



# OREGON TRAIL ELECTRIC COOPERATIVE

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December 16, 2016

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

Dear Mr. Rossow:

As a retail distribution cooperative with no generating resources, the avoided cost of Oregon Trail Electric Cooperative (OTEC) is established by the terms of OTEC's contracts with its sole wholesale power supplier, the Bonneville Power Administration (BPA). The delivered costs of wholesale power are established by the BPA Full Service Power Sales Agreement and the Service Agreement for Network Integration Transmission; applicable BPA rate schedules; and amendments. Complete copies of these materials are available at OTEC's headquarters in Baker City, Oregon.

The avoided cost applicable to a given Qualified Facility is equal to the marginal cost savings realized by OTEC under the relevant BPA contracts, which will result from the delivery of power by the Qualified Facility to OTEC.

Sincerely,

A handwritten signature in black ink, appearing to read "Les Penning".

Les Penning  
General Manager

LP;jm

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*Proudly serving Baker, Grant, Harney and Union counties*

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