Office of the Secretary
Service Date
July 2, 1999

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE ANNUAL REVISION AND UPDATED CALCULATION OF THE ADJUSTABLE PORTION OF THE AVOIDED COST RATES FOR AVISTA CORPORATION DBA AVISTA UTILITIES—WASHINGTON WATER POWER DIVISION, IDAHO POWER COMPANY AND PACIFICORP DBA UTAH POWER & LIGHT COMPANY.

CASE NOS. AVU-E-99-3
IPC-E-99-5
UPL-E-99-2

ORDER NO. 28081

On May 4, 1999 Avista Corporation dba Avista Utilities—Washington Water Power Division (Avista; Water Power) filed with the Idaho Public Utilities Commission its annual revised and updated calculations for the adjustable portion of avoided cost rates. Avista submitted two sets of adjustable rate calculations: one for coal (Colstrip) and the other for gas (Sumas). The Colstrip adjustments apply only to contracts executed between September 28, 1990 and January 30, 1995. The Sumas adjustments apply to all contracts for projects, 1 MW and less executed since January 31, 1995. The annual adjustable rate calculation based on Colstrip was addressed in Order Nos. 23349 and 26080, issued in Case Nos. WWP-E-89-6 and WWP-E-95-3/IPC-E-95-7/UPL-E-95-2, respectively. The annual adjustable rate calculation based on Sumas was addressed in Order Nos. 25883 and 26086, issued in Case No. WWP-E-93-10.

Adjustable Rates–Colstrip

The adjustable portion under the previous-170 coal-fired Surrogate Avoided Resource (SAR) methodology (Case No. U-1500-170) is based on the variable costs associated with the operation of Colstrip, a coal-fired generating facility in southeast Montana. An annual filing is required by Order No. 23349 (Water Power), Order No. 23357 (Idaho Power), and Order No. 23358 (PacifiCorp). Pursuant to the Commission's administrative determination of avoided cost rates, the adjustable portion of avoided cost rates is the same for all of Idaho's major electric utilities.

By Order No. 23738 issued in Case Nos. WWP-E-89-6, IPC-E-89-11 and UPL-E-89-5 issued June 17, 1991, the Commission approved the methodology utilized by Water Power (now Avista) in annual Colstrip adjustable avoided cost rate submittals. The Commission indicated that future adjustable rate updates would require only a single filing by Water Power, with copies and party status provided to Idaho Power and PacifiCorp. The Commission directed that all applications for future or subsequent annual updates be filed by June 1 with the effective date for the new adjustable rate to be July 1. Under the established practice, the revised updated calculations set forth in Avista's May 4, 1999 filing are recognized as being submitted also for approval for Idaho Power and PacifiCorp dba Utah Power & Light Company.

Avista represents that the Colstrip adjusted avoided cost rate calculated on actual 1998 costs changed from 10.00 mill/kWh to 8.86 mill/kWh. Coal costs decreased 9.8% from \$7.72/MWh to \$6.96/MWh. Variable O&M costs decreased 20%. Generation increased 32%.

Adjustable Rates–Sumas

By Order Nos. 25883, 25884 and 25882 issued in Case Nos. WWP-E-93-10, IPC-E-93-28 and UPL-E-93-3/UPL-E-93-7 on January 31, 1995, respectively, the Commission determined that the adjustable portion of avoided cost rates for future projects should be based on annual average gas prices indexed at Sumas, Washington. The purpose of including an adjustable component in the avoided cost rates is to capture annual changes in natural gas fuel costs. Under the Commission approved SAR avoided cost methodology, the adjustable portion of avoided cost rates is the same for all of Idaho's major electric utilities and an annual filing is required.

Water Power (now Avista), in consultation with the Commission Staff, devised a methodology for making annual adjustments, which was accepted by the Commission in Order No. 26135 in Case Nos. WWP-E-95-3/IPC-E-95-7/UPL-E-95-2. As reported by Avista in its annual filing of May 4, 1999, the 1998 annual average gas price indexed at Sumas, Washington was \$1.61/mmBtu resulting in a decrease of \$0.09/mmBtu. The previously approved base gas price of \$2.35/mmBtu minus the \$0.09/mmBtu decrease results in a gas price of \$2.26/mmBtu for 1999-2000 year. This by Staff's calculation, equates to an SAR fuel cost of 16.61 mills/kWh as used in the model. The difference in the Sumas average price and the new base gas price is the result of a timing difference and the use of a trailing average. A proposed schedule of revised rates and a detailed sheet of variables for each utility was prepared by Staff and reviewed by the utilities.

Cogeneration Partners

Also filed this year by Rupert Cogeneration Partners Ltd and Glenns Ferry Cogeneration Partners Ltd (collectively Cogeneration Partners) are comments and a request for modification of the methodology, specifically, the annual adjustable rate calculation based on Colstrip. The Cogeneration Partners contend that significant recent changes in the operation, ownership, and recent mediation settlement involving the coal supplier have now eliminated Colstrip's ability to "reasonably track energy cost escalation rates."

Montana Power Company's sale of its interest in Colstrip to a non-regulated, non-utility, entity, Cogeneration Partners contend, will change the manner in which the plant is operated, and in the competitive world may preclude continued access to verifiable data.

As further evidence suggesting Colstrip should not be used as an "index" of general coal cost escalation rates, Cogeneration Partners note that in early 1997, the coal supplier pursuant to a mediation settlement compensated the utility owners with lower coal costs (approximately 30% lower) that are not associated with external or market coal price changes.

Cogeneration Partners state that they have no reason to believe that prior to 1997 Colstrip was not a reasonable surrogate as an index. Cogeneration Partners' recommended solution uses 1996 as a starting point for the application of a generally accepted index (specifically the Producer Price Index (PPI)) to measure changes in the market price of coal.

Cogeneration Partners request that the Commission reject Colstrip as the method for indexing changes in the cost of coal and O&M and substitute the recommended PPI index or another reasonable replacement that does not suffer from any of the identified deficiencies associated with Colstrip.

Utility responses to the requested change of methodology by Cogeneration Partners were filed on June 24 by Idaho Power Company and Avista Corporation.

Idaho Power

Regarding the change in ownership of Colstrip and its possible ramifications, Idaho Power notes that Avista has not sold its share of Colstrip and suggests that before any decision is made to scrap the existing methodology that Avista be consulted to confirm (1) that there will be material changes in the plant operation and (2) that Avista will not have continuing access to data concerning the costs of coal and variable O&M at Colstrip.

Regarding the 1997 settlement negotiations and resulting price reductions for coal, Idaho Power contends that the pricing dispute arose because of changed economic conditions and because the price of coal for Colstrip generation exceeded market prices. Rather than being an extraordinary event, Idaho Power contends that the negotiations and settlement are similar to pricing reductions obtained by other western utilities. Idaho Power itself notes that it and its co-owners of coal-fired power plants have undertaken similar negotiations and obtained price reductions at the Bridger, Boardman and Valmy projects. Idaho Power suggests again that before any change is made Avista's input be solicited.

As to the proposed use of the identified Producer Price Indices for adjusting the variable portion of the energy purchase price, Idaho Power contends that the proposed indices are probably not the best indicators of current coal and variable O&M costs in the Powder River Basin. The PPI index is national in scope and includes both eastern and mid western coal prices. Further, Idaho Power is advised and apprises the Commission that the proposed index is a discontinued series which the Bureau of Labor Statistics intends to retire.

Finally, Idaho Power reminds the Commission that it is the **total** avoided cost used to set purchase prices paid to PURPA Qualifying Facilities (QFs) that must be determined. Federal law, it states, precludes the Commission from ordering electric utilities to purchase power from QFs at prices that exceed a utility's avoided costs. If there is some material error in the avoided cost methodology, then the total purchase price, and both the fixed and variable component may very well have to be reconsidered to ensure that the total payment does not exceed total avoided cost.

Idaho Power notes that it has nine contracts representing 61,775 kW that are of a vintage affected by the proposed change. The Cogeneration Partners, Idaho Power states, currently receive approximately 60 mills/kWh for their energy. Market prices for energy are currently 20 to 25 mills/kWh.

Avista

Avista notes that Cogeneration Partners does not contend that the figures filed by Avista fail to reflect the actual Colstrip variable operating costs. Because the filed figures themselves are not challenged and because the approved methodology continues until changed, both Avista and Idaho Power recommend that the Commission approve the revision to the variable avoided cost rate for 1999-2000, based upon the filed figures for effective date July 1, 1999.

With respect to the proposed change in methodology, Avista represents that it has not yet had the opportunity to fully analyze all the contentions of Cogeneration Partners. Both Avista and Idaho Power recommend that if the Commission wants to consider changes to methodology that it establish a separate docket and provide all affected parties the opportunity to fully analyze and prepare their own recommendations.

COMMISSION FINDINGS

The Commission has reviewed and considered the filings of record in Case Nos. AVU-E-99-3, IPC-E-99-5 and UPL-E-99-2 including the comments of Cogeneration Partners and the related reply comments of Avista and Idaho Power. We find that the issues raised by Cogeneration Partners merit further development and exploration. As reflected in the respective comments filed by Cogeneration Partners and Idaho Power, there are two sides to every coin. Based on the existing record, we are not convinced that a change in Colstrip-related methodology and movement to an indexed-based rate is warranted or that a stay of proceedings to determine same is required. We find that the accuracy of the variable rate methodology figures submitted by Avista in this case has not been challenged. We find that it is reasonable to continue with the existing methodology until such time as a factual record is developed supporting a change in methodology, including a determination as to whether the variable rate methodology can be changed independent of the fixed rate.

In further consideration of the request of Cogeneration Partners, we find it reasonable to establish a separate generic electric docket (GNR-E-99-1) as a place marker for further investigation into the continued reasonableness of using actual Colstrip variable operating costs for determining the adjustable portion of avoided costs for the specific generation of existing contracts utilizing same. Also to be explored is the availability of a reasonable and acceptable substitute or index, the use of which would result in an avoided cost rate as defined in Sections 201 and 210 of the Public Utilities Regulatory Policies Act of 1978 (PURPA) and the implementing Rules and Regulations of the Federal Energy Regulatory Commission. Idaho Power, Avista and PacifiCorp are directed to provide the Commission Secretary with an address list of affected QF projects. Copies of the comments of Cogeneration Partners, the related comments of Idaho Power and Avista, and this Order will be filed in the generic docket.

The methodology that this Commission has approved for determining the variable components of the avoided cost rate is a relatively simple arithmetic recalculation. We find, based upon our review of the calculations of both the Colstrip and Sumas updates, that the resulting adjustable rates are fair, just and reasonable. Attached to this Order as Appendices A, B and C are the tables showing the adjustable rates as updated by Avista's filing for Avista, Idaho Power and PacifiCorp, respectively.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Avista Corporation dba Avista Utilities—Washington Water Power Division, Idaho Power Company and PacifiCorp dba Utah Power & Light Company, electric utilities, pursuant to the authority and power granted it under Title 61 of the Idaho Code, and the Public Utility Regulatory Policies Act of 1978 (PURPA).

The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed term obligations for the purchase of energy from qualified facilities, and to implement FERC rules.

O R D E R

In consideration of the foregoing and as more particularly described, IT IS HEREBY ORDERED that the Colstrip related adjustable portion of the avoided cost rate for existing contracts and the Sumas related adjustable portion of the avoided cost rates for Avista, Idaho Power and PacifiCorp dba Utah Power & Light Company are changed effective July 1, 1999, as outlined in the attached schedules.

IT IS FURTHER ORDERED that the following generic docket be established for further development and exploration of the issues raised by Cogeneration Partners:

Case No. GNR-E-99-1:

IN THE MATTER OF THE INVESTIGATION OF THE CONTINUED REASONABLENESS OF USING VARIABLE COSTS ASSOCIATED WITH THE OPERATION OF COLSTRIP FOR ANNUAL ADJUSTABLE RATE CALCULATIONS AS PREVIOUSLY AUTHORIZED IN COMMISSION ORDER NOS. 23349, 26080 AND 23738.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of ~~June~~ July 1999.

Dennis S. Hansen

DENNIS S. HANSEN, PRESIDENT

Marsha H. Smith

MARSHA H. SMITH, COMMISSIONER

Paul Kjellander

PAUL KJELLANDER, COMMISSIONER

ATTEST:

Barbara Barrows

Barbara Barrows
Assistant Commission Secretary

vld/O:AVU-E-99-3_sw2

AVISTA CORPORATION
AVOIDED COST RATES FOR
FUELED PROJECTS
mills/kWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR 1999	2000	2001	2002	2003	2004	CONTRACT YEAR	NON-LEVELIZED RATES
1	23.68	24.74	25.86	27.02	28.24	29.51	1999	23.68
2	24.18	25.27	26.41	27.60	28.84	30.14	2000	24.74
3	24.68	25.79	26.95	28.17	29.44	30.76	2001	25.86
4	25.18	26.31	27.50	28.73	30.03	31.38	2002	27.02
5	25.67	26.83	28.03	29.29	30.61	31.99	2003	28.24
6	26.15	27.33	28.56	29.85	31.19	32.59	2004	29.51
7	26.63	27.83	29.08	30.39	31.76	31.18	2005	30.83
8	27.10	28.32	29.60	30.93	30.66	30.19	2006	32.22
9	27.57	28.81	30.10	30.07	29.87	29.47	2007	33.67
10	28.02	29.28	29.43	29.43	29.28	28.95	2008	35.19
11	28.47	28.75	28.91	28.96	28.85	28.57	2009	36.77
12	28.04	28.33	28.53	28.60	28.53	28.30	2010	18.75
13	27.71	28.02	28.23	28.33	28.29	28.10	2011	19.40
14	27.46	27.78	28.01	28.13	28.12	27.96	2012	20.09
15	27.27	27.60	27.84	27.98	27.99	27.86	2013	20.79
16	27.12	27.46	27.72	27.87	27.91	27.80	2014	21.52
17	27.01	27.36	27.63	27.80	27.86	27.78	2015	22.28
18	26.93	27.29	27.57	27.76	27.83	27.77	2016	23.06
19	26.88	27.25	27.54	27.74	27.82	27.78	2017	23.87
20	26.84	27.22	27.52	27.73	27.83	27.80	2018	24.71
							2019	25.58
							2020	26.48
							2021	27.41
							2022	28.37
							2023	29.37
							2024	30.40

EFFECTIVE DATE	ADJUSTABLE COMPONENT
7/1/99-6/30/00	16.61

Beginning in the year 2010, the annually adjustable component shall be added to each of the rates shown above.

Example 1. A 20 year levelized contract with a 2000 on-line date would receive the following rates:

Years	Rate
1-11	27.22
12-20	27.22 + Adjustable component in each year

Example 2. A 15 year non-levelized contract with a 2000 on-line date would receive the following rates:

Years	Rate
1-10	Non-levelized rates from table above
11	18.75 + Adjustable component in year 2010
12	19.40 + Adjustable component in year 2011
13	20.09 + Adjustable component in year 2012
14	20.79 + Adjustable component in year 2013
15	21.52 + Adjustable component in year 2014

Note: As per Order No. 27212, Avista Corporation (Washington Water Power) is not required to offer contracts in excess of 5 years; however, Avista may seek Commission approval for contracts exceeding 5 years should they be able to demonstrate that such contracts are in the best interests of its customers.

AVISTA CORPORATION
AVOIDED COST RATES FOR
NON-FUELED PROJECTS
mills/kWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	1999	2000	2001	2002	2003	2004		
1	23.68	24.74	25.86	27.02	28.24	29.51	1999	23.68
2	24.18	25.27	26.41	27.60	28.84	30.14	2000	24.74
3	24.68	25.79	26.95	28.17	29.44	30.76	2001	25.86
4	25.18	26.31	27.50	28.73	30.03	31.38	2002	27.02
5	25.67	26.83	28.03	29.29	30.61	31.99	2003	28.24
6	26.15	27.33	28.56	29.85	31.19	32.59	2004	29.51
7	26.63	27.83	29.08	30.39	31.76	34.40	2005	30.83
8	27.10	28.32	29.60	30.93	33.32	35.95	2006	32.22
9	27.57	28.81	30.10	32.30	34.70	37.33	2007	33.67
10	28.02	29.28	31.31	33.52	35.94	38.59	2008	35.19
11	28.47	30.36	32.41	34.65	37.09	39.75	2009	36.77
12	29.43	31.35	33.43	35.69	38.15	40.84	2010	50.28
13	30.32	32.27	34.38	36.67	39.16	41.87	2011	52.83
14	31.16	33.13	35.27	37.59	40.11	42.84	2012	55.51
15	31.95	33.95	36.12	38.47	41.01	43.78	2013	58.35
16	32.70	34.73	36.93	39.30	41.88	44.67	2014	61.33
17	33.41	35.47	37.70	40.10	42.71	45.53	2015	64.47
18	34.09	36.18	38.44	40.87	43.51	46.36	2016	67.79
19	34.74	36.86	39.15	41.61	44.27	47.15	2017	71.28
20	35.37	37.52	39.83	42.32	45.01	47.92	2018	74.96
							2019	78.85
							2020	82.94
							2021	87.26
							2022	91.82
							2023	96.62
							2024	101.69

Note: As per Order No. 27212, Avista Corporation (Washington Water Power) is not required to offer contracts in excess of 5 years; however, Avista may seek Commission approval for contracts exceeding 5 years should they be able to demonstrate that such contracts are in the best interests of its customers.

IDAHO POWER COMPANY
AVOIDED COST RATES FOR
FUELED PROJECTS
mills/kWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	1999	2000	2001	2002	2003	2004		
1	11.45	11.85	12.26	12.69	13.13	13.59	1999	11.45
2	11.64	12.04	12.47	12.90	13.35	13.82	2000	11.85
3	11.83	12.24	12.67	13.11	13.57	14.05	2001	12.26
4	12.02	12.44	12.87	13.32	13.79	14.27	2002	12.69
5	12.20	12.63	13.07	13.53	14.00	14.49	2003	13.13
6	12.39	12.82	13.27	13.73	14.21	14.71	2004	13.59
7	12.57	13.01	13.46	13.93	14.42	14.92	2005	14.07
8	12.75	13.19	13.65	14.13	14.63	15.14	2006	14.56
9	12.92	13.38	13.84	14.33	14.83	15.35	2007	15.07
10	13.10	13.56	14.03	14.52	15.03	15.56	2008	15.60
11	13.27	13.73	14.21	14.71	15.23	15.76	2009	16.14
12	13.44	13.91	14.40	14.90	15.42	15.96	2010	16.71
13	13.60	14.08	14.57	15.08	15.61	16.16	2011	17.29
14	13.77	14.25	14.75	15.26	15.80	16.35	2012	17.90
15	13.93	14.41	14.92	15.44	15.98	16.54	2013	18.53
16	14.08	14.58	15.09	15.61	16.16	16.73	2014	19.17
17	14.24	14.73	15.25	15.78	16.34	16.91	2015	19.85
18	14.39	14.89	15.41	15.95	16.51	17.09	2016	20.54
19	14.53	15.04	15.57	16.11	16.68	17.26	2017	21.26
20	14.67	15.19	15.72	16.27	16.84	17.43	2018	22.00
							2019	22.78
							2020	23.57
							2021	24.40
							2022	25.25
							2023	26.14
							2024	27.05

EFFECTIVE DATE	ADJUSTABLE COMPONENT
7/1/99-6/30/00	16.61

Beginning in the year 1999, the annually adjustable component shall be added to each of the rates shown above.

Example 1. A 20 year levelized contract with a 1999 on-line date would receive the following rates:

Years	Rate
1	14.67+16.61
2-20	14.67 + Adjustable component in each year

Example 2. A 4 year non-levelized contract with a 1999 on-line date would receive the following rates:

Years	Rate
1	11.45 + 16.61
2	11.85 + Adjustable component in year 2000
3	12.26 + Adjustable component in year 2001
4	12.69 + Adjustable component in year 2002

Note: As per Order No. 27111, Idaho Power is not required to offer contracts in excess of 5 years; however, Idaho Power may seek Commission approval for contracts exceeding 5 years should they be able to demonstrate that such contracts are in the best interests of its customers.

IDAHO POWER COMPANY
AVOIDED COST RATES FOR
NON-FUELED PROJECTS

mills/kWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	1999	2000	2001	2002	2003	2004		
1	28.06	29.45	30.92	32.47	34.10	35.82	1999	28.06
2	28.72	30.16	31.66	33.25	34.92	36.69	2000	29.45
3	29.39	30.86	32.41	34.03	35.75	37.55	2001	30.92
4	30.06	31.57	33.15	34.82	36.57	38.42	2002	32.47
5	30.74	32.28	33.90	35.60	37.40	39.30	2003	34.10
6	31.41	32.98	34.64	36.39	38.23	40.17	2004	35.82
7	32.08	33.69	35.39	37.17	39.06	41.04	2005	37.63
8	32.75	34.40	36.13	37.96	39.88	41.91	2006	39.54
9	33.42	35.10	36.88	38.74	40.71	42.78	2007	41.54
10	34.09	35.81	37.62	39.52	41.53	43.65	2008	43.66
11	34.75	36.51	38.35	40.30	42.35	44.51	2009	45.89
12	35.42	37.20	39.09	41.07	43.17	45.37	2010	48.24
13	36.07	37.90	39.82	41.84	43.98	46.23	2011	50.72
14	36.73	38.59	40.55	42.61	44.78	47.08	2012	53.33
15	37.38	39.27	41.27	43.37	45.59	47.92	2013	56.08
16	38.02	39.95	41.98	44.12	46.38	48.76	2014	58.98
17	38.66	40.62	42.69	44.87	47.17	49.59	2015	62.04
18	39.29	41.29	43.39	45.61	47.95	50.41	2016	65.27
19	39.91	41.95	44.09	46.34	48.72	51.23	2017	68.67
20	40.53	42.60	44.77	47.07	49.49	52.03	2018	72.26
							2019	76.05
							2020	80.04
							2021	84.25
							2022	88.70
							2023	93.39
							2024	98.34

Note: As per Order No. 27111, Idaho Power is not required to offer contracts in excess of 5 years; however, Idaho Power may seek Commission approval for contracts exceeding 5 years should they be able to demonstrate that such contracts are in the best interests of its customers.

PACIFICORP
AVOIDED COST RATES FOR FUELED PROJECTS
mills/kWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	1999	2000	2001	2002	2003	2004		
1	11.74	12.15	12.58	13.02	13.47	13.95	1999	11.74
2	11.94	12.35	12.79	13.23	13.70	14.18	2000	12.15
3	12.13	12.55	12.99	13.45	13.92	14.41	2001	12.58
4	12.32	12.75	13.20	13.66	14.14	14.63	2002	13.02
5	12.51	12.95	13.40	13.87	14.35	14.86	2003	13.47
6	12.69	13.14	13.60	14.07	14.57	15.08	2004	13.95
7	12.88	13.33	13.79	14.28	14.78	15.29	2005	14.43
8	13.05	13.51	13.98	14.47	14.98	15.51	2006	14.94
9	13.23	13.69	14.17	14.67	15.18	15.71	2007	15.46
10	13.40	13.87	14.36	14.86	15.38	15.92	2008	16.00
11	13.57	14.04	14.54	15.05	15.57	16.12	2009	16.56
12	13.73	14.21	14.71	15.23	15.76	16.31	2010	17.14
13	13.89	14.38	14.88	15.41	15.95	16.50	2011	17.75
14	14.05	14.54	15.05	15.58	16.13	16.69	2012	18.37
15	14.20	14.70	15.22	15.75	16.30	16.87	2013	19.01
16	14.35	14.86	15.38	15.91	16.47	17.05	2014	19.68
17	14.50	15.01	15.53	16.07	16.64	17.22	2015	20.37
18	14.64	15.15	15.68	16.23	16.80	17.39	2016	21.08
19	14.77	15.29	15.83	16.38	16.96	17.55	2017	21.82
20	14.91	15.43	15.97	16.53	17.11	17.71	2018	22.58
							2019	23.37
							2020	24.19
							2021	25.04
							2022	25.92
							2023	26.83
							2024	27.77

EFFECTIVE DATE	ADJUSTABLE COMPONENT
7/1/99-6/30/00	16.61

Beginning in the year 1999, the annually adjustable component shall be added to each of the rates shown above.

Example 1. A 20 year levelized contract with a 1999 on-line date would receive the following rates:

Years	Rate
1	14.91
2-20	14.91 + Adjustable component in each year

Example 2. A 4 year non-levelized contract with a 1999 on-line date would receive the following rates:

Years	Rate
1	11.74
2	12.15 + Adjustable component in year 2000
3	12.58 + Adjustable component in year 2001
4	13.02 + Adjustable component in year 2002

Note: As per Order No. 27213, PacifiCorp is not required to offer contracts in excess of 5 years; however, PacifiCorp may seek Commission approval for contracts exceeding 5 years should they be able to demonstrate that such contracts are in the best interests of its customers.

PACIFICORP
AVOIDED COST RATES FOR
NON-FUELED PROJECTS
mills/kWh

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	1999	2000	2001	2002	2003	2004		
1	28.35	29.76	31.24	32.80	34.44	36.17	1999	28.35
2	29.02	30.46	31.98	33.58	35.27	37.04	2000	29.76
3	29.69	31.17	32.72	34.36	36.09	37.91	2001	31.24
4	30.36	31.87	33.46	35.14	36.91	38.77	2002	32.80
5	31.02	32.57	34.20	35.92	37.73	39.63	2003	34.44
6	31.69	33.27	34.94	36.69	38.54	40.49	2004	36.17
7	32.35	33.96	35.67	37.47	39.36	41.35	2005	38.00
8	33.00	34.65	36.40	38.23	40.16	42.20	2006	39.91
9	33.65	35.34	37.12	38.99	40.96	43.04	2007	41.94
10	34.30	36.02	37.83	39.75	41.76	43.88	2008	44.07
11	34.94	36.69	38.54	40.49	42.55	44.71	2009	46.31
12	35.57	37.36	39.25	41.23	43.33	45.53	2010	48.68
13	36.19	38.02	39.94	41.96	44.10	46.34	2011	51.17
14	36.81	38.67	40.62	42.69	44.86	47.15	2012	53.79
15	37.42	39.31	41.30	43.40	45.61	47.94	2013	56.56
16	38.02	39.94	41.97	44.10	46.35	48.72	2014	59.48
17	38.61	40.56	42.62	44.79	47.08	49.49	2015	62.56
18	39.19	41.17	43.27	45.47	47.79	50.24	2016	65.81
19	39.76	41.78	43.90	46.14	48.50	50.98	2017	69.23
20	40.32	42.37	44.52	46.80	49.19	51.71	2018	72.84
							2019	76.65
							2020	80.66
							2021	84.90
							2022	89.37
							2023	94.08
							2024	99.06

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