

TRANSITION ADJUSTMENT

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Purpose

The purpose of this Schedule is to adjust prices to reflect the results of the ongoing valuation method under OAR 860-038-0140.

Applicable

This Schedule is applicable to all Nonresidential Consumers receiving service under Schedule 220, Standard Offer Service, Schedule 230, Emergency Supply Service or the applicable Direct Access Service Schedule except consumers electing a multi-year opt-out.

Transition Adjustment

The transition adjustment is the difference between the estimated market value of the electricity that is freed up when a customer chooses to leave Cost-Based Supply Service for Direct Access versus the Company's regulated price. The estimated market value of the freed up electricity is determined by running two system simulations – one simulation with the Company serving the Direct Access Consumer and one simulation with the Company not serving the Direct Access Consumer. The difference between the two scenarios is analyzed to calculate the impact on the Company's total system. The impacts are then used to determine the Weighted Market Value of the energy, which is then compared to the Customer's energy-only tariff schedule rate.

The Transition Adjustment amounts are shown below for each rate schedule, by Heavy Load Hours (HLH), Light Load Hours (LLH) and voltage level, where applicable. Adjustments are expressed on a cents per kilowatt-hour basis.

Notification of Transition Adjustment

Based on the announcement date defined in OAR 860-038-275, the Company will post on its website (www.pacificpower.net) the monthly on- and off-peak transition adjustment for each delivery service schedule shown on Schedule 201 for each applicable delivery voltage level for Nonresidential Consumers for the 12-month period from January 1 through December 31 of the calendar year subsequent to the announcement date.

Balancing Account

Beginning January 2006, the Company will accrue in this account, the costs, resulting from changes in the forward price curve that occurred during the open enrollment window, the load actually participating in Direct Access as compared to the assumed level of participation in the simulations, and any executed energy transactions resulting from significant load departure, if such costs exceed \$250,000. The Company shall accrue interest on transition adjustment balances, whether positive or negative, at the Company's authorized rate of return. Amounts in this account will be recovered through an adjustment schedule from all consumers eligible for direct access.

(continued)

TRANSITION ADJUSTMENT

One-Year Option - Transition Adjustments (cents/kWh)

	23/723 Secondary		23/723 Primary		28/728 Secondary		28/728 Primary		30/730 Secondary	
	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH
Jan-19	-2.249	-1.714	-2.395	-2.032	-2.150	-1.612	-2.331	-1.697	-2.263	-1.770
Feb-19	-1.118	-1.221	-1.223	-1.333	-1.051	-1.112	-1.161	-1.237	-1.191	-1.270
Mar-19	-0.210	-0.081	-0.409	-0.244	-0.119	-0.009	-0.253	-0.140	-0.262	-0.136
Apr-19	0.313	0.609	0.282	0.428	0.398	0.690	0.246	0.578	0.276	0.547
May-19	0.997	0.901	0.884	0.749	1.059	0.964	0.900	0.828	0.901	0.837
Jun-19	0.163	-0.156	-0.373	-0.150	0.260	-0.093	0.024	-0.274	0.103	-0.190
Jul-19	-4.139	-3.840	-3.166	-2.003	-4.030	-3.972	-4.028	-4.055	-4.130	-3.758
Aug-19	-3.422	-2.705	-3.329	-2.653	-3.396	-2.650	-3.372	-2.773	-3.418	-2.776
Sep-19	-1.095	-1.000	-1.275	-1.139	-1.015	-0.929	-1.104	-1.046	-1.143	-1.057
Oct-19	-0.201	-0.085	-0.433	-0.242	-0.120	-0.012	-0.221	-0.132	-0.248	-0.143
Nov-19	-0.327	-0.072	-0.509	-0.245	-0.247	0.018	-0.377	-0.094	-0.380	-0.109
Dec-19	-0.348	-0.450	-0.378	-0.673	-0.277	-0.375	-0.412	-0.512	-0.340	-0.484

	30/730 Primary		41/741 Secondary		41/741 Primary		47/747,48/748 Secondary		47/747,48/748 Primary	
	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH
Jan-19	-2.352	-1.762					-1.808	-1.676	-2.471	-1.998
Feb-19	-1.225	-1.315					-1.425	-1.167	-1.376	-1.503
Mar-19	-0.275	-0.176					-0.272	-0.225	-0.499	-0.367
Apr-19	0.230	0.516	0.546	0.660	0.471	0.585	0.281	0.507	0.061	0.314
May-19	0.894	0.802	1.051	0.924	0.976	0.849	0.864	0.785	0.716	0.596
Jun-19	0.059	-0.273	0.312	0.122	0.237	0.047	0.145	-0.024	-0.123	-0.351
Jul-19	-4.162	-4.161	-3.769	-2.609	-3.844	-2.685	-3.546	-2.992	-4.297	-3.837
Aug-19	-3.525	-2.813	-3.683	-2.603	-3.758	-2.678	-3.820	-2.731	-3.746	-2.923
Sep-19	-1.191	-1.099	-1.057	-0.935	-1.132	-1.011	-1.187	-1.029	-1.358	-1.281
Oct-19	-0.280	-0.179	-0.156	-0.047	-0.231	-0.122	-0.321	-0.191	-0.480	-0.377
Nov-19	-0.432	-0.139					-0.428	-0.127	-0.627	-0.351
Dec-19	-0.473	-0.507					-1.051	-0.512	-0.455	-0.735

	47/747,48/748 Transmission		51/751		52/752		53/753		54/754	
	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH	HLH	LLH
Jan-19	-2.438	-2.012	-2.073	-1.618	-2.752	-2.298	-4.029	-3.574	-3.340	-2.886
Feb-19	-1.384	-1.525	-0.967	-1.111	-1.646	-1.790	-2.923	-3.067	-2.235	-2.378
Mar-19	-0.571	-0.436	-0.131	0.013	-0.810	-0.666	-2.087	-1.943	-1.398	-1.254
Apr-19	0.007	0.220	0.486	0.696	-0.193	0.017	-1.470	-1.260	-0.782	-0.571
May-19	0.612	0.499	1.104	0.980	0.425	0.301	-0.852	-0.976	-0.164	-0.287
Jun-19	-0.167	-0.402	0.225	0.008	-0.454	-0.671	-1.731	-1.948	-1.042	-1.259
Jul-19	-4.350	-4.036	-3.846	-3.490	-4.525	-4.169	-5.802	-5.446	-5.113	-4.757
Aug-19	-3.483	-2.952	-3.235	-2.566	-3.914	-3.245	-5.191	-4.522	-4.503	-3.833
Sep-19	-1.434	-1.325	-1.015	-0.907	-1.694	-1.586	-2.971	-2.863	-2.282	-2.174
Oct-19	-0.558	-0.433	-0.098	0.010	-0.777	-0.670	-2.054	-1.946	-1.365	-1.258
Nov-19	-0.670	-0.422	-0.233	0.030	-0.913	-0.650	-2.189	-1.926	-1.501	-1.238
Dec-19	-0.517	-0.795	-0.119	-0.366	-0.798	-1.046	-2.075	-2.322	-1.386	-1.634