



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

POWER SERVICES

June 17, 2009

In reply refer to: PFR-6

To TRM Supplemental Rate Proceeding Parties:

After spending several weeks during January through March working with public power representatives drafting changes to the Tiered Rates Methodology (TRM), BPA is proposing these changes for adoption in the TRM Supplemental rate proceeding. Among the proposed changes is a modification to the calculation of the Contract High Water Mark (CHWM) that will be included in each public customer's Regional Dialogue power sales contract. The main feature of the CHWM modification is the allowance for a customer to seek a Provisional HWM if the customer experiences a loss of load in Fiscal Year 2010.

At the June 9 TRM Supplemental Clarification, BPA and rate case parties agreed to alternative procedural steps for concluding the TRM Supplemental rate proceeding. A motion to eliminate the normal procedural steps and adopt the alternative procedures outlined below has been filed with the Hearing Officer and is expected to be approved by the end of this week. If the amended schedule is not approved, BPA will follow with an updated schedule.

Parties may submit a ***Statement of Position*** to BPA by July 8 to indicate whether or not they support the changes proposed in the TRM Supplemental Proposal. BPA is seeking a better understanding of public power's positions on the proposed modifications, especially the CHWM changes. The Statement of Position also may include a list of issues, consistent with the scope of the TRM Supplemental Proposal which parties would like to see clarified in a Draft Record of Decision (ROD). The requested clarifications addressed in the Draft ROD will be limited to the proposed modifications in the TRM Supplemental Proposal.

A customer that is a party to this proceeding may submit its comments in two ways. A customer that is a member of an association such as Northwest Requirements Utilities, PNGC, or Western Public Agencies Group may submit a statement through its association's counsel, as a part of a common statement of the group, or it may elect to file comments separately as an individual party. Other customers that are parties may submit comments through their counsel using the rate case secure Web site or may submit comments as follows: online at BPA's Web site: www.bpa.gov/comment; by mail to BPA Public Affairs, DKR-7, P.O. Box 1428, Portland, OR 97293-4428; or by facsimile to 503-230-3285. Please identify any written or electronic statement as "TRM-12S Proceeding Party Statement of Position."

BPA will hold a TRM rate case workshop on June 23, from 1 to 5 p.m. in the BPA Rates Hearing room, to discuss and provide a common understanding of proposed clarifications parties intend to include in their Statement of Position. To participate in this workshop by phone, please call Dolena Fernandez at 503-230-4297.

Following BPA's review of the Statements of Position, BPA will issue its Draft ROD on July 28. Parties will then have until August 10 to submit an optional brief to respond to BPA's clarification or response on any issue addressed in the Draft ROD. BPA will address the issues raised in these briefs in a Final ROD, which will be issued on September 2.

The TRM Supplemental Proposal is available on BPA's Web site at http://www.bpa.gov/corporate/ratecase/TRM_Supplemental/docs/TRM-12S-E-BPA-01.pdf. If you have any questions, please contact your Power Account Executive or Nita Burbank at 503-230-3935.

Sincerely,

/s/ Raymond Bliven

Raymond Bliven
Power Rates Manager