



Department of Energy

Bonneville Power Administration
P.O. Box 3621
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POWER BUSINESS LINE

February 4, 2005

In reply refer to: P-6

Dear Customers, Constituents, Tribes and Other Regional Stakeholders:

Near-Term Regional Dialogue Decisions Released Today

Today we are issuing the Bonneville Power Administration's (BPA) near-term Regional Dialogue policy and record of decision (ROD). The policy decisions we are announcing today are a significant step toward establishing a regional electric energy future, and BPA's role in it, that reflects the will and wishes of the region within BPA's legal mandates. Though these are BPA decisions and documents, they have benefited greatly from much hard work by the region's utilities, industries, interest groups, tribes, government bodies, and the Northwest Power and Conservation Council. The Regional Dialogue policy and ROD are now posted on BPA's Regional Dialogue Web site at: www.bpa.gov/power/regionaldialogue.

A brief summary of each decision in our policy is attached. Please note that the policy document simply states our decisions without explaining why the decision was made – the 'why' for each decision is contained in the longer ROD. The policy will be published in the Federal Register early in February. A separate National Environmental Policy Act (NEPA) ROD was also signed and is posted on the Regional Dialogue site listed above.

Thanks very much to all who submitted comments or participated in the many meetings that led up to these decisions. We considered very carefully all ideas and comments received. Our original proposal has changed and improved significantly as a result. But, inevitably, we could not accommodate all comments. Our rationale for the decisions and how we addressed comments is laid out in the ROD. Power Business Line account executives, tribal account executives, and constituent account executives are available to brief you on our decisions and how we addressed your input.

Extended Regional discussion of 2007 DSI Service

These policy decisions will guide BPA's post-2006 rate proposal, potential contract amendments, new contracts with DSIs, and development of post-2006 conservation and renewable resource programs. We decided to extend the regional discussion of post-2006 direct-service industry service a little longer and will issue a supplemental decision on that topic after the additional discussion period. A follow-up letter will describe the opportunities to participate in that discussion.

Moving on to Long-Term Issues

While FY 2007-2011 decisions are the main focus of BPA's near-term Regional Dialogue policy, BPA also made one very important long-term policy decision that is key to the region's energy future: limiting BPA's future sales at the lowest cost-based rates to approximately the firm capability of the existing Federal system. We expect to carry out this decision by working with the region to make a new set of long-term policy decisions about long-term service to public utilities, service to DSIs, implementation of the investor-owned utility residential exchange, support to conservation and renewables development, resource adequacy, cost control, and other topics. We intend to issue a long-term policy proposal on all these topics in July, with final decisions on them next January. We will then move to develop new contracts and rates based on these policy decisions. We intend to work closely with the region on all of this and hope for active participation from all interested parties.

Again, thank you for your participation in the process just concluded. I look forward to continuing our dialogue on the long-term issues.

Sincerely,

/s/ Paul E. Norman

Paul E. Norman
Senior Vice President
Power Business Line

Enclosure: [Summary of January 2005 Regional Dialogue Policy Decisions](#)