



# Tillamook People's Utility District

**Directors**  
Harry E. Hewitt  
Edwin L. Jenkins  
Doug Olson  
Ken R. Phillips  
Barbara A. Trout

*A Customer-Owned Electric Utility*

Office: 503.842.2535 • Toll-free: 800.422.2535 • Fax: 503.842.4161

[www.tpud.org](http://www.tpud.org)

Todd Simmons  
GENERAL MANAGER

February 22, 2017

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

RE: Public Utility Avoided Cost Reporting

Dear Mr. Rossow:

Tillamook People's Utility District (PUD) is a full-requirements customer of the Bonneville Power Administration (BPA) with a Load Following Power Sales Agreement currently in effect until September 30, 2028.

The avoided cost of Tillamook PUD is established by the terms of this power sales agreement, the Service Agreement for Network Integration Transmission, applicable BPA rate schedules and amendments.

Every two years, BPA sets wholesale rates and the amount of power available to Tillamook PUD at a Tier 1 rate. The Rate Case in which BPA sets these numbers for the 2018-2019 Rate Period is underway. Final rates will be set sometime this summer after this Rate Case is ended. However, based on the Initial Proposal, the average of our BPA Tier 1 power purchase is forecasted to be 3.6 cents per kWh.

Sincerely,

James Martin  
Finance Manager