



Department of Energy

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

POWER SERVICES

January 26, 2007

In reply refer to: PF-6

To parties interested in the Power rate case:

In December 2006, the Bonneville Power Administration, U.S. Army Corps of Engineers and five Northwest Tribes, Confederated Tribes of the Umatilla Indian Reservation, Confederated Tribes of the Warm Springs Reservation, Nez Perce Tribes, Confederated Tribes and Bands of the Yakama Nation and Confederated Tribes of the Colville Indian Reservation, signed an agreement resolving 2007 FCRPS operating issues that arose in *National Wildlife Federation vs. National Marine Fisheries*. The court's January 19, 2007, deadline for parties to file motions for injunctive relief concerning 2007 FCRPS operations has passed, and no parties have filed motions for alternative operations. As a result, the agreement with the Tribes addressing 2007 operations issues makes further litigation unlikely.

The [General Rate Schedule Provisions \(GRSPs\)](#) for the 2007 power rate case define trigger events for the National Marine Fisheries Service Federal Columbia River Power System Biological Opinion (NFB) Adjustment and the Emergency NFB Surcharge. Trigger events are:

(1) A court order in *National Wildlife Federation vs. National Marine Fisheries*, CV 01-640-RE, or any appeal thereof ("Litigation"); (2) An agreement (whether or not approved by the Court) that results in the resolution of issues in, or the withdrawal of parties from, the Litigation; (3) A new NMFS FCRPS BiOp; or (4) A BPA commitment to implement Recovery Plans under the ESA that results in the resolution of issues in, or the withdrawal of parties from, the Litigation.

BPA has determined that the agreement signed for 2007 operating issues meets the second trigger definition. The costs of this event are estimated to be between \$3 million and \$5 million. This event is unlikely to affect this or next year's wholesale power rates.

As required by the GRSPs, BPA has tentatively scheduled a workshop to discuss the costs of this triggering event. The workshop will be 9 a.m. to 10 a.m., Tuesday, February 6, in the BPA Rates Hearing Room. If you plan to attend the workshop, please contact Peter Burger. The workshop will be canceled if there is insufficient interest.

If you have any questions, please contact your Power Account Executive, Constituent Account Executive or Tribal Account Executive. You also may contact Peter Burger in the Office of General Counsel at (503) 230-4148 or by email at pjburger@bpa.gov.

Sincerely,

/s/ Raymond Bliven

Raymond Bliven
Power Rates Manager