

**AVOIDED COST PURCHASES FROM
ELIGIBLE QUALIFYING FACILITIES**

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Available

To owners of Qualifying Facilities ("QF") making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities that are not eligible for Standard Avoided Cost Rates. Owners of these Qualifying Facilities will be required to enter into a negotiated written power purchase agreement with the Company.

Definitions**Cogeneration Facility**

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

Off-Peak Hours

All hours other than On-Peak.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding either the Facility Capacity Rating or the amount committed to in the contract. PacifiCorp shall pay the Qualifying Facility the Non-Firm Market Index Avoided Cost Price for all Excess Output.

Non-Firm Market Index Avoided Cost Prices

Non-Firm Market Index Avoided Cost Prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay or, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are 93 percent of a blending of ICE Day Ahead Power Price Report at market hubs

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Non-Firm Market Index Avoided Cost Prices (continued)

for on-peak and off-peak firm index prices. The monthly blending matrix is available upon request. The Non-Firm Market Index Avoided Cost pricing option is available to all Qualifying Facilities. The Non-Firm Market Index Avoided Cost Price for Wind Qualifying Facilities will reflect integration costs.

Self Supply Option

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

Third Party Transmission Cost Adjustment

QFs located in discrete load center areas on PacifiCorp's system (also referred to as load "pockets" or load "bubbles") where there is insufficient load to sink additional generation must be exported from that load pocket, transmitted across a third-party transmission system using long-term, firm point-to-point transmission service ("LTF PTP"), and delivered to a different area on PacifiCorp's system where there is sufficient load to sink additional generation. QFs are required to reimburse PacifiCorp for the cost of these third-party system LTF PTP transmission service arrangements, including any associated Ancillary Services. PacifiCorp will procure third-party system LTF PTP and associated Ancillary Services based on the QF's maximum hourly output that is in excess of the load pocket minimum load ("Excess Generation"). Such LTF PTP transmission service and associated Ancillary Services including losses will be procured from the applicable third-party transmission provider consistent with such transmission provider's Open Access Transmission Tariff or comparable pricing schedule for transmission services.

"Ancillary Services," as used in this section, means those services necessary to support the transmission of energy from resources to loads while maintaining reliable operation of the third-party transmission provider's transmission system in accordance with good utility practice.

The amount and cost of the LTF PTP transmission service and associated Ancillary Services including losses will be subject to periodic updates as provided below and in Exhibit A of this Non-Standard Avoided Cost Rate Schedule, and all terms and conditions will be memorialized in an exhibit to the power purchase agreement ultimately entered into between PacifiCorp and the QF, such exhibit being substantially in the form of Exhibit A of this Non-Standard Avoided Cost Rate Schedule. QFs will have the option to select either option below for such transmission cost adjustments:

Transmission Cost Adjustment Options

1. Direct pass-through of actual costs. The QF will pay all actual costs incurred by PacifiCorp to secure LTF PTP transmission service and associated Ancillary Services from the applicable third-party transmission provider for exporting Excess Generation, as determined by such third-party transmission provider's Open Access Transmission Tariff or comparable pricing schedule for transmission services.

(continued)

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Transmission Cost Adjustment Options (continued)

2. Fixed forecast costs. The QF will pay PacifiCorp a monthly fixed amount to secure LTF PTP transmission service and associated Ancillary Services including losses from the applicable third-party transmission provider for exporting Excess Generation. The monthly fixed amount will be determined consistent with Exhibit A of this Non-Standard Avoided Cost Rate Schedule, including Table A of Exhibit A.

Qualifying Facilities Contracting Procedure**A. Communications**

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

PacifiCorp
QF Requests
Resource & Commercial Strategy
825 NE Multnomah St, Suite 600
Portland, Oregon 97232
QFrequests@pacifiCorp.com

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B. Procedures

1. To obtain an indicative pricing proposal with respect to a proposed project, the owner must provide electronically, preferred, or in writing to the Company general project information reasonably required for the development of indicative pricing, including, but not limited to:
 - a) generation technology and other related technology applicable to the site
 - b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system
 - c) quantity, firmness, and timing of daily and monthly power deliveries (including project ability to respond to dispatch orders from the Company and maintenance schedule)
 - d) proposed site location and electrical interconnection point
 - e) proposed on-line date and outstanding permitting requirements
 - f) demonstration of ability to obtain QF status
 - g) fuel type(s) and source(s)
 - h) plans for fuel and transportation agreements
 - i) proposed contract term and pricing provisions
 - j) status of interconnection arrangements

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B. Procedures (continued)

2. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 1 has been received in writing from the Qualifying Facility owner. Within 30 days following receipt of all information required in Paragraph 1, the Company will provide the owner with an indicative pricing proposal, which may include other indicative contract terms and conditions as allowed under federal law, state law, and as approved by the Commission, tailored to the individual characteristics of the proposed project. Indicative non-renewable prices will be calculated using the partial displacement differential revenue requirement, or PDDRR, method as approved by the Commission in Order No. 16-174. Consistent with Order No. 16-174 the floor for non-standard avoided cost prices is the wholesale power price forecast that is used to set sufficiency period avoided cost prices in standard QF contracts under Schedule 37. Indicative renewable pricing will be calculated using the methodology consistent with Commission Order No. 07-360 and Order No. 18-131.

The indicative pricing proposal may be used by the owner to make determinations regarding project planning, financing and feasibility. However, such prices are merely indicative and are not final and binding. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties. The Company will provide the owner with the indicative prices and a description of the methodology used to develop the prices.

3. If the owner desires to proceed forward with the project after reviewing the Company's indicative pricing proposal, it may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations between the parties. In connection with such request, the owner must provide the Company with any additional project information that the Company reasonably determines to be necessary for the preparation of a draft power purchase agreement, which may include, but shall not be limited to:
 - a) updated information of the categories described in Paragraph B.1,
 - b) evidence of adequate control of proposed site
 - c) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations
 - d) assurance of fuel supply or motive force
 - e) anticipated timelines for completion of key project milestones
 - f) evidence that any necessary interconnection studies have been completed and assurance that the necessary interconnection arrangements are being made.

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B. Procedures (continued)

4. The Company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 3 has been received by the Company in writing. Within 30 days following receipt of all information required pursuant to paragraph 3, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including specific pricing for purchases from the project. Such draft shall serve as the basis for subsequent negotiations between the parties and, unless clearly indicated, shall not be construed as a binding proposal by the Company.
5. After reviewing the draft power purchase agreement, the owner may prepare an initial set of written comments and proposals regarding the draft power purchase agreement and forward such comments and proposals to the Company. The Company shall not be obligated to commence negotiations with a Qualifying Facility owner until the Company has received an initial set of written comments and proposals from the Qualifying Facility owner. Following the Company's receipt of such comments and proposals, the owner may contact the Company to schedule contract negotiations at such times and places as are mutually agreeable to the parties. In connection with such negotiations, the Company:
 - a) will not unreasonably delay negotiations and will respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the owner
 - b) may request to visit the site of the proposed project if such a visit has not previously occurred
 - c) will update its pricing proposals at appropriate intervals to accommodate any changes to the Company's avoided-cost calculations, the proposed project or proposed terms of the draft power purchase agreement
 - d) may request any additional information from the owner necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the project.
6. When both parties are in full agreement as to all terms and conditions of the power purchase agreement, the Company will prepare and forward to the owner a final, executable version of the agreement within 15 business days. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.
7. At any time after 60 days from the date that Qualifying Facility has provided its written notification pursuant to Paragraph 5, the Qualifying Facility may file a complaint with the Commission asking the Commission to adjudicate any unresolved contract terms or conditions.

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Exhibit A to Oregon Non-Standard Avoided Cost Rates
Transmission Services for Excess Generation

1. No later than seven (7) days after the effective date of the power purchase agreement (“PPA”), PacifiCorp shall submit the request to designate the Qualifying Facility (“QF”) as a network resource eligible for network integration transmission service under its Network Integration Transmission Service Agreement with PacifiCorp’s transmission function (“DNR Request”). If, in response to PacifiCorp’s DNR Request, PacifiCorp is informed by PacifiCorp’s transmission function that such network resource designation is contingent on PacifiCorp procuring transmission service from a third-party transmission provider, PacifiCorp shall notify the QF Seller (“Seller”) in writing within seven (7) days of receiving the DNR Request transmission study and provide Seller the transmission study or other documentation from PacifiCorp’s transmission function that demonstrates the requirement.
2. Within thirty (30) days following Seller’s receipt of the notification and supporting materials contemplated in Section 1 above, Seller shall make one of the following elections in writing to PacifiCorp:
 - a. Seller shall agree to reimburse PacifiCorp for such third-party transmission service under Option 1 below plus reimburse PacifiCorp for all study costs incurred with the third-party transmission provider; or
 - b. Seller shall request PacifiCorp to prepare a proposed Monthly Transmission Rate (as defined below) under Option 2 below for Seller’s review plus reimburse PacifiCorp for all study costs incurred with the third-party transmission provider; or
 - c. Seller shall terminate the Agreement, and such termination shall not be deemed an event of default under the PPA and neither PacifiCorp nor Seller shall have any further obligations or liability to the other party relating to the PPA.

If PacifiCorp does not receive Seller’s response within forty-five (45) days following the delivery of its notification under Section 1 above, Seller shall be deemed to have elected clause 2.c. above and the PPA shall immediately terminate with no further action of either party.

(continued)

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3. If Seller timely elects to proceed under Option 1 or Option 2, PacifiCorp will promptly proceed to procure long-term firm, point-to-point transmission service, including ancillary services¹ and losses as applicable (“LTF PTP”), beginning on the scheduled initial delivery date stated in the PPA in an amount determined through the transmission service request process as identified in Section 1 above (“Excess Generation”). Such LTF PTP transmission service will be procured from the applicable third-party transmission provider consistent with such transmission provider’s Open Access Transmission Tariff (“OATT”) or comparable pricing schedule for transmission services. Such LTF PTP transmission costs incurred by PacifiCorp will be reimbursed by Seller under either Option 1 or Option 2 below, as elected by Seller under Section 2 above. Once either Option 1 or Option 2 is elected by Seller, Seller may not change its election without prior approval of PacifiCorp which approval shall not be unreasonably withheld, conditioned, or delayed subject to commitments under any third-party transmission service application in progress. Seller’s obligation to reimburse PacifiCorp for the LTF PTP transmission costs it incurs under either Option 1 or Option 2 below shall not be excused due to any delays in the commercial operation of the QF or the failure of the QF to operate, due to events of force majeure or otherwise.

Option 1 – Direct pass-through of actual costs.

Seller agrees to pay all actual costs incurred by PacifiCorp to secure LTF PTP transmission service from the applicable third-party transmission provider for exporting Excess Generation, as determined by such transmission provider’s OATT or comparable pricing schedule for transmission services. If requested by Seller, PacifiCorp will provide within ten (10) business days of the request documentation supporting the actual costs incurred by PacifiCorp and for which PacifiCorp is seeking reimbursement from Seller. Seller compensates PacifiCorp for the actual costs PacifiCorp incurs one month in arrears through a netting of the LTF PTP transmission costs against PacifiCorp’s monthly payment for generation under the PPA. Eighteen (18) months prior to each five (5) year anniversary of the start date under the third-party transmission service agreement, PacifiCorp will reevaluate and, if necessary, adjust the amount of LTF PTP transmission capacity necessary to export the Excess Generation.

Option 2 – Fixed forecasted costs.

Within ten (10) business days following PacifiCorp’s receipt of Seller’s election under clause 2.b. above, PacifiCorp will prepare and provide to Seller the proposed monthly fixed charge (the “Monthly Transmission Rate”) that Seller pays to PacifiCorp for the costs it incurs in securing LTF PTP transmission service from the applicable third-party transmission provider for exporting Excess Generation, including workpapers and any other pertinent materials supporting the calculation. Such Monthly Transmission Rate will be determined based on the values provided in Table A of this Oregon Standard Avoided Cost Rate Schedule, as applicable for the relevant third-party transmission provider. If the applicable third-party transmission provider is not identified in Table A, PacifiCorp will prepare a Monthly Transmission Rate using the same methodology as was used to develop the values in Table A using the applicable posted rates of the third-party transmission provider.

¹ Ancillary services are those services that may include balancing services that are necessary to support the transmission of energy from resources to loads while maintaining reliable operation of the third-party transmission provider’s transmission system in accordance with good utility practice.

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3. Option 2 – Fixed forecasted costs (continued)

Seller has ten (10) business days from the receipt of the proposed Monthly Transmission Rate to inform PacifiCorp whether it (a) elects to pay the transmission charges associated with this Option 2; (b) elects not to pay the transmission charges associated with this Option 2 and elects Option 1 instead; or (c) elects not to pay the transmission charges associated with this Option 2 and elects to terminate the PPA. If PacifiCorp does not receive Seller's response within thirty (30) days following the delivery of the proposed Monthly Transmission Rate from PacifiCorp, Seller shall be deemed to have elected clause (c) of this paragraph and the PPA shall immediately terminate with no further action of either party. Such termination of the PPA under this paragraph shall not be deemed an event of default under the PPA and no party shall have any further obligations or liability to the other party relating to the PPA.

Seller compensates PacifiCorp for the Monthly Transmission Rate one month in arrears through a netting of the Monthly Transmission Rate against PacifiCorp's monthly payment for generation under the PPA. Eighteen (18) months prior to each five (5) year anniversary of the start date under the third-party transmission service agreement, PacifiCorp will reevaluate and, if necessary, adjust the amount of LTF PTP transmission capacity necessary to export the Excess Generation. In addition, on each five year anniversary of the start date under the transmission service agreement between PacifiCorp and the third-party transmission provider, the Monthly Transmission Rate will be adjusted based on the applicable forecasted rates provided in Table A of PacifiCorp's Oregon Standard Avoided Cost Rate Schedule then in effect on such five year anniversary date; provided, however, that any posted rates of an applicable third-party transmission provider not captured in the methodology below but billed to PacifiCorp will also be included in the Monthly Transmission Rate on a prospective basis. If the applicable third-party transmission provider is not identified in Table A, PacifiCorp will adjust the Monthly Transmission Rate using the same methodology as was used to develop the values in Table A using the applicable posted rates of the third-party transmission provider then in effect on such five year anniversary date.

4. If under either Option 1 or Option 2 above, PacifiCorp is notified by the third-party transmission provider that the necessary LTF PTP transmission service request cannot be granted for the term requested, PacifiCorp shall promptly notify Seller and provide the supporting documentation received from the third-party transmission provider. Within thirty (30) days of receipt of such notice under this Section 4, and except as limited below, Seller shall elect one of the following:
- a. Seller will agree to amend the QF PPA to (i) adjust the scheduled initial delivery date and the scheduled commercial operation date, if necessary, to align with the estimated date when LTF PTP transmission service is available; (ii) provide for Seller's reimbursement to PacifiCorp for any study costs it may incur with the third-party transmission provider; (iii) adjust the Monthly Transmission Rate to align with the revised dates under (i), and (iv) adjust the PPA contract price to reflect the change to the scheduled commercial operation date;
 - b. Seller will terminate the PPA and such termination by Seller shall not be an event of default under the PPA and no damages or other liabilities under the PPA related to such termination will be owed by one party to the other party.

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If PacifiCorp does not receive Seller's response within forty-five (45) days following the date of PacifiCorp's notice to Seller under this Section 4, Seller shall be deemed to have elected clause (b) of this paragraph and the PPA shall immediately terminate with no further action of either Party. Seller may not elect (a) above if the estimated date for availability of LTF PTP transmission service results in an anticipated scheduled commercial operation date that is more than thirty-six (36) months following the effective date of the PPA.

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TABLE A
FIXED MONTHLY THIRD-PARTY TRANSMISSION RATES
Bonneville Power Administration (BPA)

The fixed Monthly Transmission Rate for BPA consists of three components. Components A and B are multiplied by the Excess Generation in kilowatts (kW) as determined by the DNR Request described in Section 1 of this Exhibit. Component C is multiplied by the monthly generation delivery quantity exported over the third-party transmission provider's transmission system to PacifiCorp. The Monthly Transmission Rate is summed across the four components as illustrated in the below formula.

$$\text{Monthly Transmission Rate (\$)} = (A + B) * \text{Excess Generation (kW)} + C * V \text{ (MWh)}$$

Where:

A = Long-Term Firm, Point-to-Point Transmission Service (PTP) (\$/kW-month)

B = Scheduling, Control and Dispatch Service (SCD) (\$/kW-month)

C = Losses (L) (\$/MWh)

Bonneville Power Administration

Year	A Long Term Point-to-Point (PTP) \$/KW-Month	B Scheduling, Control & Dispatch \$/KW-Month	A+B Capacity Sub-total \$/KW-Month	C Losses ⁽¹⁾ \$/MWh
2020	\$1.533	\$0.365	\$1.898	\$0.52
2021	\$1.571	\$0.374	\$1.945	\$0.54
2022	\$1.611	\$0.383	\$1.994	\$0.60
2023	\$1.651	\$0.393	\$2.044	\$0.64
2024	\$1.692	\$0.403	\$2.095	\$0.72
2025	\$1.734	\$0.413	\$2.147	\$0.77
2026	\$1.778	\$0.423	\$2.201	\$0.82
2027	\$1.822	\$0.434	\$2.256	\$0.82
2028	\$1.868	\$0.445	\$2.313	\$0.82
2029	\$1.915	\$0.456	\$2.370	\$0.89
2030	\$1.962	\$0.467	\$2.430	\$0.92

Notes:

- (1) Losses are calculated by multiplying the BPA losses factor times the Calendar Year Contract Price from the Standard Avoided Cost Rate Schedule times scheduled volume of energy moved across BPA's system in the month. Losses will vary by volume and contract price. Contract price used in table is the standard avoided cost price for wind outside of PacifiCorp's BAA then in effect in Oregon Standard Avoided Cost Rate Schedule. Volume will be monthly volume from PPA times the ratio of the Excess Generation to the total nameplate capacity of the facility. On each five year anniversary of the start date under the transmission service agreement between PacifiCorp and BPA, the Losses will be adjusted based on the applicable forecasted rates provided in Table A of PacifiCorp's Oregon Standard Avoided Cost Rate Schedule then in effect on such five year anniversary date.

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TABLE A
FIXED MONTHLY THIRD-PARTY TRANSMISSION RATES
Portland General Electric (PGE)

The fixed Monthly Transmission Rate for Portland General consists of four components. Components A, B and C are multiplied by the Excess Generation in kilowatts (kW) as determined by the DNR Request described in Section 1 of this Exhibit. Component D is multiplied by the monthly generation delivery quantity exported over the third-party transmission provider's transmission system to PacifiCorp. The Monthly Transmission Rate is summed across the all components as illustrated in the below formula.

$$\text{Monthly Transmission Rate (\$)} = (A + B + C) * \text{Excess Generation (kW)} + D * V \text{ (MWh)}$$

A = Long-Term Firm, Point-to-Point Transmission Service (PTP) (\$/kW-month)

B = Scheduling, Control and Dispatch Service (SCD) (\$/kW-month)

C = Reactive Supply & Voltage Control Service (RSVC) (\$/kW-month)

D = Losses (L) (\$/MWh)

Portland General Electric

	A	B	C	A+B+C	D
Year	Long Term Point-to-Point (PTP)	Scheduling, Control & Dispatch	Reactive Supply & Voltage Control	Capacity Sub-total	Losses ⁽²⁾
	\$/KW-Month	\$/KW-Month	\$/KW-Month	\$/KW-Month	\$/MWh
2020 ⁽³⁾	\$0.523	\$0.012	\$0.038	\$0.574	\$0.43
2021	\$0.536	\$0.013	\$0.039	\$0.588	\$0.45
2022	\$0.549	\$0.013	\$0.040	\$0.603	\$0.49
2023	\$0.563	\$0.013	\$0.041	\$0.618	\$0.53
2024	\$0.577	\$0.014	\$0.042	\$0.633	\$0.59
2025	\$0.592	\$0.014	\$0.043	\$0.649	\$0.64
2026	\$0.607	\$0.014	\$0.045	\$0.666	\$0.68
2027	\$0.622	\$0.015	\$0.046	\$0.682	\$0.68
2028	\$0.637	\$0.015	\$0.047	\$0.699	\$0.68
2029	\$0.653	\$0.016	\$0.048	\$0.717	\$0.74
2030	\$0.669	\$0.016	\$0.049	\$0.735	\$0.76

Notes:

- (2) Losses are calculated by multiplying the PGE losses factor times the Calendar Year Contract Price from the Standard Avoided Cost Rate Schedule times scheduled volume of energy moved across PGE's system in the month. Losses will vary by volume and contract price. Contract price used in table is the standard avoided cost price for wind outside of PacifiCorp's BAA then in effect in Oregon Standard Avoided Cost Rate Schedule. Volume will be estimated monthly volume from PPA times the ratio of the Excess Generation to the total nameplate capacity of the facility. On each five year anniversary of the start date under the transmission service agreement between PacifiCorp and PGE, the Losses will be adjusted based on the applicable forecasted rates provided in Table A of PacifiCorp's Oregon Standard Avoided Cost Rate Schedule then in effect on such five year anniversary date.
- (3) Components A, B and C are escalated each year by PacifiCorp's acknowledged integrated resource plan escalation rate for third-party transmission service. Component D is not escalated.

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