



Department of Energy

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

POWER BUSINESS LINE

March 15, 2002

In reply refer to: PSP

Dear Rate Case Parties and Customers:

On March 21, 2002, Bonneville Power Administration (BPA) will hold the second of three rates-related workshops. The purpose of this series of workshops is to develop a Mark-to-Market methodology to be used in setting the Load-Based Cost Recovery Adjustment Clause (LB CRAC). This methodology will be used when determining the Load-Based Cost Recovery Adjustment Clause (LB CRAC) for future six-month cycles.

The second workshop will focus on reviewing and discussing the options proposed at the first meeting. Alternative or new options may also be discussed. If a consensus is reached, a methodology may be put into place for setting future LB CRACs.

If time allows, a second topic will be a presentation to explain why surplus revenues have declined thru February 2002 from the assumptions used in the June 2001 final rate case documents.

The workshop will begin at 9:00 a.m. in the Rates Hearing Room, Room 223, located at 911 NE. 11th Avenue, Portland, Oregon. If you would like to participate by telephone for this meeting, please call Luci Kamletz at (503) 230-7443 or Cynthia Jones at (503) 230-5459 to be connected to the conference bridge.

There is one more Mark to Market workshop scheduled for April 4, beginning at 9:00 a.m. in the Rates Hearing Room.

Sincerely,

/s/ Byron G. Keep

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