



Department of Energy

Bonneville Power Administration
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POWER SERVICES

June 30, 2008

In reply refer to: PS-6

To Parties Interested in the Average System Cost Methodology:

Today BPA issued the Final Record of Decision (ROD) for the 2008 Average System Cost Methodology (ASCM). It is available on BPA's Web site at <http://www.bpa.gov/corporate/finance/ascm/>.

On February 8, 2008, BPA began two processes that were of considerable importance to the Northwest utilities and their consumers-the WP-07 Supplemental Rate Case and the 2008 Average System Cost Methodology consultation. Both processes were launched to re-establish the Residential Exchange Program (REP) in response to the 2007 decisions from the U.S. Court of Appeals for the Ninth Circuit. Issuance of the final ROD on the ASCM is the first milestone in that process.

The 2008 ASCM will be one of the key elements used to establish FY 2009 exchange benefits for regional electric utilities participating in the REP beginning October 1, 2008.

I want to thank the many members of the regional community who have worked long, hard and thoughtfully on the issues in the 2008 ASCM. I especially want to highlight the spirit of cooperation among the customers and other parties that was evident throughout the entire process.

Sincerely,

/s/ Mark O. Gendron

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