



Department of Energy

Bonneville Power Administration
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POWER BUSINESS LINE

September 12, 2005

In reply refer to: P-6

To parties interested in Regional Dialogue:

Today BPA released a concept paper that addresses BPA's long-term power supply and marketing role. The concept paper is posted for your review on the Regional Dialogue website at www.bpa.gov/power/regionaldialogue.

BPA is committed to defining its long-term power supply role in a manner that meets many key regional and national goals. We are releasing this concept paper as the basis for intensive discussions that will occur over the next several months with a goal to reach alignment within the region on the outstanding issues. We plan to make final policy decisions on these issues by the spring of 2006 and begin long-term contract development shortly thereafter.

Many of you have already devoted numerous hours to these issues through BPA processes, the Northwest Power and Conservation Council, the Public Power Council, Customer Collaborative, Constituent Collaborative and others. Fortunately, all this prior work has led to a great deal of agreement in the region on the broad goals for BPA's future power sales. Among others, these goals include: providing planning certainty to the region's utilities and thereby promoting development of regional infrastructure; limiting BPA costs, rates and risks; enhancing the probability of BPA payments to the U.S. Treasury; and aligning regional interests. Many of your thoughts and ideas have been incorporated into our concept paper, including many of those in the PPC Allocation proposal.

BPA sees this as an extremely important effort – we all have an opportunity to meet crucial goals, but this will require intensive focus and a spirit of compromise.

Concept Paper Workshops

Release of this concept paper kicks off a 90-day regional effort to achieve as much alignment as possible on the remaining issues, before BPA issues a formal policy proposal early next year. The concept paper is a starting point for this regional effort.

A series of workshops is being scheduled to move this regional discussion forward. The workshops will be open to all interested participants. However, to facilitate these discussions moving forward, BPA is recruiting a group of senior representatives of its customers and other stakeholders to work with BPA and others to try to reach resolution on the key policy issues. Mark Gendron, who is BPA's new vice president for Requirements Marketing, will be the BPA executive representative to this group. Participation by other BPA executives will occur periodically. This senior group will assign technical representatives to work together toward

resolving specific issues. The first meeting of this group will be Monday, September 19, 2005, from 9 a.m. – 4 p.m., in the BPA Rates Hearing Room, located at 911 NE 11th Ave, Portland, Oregon. A complete schedule of the workshops will be posted soon. See the website at www.bpa.gov/power/regionaldialogue for updates.

Next steps

These workshops will be followed by publication of a BPA policy proposal in the Federal Register in early 2006. A public comment period, regional meetings and a record of decision in the spring of 2006 will follow publication of the policy proposal.

For more information

The Power Business Line customer and tribal account executives and the agency constituent account executives are available to respond to your questions or schedule individual discussions. You may also contact Helen Goodwin, Regional Dialogue project manager; Mark Gendron, vice president of Requirements Marketing; or myself. You can also call toll free (800) 622-4519 for more information.

Thanks in advance for your time and attention,

/s/

Paul E. Norman
Senior Vice President

Enclosure

Issue Alert: Charting the region's power future through the Long-Term Regional Dialogue