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November 7, 2022

Mr. Charles Lockwood, Utility Analyst
Utility Strategy and Integration Division
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308

Dear Mr. Lockwood,

Pursuant to OAR 860-029-0080(2), I am filing avoided cost information on behalf of members of the Oregon Municipal Electric Utilities Association (OMEU). A list of the OMEU members and individual contact information is attached.

Under current contracts, OMEU members as public agencies primarily buy their wholesale power requirements from the Bonneville Power Administration (BPA) at the Priority Firm (PF) rate in accordance with Section 5(b)(1) of the Northwest Power Act. These purchases are made at Tier 1 rates, the BPA Load Shaping rate, or one of BPA's Tier 2 rates (either at the Load Growth or Short Term rate).

BPA and OMEU member utilities all signed 20-year Load Following contracts that took effect on October 1, 2011 and end on September 30, 2028. These contracts confer the ability to purchase an established amount of power at an embedded cost rate (Tier 1) and a Load Growth or Short Term Tier 2 Rate for publicly owned utilities that contract with BPA to meet their wholesale power needs.

Though some utilities apply limited amounts of non-federal resources to load, currently all OMEU utilities have committed to purchase the remaining balance of their above high water mark (load growth) requirements with BPA purchases at the BPA Load Shaping rate or at one of the take-or-pay BPA Tier 2 rates. The High Water Mark is essentially a set apportionment for each BPA customer of cost based power from the federal system. For details on the BPA Tiered Rate Methodology, please visit BPA's website at: <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/bp-12-a-03.pdf>

Avoided costs, or the cost of meeting load growth, will vary by utility depending upon the relationship of the utility's load to their High Water Mark. For those OMEU members whose load is below their High Water Mark, load growth will be met at the Tier 1 rate. The current average Tier 1 rate of 34.93 mills/kWh remains in effect through September 30, 2023. For those OMEU members whose loads are above their High Water Mark, load growth will be met at an average Tier 2 rate of 33.69 mills/kWh for

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FY 22-23, which also remains in effect through September 30, 2023. Any load growth that occurs but that was not forecast prior to the rate case will be met at monthly Load Shaping rates. The average Load Shaping rate of 27.24 mills/kWh remains in effect through September 30, 2023. Note that these avoided cost figures reflect energy, capacity, transmission, and ancillary services based on aggregate load profiles.

It is important to note that the BPA FY 2024 and FY 2025 rates will be updated in a rate proceeding that will begin in mid-November and may not be finalized until summer 2023. Those updated BPA rates will succeed the currently filed avoided cost rates.

Information on BPA's power rates for Tier 1, Tier 2 and Load Shaping charges can be accessed here:

https://www.bpa.gov/-/media/Aep/rates-tariff/bp-22/bp-22-final-decision/2022-Power-Rate-Schedules-and-GRSPs_Rev_12-15-21.pdf

We will update this contract and rate information in future filings. If you have any questions regarding this information, please call me at (971) 600-6976 or the individual utilities listed in Attachment A.

Sincerely,

/s/ Jennifer Joly

Jennifer Joly, Director

Oregon Municipal Electric Utilities Association

Attachment A

OREGON MUNICIPAL ELECTRIC UTILITIES ASSOCIATION OFFICERS AND MEMBERS ~ NOVEMBER 2022

PRESIDENT

Tom McBartlett Director	Ashland Municipal Electric Utility 90 N. Mountain Avenue Ashland, OR 97520	(541) 552-2314 FAX (541) 552-2059 mcbartlett@ashland.or.us
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VICE-PRESIDENT

Mike Watkins Electric Superintendent	City of Milton-Freewater PO Box 6 Milton-Freewater, OR 97862	(541) 938-8231 FAX (541) 938-8224 mike.watkins@milton-freewater.or.gov
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SECRETARY/TREASURER

Dan Chandler City Manager	City of Bandon PO Box 67 Bandon, OR 97411	(541) 347-2437, Ext. 228 FAX (541) 347-1415 electric@cityofbandon.org
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MEMBERS

Carol Sullivan General Manager	Canby Utility Board PO Box 1070 Canby, OR 97013	(503) 266-1156 FAX (503) 263-8621 csullivan@canbyutility.org
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Jordon Bennett City Administrator	City of Cascade Locks PO Box 308 Cascade Locks, OR 97014	(541) 374-8484 FAX (541) 374-8752 jbennett@cascade-locks.or.us
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Jeni Stevens City Administrator	City of Drain PO Box 158 Drain, OR 97435	(541) 836-2417, Ext. 3002 FAX (541) 836-2531 city.admin@cityofdrain.org
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Keith Hormann Light & Power Director	Forest Grove Light & Power PO Box 326 Forest Grove, OR 97116	(503) 992-3252 FAX (503) 992-3149 khormann@forestgrove-or.us
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Nate Rivera General Manager	Hermiston Energy Services 180 NE Second Street Hermiston, OR 97838	(541) 667-5035 FAX (541) 567-6731 nrivera@hermiston.or.us
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John Dietz General Manager	McMinnville Water & Light PO Box 638 McMinnville, OR 97128	(503) 472-6158 FAX (503) 472-5211 jcd@mc-power.com
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Mike Gregory Interim Electric Superintendent	City of Monmouth 780 Ecols St. S Monmouth, OR 97361	(503) 838-3526 FAX (503) 838-0725 mgregory@ci.monmouth.or.us
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Jeff Nelson General Manager	Springfield Utility Board PO Box 300 Springfield, OR 97477	(541) 746-8451 FAX (541) 746-0230 jeffn@subutil.com
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DIRECTOR

Jennifer Joly	1201 Court Street NE, Suite 102 Salem OR 97301	(971) 600-6976 FAX (503) 371-3746 jenniferjoly@omeu.org
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