



Department of Energy

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

February 10, 2009

In reply refer to: PFR-6 or TSPQ/TPP-2

To People Interested in the 2010 Wholesale Power and Transmission Rate Proceeding:

On February 10, 2009, the Bonneville Power Administration (BPA) kicked off its combined 2010 Power and Transmission rate proceeding with the publication of a notice in the Federal Register. Power and transmission rates will be set for a two-year period beginning October 1, 2009. Under BPA's initial proposal, BPA's wholesale power rate would increase by about 9.4 percent for BPA's public utility and federal agency customers. The transmission rate proposal includes a partial settlement under which rates for all transmission services and two ancillary services remain unchanged, while certain ancillary and control area service rates will be established in the rate proceeding. If no party objects to the settlement, BPA staff will propose that the BPA Administrator adopt it.

Rates are set in a formal hearing process in which interested parties have the opportunity to challenge BPA's rate proposal and to make alternative proposals (except that parties that have signed the partial settlement may not challenge it). BPA's initial testimony and rate studies, which will be available on February 18, 2009, are the starting point of the process. The information developed in the proceeding will be the basis of the BPA Administrator's decision establishing final rates in July 2009. A copy of the Federal Register notice can be viewed at: www.bpa.gov/corporate/ratecase/2008/2010_BPA_Rate_Case/.

People who are not parties to the rate case – that is, those who are not eligible to become parties or otherwise participate in the formal process – may send comments regarding the rate proposal. The BPA Administrator considers all comments fully when making final rate decisions.

The formal rate proceeding will end when the Administrator issues a final Record of Decision (ROD) in late July 2009. The final ROD, along with the complete record of the proceeding, will be filed with the Federal Energy Regulatory Commission by August 1 for the Commission's review and approval for rates to go into effect October 1, 2009.

Notice of *Ex Parte* in Effect

Please see the attachment to this letter, which provides notification that in accordance with section 1010.7 of BPA's Rules for Procedure Governing Rate Hearings, the rule governing *ex parte* communications is now in effect.

How to Comment

You may provide written comments on BPA's power and transmission rate proposals until **April 24, 2009**. These comments can be made on-line at BPA's Web site: www.bpa.gov/comment, or through the mail at: BPA Public Engagement Office - DKE-7, Bonneville Power Administration, P.O. Box 14428, Portland, Oregon 97293. Please include the project name "2010 BPA Rate Case" with your comments.

For more information

If you have questions or want more information on this rates case, please call us toll free at (800) 622-4519. Additional information is available at our Web site at:

www.bpa.gov/corporate/ratecse/2008/2010_BPA_Rate_Case/

Sincerely,

/s/ Nancy Parker

Nancy Parker
Power Rate Case Process Manager

/s/ Sarah Bermejo

Sarah Bermejo
Transmission Rate Case Process Manager

Attachment
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**Notice of Application of *Ex Parte* Communication Rule
to the 2010 Power and Transmission Rate Case**

On February 10, 2008, the Bonneville Power Administration's (BPA) Power Services and Transmission Services organizations will begin a combined formal rate proceeding in accordance with section 7(i) of the Northwest Power Act, 16 U.S.C. 839e(i), to establish power, transmission, and ancillary and control area service rates for fiscal years 2010-2011. This proceeding was formally announced in a Federal Register noticed published today, February 10, 2009.

This letter serves as notice that the limitation on *ex parte* communications as set forth in section 1010.7 of BPA's Rules for Procedure Governing Rate Hearings applies as of February 10, 2009, and prohibits BPA employees from listening to or engaging in discussions regarding any matter pending before BPA in the rate proceeding. The prohibition on *ex parte* communications will continue in effect until the Administrator signs the Record of Decision concluding the proceeding, currently estimated to be in late July, 2009.

The *ex parte* rule provides that no party or participant in the proceeding shall submit *ex parte* communications to the Administrator, or any BPA employee, regarding any matter pending before BPA in the rate proceeding, and that neither the Administrator nor any BPA employee may request or entertain such communications. The purpose of the *ex parte* rule is to assure that all oral or written communications with BPA regarding any matter pending in the rate proceeding is on the record. BPA will provide reasonable advance notice of any meetings that BPA may hold with any customer group or member of the public when it appears that issues pending in the rate proceeding will be discussed. Limited exceptions to the *ex parte* rule allow non-substantive communications between BPA employees and parties or participants related to the rulemaking procedure. Some of the exceptions to the *ex parte* rule include communications relating to matters of procedure, exchanges of data in the ordinary course of business, and communications related solely to requests for supplemental information or data necessary for an understanding of factual materials contained in documents filed during a proceeding.

If you have any questions regarding this *ex parte* notice, please contact Peter Burger, Attorney for Power Services, at 503-230-4626 or Barry Bennett, Attorney for Transmission Services, at 503-230-4053.