

February 8, 2017

Paul Rossow, Utility Analyst  
Electric and Natural Gas Division  
Oregon Public Utility Commission  
P.O. Box 1088  
Salem, OR 97308-1088  
Sent via email to: [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us)

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 2018-2019 Rate Period is currently underway. Any load experienced by Central Lincoln either above (or below) the Tier 1 allotment during that period 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 2018 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 4 cents per kWh.

Due to its small size and BPA power supply, Central Lincoln does not forecast power supply costs 20 years into the future.

Sincerely,

Brandon Hignite  
Finance and Resource Planner  
Central Lincoln PUD

cc: Debra Smith, General Manager