



Department of Energy

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

November 10, 2016

In reply refer to: LP-7

To Parties Interested in BPA's 2018 Rate Proceeding:

On November 10, 2016, the Bonneville Power Administration (BPA) will begin its 2018 Power and Transmission rate proceeding with the publication of a notice in the Federal Register. The BP-18 proceeding will set power and transmission rates for a two-year period beginning October 1, 2017.

Rates are set in a formal hearing process in which interested parties have the opportunity to challenge BPA's rate proposal and to make alternative proposals. BPA's initial power and transmission testimony and rate studies, which will be available on November 17, 2016, are the starting point of the process. The information developed in the proceeding will be the basis of the BPA Administrator's decision establishing final rates in July 2017. A copy of the Federal Register notice can be viewed at: <http://www.bpa.gov/goto/BP18>.

Individuals are not parties to the formal rate case hearing, but may submit comments regarding the rate proposal. The BPA Administrator considers all comments fully when making final rate decisions. The formal rate proceeding will end when the Administrator issues a final Record of Decision (ROD) in late July 2017. BPA's rates, including the final ROD and complete record of the proceeding, will be filed with the Federal Energy Regulatory Commission by July 31, 2017, for review and approval.

Notice of *Ex Parte* in Effect

Please see the attachment to this letter, which provides notification that, in accordance with section 1010.7 of BPA's Rules for Procedure Governing Rate Hearings, the rule governing *ex parte* communications is now in effect.

How to Comment

You may provide written comments on BPA's rate proposals until **February 17, 2017**. These comments can be made on-line at BPA's Web site: bpa.gov/comments, or through the mail at: Public Engagement Office - DKE-7, Bonneville Power Administration, P.O. Box 14428, Portland, Oregon 97293. Please include the project name "BP-18" with your comments.

For more information

If you have questions or want more information on this rate case, please call us toll free at (800) 622-4520. Additional information is available at our Web site at:

<http://www.bpa.gov/goto/bp18>

Sincerely,

/s/ Kurt R. Casad

Kurt Casad, Attorney for
BPA

/s/ Matthew Perkins

Matthew Perkins, Attorney for
BPA

Attachment

**Notice of Application of *Ex Parte* Communication Rule
to the 2018 Rate Proceeding**

On November 10, 2016, the Bonneville Power Administration (BPA) will begin the power and transmission portions of a combined formal rate proceeding in accordance with section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i), to establish rates for fiscal years 2017-2018.

This letter serves as notice that the limitation on *ex parte* communications as set forth in section 1010.7 of BPA's Rules for Procedure Governing Rate Hearings applies to the power and transmission portions of the case as of November 10, 2016, and prohibits BPA employees from listening to or engaging in discussions regarding any substantive issue pending before BPA in the rate proceeding. The prohibition on *ex parte* communications will continue in effect until the Administrator signs the final Record of Decision concluding the proceeding, currently estimated to be in late July 2017.

The *ex parte* rule provides that no party or participant in the proceeding shall conduct *ex parte* communications with the Administrator, or any BPA employee, regarding any matter pending before BPA in the rate proceeding, and that neither the Administrator nor any BPA employee may request or entertain such communications. The purpose of the *ex parte* rule is to assure that all oral or written communications with BPA regarding any matter pending in the rate proceeding is on the record. BPA will provide reasonable advance notice of any meetings that BPA may hold with any customer group or member of the public when it appears that issues pending in the rate proceeding will be discussed. Limited exceptions to the *ex parte* rule allow non-substantive communications between BPA employees and parties or participants. Some of the exceptions to the *ex parte* rule include communications relating to matters of procedure, exchanges of data in the ordinary course of business, and communications related solely to requests for supplemental information or data necessary for an understanding of factual materials contained in documents filed during a proceeding.

If you have any questions regarding this *ex parte* notice, please contact Kurt Casad at 503-230-4024 or Matthew Perkins at 503-230-5904.