



Department of Energy

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

January 30, 2009

In reply refer to: PFE-6

To Parties Interested in the Exchange Clarification for Consumer-Owned Utilities Public Process:

The Bonneville Power Administration (BPA) is opening a 3-week public comment period to receive feedback on proposed clarifying language to the Contract High Water Mark (CHWM) contract and Residential Purchase and Sale Agreement (RPSA) contract to provide further certainty to those consumer-owned utilities that expect to participate in the Residential Exchange Program (REP) post-2011. Because of the timing differences between the TRM, the new RPSA contracts, and the new Average System Cost Methodology (ASCM), BPA committed to re-examine the three documents for consistency and clarity regarding the Residential Exchange Program (REP) as it applies to consumer-owned utilities (COUs) once these processes were complete.

Since these processes are now concluded, the language proposes to clarify how the three main components for determining exchange benefits for a utility that holds a CHWM contract are calculated: the base Tier 1 PF Exchange Rate; the utility's Rate Period High Water Mark Average System Cost (RHWM ASC); and the utility's RHWM Exchange Load. In addition, the language proposes a remedy for consumer-owned utilities if BPA should change any of the approaches associated with calculating exchange benefits for consumer-owned utilities to their detriment.

This public process will run concurrent with the RPSA Exchange Load public process.

How to Comment

BPA is requesting your comments on the CHWM and RPSA contract language enclosed. This language can also be found at BPA's website at <http://www.bpa.gov/corporate/finance/ascm/letters.cfm>.

Comments on this language must be received by 5:00 p.m., Pacific Standard Time, on February 23, 2009. Comments can be submitted on-line at: www.bpa.gov/comments; via e-mail to comment@bpa.gov; via mail to: Bonneville Power Administration, Public Affairs Office-DKC-7, P.O. Box 14428, Portland, OR 97293-4428; or faxed to 503-230-3285. You can also call us with your comments, toll free at 1-800-622-4519. Please reference "Exchange Clarification for COUs" with your comments. Please note all comments will be posted on BPA's external web site.

If you have any questions or would like additional information, please contact your Power Account Executive.

Sincerely,

/s/ **Tina Ko**

Tina Ko
Residential Exchange Program Manager

Enclosure: Contract Language