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IDAHO PUBLIC
UTILITIES COMMISSION

STATE OF IDAHO

OFFICE OF THE ATTORNEY GENERAL

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VIA E-MAIL

May 22, 2014

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Re: Case Nos. IPC-E-14-11, PAC-E-14-03, AVU-E-14-04 -- Update to Published Avoided Cost Rates to Reflect an Updated Natural Gas Price Forecast of the U.S. Energy Information Administration (EIA)

Pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA) and the implementing regulations of the Federal Energy Regulatory Commission (FERC), the Idaho Public Utilities Commission (Commission) has approved a Surrogate Avoided Resource (SAR) methodology for

calculation of avoided cost rates at which PURPA qualifying cogeneration and small power production facilities (QFs) are paid by Idaho Power, Avista, and PacifiCorp. Avoided cost rates are the purchase price paid to QFs for purchases of QF capacity and energy. The release of a new natural gas price forecast by EIA triggered an updated calculation of avoided cost rates.

In accordance with the methodology approved in Order No. 32697, the "reference case" natural gas price forecast for the Mountain Region's Electric Power sector included in EIA's Annual Energy Outlook serves as the basis for computing avoided cost rates. In Order No. 32697, the Commission also found that the final release of Annual Energy Outlook automatically triggers a recalculation of the published avoided cost rates. In Order No. 32802, the Commission clarified that an update should occur on June 1 or within 30 days of the final release of the Annual Energy Outlook, whichever is later.

EIA released the Annual Energy Outlook 2014 on May 7, 2014. Staff has used this forecast to compute the new published avoided cost rates. A copy of the relevant natural gas price forecast is attached.

Also attached are updated published avoided cost rates for all three utilities. Please review the rates and file your respective responses (either written or via e-mail) with the Commission on or prior to May 29, 2014. The case caption is as follows:

> UPDATE TO PUBLISHED AVOIDED COST RATES TO REFLECT AN UPDATED NATURAL GAS PRICE FORECAST OF THE U.S. ENERGY INFORMATION ADMINISTRATION (EIA)

Thank you for your cooperation. Please contact Yao Yin (yao.yin@puc.idaho.gov) for an electronic copy of the most recent SAR model. Please feel free to contact me or Yao if you have any questions.

Sincerely,

Kristine A. Sasser

Kristine A. Sasser
Deputy Attorney General

Enclosures

L:IPC-E-14-11_PAC-E-14-03_AVU-E-14-04_yy_ks

18. Energy Prices by Sector and Source

(2012 dollars per million Btu, unless otherwise noted)

Mountain - 08

Sector and Source	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Electric Power 8/														
Distillate Fuel Oil	23.71	24.04	23.80	22.47	21.39	20.72	20.55	20.71	21.15	21.59	22.08	22.59	23.00	23.45
Residual Fuel Oil	11.65	15.59	12.88	11.99	13.82	13.36	13.12	13.23	13.47	13.80	14.20	14.61	14.97	15.31
Natural Gas	4.92	3.44	4.39	4.51	4.11	3.95	4.26	4.65	4.90	4.84	4.96	4.98	5.11	5.28
Steam Coal	1.85	1.84	1.93	1.85	1.91	1.99	2.04	2.05	2.07	2.10	2.13	2.17	2.20	2.24
Dollars														
Electric Power 8/														
Distillate Fuel Oil	23.30	24.04	24.16	23.22	22.45	22.08	22.22	22.73	23.58	24.46	25.42	26.44	27.38	28.40
Residual Fuel Oil	11.45	15.59	13.07	12.39	14.51	14.23	14.18	14.52	15.02	15.63	16.35	17.10	17.82	18.54
Natural Gas	4.83	3.44	4.46	4.66	4.32	4.21	4.61	5.10	5.46	5.48	5.71	5.83	6.08	6.39
Steam Coal	1.82	1.84	1.96	1.91	2.00	2.13	2.21	2.25	2.31	2.38	2.45	2.54	2.62	2.71

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
23.87	24.20	24.64	24.97	25.33	25.67	25.97	26.33	26.70	27.12	27.47	27.79	28.16	28.62	29.12	29.67
15.60	15.91	16.29	16.60	16.90	17.14	17.43	17.75	18.08	18.43	18.71	18.99	19.26	19.55	19.97	20.43
5.35	5.26	5.26	5.31	5.56	5.80	5.94	6.16	6.39	6.56	6.75	7.19	7.29	7.27	7.49	7.69
2.27	2.30	2.33	2.31	2.32	2.32	2.33	2.34	2.36	2.38	2.40	2.42	2.44	2.47	2.50	2.52
29.41	30.32	31.41	32.40	33.48	34.55	35.65	36.88	38.16	39.57	40.91	42.28	43.76	45.44	47.24	49.19
19.22	19.94	20.77	21.55	22.33	23.08	23.93	24.86	25.84	26.89	27.87	28.90	29.93	31.03	32.39	33.87
6.59	6.59	6.71	6.89	7.34	7.81	8.16	8.63	9.13	9.58	10.06	10.95	11.32	11.54	12.15	12.76
2.80	2.88	2.97	3.00	3.06	3.12	3.20	3.28	3.38	3.47	3.58	3.68	3.80	3.92	4.05	4.19

IDAHO POWER COMPANY
AVOIDED COST RATES FOR WIND PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects 100 kW or smaller.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	37.96	35.58	34.90	37.82	41.40	44.04	2014	37.96
2	36.82	35.25	36.30	39.54	42.67	44.15	2015	35.58
3	36.23	36.04	37.87	40.92	43.16	44.73	2016	34.90
4	36.58	37.23	39.23	41.66	43.79	45.22	2017	37.82
5	37.40	38.38	40.09	42.40	44.33	45.84	2018	41.40
6	38.30	39.18	40.89	43.02	44.94	46.55	2019	44.04
7	38.96	39.94	41.57	43.67	45.63	47.23	2020	44.27
8	39.62	40.60	42.25	44.37	46.29	47.75	2021	46.02
9	40.21	41.26	42.96	45.02	46.80	48.22	2022	46.97
10	40.80	41.93	43.62	45.55	47.27	48.69	2023	48.82
11	41.41	42.57	44.16	46.04	47.74	49.26	2024	51.13
12	42.00	43.10	44.66	46.51	48.29	49.92	2025	52.63
13	42.49	43.59	45.14	47.05	48.91	50.58	2026	52.76
14	42.95	44.05	45.68	47.65	49.54	51.29	2027	53.67
15	43.39	44.57	46.26	48.26	50.21	52.02	2028	55.07
16	43.88	45.13	46.85	48.90	50.90	52.76	2029	58.37
17	44.40	45.69	47.46	49.56	51.59	53.50	2030	61.79
18	44.92	46.28	48.09	50.22	52.30	54.32	2031	64.38
19	45.47	46.87	48.72	50.88	53.06	55.11	2032	67.85
20	46.02	47.47	49.36	51.61	53.80	55.84	2033	71.49
							2034	74.78
							2035	78.31
							2036	84.74
							2037	87.54
							2038	89.23
							2039	93.64

Note: These rates will be further adjusted with the applicable integration charge.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

IDAHO POWER COMPANY
AVOIDED COST RATES FOR SOLAR PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects 100 kW or smaller.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR 2014	2015	2016	2017	2018	2019	CONTRACT YEAR	NON-LEVELIZED RATES
1	64.38	62.38	62.09	65.41	69.39	72.44	2014	64.38
2	63.42	62.24	63.68	67.32	70.86	72.75	2015	62.38
3	63.01	63.21	65.44	68.90	71.54	73.52	2016	62.09
4	63.54	64.58	66.99	69.82	72.36	74.21	2017	65.41
5	64.53	65.92	68.02	70.75	73.09	75.01	2018	69.39
6	65.61	66.89	69.00	71.54	73.88	75.91	2019	72.44
7	66.44	67.82	69.86	72.37	74.75	76.77	2020	73.08
8	67.26	68.64	70.70	73.24	75.58	77.47	2021	75.26
9	68.01	69.46	71.57	74.06	76.26	78.11	2022	76.64
10	68.76	70.30	72.40	74.75	76.90	78.75	2023	78.92
11	69.52	71.09	73.10	75.40	77.53	79.49	2024	81.67
12	70.26	71.77	73.75	76.03	78.24	80.30	2025	83.62
13	70.90	72.41	74.38	76.72	79.02	81.13	2026	84.20
14	71.50	73.02	75.07	77.47	79.80	81.98	2027	85.57
15	72.08	73.68	75.79	78.23	80.61	82.87	2028	87.44
16	72.70	74.38	76.52	79.00	81.44	83.75	2029	91.21
17	73.35	75.07	77.27	79.80	82.28	84.64	2030	95.11
18	74.00	75.78	78.03	80.59	83.11	85.59	2031	98.19
19	74.67	76.50	78.79	81.39	84.01	86.51	2032	102.15
20	75.35	77.22	79.55	82.24	84.88	87.37	2033	106.30
							2034	110.09
							2035	114.14
							2036	121.09
							2037	124.43
							2038	126.66
							2039	131.62

Note: These rates will be further adjusted with the applicable integration charge.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

IDAHO POWER COMPANY
AVOIDED COST RATES FOR NON-SEASONAL HYDRO PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	61.81	59.78	59.45	62.73	66.67	69.68	2014	61.81
2	60.84	59.62	61.02	64.62	68.12	69.97	2015	59.78
3	60.41	60.57	62.76	66.18	68.79	70.73	2016	59.45
4	60.92	61.92	64.29	67.09	69.59	71.40	2017	62.73
5	61.90	63.24	65.31	67.99	70.30	72.18	2018	66.67
6	62.96	64.20	66.28	68.78	71.07	73.06	2019	69.68
7	63.77	65.11	67.11	69.58	71.92	73.90	2020	70.28
8	64.58	65.92	67.94	70.43	72.73	74.58	2021	72.42
9	65.31	66.72	68.80	71.24	73.40	75.21	2022	73.76
10	66.04	67.54	69.60	71.92	74.02	75.83	2023	76.00
11	66.79	68.32	70.29	72.55	74.63	76.56	2024	78.70
12	67.51	68.99	70.93	73.16	75.33	77.35	2025	80.61
13	68.14	69.61	71.54	73.84	76.09	78.16	2026	81.15
14	68.73	70.21	72.21	74.58	76.86	79.00	2027	82.47
15	69.29	70.85	72.93	75.32	77.66	79.87	2028	84.30
16	69.90	71.54	73.64	76.08	78.48	80.74	2029	88.02
17	70.54	72.22	74.37	76.86	79.30	81.61	2030	91.88
18	71.18	72.92	75.12	77.64	80.12	82.56	2031	94.91
19	71.83	73.63	75.87	78.43	81.01	83.46	2032	98.82
20	72.50	74.33	76.62	79.26	81.86	84.31	2033	102.92
							2034	106.66
							2035	110.67
							2036	117.56
							2037	120.85
							2038	123.02
							2039	127.93

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

IDAHO POWER COMPANY
AVOIDED COST RATES FOR SEASONAL HYDRO PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	79.79	78.01	77.95	81.50	85.72	89.01	2014	79.79
2	78.93	77.98	79.65	83.53	87.30	89.43	2015	78.01
3	78.63	79.06	81.52	85.21	88.09	90.32	2016	77.95
4	79.27	80.54	83.18	86.25	89.03	91.12	2017	81.50
5	80.36	81.97	84.32	87.28	89.86	92.03	2018	85.72
6	81.53	83.05	85.40	88.18	90.76	93.04	2019	89.01
7	82.47	84.08	86.35	89.11	91.73	94.00	2020	89.89
8	83.39	85.00	87.30	90.07	92.66	94.80	2021	92.31
9	84.22	85.91	88.27	91.00	93.45	95.55	2022	93.94
10	85.06	86.84	89.19	91.79	94.18	96.28	2023	96.48
11	85.92	87.73	89.98	92.52	94.90	97.12	2024	99.48
12	86.74	88.50	90.72	93.24	95.71	98.03	2025	101.69
13	87.47	89.22	91.44	94.03	96.57	98.94	2026	102.54
14	88.15	89.92	92.21	94.87	97.44	99.89	2027	104.18
15	88.81	90.66	93.02	95.70	98.34	100.86	2028	106.32
16	89.51	91.43	93.83	96.56	99.26	101.83	2029	110.36
17	90.24	92.21	94.65	97.44	100.18	102.80	2030	114.55
18	90.97	92.99	95.49	98.31	101.09	103.83	2031	117.91
19	91.70	93.79	96.33	99.18	102.07	104.83	2032	122.16
20	92.45	94.58	97.15	100.10	103.01	105.77	2033	126.60
							2034	130.69
							2035	135.05
							2036	142.30
							2037	145.95
							2038	148.49
							2039	153.78

Note: A "seasonal hydro project" is defined as a generation facility which produces at least 55% of its annual generation during the months of June, July, and August. Order 32802.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

IDAHO POWER COMPANY
AVOIDED COST RATES FOR OTHER PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	54.86	52.72	52.28	55.46	59.30	62.20	2014	54.86
2	53.83	52.51	53.81	57.30	60.69	62.44	2015	52.72
3	53.35	53.42	55.50	58.81	61.31	63.14	2016	52.28
4	53.82	54.72	56.98	59.67	62.06	63.76	2017	55.46
5	54.75	55.99	57.95	60.53	62.72	64.49	2018	59.30
6	55.76	56.90	58.87	61.26	63.45	65.33	2019	62.20
7	56.53	57.77	59.66	62.02	64.25	66.12	2020	62.69
8	57.30	58.53	60.44	62.83	65.02	66.75	2021	64.72
9	57.99	59.29	61.26	63.59	65.64	67.33	2022	65.94
10	58.68	60.07	62.02	64.23	66.22	67.91	2023	68.07
11	59.39	60.81	62.67	64.81	66.79	68.59	2024	70.66
12	60.07	61.43	63.26	65.38	67.44	69.35	2025	72.44
13	60.66	62.02	63.84	66.03	68.16	70.11	2026	72.86
14	61.20	62.58	64.47	66.72	68.89	70.92	2027	74.07
15	61.73	63.19	65.15	67.42	69.65	71.75	2028	75.77
16	62.31	63.83	65.82	68.15	70.43	72.58	2029	79.37
17	62.91	64.48	66.52	68.90	71.22	73.41	2030	83.10
18	63.52	65.14	67.24	69.64	72.00	74.32	2031	86.00
19	64.14	65.82	67.95	70.39	72.85	75.19	2032	89.78
20	64.77	66.50	68.66	71.20	73.67	76.00	2033	93.75
							2034	97.36
							2035	101.23
							2036	107.99
							2037	111.13
							2038	113.16
							2039	117.93

Note: "Other projects" refers to projects other than wind, solar, non-seasonal hydro, and seasonal hydro projects. These "Other projects" may include (but are not limited to): cogeneration, biomass, biogas, landfill gas, or geothermal projects.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

AVISTA
AVOIDED COST RATES FOR WIND PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects 100 kW or smaller.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	35.10	35.45	34.76	34.83	38.36	40.96	2014	35.10
2	35.27	35.12	34.79	36.53	39.61	42.48	2015	35.45
3	35.11	35.03	35.90	37.90	41.01	43.53	2016	34.76
4	35.05	35.77	37.02	39.28	42.09	44.26	2017	34.83
5	35.62	36.66	38.23	40.41	42.90	45.02	2018	38.36
6	36.35	37.68	39.28	41.29	43.69	45.83	2019	40.96
7	37.22	38.60	40.13	42.12	44.51	46.58	2020	44.13
8	38.04	39.38	40.93	42.95	45.26	47.15	2021	45.88
9	38.74	40.12	41.74	43.72	45.85	47.66	2022	46.83
10	39.43	40.88	42.49	44.33	46.38	48.16	2023	48.68
11	40.13	41.58	43.10	44.89	46.90	48.77	2024	50.98
12	40.78	42.16	43.65	45.42	47.50	49.45	2025	52.48
13	41.34	42.69	44.18	46.02	48.16	50.14	2026	52.61
14	41.84	43.20	44.76	46.67	48.83	50.87	2027	53.52
15	42.33	43.76	45.39	47.32	49.53	51.63	2028	54.92
16	42.86	44.35	46.01	48.00	50.25	52.39	2029	58.21
17	43.42	44.95	46.66	48.69	50.98	53.16	2030	61.63
18	43.98	45.56	47.32	49.39	51.71	54.01	2031	64.22
19	44.56	46.19	47.99	50.09	52.51	54.82	2032	67.68
20	45.15	46.81	48.65	50.85	53.28	55.58	2033	71.32
							2034	74.61
							2035	78.14
							2036	84.56
							2037	87.36
							2038	89.05
							2039	93.46

Note: These rates will be further adjusted with the applicable integration charge.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

AVISTA
AVOIDED COST RATES FOR SOLAR PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects 100 kW or smaller.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	35.10	36.73	36.06	34.83	38.36	40.96	2014	35.10
2	35.88	36.41	35.47	36.53	39.61	43.14	2015	36.73
3	35.94	35.92	36.36	37.90	41.43	44.42	2016	36.06
4	35.69	36.46	37.38	39.59	42.73	45.27	2017	34.83
5	36.15	37.23	38.77	40.90	43.67	46.10	2018	38.36
6	36.80	38.36	39.93	41.90	44.55	46.96	2019	40.96
7	37.78	39.36	40.87	42.83	45.44	47.75	2020	45.50
8	38.68	40.20	41.74	43.73	46.24	48.35	2021	47.28
9	39.45	41.00	42.60	44.55	46.87	48.89	2022	48.24
10	40.19	41.79	43.39	45.22	47.44	49.41	2023	50.11
11	40.93	42.52	44.03	45.81	47.98	50.04	2024	52.44
12	41.62	43.14	44.62	46.37	48.61	50.74	2025	53.96
13	42.20	43.70	45.17	47.00	49.29	51.44	2026	54.11
14	42.73	44.23	45.78	47.68	49.98	52.19	2027	55.04
15	43.24	44.80	46.42	48.35	50.70	52.96	2028	56.46
16	43.79	45.42	47.07	49.05	51.44	53.73	2029	59.78
17	44.37	46.02	47.73	49.76	52.18	54.51	2030	63.22
18	44.95	46.65	48.41	50.48	52.93	55.37	2031	65.83
19	45.54	47.29	49.09	51.19	53.74	56.19	2032	69.32
20	46.15	47.93	49.77	51.97	54.52	56.96	2033	72.98
							2034	76.29
							2035	79.85
							2036	86.30
							2037	89.12
							2038	90.83
							2039	95.27

Note: These rates will be further adjusted with the applicable integration charge.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

AVISTA
AVOIDED COST RATES FOR NON-SEASONAL HYDRO PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	35.10	42.63	42.05	34.83	38.36	40.96	2014	35.10
2	38.72	42.35	38.58	36.53	39.61	46.20	2015	42.63
3	39.75	40.03	38.51	37.90	43.39	48.52	2016	42.05
4	38.65	39.66	39.06	41.00	45.68	49.91	2017	34.83
5	38.60	39.88	41.24	43.17	47.24	51.08	2018	38.36
6	38.93	41.52	42.94	44.76	48.53	52.18	2019	40.96
7	40.38	42.89	44.28	46.10	49.73	53.15	2020	51.85
8	41.64	44.01	45.45	47.34	50.77	53.89	2021	53.72
9	42.69	45.03	46.55	48.42	51.60	54.55	2022	54.78
10	43.67	46.01	47.54	49.29	52.32	55.18	2023	56.75
11	44.60	46.91	48.36	50.06	53.00	55.89	2024	59.17
12	45.46	47.65	49.08	50.78	53.75	56.67	2025	60.79
13	46.19	48.33	49.76	51.54	54.53	57.45	2026	61.04
14	46.85	48.96	50.48	52.33	55.31	58.25	2027	62.07
15	47.47	49.63	51.22	53.11	56.11	59.08	2028	63.59
16	48.12	50.33	51.96	53.90	56.93	59.92	2029	67.01
17	48.79	51.01	52.70	54.70	57.74	60.75	2030	70.56
18	49.45	51.71	53.45	55.49	58.55	61.65	2031	73.28
19	50.12	52.42	54.20	56.27	59.42	62.52	2032	76.88
20	50.79	53.11	54.94	57.11	60.25	63.33	2033	80.66
							2034	84.08
							2035	87.75
							2036	94.31
							2037	97.25
							2038	99.08
							2039	103.64

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

AVISTA
AVOIDED COST RATES FOR SEASONAL HYDRO PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR 2014	2015	2016	2017	2018	2019	CONTRACT YEAR	NON-LEVELIZED RATES
1	35.10	32.67	31.95	34.83	38.36	40.96	2014	35.10
2	33.93	32.32	33.33	36.53	39.61	41.05	2015	32.67
3	33.32	33.10	34.88	37.90	40.08	41.60	2016	31.95
4	33.66	34.27	36.23	38.62	40.70	42.08	2017	34.83
5	34.46	35.41	37.07	39.34	41.22	42.68	2018	38.36
6	35.35	36.19	37.86	39.94	41.81	43.38	2019	40.96
7	36.00	36.94	38.52	40.58	42.49	44.04	2020	41.14
8	36.65	37.58	39.19	41.26	43.13	44.54	2021	42.85
9	37.22	38.23	39.88	41.90	43.63	45.00	2022	43.76
10	37.80	38.89	40.53	42.42	44.09	45.45	2023	45.56
11	38.40	39.52	41.07	42.89	44.54	46.02	2024	47.82
12	38.98	40.04	41.55	43.35	45.08	46.66	2025	49.27
13	39.46	40.51	42.02	43.89	45.69	47.32	2026	49.35
14	39.91	40.97	42.55	44.48	46.32	48.02	2027	50.22
15	40.34	41.49	43.13	45.08	46.98	48.75	2028	51.56
16	40.82	42.04	43.71	45.71	47.67	49.49	2029	54.81
17	41.34	42.60	44.32	46.37	48.36	50.23	2030	58.18
18	41.86	43.18	44.95	47.03	49.07	51.06	2031	60.72
19	42.40	43.78	45.59	47.70	49.84	51.85	2032	64.13
20	42.96	44.38	46.22	48.43	50.58	52.58	2033	67.72
							2034	70.95
							2035	74.43
							2036	80.79
							2037	83.54
							2038	85.17
							2039	89.52

Note: A "seasonal hydro project" is defined as a generation facility which produces at least 55% of its annual generation during the months of June, July, and August. Order 32802.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

AVISTA
AVOIDED COST RATES FOR OTHER PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	35.10	51.82	51.37	34.83	38.36	40.96	2014	35.10
2	43.14	51.60	43.41	36.53	39.61	50.95	2015	51.82
3	45.68	46.43	41.86	37.90	46.43	54.89	2016	51.37
4	43.27	44.64	41.66	43.19	50.28	57.13	2017	34.83
5	42.43	44.01	45.09	46.70	52.78	58.83	2018	38.36
6	42.23	46.43	47.63	49.19	54.74	60.30	2019	40.96
7	44.42	48.38	49.58	51.20	56.41	61.55	2020	61.73
8	46.24	49.94	51.23	52.94	57.83	62.52	2021	63.74
9	47.75	51.32	52.71	54.43	58.95	63.36	2022	64.95
10	49.09	52.59	54.01	55.63	59.92	64.15	2023	67.07
11	50.33	53.72	55.08	56.68	60.82	65.00	2024	69.64
12	51.44	54.68	56.03	57.64	61.74	65.90	2025	71.41
13	52.40	55.54	56.90	58.60	62.69	66.79	2026	71.82
14	53.25	56.34	57.79	59.57	63.61	67.70	2027	73.01
15	54.05	57.15	58.69	60.51	64.54	68.62	2028	74.69
16	54.85	57.97	59.56	61.45	65.47	69.54	2029	78.28
17	55.66	58.78	60.43	62.38	66.39	70.45	2030	81.99
18	56.45	59.58	61.30	63.29	67.30	71.43	2031	84.88
19	57.24	60.39	62.15	64.18	68.26	72.36	2032	88.64
20	58.02	61.18	62.98	65.12	69.18	73.24	2033	92.59
							2034	96.19
							2035	100.04
							2036	106.78
							2037	109.91
							2038	111.92
							2039	116.67

Note: "Other projects" refers to projects other than wind, solar, non-seasonal hydro, and seasonal hydro projects. These "Other projects" may include (but are not limited to): cogeneration, biomass, biogas, landfill gas, or geothermal projects.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

PACIFICORP
AVOIDED COST RATES FOR WIND PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects 100 kW or smaller.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	37.90	35.52	34.83	37.75	41.33	43.98	2014	37.90
2	36.75	35.19	36.24	39.48	42.60	44.08	2015	35.52
3	36.16	35.98	37.81	40.86	43.10	44.66	2016	34.83
4	36.52	37.17	39.18	41.60	43.73	45.16	2017	37.75
5	37.34	38.33	40.03	42.34	44.27	45.77	2018	41.33
6	38.24	39.13	40.84	42.97	44.88	46.49	2019	43.98
7	38.91	39.89	41.52	43.62	45.58	47.17	2020	44.20
8	39.57	40.55	42.20	44.32	46.23	47.69	2021	45.96
9	40.16	41.21	42.91	44.98	46.75	48.17	2022	46.90
10	40.75	41.89	43.58	45.51	47.22	48.64	2023	48.75
11	41.37	42.53	44.13	46.00	47.69	49.22	2024	51.06
12	41.96	43.07	44.63	46.47	48.25	49.88	2025	52.56
13	42.46	43.56	45.11	47.02	48.88	50.55	2026	52.69
14	42.92	44.03	45.65	47.63	49.52	51.26	2027	53.60
15	43.37	44.56	46.25	48.24	50.19	52.00	2028	55.00
16	43.86	45.13	46.84	48.89	50.89	52.75	2029	58.29
17	44.39	45.69	47.46	49.56	51.60	53.51	2030	61.71
18	44.93	46.29	48.10	50.23	52.31	54.34	2031	64.30
19	45.48	46.89	48.75	50.91	53.09	55.14	2032	67.77
20	46.05	47.50	49.39	51.65	53.84	55.89	2033	71.41
							2034	74.70
							2035	78.23
							2036	84.65
							2037	87.45
							2038	89.14
							2039	93.55

Note: These rates will be further adjusted with the applicable integration charge.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

PACIFICORP
AVOIDED COST RATES FOR SOLAR PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects 100 kW or smaller.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	63.74	61.73	61.43	64.74	68.72	71.76	2014	63.74
2	62.78	61.59	63.03	66.66	70.18	72.06	2015	61.73
3	62.36	62.56	64.78	68.23	70.86	72.83	2016	61.43
4	62.89	63.93	66.33	69.15	71.68	73.52	2017	64.74
5	63.89	65.26	67.36	70.07	72.41	74.32	2018	68.72
6	64.96	66.24	68.34	70.87	73.20	75.22	2019	71.76
7	65.79	67.17	69.19	71.69	74.06	76.08	2020	72.39
8	66.62	67.99	70.04	72.56	74.89	76.77	2021	74.56
9	67.36	68.81	70.91	73.39	75.58	77.42	2022	75.93
10	68.11	69.65	71.74	74.08	76.22	78.06	2023	78.20
11	68.88	70.44	72.45	74.73	76.85	78.80	2024	80.94
12	69.62	71.13	73.10	75.36	77.56	79.62	2025	82.87
13	70.27	71.77	73.73	76.06	78.34	80.45	2026	83.45
14	70.87	72.38	74.42	76.82	79.13	81.31	2027	84.81
15	71.45	73.05	75.15	77.58	79.95	82.20	2028	86.67
16	72.08	73.75	75.89	78.36	80.79	83.09	2029	90.42
17	72.74	74.45	76.64	79.16	81.64	83.99	2030	94.32
18	73.40	75.17	77.41	79.97	82.48	84.96	2031	97.38
19	74.07	75.90	78.18	80.78	83.40	85.89	2032	101.33
20	74.76	76.64	78.95	81.64	84.28	86.77	2033	105.47
							2034	109.25
							2035	113.29
							2036	120.23
							2037	123.55
							2038	125.77
							2039	130.72

Note: These rates will be further adjusted with the applicable integration charge.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

PACIFICORP
AVOIDED COST RATES FOR NON-SEASONAL HYDRO PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	61.23	59.19	58.85	62.12	66.06	69.06	2014	61.23
2	60.25	59.03	60.42	64.02	67.50	69.35	2015	59.19
3	59.82	59.98	62.16	65.57	68.17	70.10	2016	58.85
4	60.33	61.33	63.69	66.48	68.97	70.77	2017	62.12
5	61.31	62.65	64.71	67.38	69.67	71.55	2018	66.06
6	62.37	63.60	65.67	68.16	70.45	72.43	2019	69.06
7	63.18	64.52	66.51	68.97	71.30	73.27	2020	69.65
8	63.99	65.33	67.34	69.82	72.11	73.95	2021	71.78
9	64.72	66.13	68.20	70.63	72.78	74.58	2022	73.11
10	65.46	66.95	69.01	71.31	73.40	75.20	2023	75.34
11	66.21	67.73	69.70	71.94	74.01	75.93	2024	78.04
12	66.94	68.41	70.33	72.56	74.72	76.73	2025	79.93
13	67.57	69.03	70.95	73.24	75.48	77.54	2026	80.46
14	68.15	69.63	71.63	73.98	76.25	78.39	2027	81.78
15	68.72	70.28	72.35	74.73	77.06	79.27	2028	83.59
16	69.34	70.97	73.07	75.50	77.89	80.15	2029	87.31
17	69.99	71.66	73.81	76.29	78.72	81.03	2030	91.15
18	70.63	72.37	74.57	77.08	79.55	81.99	2031	94.17
19	71.30	73.09	75.33	77.88	80.45	82.91	2032	98.08
20	71.97	73.81	76.08	78.73	81.32	83.77	2033	102.16
							2034	105.90
							2035	109.89
							2036	116.78
							2037	120.05
							2038	122.21
							2039	127.11

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

PACIFICORP
AVOIDED COST RATES FOR SEASONAL HYDRO PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	78.82	77.03	76.95	80.49	84.69	87.97	2014	78.82
2	77.96	76.99	78.65	82.51	86.27	88.38	2015	77.03
3	77.65	78.07	80.51	84.19	87.06	89.26	2016	76.95
4	78.28	79.54	82.17	85.22	87.99	90.06	2017	80.49
5	79.37	80.98	83.30	86.25	88.82	90.97	2018	84.69
6	80.54	82.05	84.39	87.15	89.71	91.98	2019	87.97
7	81.47	83.08	85.34	88.07	90.68	92.94	2020	88.83
8	82.39	84.00	86.28	89.04	91.61	93.73	2021	91.24
9	83.23	84.91	87.25	89.96	92.39	94.48	2022	92.85
10	84.07	85.84	88.17	90.75	93.13	95.21	2023	95.38
11	84.93	86.72	88.96	91.49	93.85	96.05	2024	98.37
12	85.75	87.50	89.71	92.21	94.66	96.97	2025	100.56
13	86.48	88.22	90.42	93.00	95.53	97.88	2026	101.39
14	87.17	88.92	91.20	93.84	96.40	98.84	2027	103.01
15	87.83	89.67	92.02	94.68	97.31	99.81	2028	105.14
16	88.53	90.45	92.83	95.55	98.23	100.79	2029	109.17
17	89.27	91.23	93.66	96.43	99.16	101.77	2030	113.33
18	90.00	92.02	94.51	97.32	100.08	102.82	2031	116.68
19	90.75	92.83	95.35	98.20	101.07	103.83	2032	120.91
20	91.51	93.63	96.20	99.13	102.03	104.78	2033	125.33
							2034	129.41
							2035	133.75
							2036	140.98
							2037	144.61
							2038	147.14
							2039	152.40

Note: A "seasonal hydro project" is defined as a generation facility which produces at least 55% of its annual generation during the months of June, July, and August. Order 32802.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm

PACIFICORP
AVOIDED COST RATES FOR OTHER PROJECTS
June 1, 2014
$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	54.43	52.28	51.84	55.01	58.85	61.74	2014	54.43
2	53.39	52.07	53.37	56.86	60.24	61.97	2015	52.28
3	52.92	52.98	55.05	58.36	60.85	62.67	2016	51.84
4	53.38	54.28	56.54	59.22	61.60	63.29	2017	55.01
5	54.31	55.55	57.51	60.08	62.26	64.03	2018	58.85
6	55.33	56.46	58.43	60.81	62.99	64.86	2019	61.74
7	56.10	57.34	59.22	61.57	63.79	65.66	2020	62.22
8	56.87	58.10	60.00	62.38	64.56	66.29	2021	64.25
9	57.56	58.86	60.82	63.15	65.18	66.87	2022	65.46
10	58.25	59.64	61.59	63.78	65.76	67.45	2023	67.58
11	58.97	60.38	62.23	64.37	66.33	68.13	2024	70.17
12	59.65	61.01	62.83	64.94	66.99	68.90	2025	71.94
13	60.24	61.60	63.41	65.59	67.72	69.67	2026	72.36
14	60.79	62.16	64.05	66.29	68.45	70.48	2027	73.56
15	61.33	62.78	64.73	67.00	69.22	71.31	2028	75.25
16	61.90	63.43	65.42	67.73	70.01	72.16	2029	78.84
17	62.52	64.08	66.12	68.49	70.81	73.00	2030	82.56
18	63.13	64.76	66.85	69.25	71.60	73.92	2031	85.46
19	63.76	65.44	67.57	70.01	72.47	74.81	2032	89.23
20	64.41	66.13	68.30	70.83	73.30	75.63	2033	93.19
							2034	96.79
							2035	100.65
							2036	107.40
							2037	110.54
							2038	112.56
							2039	117.32

Note: "Other projects" refers to projects other than wind, solar, non-seasonal hydro, and seasonal hydro projects. These "Other projects" may include (but are not limited to): cogeneration, biomass, biogas, landfill gas, or geothermal projects.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2014 released May 7, 2014. See "Annual Energy Outlook 2014, Table 18, Mountain Data, http://www.eia.gov/forecasts/aeo/tables_ref.cfm