



Department of Energy

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

POWER SERVICES

April 22, 2016

In reply refer to: PSS-6

To Parties Interested in the Rate Period High Water Mark (RHWM) Process for the FY 2018 and 2019 Rate Period:

Bonneville Power Administration (BPA) will kick off the Rate Period High Water Mark (RHWM) Process this spring, in advance of the BP-18 Rate Case and in accordance with sections 4.2 and 4.3 of the Tiered Rate Methodology (TRM). This process will scale customer Contract High Water Marks (CHWMs) to an updated RHWM Tier 1 System Capability (RT1SC), resulting in customers' RHWMs and Above-RHWM Loads for the Fiscal Years (FY) 2018 and 2019 Rate Period.

During the last RHWM process, customers suggested that BPA start the RHWM process earlier in the year so they would have time to consider the impacts. In response to this, BPA will hold a customer workshop to discuss the updated *preliminary* RT1SC on May 10, 2016, followed by an informal comment period. *Preliminary* RHWM outputs, including RHWMs and Above-RHWM loads, will also be shared. Customers are encouraged to review the impacts on their Above-RHWM loads due to changes in their forecasts and the RT1SC. Comments on the forecasts and RT1SC should be provided during the informal comment period. A follow-up workshop may be held on June 28, 2016 to address issues raised in comments that warrant additional discussion.

BPA will hold a customer workshop on August 9, 2016 to discuss the draft final RT1SC and draft final RHWM outputs. The formal public comment period extends from August 10 through August 23. Final numbers are scheduled to be made available on September 30, 2016.

Geoff Carr, former Assistant Director of Northwest Requirements Utilities, has been selected as the Third Party Neutral for this process. He can be reached at geoffcarr77@gmail.com

Please contact Lindsay Bleifuss (lbleifuss@bpa.gov, 503-230-5338) or Peter Stiffler (pbstiffler@bpa.gov, 503-230-5660) for further information.

Sincerely,

A handwritten signature in cursive script that reads "Lindsay Bleifuss".

Lindsay Bleifuss