

Serving Portions of Coos, Douglas, Lane, and Lincoln counties on Oregon's Central Coast



2129 N. Coast Hwy • P.O. Box 1126 • Newport, Oregon 97365-0090 • 541-265-3211 • clpud.org

January 20, 2015

Paul Rossow, Utility Analyst
Electric and Natural Gas Division
Oregon Public Utility Commission
P.O. Box 1088
Salem, OR 97308-1088

RE: Public Utility Avoided Cost Reporting

Dear Mr. Rossow;

Central Lincoln is currently and has been for more than 60 years, a holder of a full requirements power supply contract with the Bonneville Power Administration (BPA). As of November 30, 2008, Central Lincoln has signed a BPA TRM Load Following Power Sales Agreement. Power delivery for the BPA TRM agreement commenced on October 1, 2011 and will run until September 30, 2028.

Every two years BPA sets wholesale power rates and the amount of power available to Central Lincoln at a Tier 1 rate. The Rate Case in which BPA sets these numbers for the 2016-2017 Rate Period is currently underway. The 2016-2017 Rate Period begins October 1, 2015 and ends September 30, 2017. Any load experienced by Central Lincoln either above (or below) the Tier 1 allotment will be supplied by BPA and charged (or credited, if below) to Central Lincoln as Load Shaping charges. At this time, Load Shaping rates are uncertain. The final rates will be set sometime this summer after BPA's 2016 Rate Case has ended and are published in the Federal Register Notice. However, based on the Initial Proposal, the average of our BPA Tier 1 power purchase is forecasted at 3.9 cents per kWh.

Sincerely,

A handwritten signature in black ink, appearing to read "Brandon Hignite".

Brandon Hignite
Power Analyst
Central Lincoln PUD

cc: Debra Smith, General Manager