



Department of Energy

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

POWER BUSINESS LINE

January 7, 2002

In reply refer to: PSP-5

Dear Rate Case Parties and Customers:

Bonneville Power Administration (BPA) plans to hold a number of rate case workshops with the rate case parties and customers as we work together to implement the Load-Based Cost Recovery Adjustment Clause (LB CRAC). For ease in tracking the LB CRACs over time, we have begun to refer to them informally as 1, 2, 3, etc., recognizing that a new one will be calculated every six months during the rate period, for a total of 10. We hope that distinguishing the workshops in this way helps clarify the order.

January 28, 2002 – Workshop

The following topics will be discussed:

- True-up for the first part of the first LB CRAC (LB CRAC 1) for October 2001 through December 2001.
- Preliminary estimates by BPA of second LB CRAC (LB CRAC 2) for discussion (April 2002 through September 2002).

February 14, 2002 – Meeting

- Present the results of LB CRAC 2.

March 7, 2002; March 21, 2002; and April 4, 2002 – Methodology Workshops

These dates are for a series of workshops to discuss the long-term Mark-to-Market methodology. We plan to come to an agreement on the methodology that will be used to calculate the LB CRACs for the remainder of the rate period.

June 13, 2002 – Workshop

- True-up for the second part of the first LB CRAC (LB CRAC 1) for January 2002 through March 2002.
- Preliminary estimates by BPA of third LB CRAC (LB CRAC 3) for discussion (October 2002 through March 2003).

June 27, 2002 – Meeting

- Present the results of LB CRAC 3.
- Provide preliminary estimate of end-of-year reserves (affects whether Financial Based CRAC triggers).

The workshops will begin at **9:00 am** in the **Rates Hearing Room** located at 911 NE. 11th Avenue.

Sincerely,

/s/ Barney Keep

Byron G. Keep
Manager for Power Products, Pricing and Rates