Department of Energy



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

October 28, 1999

In reply refer to: PSB

Dear Customers and Interested Parties:

In May of this year, BPA published a Federal Register Notice and sought public comment on a set of draft principles for determining the amount of Federal power a customer is entitled to purchase. Based on comments we received from customers and constituents, BPA made certain revisions to those proposed principles. We are therefore extending the comment period through November 30, 1999. A copy of the revised proposal is enclosed for your review. The most significant changes were made in the following areas:

- BPA originally proposed to allow customers to sell their ownership interest in generating
 plants to the highest bidder without a reduction in their right to buy cost based Federal Power
 as long as BPA and all its customers had an opportunity to participate in the purchase
 process. After considering comments from customers and constituents, BPA is suggesting
 withdrawing the proposed change and continue implementing the existing policy.
- BPA also proposed to change the way it implements its policy under section 9(c) of the Northwest Power Act. BPA proposed to create a rebuttable presumption that customers are exporting power from the region that could have been retained and replacing it with Federal power to serve firm regional load. The revised proposal returns to BPA's prior policy of a factual finding of whether an individual resource could be retained and, if it were exported, would increase the firm power requirements of BPA.
- BPA has clarified the standards for public utilities to remove a resource from load service.

Comment Opportunities

Comments on the revised proposal will be accepted through close of business on Tuesday, November 30, 1999. You can send written comments to:

Bonneville Power Administration P.O. Box 12999

Portland, Oregon 97232.

You can also send comments electronically via an E-mail to: comment@bpa.gov

This proposal is available on BPA's website at: http://www.bpa.gov/Power/subscription

Additional copies of the proposal can also be obtained by calling the BPA Public Information Office at 1-800-622-4520 or by contacting your BPA Account Executive.

We look forward to receiving your comments on this revised proposal.

Sincerely,

s/Allen L. Burns_

Allen L. Burns Vice President for Power Marketing

Enclosures