**APPENDIX 1**

**SCHEDULE OF ESTIMATED AVOIDED COST**

**State of Washington**

Consistent with WAC 480-107-055, this schedule of estimated avoided cost is intended to provide general information to potential bidders about the cost of new power supplies. It does not provide a guaranteed contract price for electricity.

The schedule below provides the nominal levelized price forecast on a monthly basis and on an annual flat basis using the September 2011 official forward price curve.

|  |
| --- |
| **Avoided Cost Prices**  |
|  |  |  |
|  |  |  |
|  |  |  |
|  Deliveries  |  Capacity  |  Energy  |
|  During  |  Payment  |  Payment  |
|  Calendar Year  |  $/kW - Month  | $/MWH |
| 2012 | $2.31  | 28.82 |
| 2013 | $2.35  | 35.03 |
| 2014 | $2.39  | 38.50 |
| 2015 | $2.44  | 42.40 |
| 2016 | $2.49  | 45.47 |
|  |  |  |
|  5 Year (2012 - 2016) Levelized Prices (Nominal) @ 7.15% Discount Rate (1)  |
|  $/kW - Month  | $2.39  |  |
|  $/kW - Year  | $28.68  |  |
|  $/MWh  |  | $37.48  |
|  |  |  |
|  Footnotes:  |  |  |
|  1 Discount Rate - Company Official Discount Rate - Dated September 2011  |
|  |  |  |