

Email from Jack Speer, Alcoa

From: Speer, Jack A. [mailto:Jack.Speer@alcoa.com]
Sent: Monday, June 13, 2005 4:08 PM
To: Norman, Paul E - P
Subject: BPA Role Policy Proposal

Mr. Paul E. Norman
Senior Vice President - Power Business Line
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

Re: P-6 - Policy Direction for Second Phase of Regional Dialogue

Dear Paul:

BPA intends to issue a policy proposal in July dealing with its long-term role in regional power supply. Your May 11, 2005 letter to Customers, Constituents, Tribes and Other Stakeholders invites comments on the contents of the policy proposal.

I have had the opportunity to discuss long-term role issues with BPA and BPA constituents on numerous occasions over a span of several months, and most recently participated in your June 8 workshop on this subject.

You have been personally engaged on this matter, and it is obvious to me that you have listened to me and to other constituents. I appreciate that, and applaud your efforts to make good long-lasting policy decisions.

On the eve of your policy proposal, there are two points I would like you to keep in mind:

First, the fair way to deal with long-term DSI service is for BPA to sell power to consumer-owned utilities at a Priority Firm-equivalent rate for resale to Alcoa and other DSIs. This will provide electricity to DSI customers in a manner that is equitable with other long-standing industries in the Northwest, and we urge you to adopt this methodology in your policy proposal.

Second, to quote Steve Wright at the June 8 workshop, "This policy decision will be our legacy". Historians will look more favorably on a policy that allows aluminum plants equitable access to BPA power, than a policy that sacrifices aluminum plants and their communities so that rates can be lower to other customers.

Sincerely,

Jack A. Speer
NW Vice President for Government and Energy Affairs