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**Introduction**

In Order No. 93-084, entered January 19, 1993, the Public Utility Commission of Oregon ordered the Company and other regulated electric utilities operating in the State of Oregon to adopt the following provisions relating to electric service curtailment during periods of prolonged energy shortages. The provisions are based on the "Regional Curtailment Plan for Electric Energy", a plan designed to serve as a guideline for the four Pacific Northwest states to use in developing their own individual curtailment plans to deal effectively with protracted energy shortage situations. Such shortages could result from a number of causes such as a prolonged drought that greatly reduces hydroelectric capability, severe operational constraints that could reduce hydro capability, a moratorium on the operation of generation plants, or the loss of a major thermal resource due to mechanical or electrical failure.

Based on the Governor's declaration of an energy emergency pursuant to ORS 176.750 through 176.820, the electric service curtailment provisions call for the Company to implement measures to encourage Consumers to reduce electric energy use. Possibly included among measures are the audit of Consumer energy usage quantities, and the implementation of penalties for exceeding usage guidelines.

**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 electrical energy shortage to ensure uniform treatment of all regional Consumers. 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 Consumers fairly and equitably, minimizing adverse impacts from curtailment, complying with existing State laws and regulations, and providing for smooth, efficient, and effective curtailment administration. The plan will be implemented in a non-discriminatory manner, without regard to electricity supplier.

**II. Definitions**

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 Consumer. A Consumer 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.

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**II. Definitions (continued)**

- E. Curtailment Target: The maximum amount of energy that a Consumer may use and still remain in compliance with the State curtailment order. The Curtailment Target is determined individually for each Consumer 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 Consumer's actual (or metered) consumption level during a billing period and the Curtailment Target, or (2) the difference between the Consumer's weather-normalized energy use during a billing period and the Curtailment Target.
- G. General Use Consumer: Any nonresidential Consumer who purchased less than 5 average megawatts (48,300 MWh) during the base year.
- H. Major Use Consumer: A Consumer 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 Public Utility Commission of Oregon.
- L. State Contact(s): Individuals who represent the State of Oregon 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 Consumer 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."

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**III. Curtailment Stages**

State curtailment directives apply to all retail loads served within the State of Oregon. 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.

The five curtailment stages are:

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

**IV. Initiation of Load Curtailment**

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. Throughout the curtailment period, the Company will provide Consumers and ESSs with as much information as possible. The requirements specified below represent the minimum actions to be taken.

- Stage 1. The Company will begin (or continue if communication has already begun) providing curtailment information to Consumers and ESSs. 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 Consumers and ESSs of the percentage level of State-initiated voluntary curtailment; (b) provide curtailment information to Consumers and ESSs; (c) answer Consumer questions about curtailment; (d) provide curtailment reports to the States and the Utility Coordinator; and (e) provide more detailed information to the media than provided in Stage 1.

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**IV. Initiation of Load Curtailment (continued)**

- Stage 3: In Stage 3, the Company will (a) notify Consumers and ESSs of the percentage level of State-ordered mandatory curtailment; (b) calculate weather-normalized Base Billing Period data and Curtailment Targets for all Consumers and ESSs who will be audited in the current billing period; (c) provide Curtailment Targets to all Consumers and ESSs who request such data for their own accounts; (d) provide audited Consumers and their ESSs 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 Consumers 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 Consumers and ESSs 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 Consumers and ESSs 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 actions described in Appendix C of the Plan, "Curtailment Measurements."

**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 Consumers for Whom No Base Billing Period Data Exists: Base Billing Period data must be obtained or developed for any Consumer who is audited under this Plan. Although residential and General Use Consumers without actual Base Billing Period data may be excluded from the random sample of audited Consumers, Base Billing Period data will be estimated for any audited Consumer for whom actual data does not exist or is found to be inaccurate.
3. Communicating Curtailment Target Information to Consumers or ESSs: During mandatory curtailment, the Company will provide retrospective, current, and forthcoming billing period Curtailment Target information to any Consumer or ESS who requests it. The Company will provide retrospective Consumer's ESS upon request. At the Company's option, it may provide Curtailment Target information to other Consumers, Consumer classes or ESSs as well.

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**IV. Initiation of Load Curtailment (continued)**

- D. Auditing Consumers 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 Consumers, and 100% of Major Use Consumers (including those Major Use Consumers with estimated Base Billing Period data) plus any Consumers penalized in the previous billing period. The number of Consumers exempted or excluded from audit will not affect the sample size.

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

- E. Penalties for Non-compliance.

1. Nature of Penalties: The penalties under this Plan are structured as follows:

<u>Violation</u>	<u>Penalty</u>
1st bimonthly violation	10 cents per kWh of excess use
2nd bimonthly violation	20 cents per kWh of excess use
3rd bimonthly violation	40 cents per kWh of excess use
4th bimonthly violation	1 day disconnection + 40 cents per kWh of excess use
5th bimonthly violation	2 day disconnection + 40 cents per kWh of excess use
6th bimonthly violation and all subsequent violations	Penalties are determined violations by the State. Civil penalties or other corrective actions are possibilities.

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**IV. Initiation of Load Curtailment (continued)**

**E. Penalties for Non-compliance.**

**1. Nature of Penalties: (continued)**

The penalty for violators who are billed every two months will escalate on every power bill in which they are subject to penalty. Consumers billed on a monthly basis will be assessed the same penalty on two successive occasions before incurring the next higher level penalty. 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 Consumers in accordance with this Plan. Health, safety, and welfare considerations will be taken into account, and Consumers will be billed for normal disconnect and reconnect charges.

**2. Calculation of Financial Penalties: Financial penalties will be calculated by multiplying the Consumer's Excess Power Consumption each billing period by the appropriate penalty level identified above.**

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

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

**b. Excess Power Consumption Calculation: Penalties will not be assessed if a Consumer'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).**

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**IV. Initiation of Load Curtailment (continued)**

2. Calculation of Financial Penalties: (continued)
  - c. Assessment of Penalties:
    - i. Penalties vs. Warnings: Consumers 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 Consumer who is not penalized and whose use exceeds the Curtailment Target will receive a warning.
    - ii. 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 Consumers with Excess Power Consumption.

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

      - (a) Assess penalties on all sampled Consumers with Excess Power Consumption; (this methodology must be used for Major Use Consumers even if the Company chooses option (b), below, for its other Consumer sectors); or
      - (b) Develop a ratio of the minimum percentage sample size to the actual percentage sampled for the residential and/or General Use Consumer sectors. Multiply the resulting percentages by the total number of violators in each respective Consumer sector to determine the minimum number of penalties that must be assessed in each sector. Calculate the percentage violation for each individual Consumer 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 Consumers who were penalized in the previous billing period and who still have the Excess Power Consumption.
    - iii. Treatment of DSIs: Penalties applicable to BPA's direct-service industrial Consumers 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 Consumers 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 Consumers. The Company shall note on the bill that failure to pay penalties will result in service disconnection.

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**IV. Initiation of Load Curtailment (continued)**

2. Calculation of Financial Penalties: (continued)
  - e. Treatment of Penalties Pending Adjustment/Exemption Determinations: Consumers 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 Consumer 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 provisions of this Plan shall be set aside in a separate account. The ultimate disposition of these funds will be determined by the Public Utility Commission of Oregon.

**F. Exemptions and Adjustments**

1. Consumer Application for Exemption/Adjustment: The Company will inform Consumers 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 Consumers. Consumers seeking an exemption or adjustment shall apply first to the Company. If dissatisfied with the Company's disposition of an application, the Consumer may apply to the State for exemption or adjustment.

At its option, the Company may provide for a credit against curtailment for a Consumer 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 Consumer Requests for Exemption from Mandatory Curtailment: No automatic Consumer exemptions will be granted under mandatory State-initiated load curtailment. The Company will inform exempted Consumers that exemptions may not protect them from Stage 5 black-outs.
  - a. Critical Load Consumers: Critical Load Consumers 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 Consumers: Exemptions for Consumers not qualifying as Critical Load Consumers 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 Consumer, cause extreme economic hardship relative to the amount of energy saved, or produce counterproductive results.
3. Utility Record-Keeping Relative to Consumer Exemptions: Records regarding exemption determinations will be made available to the Commission upon request.

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**IV. Initiation of Load Curtailment (continued)**

- G. **Measurement of the Amount of Curtailment Achieved and Determination of Compliance**  
At all times during State-initiated regional load curtailment, the Commission 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 Commission request will be made.
- H. **Special Arrangements**
1. **Use of Consumer-Owned Generation Facilities:** Consistent with the need for safety and system protection, Consumers 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 Consumer must provide the required amount of curtailment within each billing period. Within that period, and subject to equipment limitations and rules on load fluctuations, Consumers 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.

**V. Appendices and Related Curtailment Information**

The Regional Electric Energy Curtailment Plan is available for review in each of the Company's local offices. That plan contains additional information on curtailment administration.