



Department of Energy

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

POWER SERVICES

August 31, 2007

In reply refer to: PFR-6

To Customers, Stakeholders, and Other Interested Parties:

This letter is the preliminary notice regarding any possible rate adjustments for FY 2008 based on the recently released Third Quarter Review. This notice is required by sections D.3(a)(2) and F.2(a)(2) of the General Rate Schedule Provisions (GRSPs) that were granted interim approval by the Federal Energy Regulatory Commission (FERC) on September 21, 2006.

BPA posted its Third Quarter Review on its external web site on July 27, 2007 at: www.bpa.gov/corporate/finance/q_review. The forecast of 2007 Accumulated Modified Net Revenue (AMNR) for Power Services (PS) as of this Third Quarter Review is the basis for any CRAC or DDC for FY 2008. The AMNR forecast is posted on the BPA external web site at http://www.bpa.gov/corporate/finance/Customer_Collaborative/07/08_August/3Q_2007_custCollab_v2.pdf. At the time of the Third Quarter Review, the PS AMNR for FY 2007 was forecast to be \$112 million. No major adjustments to these results are expected at this time, so BPA will evaluate the need for a DDC or CRAC solely based on the Third Quarter results.

A comparison of this AMNR forecast to the CRAC threshold of negative \$132 million and a DDC threshold of \$247 million means that there will not be either a CRAC or a DDC in FY 2008, barring a significant change in BPA's finances between now and the date of the final announcement at the end of September. We expect the final rates, as published in the WP-07 Rate Schedules, to be in place for the entire year unless an Emergency NFB Surcharge is deemed necessary.

Even though a CRAC or DDC is not forecast to happen, BPA is still planning on holding a workshop on September 10, 2007, to answer questions. The workshop will begin at 9:00 a.m. in BPA's Rates Hearing Room immediately prior to a scheduled workshop on Residential Exchange Issues.

Sincerely,

/s/

Raymond D. Bliven
Power Rates Manager