

Department of Energy

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

POWER BUSINESS LINE

July 13, 2006

In reply refer to: PS-6

To Parties Interested in the Regional Dialogue:

The Bonneville Power Administration has released its Long-Term Regional Dialogue Policy Proposal for review and public comment. The policy proposal is the result of months of collaborative discussions among regional parties following release of the Regional Dialogue Concept Paper in September 2005 and lays out BPA's post-2011 power supply role. Following the close of comment, BPA will review all comments received and issue a final policy and record of decision. Contract negotiations will begin immediately thereafter. A copy of the policy proposal is available on the BPA Web site at www.bpa.gov/power/pl/regionaldialogue/07-2006_policy_proposal.pdf.

Background

In September 2005, BPA issued the Regional Dialogue Concept paper to serve as a starting point for the major policy issues that needed to be addressed post-2011. Among others, these issues include service to public customers, benefits to the residential and small-farm consumers of investor-owned utilities, benefits to direct-service industries, and conservation and renewables.

Following the release of the concept paper, BPA held a series of discussions with interested parties. During these discussions, a list of interests was agreed to that addressed the goals and requirements to be considered in the development of the policy proposal, including the following:

- Lowest costs and Tier 1 rates
- Durability/stability/contract enforceability
- Customer/regional support and equity
- Certainty of obligations for all parties
- Promote infrastructure development consistent with the Northwest Power Act
- Consistency with BPA stewardship obligations
- Legality
- Simplicity
- Advance national objectives

During the six months of discussions a good deal of agreement was reached; however, there were still a number of issues to be resolved. BPA used these discussions as a starting point for preparing this policy proposal and believes this proposal meets the shared interests and goals agreed to by BPA and its stakeholders.

How to comment

Five public meetings are scheduled throughout the region to provide interested parties an opportunity to speak with BPA representatives and provide comments. Any changes to these meetings will be posted on the BPA Web site at www.bpa.gov/power/regionaldialogue.

Seattle, Wash.
August 1, 2006
Registration: 3 - 3:30 p.m.
Meeting: 3:30 - 7 p.m.
Mountaineers Building
300 3rd Avenue W

Pasco, Wash.
August 7, 2006
Registration: 1 - 1:30 p.m.
Meeting: 1:30 - 5 p.m.
Franklin PUD Auditorium
1411 W. Clark Street

Portland, Ore.
August 9, 2006
Registration: 3 - 3:30 p.m.
Meeting: 3:30 - 7 p.m.
BPA Rates Hearing Room
911 NE 11th Avenue

Idaho Falls, Idaho
August 23, 2006
Registration: 3 - 3:30 p.m.
Meeting: 3:30 - 7 p.m.
Shilo Inns Suites Hotel
780 Lindsay Boulevard

Pablo, Mont.
August 31, 2006
Registration: 2 - 2:30 p.m.
Meeting: 2:30 - 6 p.m.
Mission Valley Power
65 West Pablo Road

BPA also is considering holding a series of technical workshop to address issues in the policy proposal. Information on these workshops, should they be scheduled, will be posted on the Regional Dialogue Web site at www.bpa.gov/power/regionaldialogue.

The comment period is open through September 29, 2006. Comments can be submitted online at: <http://www.bpa.gov/comment>, via e-mail to comment@bpa.gov, via mail to: Bonneville Power Administration, Public Affairs Office - DKC-7, P.O. Box 14428, Portland, OR, 97293-4428, or faxed to (503) 230-3285. You also can call us with your comment; toll free at (800) 622-4519. Comments also can be submitted at any one of the five public meetings. Please reference Regional Dialogue with your comments. Please note that all comment letters will be posted on BPA's Web site at http://www.bpa.gov/corporate/public_affairs/Comment_Listings/.

Next Steps

A key goal in this process is to create a Regional Dialogue policy that is sustainable and supported by the region. BPA intends to continue to work with regional parties throughout the public comment period to reach consensus on the major policy issues addressed in the policy proposal. A summary of these issues is available at www.bpa.gov/power/pl/regionaldialogue/07-2006_issue_summary.pdf.

This draft policy does introduce a contingency plan, or “fall back” proposal, should adequate regional consensus not exist at the conclusion of the comment period.

The enclosed backgrounder provides an overview of the issues being addressed and the estimated schedule for the Regional Dialogue process. Additional information is available on the BPA Web site at www.bpa.gov/power/regionaldialogue.

We look forward to your participation in the next phase of this process. If you have any questions, please contact your Power Account Executive, Constituent Account Executive, Tribal Account Executive, Helen Goodwin at (503) 230-3129, or me at (503) 230-7640.

Sincerely,

/s/ Mark O. Gendron

Mark O. Gendron
Vice President, Requirements Marketing

Enclosure:

[Backgrounder - Long-Term Regional Dialogue Policy Proposal: Meeting the Region's Future Energy Needs](#)