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**Salem Electric**  
SERVING KEIZER AND SALEM



P.U.C.

December 23, 2014

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

RE: Public Utility Avoided Cost Report

Dear Mr. Rossow:

In accordance with OAR 860-29-080(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.

If you have any questions, please feel free to contact me.

Sincerely,

Tony Schacher  
Engineering & Operations Manager

CJL

## ROSSOW Paul

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**From:** Tony Schacher <schacher@salemelectric.com>  
**Sent:** Tuesday, January 27, 2015 10:17 AM  
**To:** ROSSOW Paul  
**Subject:** Re: Tony Schacher - Public Utility Avoided Cost Report

Paul,  
Here is what we currently have for our avoided costs from the last few years. We do foresee a change in October 2015 with our BPA contract rate changing at that time. However for the future up to that point we should be relatively stable.

### Year Rate

2012 33.89 mills/kWh

2013 34.99 mills/kWh

2014 37.27 mills/kWh

2015 37.27 mills/kWh (through October 1, 2015) Post October 2015, our avoided cost will be based on our new rates from BPA.

Does this look like it will work for you,

Thanks,  
Tony Schacher

Tony Schacher, P.E. | Salem Electric | Engineering & Operations Manager CA License #: E 17965 | OR License #: 72805PE  
PO Box 5588 | 633 7th St. NW | Salem, OR 97304<x-apple-data-detectors://1/0>  
Email: [schacher@salemelectric.com](mailto:schacher@salemelectric.com)<mailto:schacher@salemelectric.com>  
Phone: 503 362-3601<tel:(503)%20361-2570> | Fax: 503 361-2570<tel:(503)%20361-2570>

On Jan 15, 2015, at 9:49 AM, Salem Electric <[se@salemelectric.com](mailto:se@salemelectric.com)<mailto:se@salemelectric.com>> wrote:

**From:** ROSSOW Paul [<mailto:paul.rossow@state.or.us>]  
**Sent:** Thursday, January 15, 2015 9:28 AM  
**To:** Salem Electric  
**Subject:** Tony Schacher - Public Utility Avoided Cost Report

Hello Mr. Schacher,

Regarding your letter responding to my Avoided Costs letter dated December 23, 2014, please provide me with Salem Electric's PF rate (mills per kwh) for the year 2015 and any future year, if known. For example;

Year	Rate (mills/kwh)
2015	24.00
2016	28.37
2017	31.00

Thank you,

Paul Rossow  
Utility Analyst  
Public Utility Commission of Oregon  
(503) 378-6917