

SCHEDULE 74
RESIDENTIAL AIR CONDITIONER
CYCLING PROGRAM
(OPTIONAL)

PURPOSE

The Residential Air Conditioner Cycling Program is an optional, supplemental service that permits participating residential Customers an opportunity to voluntarily allow the Company to cycle their central air conditioners with the use of a direct load control Device installed at their residence. Customers will receive a monetary incentive for successfully participating in the Program during the Air Conditioning Season.

DEFINITIONS

AC Cycling is the effect of the Company sending a signal to a Device installed at the Customer's residence and instructing it to cycle the Central Air Conditioning compressor for a specified length of time.

Air Conditioning Season is the period that commences on June 15 and continues through August 15 of each calendar year.

Central Air Conditioning is a home cooling system that is controlled by one or more centrally located thermostats that controls one or more refrigerated air-cooling units located outside the Customer's residence.

Cycling Event is a period during which the Company sends a signal to the Device installed at the Customer's residence, which instructs the Device to begin AC Cycling.

Device is a direct load control device installed at a Customer's residence that enables the Company to conduct AC Cycling.

Notification refers to the Customer's indication of intent to initiate or terminate participation in the Program by either contacting the Company's Customer Service Center, providing written notice or submitting an electronic Application via the Company's website.

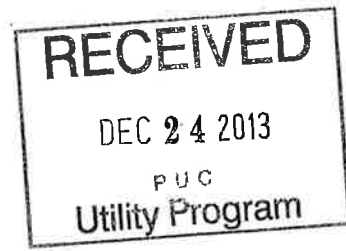
Opt Out is the term used to describe the two times each Air Conditioning Season in which the Customer may choose to temporarily not participate in AC Cycling by providing advanced Notification to the Company.

Program Operation Area describes the area in which the Program will be offered to Customers and is comprised of the Company's service territory within the State of Oregon where the infrastructure required to support AC Cycling has been installed and is operational.

AVAILABILITY

Service under this schedule is available on an optional basis to Customers taking service under Schedules 1 and 5 who have Central Air Conditioning located at their residences and live within the Program Operation Area. Customers may request to be added to the Program at any time during the year by providing Notification to the Company. (N)
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Service under this schedule may be limited based upon the availability of Program equipment and/or funding. The Company shall have the right to select and reject Program participants at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program. Selection criteria may include, but will not be limited to, energy usage, residential location, size of home, or other factors. Customers' Central Air Conditioning equipment must be fully functional and comply with the National Electric Code (NEC) standards. Customers who are renting or leasing their home must provide to the Company written proof of the express permission of the owner of the Central Air Conditioning system prior to acceptance into the program.



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TERMS AND CONDITIONS

Upon acceptance into the Program, Customers will be subject to the following terms and conditions:

1. Each eligible Customer who chooses to take service under this optional schedule is thereby giving the Company or its representative permission, on reasonable notice, to enter the Customer's residence or property to install a Device and, in certain cases, either a mass memory meter or an end-use meter and to allow Idaho Power or its representative, with prior notice to the Customer, reasonable access to the Device or other Program-related equipment following its installation.
2. Customers added to the Program during the Air Conditioning Season must be effectively participating in the Program prior to the 20th day of the month in order to receive an incentive payment for that month.
3. A Customer may Opt Out of the Program two times during the Air Conditioning Season.
4. A Customer may discontinue participation in the Program without penalty by providing Notification to the Company.
5. If there is evidence of alteration, tampering, or otherwise interfering with the Company's ability to initiate a Cycling Event, the Customer's participation in the Program will be terminated and the Customer will be required to reimburse the Company for the cost of replacement or repair of the Device or other Program equipment and the Company will reverse any amounts credited to the Customer's bills during the past twelve months as a result of the Customer's participation in the Program.

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PROGRAM DESCRIPTION

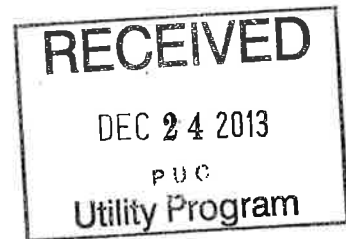
1. At the Company's expense, the Company or its representative will install a Device at the Customer's residence.
2. A financial incentive of \$5.00 per month for each of the three months June, July, and August will be paid to each Customer who successfully participates in the Program. This incentive will be paid in the form of a credit on the Customer's monthly bill for each month that the Customer successfully participates in the Program, beginning with the July bill and ending with the September bill. Incentive payments are limited to one controlled Central Air Conditioning unit per metered service point. Customers who have more than one Central Air Conditioning unit at a metered service point may participate in the Program. A Device must be installed at each Central Air Conditioning unit. However, no additional incentive will be paid.
3. The Company will send a signal to the Device to initiate a Cycling Event. A Cycling Event may be up to four hours per day on any weekday during the Air Conditioning Season, excluding holidays. A Cycling Event may occur over a continuous 4-hour period or may be segmented throughout the day at the Company's discretion in order to optimize available resources. Cycling Events may occur up to 15 hours each week and will not exceed a total of 60 hours per Air Conditioning Season. During each Air Conditioning Season, the Company will conduct at least three Cycling Events. Mass memory meters or end-use meters may be installed on some Customers' residences or Central Air Conditioning units for program evaluation purposes. The residences or Central Air Conditioning units selected for installation of the meter shall be at the Company's sole discretion.

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 (Continued)

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SPECIAL CONDITIONS

The Company is not responsible for any consequential, incidental, punitive, exemplary or indirect damage to the participating Customer or third parties that results from AC Cycling, from the Customer's participation in the Program, or of Customer's efforts to reduce peak energy use while participating in the Program.

The Company makes no warranty of merchantability or fitness for a particular purpose with respect to the Device and any and all implied warranties are disclaimed.

The Company shall have the right to select the AC Cycling schedule and the percentage of Customers' Central Air Conditioning systems to cycle at any one time, up to 100%, at its sole discretion.

The provisions of this schedule do not apply for any time period that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular Service or Energy Charges associated with a Customer's standard service schedule.

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