



## Department of Energy

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

POWER BUSINESS LINE

February 7, 2003

In reply refer to: PSP

To Interested Parties and Customers:

This letter is to inform you that the Administrator of the Bonneville Power Administration (BPA) has determined that the criteria for triggering the Safety Net Cost Recovery Adjustment Clause (SN CRAC) rate setting process have been satisfied. BPA is currently forecasting that it has greater than a 50 percent probability that it will miss its next payment to Treasury or other creditor. Consistent with the General Rate Schedule Provisions (GRSPs) in BPA's 2002 Wholesale Power Rate Schedules, the documentation establishing that the SN CRAC has triggered is enclosed.

BPA will hold workshop(s) with interested parties to provide additional documentation regarding the trigger study and to discuss the shortfall and possible changes to BPA's rates. In a previous letter, BPA requested that customers and rate case parties reserve a number of dates in February for possible workshops. The first workshop will take place on Tuesday, February 11, 2003, (see enclosed agenda). If it is decided that further discussion is warranted, the next workshop is tentatively scheduled for Thursday, February 13, 2003.

Under BPA's GRSPs, the triggering of the SN CRAC process initiates a formal rates hearing process as defined in section 7(i) of the Pacific Northwest Electric Power Planning and Conservation Act. 16 U.S.C. §839e(i). Effective immediately, the development of BPA's rates is subject to the *ex parte* rule. This rule requires that all communications with BPA regarding the merits of a rate case issue must be on the rate case record and that parties be given reasonable advance public notice of such communications. In general, the *ex parte* rule means that, with certain exceptions, no BPA employee may engage in communications with a non-BPA/DOE person or group about a rate case issue outside of the ratemaking process. Some of the exceptions to the rule include communications relating to matters of procedure; exchanges of data in the ordinary course of business; and when all parties agree a communication may be made on an *ex parte* basis.

All workshops will begin at 9:00 a.m. in the Rates Hearing Room, Room 223, located at 911 N.E. 11<sup>th</sup> Avenue, Portland, Oregon. If you would like to participate in these meetings by telephone, please call Cain Bloomer at (503) 230-7443 or Cynthia Jones at (503) 230-5459 in advance to reserve a space on the conference bridge.

Sincerely,

/s/

Byron G. Keep  
Manager for Power Products,  
Pricing and Rates

2 Enclosures: