



## Department of Energy

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

POWER BUSINESS LINE

February 13, 2003

In reply refer to: P

Dear Interested Parties and Customers:

As you know, we recently announced that the Safety Net Cost Recovery Adjustment Clause (SN CRAC) has triggered. We had hoped that our financial situation would improve sufficiently to avoid going forward with the SN CRAC process, but it has not. Since receiving the letter of February 7<sup>th</sup> announcing that the SN CRAC had triggered, customers and others have raised many questions about BPA's current financial condition, as well as questions concerning the options available to address the situation. Therefore, in addition to the normal workshops and formal proceedings that are part of the SN CRAC rate case, we want to discuss the major policy issues that affect BPA's rates and finances.

I would like to invite you to a workshop that will focus on rate and financial policy issues. Jim Curtis, BPA's chief financial officer, will join me for a policy-level discussion of issues that are within the scope of the SN CRAC rate case, as well as other topics that are beyond the scope of the rate case but that could affect the ultimate size of the rate increase. We expect to discuss the various options for addressing BPA's financial condition, including the amount and use of borrowing authority, the debt optimization program, advanced amortization of federal debt, the current capital program, and opportunities for additional cost reductions. We are open to suggestions on additional topics to cover as well as ideas on how to structure the meeting. Please send your requests to Liz Evans (503-230-4284 or [eaevans@bpa.gov](mailto:eaevans@bpa.gov)) by February 20<sup>th</sup>. Please be aware that the level of technical detail usually associated with rates-related workshops will not be part of this discussion.

Please join us on Tuesday, February 25, 2003, in the Rates Hearing Room, which is located at 911 NE 11<sup>th</sup> Ave, in Portland, OR, from 10 am until 4 pm. An agenda will be posted to our rates website at [www.bpa.gov/power/rates](http://www.bpa.gov/power/rates). Please call Cain Bloomer at (503) 230-7443 or Cynthia Jones at (503) 230-5459 if you would like to participate by phone.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul E. Norman".

Paul E. Norman  
Senior Vice President  
Power Business Line