan addresses only long-term regional energy shortages, and a
12 significant portion of the Existing Plan is devoted to financial penalties and how
13 curtailment is audited and tracked. The Proposed Plan focuses on practical and
14 actionable operational activities the Company can initiate during emergencies to
15 minimize adverse impacts to customers and restore system stability.

16 The possible causes of a long-term energy shortage described within the
17 Existing Plan include: prolonged drought, severe operational constraints, or
18 moratoriums. This limited, narrow approach to curtailment fails to provide
19 direction for addressing more common emergencies such as temporary loss of
20 generation, failed equipment, or extreme weather and temperatures. The Proposed
21 Plan is broader in scope, addressing both long-term energy shortages *and*
22 temporary power interruptions due to emergencies and system conditions.

1 **Q. Please describe the new provisions for curtailment sources included in the**
2 **Proposed Plan.**

3 A. The Proposed Plan incorporates several new curtailment sources, including DSM
4 capabilities and interruptible customer load shed programs. Interruptible Power
5 Service (Electric Service Schedule No. 24) allows for curtailment of a contracted
6 large customer when the Company's spinning reserve, transmission margin, or
7 both are needed to meet system demands. Interruptible Power Service gives the
8 Company the flexibility to curtail load as the first resource used when immediate
9 system stabilization is required. This provision has been included in the Proposed
10 Plan.

11 **Q. Does the Proposed Plan elaborate on the types of entities that may initiate**
12 **load curtailment?**

13 A. Yes. The Existing Plan limits the initiation of load curtailment to "*the state's*
14 *declaration of an energy emergency*". The Proposed Plan specifies that load
15 curtailment will be initiated "*...when directed by the North American Electric*
16 *Reliability Corporation (NERC), the Western Electricity Coordinating Council*
17 *(WECC) authorities, or by order of the Idaho Public Utility Commission under its*
18 *authority provided for in Idaho Code 61-534. However nothing precludes the*
19 *Company from requesting voluntary load reduction at any time.*"

20 **Q. Is it important to recognize DSM and interruptible customer load shed**
21 **programs as part of the Proposed Plan?**

22 A. Yes. The Company has DSM programs and interruptible customer load shed
23 groups that can be called upon to achieve reductions in load. In fact, these two

1 curtailment types are listed as primary resources to achieve load reduction in
2 Stage 1 of the Proposed Plan¹. The Proposed Plan also makes use of, and
3 describes, Block Rotation, which provides for two (2) hour rotational curtailments
4 used in scheduled combinations until the necessary load curtailment is achieved.
5 Block rotation provides equitable treatment to customers as the combination of
6 blocks curtailed is dependent on the day of the week and time of day the
7 curtailment is required. Another resource included in the Proposed Plan is
8 emergency load shed groups, which are predetermined localized groups that are
9 utilized for situations where load reductions might be required for specific high
10 load areas.

11 **Q. Are there any provisions being eliminated with this Proposed Plan?**

12 A. Yes. The Proposed Plan removes the financial penalties in the existing Regulation
13 No. 13 to align with the direction provided in Order No. 25259 from November
14 1993:

15 We do believe, however, that it is appropriate at this time to
16 provide the parties with guidance on the issue of financial
17 penalties. It is our preference that utilities do not file curtailment
18 plans incorporating Section VI.A.5 of the Regional Curtailment
19 Plan in its present form. Conditions could change between now
20 and when mandatory curtailment becomes a necessity such that the
21 imposition of monetary penalties is unwarranted or the amount of
22 the penalties is inappropriate...

¹ Proposed Regulation No. 13, page 3.

1 We find, therefore, that the regional plan, with the aforementioned
2 modification to Section VI.A.5, should be adopted as a guideline
3 by all suppliers of electric service in preparing and submitting their
4 individual curtailment plans. Furthermore, it is hereby ordered that
5 all suppliers of electric service, whether or not they have
6 participated in this case to date, shall submit their individual
7 curtailment plans pursuant to Idaho Code § 61-531 no later than
8 January 15, 1994 consistent with the terms of this Order.

9 **Q. Why does Regulation No. 13 still contain financial penalties for customer**
10 **non-compliance, despite Order No. 25259?**

11 A. During the review of the Regulation No. 13, the Company was unable to
12 determine why the financial penalties provisions had not been eliminated from the
13 Existing Plan.

14 **Q. Please summarize why the Company is filing this application to update**
15 **Regulation No. 13 – Curtailment Plan for Electric Energy.**

16 A. Since 1993, there have been changes in Company and industry practices,
17 technology, generation capacity, demand-side management, and resource
18 availability. It became clear from a review of Regulation No. 13 that it no longer
19 represented how the Company addresses curtailment, and that a complete re-write
20 of the rule was in order. The Existing Plan is only for long-term energy shortages,
21 and doesn't address short-term supply emergencies resulting from loss of major
22 generation or transmission equipment, regional operating standards, or weather
23 extremes. Also, the Existing Plan contains financial penalties, contrary to Order

1 No. 25259 (November 1993) which indicates the Commission's preference that
2 utilities not incorporate monetary penalties within their respective plans.

3 The Proposed Plan addresses the Company's operational approach to:

- 4 • Operation Standards
- 5 • Initiation of Load Curtailment
- 6 • Automatic, Remote and Manual Actions
- 7 • Curtailment Stages
- 8 • Interruptible Loads
- 9 • Block Rotation
- 10 • Emergency Load Shed Groups
- 11 • Minimization of Impact
- 12 • Notification and Actions

13 The Company respectfully requests that the Idaho Public Utilities Commission
14 approve its proposed Curtailment Plan for Electric Energy.

15 **Q. Does this conclude your testimony?**

16 A. Yes.

PROPOSED TARIFFS

CLEAN
AND
LEGISLATIVE



I.P.U.C. No. 1

**Second Revision of Sheet No. D.1
Canceling First Revision of Sheet No. D.1**

ELECTRIC SERVICE REGULATIONS

STATE OF IDAHO

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Electric Service Regulations are not necessarily reprinted when new Electric Service Schedules are issued. Therefore, Regulations from prior tariffs should be retained until updated. When a Regulation is updated it will be given the same tariff number as the Electric Service Schedules in effect at the time of the update.

Submitted Under Case No. PAC-E-15-10

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I.P.U.C. No. 1

First Revision of Sheet No. 13R.1
Canceling Original Sheet No. 13R.1

ELECTRIC SERVICE REGULATION NO. 13

STATE OF IDAHO

Curtailement Plan for Electric Energy

INTRODUCTION:

The Idaho Public Utilities Commission ordered¹ the Company and other suppliers of electric service operating in the State of Idaho to adopt provisions relating to electric service curtailment. This document summarizes the curtailment plan employed by the Company to temporarily interrupt electric service to its customers during emergencies and power shortages. It is intended to provide equitable procedures for the curtailment of power, minimize adverse impacts to essential services, and customers, while maintain overall system reliability.

The curtailment plan is operational 24 hours a day, 365 days a year, to help ensuring that the Company is able to:

- Match customer demand and electrical supply generation;
- Maintain the integrity of the electricity network;
- Deploy available resources to restore electrical supply to normal as soon as is practicable;
- Apply existing processes to keep customers and stakeholders informed of the state and progress of the incident or emergency;
- Utilize communication avenues to appeal to customers to reduce energy consumption;
- Coordinate with appropriate agencies to provide options to lessen the impact to customers;
- Meet applicable operating standards.

Operating Standards

The Company is a member of the Western Electricity Coordinating Council (WECC), one of the eight Regional Entities of the North American Electric Reliability Corporation (NERC). The Company also supports Regional Reliability Coordinators, who monitor voltages, frequencies, and other reliability indices.

WECC develops and implements Regional Reliability Standards and Criteria for the Western Interconnection and is the regional entity responsible for compliance monitoring and enforcement with delegated authority from the North American Electric Reliability Corporation (NERC) and Federal Energy Regulatory Commission (FERC).

(Continued)

¹ Order No. 25259, November 24, 1993.

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Operating Standards (continued)

Bulk electric system reliability and operating standards for utilities in the western part of the United States provide for a coordinated effort to effectively manage energy shortage situations and includes shedding firm load in an emergency situation using the Company's Under Frequency and/or Under Voltage Load Shedding programs to arrest declining frequency, assist recovery of frequency following under frequency events and provide last resort system preservation measures to prevent a blackout or voltage collapse.

Emergencies that threaten the integrity of the electric system can develop at any time due to shortage of generation or disturbances on the system, either locally or within the Western Interconnect. The actions necessary to prevent total collapse of the system will be to; restrict customer demand, match generation availability, implement network capacity limitations. The circumstances necessitating a reduction in the demand or consumption of electricity in the short term will require that immediate emergency action is taken and may potentially lead directly to firm load curtailment.

SECTION I. PURPOSE AND OVERVIEW OF THE CURTAILMENT PLAN

This plan identifies the process by which the Company would initiate and implement regional load curtailment. The goal of this plan is to accomplish curtailment while treating customers fairly and equitably, minimizing adverse impacts from curtailment, complying with existing State laws and regulations, and providing for smooth, efficient, and effective curtailment administration.

SECTION II. LOAD CURTAILMENT

The Company will comply with all State and Federal mandates to curtail the electric energy used by its customers to stabilize system voltage and frequency in order to prevent a regional system collapse. Events that may trigger load curtailment, either upon notice from state agencies, the Peak Regional Reliability Coordinator, or at the discretion of the Company, include but not limited to:

- Loss of major generation or transmission equipment due to mechanical or electrical failure.
- Extreme hot or cold temperatures that create a network peak where generation capacity does not meet load center requirements.
- System disturbance within the regional balancing area.

Initiation of Load Curtailment

Load curtailment will be initiated when directed by the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC) authorities, or by order of the Idaho Public Utility Commission under its authority provided for in *Idaho Code* § 61-534. However, nothing precludes the Company from requesting voluntary load reduction at any time.

(Continued)

Submitted Under Case No. PAC-E-15-10



SECTION II. LOAD CURTAILMENT (continued)

Automatic, Remote and Manual Actions

Automatic actions occur through the operation of programmed protective equipment installed in the Company's electrical system, including, without limitation, such equipment as automatic relays, generator controls, circuit breakers, and switches. This equipment is preset to operate under certain prescribed conditions which, in the sole judgment of Company, threaten system performance, integrity, reliability or stability.

Where Supervisory Control and Data Acquisition (“SCADA”) equipment is installed, the Company will remotely control switches, circuit breakers, relays, voltage regulators or other equipment. In areas where no SCADA equipment is installed, actions are performed manually by on-site field personnel.

If actions are undertaken, then to the extent permitted by the operating characteristics of the electrical system, the Company will perform such actions so that interruption, curtailment, or fluctuation of service to customers will be accomplished sequentially, unless it is necessary in the sole judgment of the Company, or if required by the Peak Regional Reliability Coordinator to vary said sequence in order to protect system performance, integrity, reliability or stability.

SECTION III. CURTAILMENT STAGES

State curtailment directives apply to all retail loads served within the State of Idaho. The curtailment stages are associated with increasing energy deficits. The circumstances necessitating a reduction in the demand or consumption of electricity in the short term will normally require that immediate emergency action is taken and there may be no warning. Sudden equipment outages or loss of generation could potentially lead directly to any curtailment stage without prior notice or progression of the stages described below.

Stage #	Nature	Estimated Curtailment Percent	Type of Curtailment
Stage 1	Mandatory	5% +/-	Demand Side Management Programs activated Interruptible customer load shed
Stage 2	Voluntary – public appeal to restrict usage	No specified %	Uniform among all customers
Stage 3	Mandatory – peak curtailment block rotation	2.5 to 3.5% +/-	General Use Customers Residential Customers
Stage 4	Mandatory –curtailment block rotation	30% of peak +/-	General Use Customers Residential Customers
Stage 5	Mandatory – Emergency Load Shed Groups	% determinate upon Peak Regional Reliability Coordinator directive	Uniform among all customers

(Continued)

SECTION IV. INITIATION OF LOAD CURTAILMENT

Interruptible Loads

Large interruptible customers with allowable curtailment allotments are available for emergency load curtailment and are the first to be utilized when immediate system stabilization is required.

It should be noted that the amount of available capacity for emergency load curtailment is negotiated in contractual agreements and therefore subject to change per contract renewals and negotiations.

Block Rotation

Selected distribution feeders throughout the service territory have been grouped into blocks of approximately 100 MW in size. These blocks provide for two (2) hour rotational curtailments to be used in scheduled combinations to ensure that the required load shed amount is achieved. Block rotation may be utilized to support system stabilization following a system disturbance, or to maintain system integrity during peak load periods.

During load curtailment the Company would rotate through the blocks until curtailment is no longer necessary. Block rotation is dependent on what day of the week and time of day the curtailment event is enacted. This provides for equitable treatment to affected customers. Blocks are aggregated to match reduction thresholds during events.

Emergency Load Shed Groups

Predetermined localized load shed groups are utilized for situations where load reductions might be necessary for specific high load areas. These areas generally require specialized load curtailment schemes to accommodate transmission path restrictions. These load shed groups contain only SCADA controllable circuits.

Minimization of Impact

The Company will implement rotational curtailment in as fair and equitable a manner as practicable, with the goal of minimizing the impacts on communities. Where known and feasible within operational parameters, distribution feeders serving facilities essential to the public welfare are avoided during rotational curtailment. However, it should be noted that the Company cannot definitively account for all such facilities, nor is it possible to exclude every known facility from the impacts of curtailment.

Such essential facilities include:

- Hospitals
- 911 centers
- Airports and FAA facilities
- Large sewer and water treatment plants
- Major metropolitan downtown core areas
- Facilities critical to electric system operation
- Prisons, police and fire stations including related computer and communication centers
- Radio, TV news, emergency broadcast stations and transmitting facilities
- U.S. Military installations

(Continued)

SECTION V. NOTIFICATIONS AND ACTIONS

Throughout the curtailment period the Company will provide customers and external State and regulatory stakeholders with as much information as possible utilizing established processes and protocols.

The Company's incident management strategy for an energy emergency is consistent with the National Incident Management System and Incident Command System, and provides effective coordination through:

- Procedures that allow system and field operations to focus on critical functional responsibilities;
- Providing pertinent information to internal and external stakeholders, customers, regulators, media outlets, etc.;
- Flexible response to changing circumstances, special customer needs and emergencies.

Stage 1: Interruptible Loads and Demand Side Management

The Company would not normally contact the public or news media when it exercises options under interruptible contract provisions and demand side management programs.

Stage 2: Public Appeal for Conservation

At the Company's discretion, a public appeal for voluntary energy conservation may be issued through media outlets, social media platforms, and automated outbound calling of customers requesting voluntary curtailment of nonessential uses.

Additionally, the Company will initiate curtailment of all nonessential Company use, request curtailment of nonessential use by governmental agencies and institutions at all levels, request voluntary curtailment of nonessential use in all large buildings, and direct specific requests to major use customers for voluntary curtailment of nonessential use.

If additional curtailment is required the Company will intensify its request to the public, including requests to curtail less-essential uses, and notice that if curtailment does not occur, mandatory curtailment may be necessary by utilizing block rotation methods.

Stage 3: Peak Load Curtailment

Prior to any rotating outages, the Company, to the best of its ability will contact key external stakeholders to inform them of the situation. To the extent possible, areas targeted for rotating outages may be disclosed at this time, together with some estimate of how long the outages will be necessary. The magnitude of the event will dictate the administrative level to which external notifications will be made.

(Continued)



First Revision of Sheet No. 13R.6
Canceling Original Sheet No. 13R.6

I.P.U.C. No. 1

SECTION V. NOTIFICATIONS AND ACTIONS (continued)

Key external stakeholders include, but are not limited to:

- Governor's office
- Utility Commissions
- State energy/emergency response officials
- Legislative leadership
- Key customer accounts

Stage 4: Block Load Curtailment

In addition to the actions above, to the extent possible, customers in the areas targeted for rotating outages will be notified as soon as practicable and provided with an estimate of the time their block will be curtailed and the expected duration.

Stage 5: Emergency Load Shed Groups

Generally, no advance notice of an event necessitating emergency load shed is available. Therefore, it is to be expected that all internal and external notifications will occur as soon as information is known.

Submitted Under Case No. PAC-E-15-10

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EFFECTIVE: August 25, 2015



I.P.U.C. No. 1

~~Second~~First Revision of Sheet No. D.1
 Canceling ~~First Revision of~~Original Sheet No. D.1

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STATE OF IDAHO

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Submitted Under ~~Advice Letter~~Case No. ~~09-04~~PAC-E-15-10

ISSUED: ~~August 25, 2009~~June 25, 2015

EFFECTIVE: ~~September 1, 2009~~August 25, 2015



I.P.U.C. No. 1

First Revision of Sheet No. 13R.1
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ELECTRIC SERVICE REGULATION NO. 13

STATE OF IDAHO

Curtailement Plan for Electric Energy

INTRODUCTION:

The Idaho Public Utilities Commission ordered¹ the Company and other suppliers of electric service operating in the State of Idaho to adopt provisions relating to electric service curtailment. This document summarizes the curtailment plan employed by the Company to temporarily interrupt electric service to its customers during emergencies and power shortages. It is intended to provide equitable procedures for the curtailment of power, minimize adverse impacts to essential services, and customers, while maintain overall system reliability.

The curtailment plan is operational 24 hours a day, 365 days a year, to help ensuring that the Company is able to:

- Match customer demand and electrical supply generation;
- Maintain the integrity of the electricity network;
- Deploy available resources to restore electrical supply to normal as soon as is practicable;
- Apply existing processes to keep customers and stakeholders informed of the state and progress of the incident or emergency;
- Utilize communication avenues to appeal to customers to reduce energy consumption;
- Coordinate with appropriate agencies to provide options to lessen the impact to customers;
- Meet applicable operating standards.

Operating Standards

The Company is a member of the Western Electricity Coordinating Council (WECC), one of the eight Regional Entities of the North American Electric Reliability Corporation (NERC). The Company also supports Regional Reliability Coordinators, who monitor voltages, frequencies, and other reliability indices.

WECC develops and implements Regional Reliability Standards and Criteria for the Western Interconnection and is the regional entity responsible for compliance monitoring and enforcement with delegated authority from the North American Electric Reliability Corporation (NERC) and Federal Energy Regulatory Commission (FERC). In Order No. 25259, entered November 24, 1993, the Idaho Public Utilities Commission ordered the Company and other suppliers of electric service operating in the State of Idaho to adopt the following provisions relating to electric service curtailment during periods of prolonged

¹ Order No. 25259, November 24, 1993.

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~~energy shortages. The provisions are based on the Regional Curtailment Plan for Electric Energy. The Regional Plan is designed to deal effectively with long term energy shortage situations and promote curtailment uniformity among the four Pacific Northwest states. Such shortages could result from a number of causes such as a prolonged drought, severe operational constraints or moratoriums that could reduce generation and transmission capability.~~

~~Initiated by the state's declaration of an energy emergency pursuant to existing statutes and administrative rules, provisions call upon the Company to implement measures to encourage customers to reduce electric energy use. Possibly included among measures are the audit of customer energy usage quantities, and the implementation of penalties for exceeding usage guidelines.~~

~~**SECTION I. PURPOSE AND OVERVIEW OF THE CURTAILMENT PLAN:**~~

~~This plan identifies the process by which the Company would initiate and implement regional load curtailment. Included in the plan are detailed procedures to be followed during a protracted regional electric energy shortage to ensure uniform treatment of all regional customers. The Plan is not intended to be activated for relatively short term emergencies such as those caused by extremely cold weather or the temporary loss of a major generating plant. The plan would be activated when declared necessary by state authorities.~~

~~The goal of this plan is to accomplish curtailment while treating customers fairly and equitably, minimizing adverse impacts from curtailment, complying with existing State laws and regulations, and providing for smooth, efficient, and effective curtailment administration.~~

(Continued)

Operating Standards (continued)

Bulk electric system reliability and operating standards for utilities in the western part of the United States provide for a coordinated effort to effectively manage energy shortage situations and includes shedding firm load in an emergency situation using the Company's Under Frequency and/or Under Voltage Load Shedding programs to arrest declining frequency, assist recovery of frequency following under frequency events and provide last resort system preservation measures to prevent a blackout or voltage collapse.

Emergencies that threaten the integrity of the electric system can develop at any time due to shortage of generation or disturbances on the system, either locally or within the Western Interconnect. The actions necessary to prevent total collapse of the system will be to; restrict customer demand, match generation availability, implement network capacity limitations. The circumstances necessitating a reduction in the demand or consumption of electricity in the short term will require that immediate emergency action is taken and may potentially lead directly to firm load curtailment.

SECTION I. PURPOSE AND OVERVIEW OF THE CURTAILMENT PLAN

This plan identifies the process by which the Company would initiate and implement regional load curtailment. The goal of this plan is to accomplish curtailment while treating customers fairly and equitably, minimizing adverse impacts from curtailment, complying with existing State laws and regulations, and providing for smooth, efficient, and effective curtailment administration.

SECTION II. LOAD CURTAILMENT

The Company will comply with all State and Federal mandates to curtail the electric energy used by its customers to stabilize system voltage and frequency in order to prevent a regional system collapse. Events that may trigger load curtailment, either upon notice from state agencies, the Peak Regional Reliability Coordinator, or at the discretion of the Company, include but not limited to:

- Loss of major generation or transmission equipment due to mechanical or electrical failure.
- Extreme hot or cold temperatures that create a network peak where generation capacity does not meet load center requirements.
- System disturbance within the regional balancing area.

Initiation of Load Curtailment

Load curtailment will be initiated when directed by the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC) authorities, or by order of the Idaho Public Utility Commission under its authority provided for in *Idaho Code* § 61-534. However, nothing precludes the Company from requesting voluntary load reduction at any time.

SECTION II. DEFINITIONS:

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The following definitions apply to terms used in this Plan.

- A. ~~Base Billing Period.~~ One of the billing periods comprising the Base Year. ~~Base Billing Period data are weather normalized before being used to calculate the amount of curtailment achieved.~~
- B. ~~Base year.~~ Normally, the 12 month period immediately preceding imposition of State initiated load curtailment.
- C. ~~Critical Load Customer.~~ A customer that supplies essential services relating to public health, public safety, welfare, or energy production.
- D. ~~Curtailment.~~ Load reduction, irrespective of the means by which that reduction is achieved.
- E. ~~Curtailment Target.~~ The maximum amount of energy that a customer may use and still remain in compliance with the State curtailment order. ~~The Curtailment Target is determined individually for each customer based upon energy usage in the Base Billing Period.~~
- F. ~~Excess Power Consumption.~~ The lower of the following two values for loads subject to penalty: (1) the difference between a customer's actual (or metered) consumption level during a billing period and the Curtailment Target, or (2) the difference between the customers' weather normalized energy use during a billing period and the Curtailment Target.
- G. ~~General Use Customer.~~ Any nonresidential customer who purchased less than 5 average megawatts (48,300 MWh) during the base year.
- H. ~~Major Use Customer.~~ A customer who purchased over 5 average annual megawatts (48,300 MWh) during the base year.
- I. ~~Plan.~~ This Curtailment Plan.
- J. ~~Region.~~ The States of Washington, Oregon, Idaho, and those portions of Montana that are west of the Continental Divide and/or within the control area of the Montana Power Company.
- K. ~~State.~~ The Idaho Public Utilities Commission.

(Continued)

SECTION II. LOAD CURTAILMENT SECTION II. DEFINITIONS: (continued)

Automatic, Remote and Manual Actions

Automatic actions occur through the operation of programmed protective equipment installed in the Company's electrical system, including, without limitation, such equipment as automatic relays, generator controls, circuit breakers, and switches. This equipment is preset to operate under certain prescribed conditions which, in the sole judgment of Company, threaten system performance, integrity, reliability or stability.

Where Supervisory Control and Data Acquisition ("SCADA") equipment is installed, the Company will remotely control switches, circuit breakers, relays, voltage regulators or other equipment. In areas where no SCADA equipment is installed, actions are performed manually by on-site field personnel.

If actions are undertaken, then to the extent permitted by the operating characteristics of the electrical system, the Company will perform such actions so that interruption, curtailment, or fluctuation of service to customers will be accomplished sequentially, unless it is necessary in the sole judgment of the Company, or if required by the Peak Regional Reliability Coordinator to vary said sequence in order to protect system performance, integrity, reliability or stability.

SECTION III. CURTAILMENT STAGES

State curtailment directives apply to all retail loads served within the State of Idaho. The curtailment stages are associated with increasing energy deficits. The circumstances necessitating a reduction in the demand or consumption of electricity in the short term will normally require that immediate emergency action is taken and there may be no warning. Sudden equipment outages or loss of generation could potentially lead directly to any curtailment stage without prior notice or progression of the stages described below.

<u>Stage #</u>	<u>Nature</u>	<u>Estimated Curtailment Percent</u>	<u>Type of Curtailment</u>
<u>Stage 1</u>	<u>Mandatory</u>	<u>5% +/-</u>	<u>Demand Side Management Programs activated Interruptible customer load shed</u>
<u>Stage 2</u>	<u>Voluntary – public appeal to restrict usage</u>	<u>No specified %</u>	<u>Uniform among all customers</u>
<u>Stage 3</u>	<u>Mandatory – peak curtailment block rotation</u>	<u>2.5 to 3.5% +/-</u>	<u>General Use Customers Residential Customers</u>
<u>Stage 4</u>	<u>Mandatory –curtailment block rotation</u>	<u>30% of peak +/-</u>	<u>General Use Customers Residential Customers</u>
<u>Stage 5</u>	<u>Mandatory – Emergency Load Shed Groups</u>	<u>% determinate upon Peak Regional Reliability Coordinator directive</u>	<u>Uniform among all customers</u>

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- ~~L. State Contact(s). Individuals who represent the State of Idaho in connection with curtailment issues.~~
- ~~M. State Initiated. Actions taken by the State to implement individual load curtailment plans within its jurisdiction.~~
- ~~N. Threshold Consumption Level. The maximum amount of energy that a customer can use during mandatory load curtailment without being subject to penalties under this Plan.~~
- ~~O. Utility Contact. Individual representing the Company in connection with curtailment issues.~~
- ~~P. Utility Coordinator. The Director of the Northwest Power Pool.~~
- ~~Q. Utility Curtailment Reports. Report(s) summarizing curtailment data; such reports are to be submitted monthly to the Public Utility Commission and the Utility Coordinator.~~
- ~~R. Weather Normalization. The procedure used to reflect the impact of weather on utility load levels. Sometimes referred to as "weather adjustment."~~

~~**SECTION III. CURTAILMENT STAGES:**~~

~~State curtailment directives apply to all retail loads served within the State of Idaho. Under the plan, curtailment is requested or ordered as a percentage of historical, weather-normalized (Base Billing Period) electric energy consumption. The curtailment stages are associated with increasing energy deficits.~~

(Continued)

SECTION III. CURTAILMENT STAGES:

~~The five curtailment stages are:~~

<u>Stage #</u>	<u>Nature</u>	<u>Curtailment Percent</u>	<u>Type of Curtailment</u>
Stage 1	Voluntary	No specified %	Uniform among all customers
Stage 2	Voluntary	5% +	Uniform among all customers
Stage 3	Voluntary	5 to 15%	Uniform among all customers
Stage 4	Mandatory	15% 15% + 15% +	Residential Customers General Use Customers Major Use Customers
Stage 5	Mandatory	% associated with Stage 4 additional curtailment	Continued customer plus company action including plant closures and possible black outs

SECTION IV. INITIATION OF LOAD CURTAILMENT

†

Interruptible Loads

Large interruptible customers with allowable curtailment allotments are available for emergency load curtailment and are the first to be utilized when immediate system stabilization is required.

It should be noted that the amount of available capacity for emergency load curtailment is negotiated in contractual agreements and therefore subject to change per contract renewals and negotiations.

Block Rotation

Selected distribution feeders throughout the service territory have been grouped into blocks of approximately 100 MW in size. These blocks provide for two (2) hour rotational curtailments to be used in scheduled combinations to ensure that the required load shed amount is achieved. Block rotation may be utilized to support system stabilization following a system disturbance, or to maintain system integrity during peak load periods.

During load curtailment the Company would rotate through the blocks until curtailment is no longer necessary. Block rotation is dependent on what day of the week and time of day the curtailment event is enacted. This provides for equitable treatment to affected customers. Blocks are aggregated to match reduction thresholds during events.

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Emergency Load Shed Groups

Predetermined localized load shed groups are utilized for situations where load reductions might be necessary for specific high load areas. These areas generally require specialized load curtailment schemes to accommodate transmission path restrictions. These load shed groups contain only SCADA controllable circuits.

Minimization of Impact

The Company will implement rotational curtailment in as fair and equitable a manner as practicable, with the goal of minimizing the impacts on communities. Where known and feasible within operational parameters, distribution feeders serving facilities essential to the public welfare are avoided during rotational curtailment. However, it should be noted that the Company cannot definitively account for all such facilities, nor is it possible to exclude every known facility from the impacts of curtailment.

Such essential facilities include:

- Hospitals
- 911 centers
- Airports and FAA facilities
- Large sewer and water treatment plants
- Major metropolitan downtown core areas
- Facilities critical to electric system operation
- Prisons, police and fire stations including related computer and communication centers
- Radio, TV news, emergency broadcast stations and transmitting facilities
- U.S. Military installations

Load curtailment will be initiated when directed by State authorities. However, nothing precludes the Company from requesting voluntary load reduction at any time.

A. Overview.

Stage by Stage Utility Administrative Obligations. Upon notice from the State to initiate load curtailment, the Company shall immediately begin complying with the directives of this plan. All requirements for lower level stages continue to apply to higher level stages. Through out the curtailment period, the Company will provide customers with as much information as possible. The requirements specified below represent the minimum actions to be taken.

(Continued)

SECTION V. NOTIFICATIONS AND ACTIONS

Throughout the curtailment period the Company will provide customers and external State and regulatory stakeholders with as much information as possible utilizing established processes and protocols.

The Company's incident management strategy for an energy emergency is consistent with the National Incident Management System and Incident Command System, and provides effective coordination through:

- Procedures that allow system and field operations to focus on critical functional responsibilities;
- Providing pertinent information to internal and external stakeholders, customers, regulators, media outlets, etc.;
- Flexible response to changing circumstances, special customer needs and emergencies.

Stage 1: Interruptible Loads and Demand Side Management

The Company would not normally contact the public or news media when it exercises options under interruptible contract provisions and demand side management programs.

Stage 2: Public Appeal for Conservation

At the Company's discretion, a public appeal for voluntary energy conservation may be issued through media outlets, social media platforms, and automated outbound calling of customers requesting voluntary curtailment of nonessential uses.

Additionally, the Company will initiate curtailment of all nonessential Company use, request curtailment of nonessential use by governmental agencies and institutions at all levels, request voluntary curtailment of nonessential use in all large buildings, and direct specific requests to major use customers for voluntary curtailment of nonessential use.

If additional curtailment is required the Company will intensify its request to the public, including requests to curtail less-essential uses, and notice that if curtailment does not occur, mandatory curtailment may be necessary by utilizing block rotation methods.

SECTION IV. INITIATION OF LOAD CURTAILMENT: (continued)

- ~~* Stage 1. The Company will begin (or continued if communication has already begun) providing curtailment information to customers. The Company shall also assist the State, as appropriate, in briefing the media about the shortage.~~
- ~~* Stage 2. In Stage 2, the Company will (a) notify customers of the percentage level of State-initiated voluntary curtailment; (b) provide curtailment information to customers; (c) answer customers questions about curtailment; (d) provide curtailment reports to the State and the Utility Coordinator; and (e) provide more detailed information to the media than provided in Stage 1.~~

~~* Stage 3. In Stage 3, the Company will (a) notify customers of the percentage level of State-ordered mandatory curtailment; (b) calculate weather-normalized Base Billing Period data and Curtailment Targets for all customers who will be audited in the current billing period; (c) provide Curtailment Targets to all customers who request such data for their own accounts; (d) provide audited customers with information about how to apply for exemption and adjustment of Base Year data; (e) process requests for exemption and Base Year data adjustments from those customers selected for audit who would otherwise be subject to penalties; and (f) implement the penalties aspect of the Plan.~~

~~* Stage 4. In Stage 4, the Company will notify customer of any applicable changes in State-initiated mandatory curtailment.~~

~~* Stage 5. In Stage 5, the Company will collaborate with the State to develop and implement the most effective methods for securing the required load curtailment and to minimize the economic and human hardships of the last stage of load curtailment.~~

~~B. Suggested Curtailment Actions.~~

~~Information will be disseminated to customers regarding actions they can take to reduce their electric energy consumption. The Company will work together with the State to develop this material. The recommendations will be based on the action described in Appendix C ("Curtailment Measurements") of the Regional Plan.~~

Stage 3: Peak Load Curtailment

Prior to any rotating outages, the Company, to the best of its ability will contact key external stakeholders to inform them of the situation. To the extent possible, areas targeted for rotating outages may be disclosed at this time, together with some estimate of how long the outages will be necessary. The magnitude of the event will dictate the administrative level to which external notifications will be made.

(Continued)

SECTION V. NOTIFICATIONS AND ACTIONS (continued)

Key external stakeholders include, but are not limited to:

- Governor's office
- Utility Commissions
- State energy/emergency response officials
- Legislative leadership
- Key customer accounts

Stage 4: Block Load Curtailment

In addition to the actions above, to the extent possible, customers in the areas targeted for rotating outages will be notified as soon as practicable and provided with an estimate of the time their block will be curtailed and the expected duration.

Stage 5: Emergency Load Shed Groups

Generally, no advance notice of an event necessitating emergency load shed is available. Therefore, it is to be expected that all internal and external notifications will occur as soon as information is known.

C. ~~Base Year Data and Curtailment Targets.~~

1. ~~Identification of the Base Year.~~ The Base Year for a shortage will be established by the State. Base Year and Base Billing data shall be weather normalized.

2. ~~Estimating Base Billing Period Data for Customers for Whom No Base Billing Period Data Exists.~~ Base Billing Period data must be obtained or developed for any customer who is audited under this Plan. Although residential and General Use Customers without actual Base Billing Period data may be excluded from the random sample of audited customers, Base Billing period data will be estimated for any audited customer for whom actual data does not exist or is found to be inaccurate.

3. ~~Communicating Curtailment Target Information to Customers.~~ During mandatory curtailment, the Company will provide retrospective, current, and forthcoming billing period Curtailment Target information to any customer who requests it. The Company will provide retrospective Curtailment Target information to any audited customer who requests it and any audited customer who will be issued a warning or penalty. At the Company's option, it may provide Curtailment Target information to other customers or customer classes as well.

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I.P.U.C. No. 1

First Revision of Sheet No. 13R.6
Canceling Original Sheet No. 13R.6

~~D. Auditing Customers for Compliance with State Orders for Mandatory Load Curtailment.~~

~~Each billing period, the Company will audit at least one percent of residential users, five percent of General Use Customers, and 100% of Major Use Customers (including those Major Use Customers with estimated Base Billing Period data) plus any customers penalized in the previous billing period. The number of customers exempted or excluded from audit will not affect the sample size.~~

~~New samples shall be drawn each month. Customers penalized under this Plan shall continue to be audited until their energy use falls below the Threshold Consumption level. Once their energy use falls below that level, they will be audited again only if selected by random sample.~~

~~At its option, the Company may audit 100% of residential users and General Use Customers. When auditing less than 100% of members in a class, all such customers selected for audit shall be chosen on a random sample basis, except that the following customers are to be excluded: (a) customers granted an exemption under this Plan; and (b) customers with an estimated power bill in the current billing period. The Company may also exclude customers with estimated Base Billing Period data, if the State does not require their inclusion in the pool of customers subject to audit.~~

(Continued)

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E. Penalties for Non-compliance.

1. Nature of Penalties. The State will take whatever measures are available and appropriate at the time mandatory curtailment is instituted to ensure that the Company's customers comply with the mandates of the Plan. Measures may include financial penalties or disconnection of service.

During any continuous period of curtailment, assessed penalties remain "on the record" for the purposes of administration of subsequent penalties, even if there has been an intervening period of "compliance."

Standard disconnect criteria and procedures will be used whenever disconnecting customers in accordance with this Plan. Health, safety, and welfare considerations will be taken into account, and customers will be billed for normal disconnect and reconnect charges (see Schedule No. 300).

2. Calculation of Financial Penalties. Financial penalties will be calculated by multiplying the customer's Excess Power Consumption each billing period by the appropriate penalty.

- a. Threshold Consumption Level. The Threshold Consumption level assigned to each customer class is identified in the table below. These values may be changed by the State.

<u>Type of Customer</u>	<u>Threshold Consumption Level</u>
Residential customer	10% above Curtailment Target
General Use customer	10% above Curtailment Target
Major Use customer	2% above Curtailment Target

(Continued)

b. Excess Power Consumption Calculation. Penalties will not be assessed if a customer's load (either actual load or weather-normalized load) is equal to, or less than, the Threshold Consumption Level. Excess Power Consumption is the lower of the following two values for each sampled load subject to penalty: (a) (Actual Load) minus (Curtailment Target) or (b) (Weather-Normalized Load) minus (Curtailment Target).

c. Assessment of Penalties.

(1) Penalties vs. Warnings. Customers will be assessed penalties only if they have Excess Power Consumption and if they are to be penalized based on the penalty assessment procedures described below. Any sampled customer who is not penalized and whose use exceeds the Curtailment Target will receive a warning.

(2) Penalty Assessment Procedures. The Company will sample at the mandated minimum percentages for each section as specified in this plan [1%-5%-100%] (or as otherwise specified by the State) and assess penalties on all customers with Excess Power Consumption.

At the Company's option, samples may employ higher percentages of customers than the minimums specified above. The Company may choose among the following penalty assessment options:

(a) Assess penalties on all sampled customers with Excess Power Consumption; (this methodology must be used for Major Use Customers even if the Company chooses option (b), below, for its other customer sectors); or

(Continued)

- c. Assessment of Penalties. (continued)
- (b) Develop a ratio of the minimum percentage sample size to the actual percentage sampled for the residential and/or General Use customer sectors. Multiply the resulting percentages by the total number of violators in each respective customer sector to determine the minimum number of penalties that must be assessed in each sector. Calculate the percentage violation for each individual customer that has been sampled (Excess Power Consumption divided by Curtailment Target) and apply penalties to the "worst offenders" in the overall sample based on their percentage "Excess Power Consumption." Also penalize all customers who were penalized in the previous billing period and who still have the Excess Power Consumption.
- (3) Treatment of DSIs. Penalties applicable to BPA's direct-service industrial customers may be assessed by the State based on billing data provided by BPA. Such penalties and all information requirements associated with service obtained from BPA will be administered by BPA.
- d. Billing Customers for Penalties. The Company may describe the penalty on the power bill as "State-mandated" and shall include any State-provided material describing the penalty aspect of the plan as a bill stuffer in the bills of penalized customers. The Company shall note on the bill that failure to pay penalties will result in service disconnection.
- e. Treatment of Penalties Pending Adjustment/Exemption Determinations. Customers who have applied for adjustments of Base Billing Period data and/or exemption from mandatory curtailment may request a stay of enforcement of the penalty aspect of the Plan pending a final decision regarding its request. Any customer who has been granted such a stay shall be subject to retroactive penalties as applicable if the request is ultimately denied.
- f. Use of Funds Collected Under the Penalty Provisions of the Plan. Funds collected under State-ordered penalty provision of this Plan shall be set aside in a separate account. The ultimate disposition of these funds will be determined by the State.

(Continued)

F. Exemptions and Adjustments

1. Customer Application for Exemption/Adjustment. The Company will inform customers of how to apply for exemption from Plan requirements or adjustments of Base Billing Period data. At its option, the Company may elect to process exemptions and adjustments only for audited customers. Customers seeking an exemption or adjustment shall apply first to the Company. If dissatisfied with the Company's disposition of an application, the customer may apply to the State for exemption or adjustment.

At its option, the Company may provide for a credit against curtailment for a customer who has accomplished a reduction in demand for service by installing an alternative energy device, weatherization, or other conservation measures since the base period. If savings from these installed measures exceed current curtailment requirements, the Company may credit the excess against future curtailments.

2. Granting Customer Requests for Exemption from Mandatory Curtailment. No automatic customer exemptions will be granted under mandatory State-initiated load curtailment. The Company will inform exempted customers that exemptions may not protect them from Stage 5 black-outs.
 - a. Critical Load Customers. Critical Load Customers must demonstrate to the Company that they have eliminated all non-essential energy use and are using any reliable, cost-effective back-up energy resources before the Company will exempt them.
 - b. Other Customers. Exemptions for customers not qualifying as Critical Load Customers under this Plan will be evaluated based on whether curtailment would result in unreasonable exposure to health or safety hazards, seriously impair the welfare of the affected customer, cause extreme economic hardship relative to the amount of energy saved, or produce counterproductive results.
3. Utility Record-Keeping Relative to Customer Exemptions. Records regarding exemption determinations will be made available to the State upon request.

(Continued)

G. Measurement of the Amount of Curtailment Achieved and Determination of Compliance.

At all times during State-initiated regional load curtailment, the State and the Utility Coordinator will be provided with consumption and savings data on a monthly basis in the form specified in Appendix D of the Regional Plan. To the extent that circumstances at the time of actual load curtailment dictate the need for additional data or more frequent data submittal, a best effort to comply with the State request will be made.

H. Special Arrangements

1. Use of Customer-Owned Generation Facilities. Consistent with the need for safety and system protection, customers having their own generation facilities or access to electricity from non-utility power sources may use energy from those other sources to supplement their curtailed power purchases from the Company.
2. Curtailment Scheduling. During periods of mandatory curtailment, a customer must provide the required amount of curtailment within each billing period. Within that period, and subject to equipment limitations and rules on load fluctuations, customers are free to schedule curtailment so as to minimize the economic cost, hardship, or inconvenience they experience as a result of the mandatory curtailment requirement.

SECTION V. APPENDICES AND RELATED CURTAILMENT INFORMATION:

The Regional Curtailment Plan for Electric Energy contains additional information, and is available for review in each of the Company's local offices.