

TRANSITION ADJUSTMENT
FIVE-YEAR COST OF SERVICE OPT-OUT

Available

In all territory served by the Company in the State of Oregon.

Applicable

To Large Nonresidential Consumers who have chosen to opt-out of the Company's Cost-Based Supply Service Schedule 201 for a five-year period and who currently receive Delivery Service under Schedules 47, 48, 747, or 748 or Consumers who receive service under Delivery Service Schedules 30, 47 and/or 48 or 730, 747 and/or 748 under a single corporate entity with meters of more than 200 kW of billing demand at least once in the previous thirteen months that total to at least 2 MW.

Total Eligible Load

A total of 175 aMW will be accepted under this schedule.

Transition Adjustment

The Transition Adjustments for each five-year period are listed below by applicable enrollment period. At the end of the applicable five-year period, consumers who have elected this option will no longer be subject to Transition Adjustments.

The annual Transition Adjustment amounts are shown below for each Delivery Service rate schedule, by voltage level. Transition Adjustments are expressed on a cents per kilowatt-hour basis.

Consumer Opt-Out Charge

The Consumer Opt-Out Charge will be applicable for the five-year enrollment period. At the end of the applicable five-year period, consumers who have elected this option will no longer be subject to the Consumer Opt-Out Charge, Transition Adjustments or to charges in Schedule 200, Base Supply Service.

Energy Supply

The Consumer must elect to purchase energy from an ESS (Direct Access Service) for all of the Consumer's Points of Delivery under this schedule.

Return to Cost-Based Service

Consumers electing service under this schedule must give the Company not less than four years' notice to return to Standard Offer Service or Cost-Based Service as described in Section VII of Rule 21 of this tariff. If a Consumer gives notice to return within the five-year transition period, the Consumer Opt-Out Charge will cease to apply to that consumer after the date of the official notice; Transition Adjustments will continue to apply during the remainder of the applicable period.

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Notification of Transition Adjustment and Consumer Opt-Out Charges

Based on the announcement date defined in OAR 860-038-275, the Company will post on its website (www.pacificpower.net) the Transition Adjustment and Consumer Opt-Out Charge for each eligible Delivery Service schedule shown on Schedule 201 for each applicable delivery voltage level for Nonresidential Consumers for the five-year period from January 1 of the calendar year subsequent to the announcement date. The Consumer Opt-Out Charge may be subject to later adjustments pursuant to commission-approved rate changes related to Schedule 200, Base Supply Service.

Balancing Account

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 the 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.

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The Monthly Billing will be the Transition Adjustments plus the Consumer Opt-Out Charge as specified below by Delivery Service Schedule.

Adjustments for Consumers Electing This Option for Service Beginning January 1, 2016 (No New Service)
Transition Adjustments (cents/kWh)

	730 Secondary	730 Primary	747, 748 Secondary	747, 748 Primary	747, 748 Transmission
2016	0.223	0.179	0.191	-0.018	-0.094
2017	0.179	0.133	0.146	-0.074	-0.152
2018	0.030	-0.016	-0.004	-0.226	-0.299
2019	-0.092	-0.139	-0.127	-0.352	-0.422
2020	-0.260	-0.308	-0.295	-0.520	-0.585

Consumer Opt-Out Charge (cents/kWh)

	730 Secondary	730 Primary	747, 748 Secondary	747, 748 Primary	747, 748 Transmission
2016-2020	1.827	1.756	1.809	1.486	1.315

Adjustments for Consumers Electing This Option for Service Beginning January 1, 2017 (No New Service)
Transition Adjustments (cents/kWh)

	730 Secondary	730 Primary	747, 748 Secondary	747, 748 Primary	747, 748 Transmission
2017	-0.060	-0.102	-0.092	-0.291	-0.355
2018	-0.184	-0.227	-0.217	-0.419	-0.480
2019	-0.200	-0.244	-0.233	-0.440	-0.502
2020	-0.332	-0.376	-0.366	-0.571	-0.628
2021	-0.398	-0.443	-0.433	-0.641	-0.697

Consumer Opt-Out Charge (cents/kWh)

	730 Secondary	730 Primary	747, 748 Secondary	747, 748 Primary	747, 748 Transmission
2017-2021	1.861	1.788	1.838	1.516	1.358

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Adjustments for Consumers Electing This Option for Service Beginning January 1, 2018 (No New Service)
Transition Adjustments (cents/kWh)

	730 Secondary	730 Primary	747, 748 Secondary	747, 748 Primary	747, 748 Transmission
2018	0.089	0.047	0.057	-0.143	-0.213
2019	0.100	0.058	0.067	-0.135	-0.208
2020	-0.122	-0.162	-0.154	-0.346	-0.409
2021	-0.340	-0.378	-0.371	-0.556	-0.609
2022	-0.362	-0.401	-0.394	-0.587	-0.643

Consumer Opt-Out Charge (cents/kWh)

	730 Secondary	730 Primary	747, 748 Secondary	747, 748 Primary	747, 748 Transmission
2018-2022	2.005	1.935	1.987	1.666	1.462

Adjustments for Consumers Electing This Option for Service Beginning January 1, 2019
Transition Adjustments (cents/kWh)

	730 Secondary	730 Primary	747, 748 Secondary	747, 748 Primary	747, 748 Transmission
2019	-0.376	-0.417	-0.408	-0.607	-0.661
2020	-0.776	-0.815	-0.806	-0.996	-1.034
2021	-0.004	-0.044	-0.035	-0.232	-0.299
2022	-0.174	-0.216	-0.206	-0.416	-0.481
2023	-0.556	-0.600	-0.590	-0.810	-0.865

Consumer Opt-Out Charge (cents/kWh)

	730 Secondary	730 Primary	747, 748 Secondary	747, 748 Primary	747, 748 Transmission
2019-2023	1.633	1.563	1.616	1.291	1.081