



Department of Energy

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

POWER BUSINESS LINE

May 15, 2000

In reply refer to: **PSP**

To Interested Parties and Customers:

Bonneville Power Administration (BPA) and the rate case parties have completed the formal hearing for the development of BPA's 2002 wholesale power rates. BPA is now issuing the Administrator's Record of Decision, describing the issues raised during the proceedings, their resolution, and the final rates that BPA proposes to apply during the 2002-2006 rate period.

This process began back in August 1999 with BPA's Initial Proposal. Since then, the official record of the rate case has grown to almost 80,000 pages. The record includes not only the studies and testimony submitted by BPA, but also the materials submitted by the formal parties, nearly 5000 letters submitted by the participants, and transcripts of field hearings, cross examination, and other formal documents.

The final studies prepared by the staff include all of the technical assumptions that went into the development of the rates. They include almost three thousand pages of studies and descriptions of the computer models used to develop the rates.

Although this rate process can seem long to an outside observer, it has been important to provide time for BPA, the parties, and the participants to understand the issues. The time frame and formal steps of this process are fairly well described in law. But the planning for the rate case actually began some years ago.

Through various public processes, such as the Cost Review Process, the development of the Subscription Strategy, and the Fish and Wildlife obligations public process, the framework of the rate case was developed. That meant that not very many issues really needed to be decided in the rate case, since the broad decisions on program levels and service to various customer groups had been settled earlier.

We have enclosed a quick summary of the 1,000 pages of the Record of Decision. Please read that for the highlights of each chapter. If you would like to read a chapter in more detail, you have several options. First, go to the end of the summary, and determine which volume your chapter is in. Then you can call our Public Information Center at 503-230-7334 and request a copy of the volumes you are interested in. You will also be able to download the individual chapters from our website. By May 19, we plan to have all the final studies and the ROD chapters available.

The next step in the rate case is when BPA files its proposal with the Federal Energy Regulatory Commission (FERC). We anticipate compiling the entire record for their review and approval in early June. FERC generally grants interim approval for rates within 60 days. The rates will be effective October 1, 2001 through September 30, 2006.

Thank you for your continued interest in the wholesale power rate case.

Sincerely,

/s/

Diane Cherry
Manager for Power Products, Pricing and Rates

Enclosure:
Summary of Administrator's Record of Decision