SCHEDULE 135
DEMAND RESPONSE COST RECOVERY MECHANISM

PURPOSE

This Schedule recovers the expenses associated with demand response pilots not otherwise included in rates. This adjustment schedule is implemented as an automatic adjustment clause as provided for under ORS 757.210.

AVAILABLE

In all territory served by the Company.

APPLICABLE

To all bills for Electricity Service except Schedules 76R, 485, 489, 490, 491, 492, 495, 496, 576R, 689, and 696. **(C)** **(C)**

ADJUSTMENT RATE

The Adjustment Rate, applicable for service on and after the effective date of this schedule are:

Schedule	Adjustment Rate	
7	0.086	¢ per kWh
15/515	0.061	¢ per kWh
32/532	0.076	¢ per kWh
38/538	0.074	¢ per kWh
47	0.091	¢ per kWh
49/549	0.089	¢ per kWh
75/575		
Secondary	0.068	¢ per kWh(1)
Primary	0.067	¢ per kWh(1)
Subtransmission	0.066	¢ per kWh(1)
83/583	0.072	¢ per kWh
85/585		
Secondary	0.075	¢ per kWh
Primary	0.068	¢ per kWh

(1) Applicable only to the Baseline and Scheduled Maintenance Energy.

SCHEDULE 135 (Concluded)

ADJUSTMENT RATE (Continued)

Schedule	Adjustment Rate		
89/589			
Secondary	0.068	¢ per kWh	
Primary	0.067	¢ per kWh	
Subtransmission	0.066	¢ per kWh	
90/590			
Primary 30-250 MWa	0.065	¢ per kWh	
Primary >250 MWa	0.061	¢ per kWh	
Subtransmission	0.065	¢ per kWh	
91/591	0.061	¢ per kWh	
92/592	0.066	¢ per kWh	
95/595	0.061	¢ per kWh	
96/596	0.066	¢ per kWh	**(N)**

BALANCING ACCOUNT

The Company will maintain a balancing account to accrue differences between the incremental costs associated with automated demand response and the revenues collected under this schedule. This balancing account will accrue interest at the Commission-authorized rate for deferred accounts.

DEFERRAL MECHANISM

Each year the Company may file a deferral request to defer the incremental costs associated with the implementation and administration of demand response pilots. The rate on this schedule recovers only the incremental costs for implementation and administration of demand response pilots. The deferral will be amortized over one year in this schedule unless otherwise approved by the Oregon Public Utility Commission.

SPECIAL CONDITION

1. Costs recovered through this schedule will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of generation revenue applied on a cents per kWh basis to each applicable rate schedule.