



## Department of Energy

Bonneville Power Administration  
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POWER SERVICES

May 6, 2009

In reply refer to: PFP-6

### **To Parties Interested in Long-Term Regional Dialogue Policy Implementation:**

The Bonneville Power Administration has released initial Transition Period High Water Marks (THWM) and Above-Rate-Period High Water Mark (Above-RHWM) load data for all public customers. Release of the THWM data is part of the process for implementing BPA's Regional Dialogue Contract High Water Mark (CHWM) contracts and the Tiered Rate Methodology (TRM).

The THWM will be used to forecast each customer's Above-RHWM load during FY 2012-2013 and, for Slice and Block customers, FY 2014 in addition. Customers will use this information when making their November 1, 2009, election for how much Above-RHWM load will be served either by BPA at Tier 2 rates, by the customer with non-Federal resources, or by some combination of the two. The THWM is a proxy for, and different from, the CHWM that will be developed in FY 2011. The THWM is based on a 2009 forecast of customers' FY 2010 loads instead of on the measured (historical) FY 2010 load that will be used to calculate CHWMs.

### **Next Steps**

BPA will hold a public workshop on May 19, from 1 to 4 p.m. in the BPA Rates Hearing Room. To participate in this workshop by phone, please call Dolena Fernandez at (503) 230-4297. This workshop will serve as an opportunity for interested parties to ask clarifying questions and provide input, prior to BPA finalizing the THWMs and Above-RHWM load data.

The THWM data will be republished by the end of May and will reflect changes made in response to input provided by customers through May 28, 2009. In addition to doing so in the workshop, customers should provide their input to their Power Account Executive.

It is important to note that BPA will be initiating a 7(i) proceeding in June to consider various TRM clean-up items, including the customer proposal for a provisional CHWM "economic anomaly" adjustment in response to reductions to customer retail load from the downturn in the economy. If there are resultant provisional adjustments to customers' CHWMs, those adjustments will not affect the THWM and above-RHWM load calculations currently being prepared. *Customers need to be aware of this separate process and its potential effect on the accuracy of the THWM as a proxy for the CHWM.*

To help customers prepare for this upcoming 7(i) process, BPA plans to preview FY 2007-2008 total retail load data with customers in the last week of May. This load data is used in the CHWM adjustment proposal. BPA will then publish that load data generally in early June, prior

to the start of the 7(i) proceeding. BPA is also preparing training/briefing materials on the proposed changes to the TRM for the provisional CHWM economic anomaly adjustment to help parties better understand the proposal.

Additional information on the THWM can be found in sections 4.3.2 - 4.3.2.2 of the TRM and a THWM fact sheet that are available on BPA's Web site at [www.bpa.gov/corporate/ratecase/2008/2008\\_TRM/supplemental.cfm](http://www.bpa.gov/corporate/ratecase/2008/2008_TRM/supplemental.cfm).

Customers may contact their Power Account Executive if they have questions or comments on the THWMs or Above-RHWM load data. Please include BPA's Load Forecasting group at [kslf@bpa.gov](mailto:kslf@bpa.gov) for load forecasting issues. Others may contact Larry Stene, Power Policy Development, at (503) 230-4704 or at [lmstene@bpa.gov](mailto:lmstene@bpa.gov)

Sincerely,

*/s/ Mark O. Gendron*

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