

ECONOMIC CURTAILMENT OPTION

Available: From June 1 through September 30 to customers who voluntarily agree to curtail load during an agreed period of time in exchange for a financial incentive.

Definitions:

Curtable Load shall mean any customer load that is operating at the time a voluntary economic load reduction is requested and that can be verified by existing District metering or SCADA system.

Control Period shall mean the date, beginning and ending time for which an incentive will be paid for controlling load.

Financial Incentive shall mean the incentive received from the District's power supplier, less 15% for administration.

Power Supplier shall mean Nebraska Public Power District.

Incentive shall be the wholesale incentive as defined in Supplement No. 3 to the NPPD R-2 Wholesale Power Rate Schedule.

Curtailment Incentive shall mean the incentive received by the end use customer for curtailment of retail load.

Procedure: Customers will either be contacted as a group, in the case of irrigation, offering an opportunity to participate in the program, or individually as with large commercial and industrial customers. They will be advised of their options within the program and of the voluntary nature. Nothing will require a customer to commit to future curtailments after they have notified the District that they no longer want to participate in the program.

Irrigation customers who currently have a load control switch installed and are not normally controlled during peak conditions will be required to sign a season agreement whereby they will be curtailed each time the District's power supplier requests reduction. Customers in this rate class will be required to sign an application for the economic curtailment program in order to participate. At any time after the current curtailment any customer may withdraw from the program without charge.

Large commercial and industry accounts will be contacted by telephone, fax, or e-mail giving the time, duration, and price to be paid for the requested curtailment. It is anticipated the price will change for each curtailment and there is no obligation to curtail load. Customers in this class will be asked to designate the amount of load they will curtail. The designation must be made in writing by

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FAX 30 minutes prior to the beginning of the curtailment period. The customer will be notified by FAX when the District's power supplier accepts the designated load for curtailment. Voluntary curtailment of the designated load by the customer shall begin as agreed on the beginning of the control period. Payment will be made based on the designated amount only. If the customer fails to curtail the load designated, a charge of 2½ times the curtailment incentive amount shall be assessed to the customer for any load that was designated, but not curtailed.

There is no prohibition of any customer to utilize standby generation during an economic control period.

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