



Department of Energy

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

POWER BUSINESS LINE

April 14, 2005

In reply refer to: PFR

To: Customers and Interested Parties

The Bonneville Power Administration's Power Business Line (PBL) will conduct a WP-07 Rate Case workshop on April 20, 2005, on risk mitigation, as a follow-up to the April 6, 2005, PFR Risk workshop.

BPA staff will discuss the models used to evaluate various rate design options for risk mitigation for the next rate period. We want to provide interested parties the ability to evaluate and compare for themselves alternative ways of mitigating BPA's large resource-related risk (e.g., hydro and market uncertainty) with varying combinations of tools such as CRACs, DDCs, rebates, reserves and PNR. A tutorial of how to use the models to do this will be presented using a video demonstration. A telephone bridge will be available. However, it would probably be more useful to attend in person.

In addition, follow-up workshops have been tentatively scheduled for May 4 and May 18 (a change from the schedule presented at the April 6th PFR technical workshop) for follow-on discussions.

The workshop is scheduled for 9:00 a.m. to 4:00 p.m. but is not expected to take the entire day. The location is 911 NE 11th Avenue, Portland, OR, Rates Hearing Room, Room 223. If you would like to participate by telephone, please call Cynthia Jones at 503 230-5459 or Cain Bloomer at 503 230-7443 to be connected to the bridge.

Materials will be posted the morning of the workshop in the Power Rates Document "Queue" which can be accessed from the Power Rates page on the PBL web site (www.bpa.gov/power/rates). If you have any questions, please contact Mike Normandeau at (503) 230-3098 or Byrne Lovell at (503) 230-3930.

Sincerely,

/s/ Diane Cherry

Diane Cherry
PBL Rates Process Manager