## Department of Energy

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

December 16, 2005

In reply refer to:  PFR-6

**To Customers, Constituents, Tribes, and Other Regional Stakeholders:**

This letter establishes that the draft results for the tenth Load-Based Cost Recovery Adjustment Clause (Load-Based CRAC) presented at the December 14, 2005, workshop are now final. The Load-Based CRAC10 will apply to the period, April 1, 2006, to September 30, 2006.  The Slice rate adjustment is 29.07 percent, and the non-Slice rate adjustment is 28.51 percent.  Rates reflecting these percentage adjustments will first appear on slice customer bills received in April 2006 and on non-slice customer bills received in March 2006 for April service.

The Load-Based CRAC8 true-up calculation resulted in a total adjustment of $6,847,163.  Slice customers will pay an additional $557,357 and non-slice customers will pay an additional $6,289,806.  The true-up adjustment amount will appear on customers' bills for January 2006.

BPA is proposing in its WP-07 Initial Proposal to continue the Load-Based CRAC true-up methodology into the next rate period to finish the Load-Based CRAC9 true-up billing and to establish the true-up, if any, for the Load-Based CRAC10 period.

In addition to the Load-Based CRAC adjustment for the CRAC10 period, BPA will also adjust the Financial-Based CRAC from 4.41 percent to .45 percent starting in April 2006 and running through September 2006. The true-up accounts for the change in audited accumulated net revenues of $24 million completed at the end of the fiscal year compared to the AANR forecast used to set the Financial-Based CRAC in August 2005.  The overall result of these two adjustments is that power rates for FY 2006 will be lower than rates for FY 2005 by 3.1 percent.

The final Load-Based and Financial-Based CRAC results and this letter will be posted on the PBL web site at www.bpa.gov/power/rates.

Sincerely,

/s/


Elizabeth Evans
Acting Manager for Power Rates