

**Salem Electric**  
SERVING KEIZER AND SALEM



October 26, 2018

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

RE: Avoided Cost Filing

Dear Mr. Rossow:

In accordance with OAR 860-29-0080(2), you have requested Salem Electric file a schedule of avoided costs equaling the utility's forecasted incremental cost of resources for at least the next 20 years.

At this time, and for the foreseeable future, Salem Electric will be a full requirements customer of the Bonneville Power Administration (BPA). Our cost of resources is BPA's priority firm (PF) rate in accordance with Section 5(b) (1) of the Northwest Power Act.

Based on our current forecasting from BPA our FY18 avoided cost will be \$36.98/MWh and for FY19 it is forecast to be \$37/MWh.

Sincerely,

Tony Schacher  
Engineering & Operations Manager

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ACS 10/26/2018

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