

SCHEDULE 98
RESIDENTIAL AND SMALL FARM
ENERGY CREDIT

APPLICABILITY

This schedule is applicable to the Qualifying Electric Energy, as defined below, delivered to Customers taking service under Schedules 1, 3, 4, 5, 6, 7, 8, 9, 15, or 24.

The Residential and Small Farm Energy Credit ("Credit") is the result of the Settlement Agreement between the Company and the Bonneville Power Administration ("BPA") Contract No. 11PB-12322. The Settlement Agreement provides for the determination of benefits during the period October 1, 2011, through September 30, 2028. This schedule shall expire when the benefits derived from the Settlement Agreement have been credited to Customers as provided for under this schedule.

QUALIFYING ELECTRIC ENERGY

RESIDENTIAL

All kilowatt-hours (kWh) of metered energy, delivered during the Billing Period, to residential Customers taking service under Schedules 1, 3, 4, 5, or 6 and all kWh of metered residential electric use delivered to Customers taking service under Schedules 7, 8, 9, or 15, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements, will be considered Residential Qualifying Electric Energy under this schedule.

SMALL FARM

All kWh of metered energy, delivered during the Billing Period, to eligible small farm Customers taking service under Schedule 7, 8, or 9, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements will be considered Small Farm Qualifying Electric Energy under this schedule.

IRRIGATION

All kWh of metered energy, delivered during the Billing Period, to eligible irrigation Customers taking service under Schedule 24, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements, limited to either the irrigation Customer's actual metered energy or 222,000 kWh, whichever is less, will be considered Irrigation Qualifying Electric Energy under this schedule. Determination of Irrigation Qualifying Electric Energy under this schedule will be identified at the Customer level.

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(Continued)

CREDIT ADJUSTMENT

An energy credit rate will be determined on an annual basis by dividing the sum of the total fiscal year Credit, derived from the Settlement Agreement, plus a true up from the prior year Credit, if applicable, by the sum of the calendar year projected Qualifying Electric Energy as described above. The current energy credit rate is 0.1908 cents per kWh.

For residential and small farm Customers, the adjustment credit will be reflected on Customers' monthly bills.

For irrigation Customers, the adjustment credit will be issued in December of each year.