



COLUMBIA BASIN ELECTRIC COOPERATIVE, Inc.

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2015 JAN 28 A 10:58

January 19, 2015

P.U.C.

Paul Rossow
Public Utility Commission of Oregon
P. O. Box 2148
Salem, OR 97308-2148

Dear Mr. Rossow:

As a BPA full requirements customer, Columbia Basin Electric Cooperative, Inc.'s Tier 1 incremental resource is power purchased from the Bonneville Power Administration (BPA) under the Priority Firm (PF) rate schedule or its successor. The actual avoided cost for Columbia Basin Electric Cooperative, Inc. depends on the actual BPA PF rate in effect at the time, our utility's load factor, seasonal distribution of load and discounts such as the Low Density Discount.

Moving forward, Columbia Basin Electric Cooperative has contracted with BPA to purchase any Tier 2 product that may be required. BPA estimates the avoided cost of their Tier 2 product to be \$40.00 per MW in 2012, escalating to \$77.00 per MW by 2032.

Sincerely,

Thomas F. Wolff,
General Manager