



Department of Energy

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

POWER BUSINESS LINE

March 30, 2006

In reply refer to: PT-5

To Parties Interested in Benefits to Direct-Service Industries:

The Bonneville Power Administration (BPA) is currently conducting ongoing regional discussions in the Regional Dialogue with parties interested in how best to market power and distribute the costs and benefits of the Federal Columbia River Power System (FCRPS) in the Pacific Northwest post-2011. BPA plans to issue its policy proposal on these topics soon and, after further regional discussion and comment, plans to issue its Long-Term Regional Dialogue Policy and Record of Decision (ROD). One of the issues addressed in the policy and ROD will be the level of benefits to be provided to the direct-service industry smelters (DSIs). Prior to issuing the policy and ROD, BPA would like to develop a more comprehensive understanding of the impacts that different levels of benefits to the DSIs might have on the Pacific Northwest (PNW) economy. Understanding job losses, job gains and other economic impacts of providing various benefit levels to the DSIs is important to inform BPA's ultimate decision.

To accomplish this goal, BPA is asking interested parties in the region to submit empirically based papers and studies that will help us understand the positive and negative impacts to the PNW economy that may result from the agency providing benefits to the DSIs. BPA is interested in receiving papers that evaluate benefit levels ranging from providing no benefits to providing 560 aMW of power at a priority firm-equivalent price.

BPA plans to take all the information provided and have it reviewed by a small team of unaffiliated economic experts chosen by a cross section of customers and hired by the Northwest Power and Conservation Council. The job of the experts will be to review all the work submitted, including historical work created during previous studies, and produce a summary report that includes conclusions that the agency can use to help inform its decision on benefit levels for the DSIs. Northwest Aluminum Industry studies conducted in 2000/2001 are available at www.bpa.gov/Power/PL/AluminumStudy/AluminumStudy.shtml.

In order to use this information in the development of its ROD, BPA needs all the material no later than May 31, 2006. The agency understands this doesn't allow much time, but the short deadline is necessary to have the final report from the team of experts completed by the end of June in time to inform the decision we make in the ROD later this summer.

Papers and studies can be submitted to BPA via e-mail to comment@bpa.gov or mailed to: Bonneville Power Administration, Public Affairs Office -DKC-7, P.O. Box 14428, Portland, OR, 97293-4428.

Additional information on this process will be made available on the Regional Dialogue Web site at <http://www.bpa.gov/power/pl/regionaldialogue/dsistudy.shtml>. If you have any questions, please contact your Power Business Line account executive; constituent account executive; Mark Miller, project manager, at (503) 230-4003; or me at (503) 230-5399.

Sincerely,

/s/ Paul E. Norman

Paul E. Norman
Senior Vice President
Power Business Line