



Department of Energy

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

POWER BUSINESS LINE

November 17, 1999

In reply refer to: P-6

Dear Interested Parties:

Bonneville Power Administration's Power Subscription Strategy proposes settlements of the Residential Exchange Program with regional investor-owned utilities (IOUs). The enclosed document entitled "Proposed Increase to Residential Exchange Settlement Benefits and Allocation of Residential Exchange Settlement Benefits among Pacific Northwest Investor-Owned Utilities" summarizes BPA's proposed allocation methodology. We would appreciate your comments on these proposals.

The proposed Residential Exchange settlement for IOUs was described in BPA's Subscription Strategy (December 21, 1998). The proposed settlement provided a combination of cost-based power sales and cash to IOUs for residential customers. 1800 aMW in power and cash equivalent was proposed for the FY 2002-2006 period, and 2200 aMW for the FY 2007-2011 period. This request for public comment pertains to two issues:

1. Whether the amount of the settlement should be increased by 100 aMW from 1800 aMW to 1900 aMW for the FY 2002-2006 period, and
2. How the settlement amounts should be allocated among the individual IOUs.

After receiving public comment, BPA will issue a decision on the proposed increase in the settlement benefits at the time a decision is made on other proposed revisions to the Subscription Strategy. We expect this to occur in late March or early April 2000. BPA will separately develop a proposed allocation of settlement benefits among the IOUs that will be taken into the negotiations of the proposed Residential Exchange Program settlements with the IOUs. The proposed allocation resulting from the current process will not be a final action. The allocation proposal will be addressed in a later public process conducted by BPA before issuing a Record of Decision(s) for the Residential Exchange Program settlement agreements.

Comment Opportunity

The comment period for this proposal will be open through close of business on Friday, January 7, 2000. Written comments should be sent to Bonneville Power Administration, P.O. Box 12999, Portland, Oregon 97232. You can also send comments electronically to: comment@bpa.gov

Additional copies of this proposal may be obtained by calling BPA's Public Information Office at 1-800-622-4520 or by contacting your BPA Account Executive. This proposal is also available on the following website: <http://www.bpa.gov/Power/subscription>

We encourage your participation in this review process, and look forward to receiving your comments. If you have questions on the proposal, please contact the Project Manager, Kimberly Leathley, at 503-230-3163.

Sincerely,

Paul E. Norman
Senior Vice President
Power Business Line

Enclosure

bcc:

Burns, A – PS/6
Morgado, N – KN/DC
Wright, S – KN/7
Elizalde, J – PSW/700
Itami, R – PSE/SPOK
Oliver, S – PSB/5
Whitney, C – PL/6
Casad, K – LP/7
Leathley, K – PSB/5
Berwager, S – PS/6
Palmer, L – PS/6
Larson, C – PS/6
Norman, P – PS/6
Oster, D – PSB/5
Kitchen, L – PSB/5
Miller, M – PSB/5
Kuntz, G – KR/MSGL
Custer, C – KR/WSGL
Williams, J – KR
Hustad, C – KR-7
Mills, J – KR
Stier, J – KN/DC

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