



December 3, 2008

RECEIVED BY BPA FOIA OFFICE THIS DATE 12-08-08
1-05-09
09-014

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Christy Brannon, FOIA Officer
Mail Stop DK-7
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208

**Re: Freedom of Information Act Request
PT-5: Proposed Wind Energy Exchange Agreement between
Bonneville Power Administration and Pacific Gas and Electric**

Dear Ms. Brannon:

By letter dated August 28, 2008 (a copy of which is attached), Puget Sound Energy, Inc. ("PSE") requested copies of certain drafts of a "wind exchange agreement" between Bonneville Power Administration ("BPA") and Pacific Gas and Electric Company ("PG&E"). PSE has received no response from BPA to date.

Pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, and its relevant implementing regulations, 10 C.F.R. pt. 1004, "PSE" hereby requests copies of each of the following documents:

1. Any executed or unexecuted "wind energy exchange" or similar agreement between BPA and PG&E proposed or executed in 2008, under which BPA would take the energy output of wind generation and/or deliver energy to PG&E (for example, an agreement or proposed agreement pursuant to which BPA might take 90 megawatts of capacity from the Klondike III and Klondike IIIa wind projects from Iberderola Renewables--whether or not using such capacity to serve BPA's Northwest loads--and deliver an equivalent amount of energy on light load hours to PG&E at the California-Oregon Border delivery point).
2. Any decision record or similar document adopted or proposed by BPA in 2008 regarding any proposed or executed agreement referenced in item 1 above.
3. Any correspondence between, or other document exchanged between, BPA and PG&E evidencing or explaining BPA's decision to proceed or not proceed with any proposed or executed agreement referenced in item 1 above.

Ms. Christy Brannon
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For purposes of this FOIA request, the term "document" should be broadly interpreted to include any and every kind of handwritten, typewritten, printed or recorded material (including video or audio recordings), computer data and electronic data whatsoever, including, without limitation, all originals, drafts, copies, and data compilations in computer-readable form.

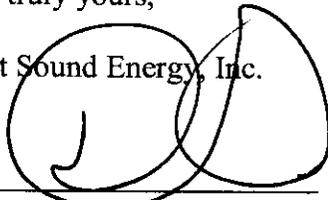
If there are fees associated with this request, and they are \$200.00 or less, please mail copies of all the above-described documents to the undersigned together with your invoice, and I will make sure that you are promptly paid. If you anticipate that fees will exceed \$200.00, or if fees must be paid in advance, please telephone Kelsey Colvin at (425) 462-3693, at your earliest convenience, to inform PSE of the anticipated amount.

PSE looks forward to receiving your response to this request and the requested documents as quickly as possible, in conformity with FOIA and applicable regulations. If, however, all or any part of this request is denied, please cite the specific exemptions that you believe justify the refusal to release the information, and advise PSE of the appeal procedures available to me under law and the time within which PSE must file an appeal.

Thank you for your assistance in this matter.

Very truly yours,

Puget Sound Energy, Inc.

A handwritten signature in black ink, appearing to read "D. Mills", is written over a horizontal line. The signature is written in a cursive style with a large initial "D" and a smaller "Mills".

By: David E. Mills

Title: Director – Energy Supply and Planning

cc: Kelsey A. Colvin
Regional Energy Policy Manager



Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98003-9734

August 28, 2008

Bonneville Power Administration
Public Affairs Office – DKE-7
P.O. Box 14428
Portland, OR 97293-4428

RE: PT-5 - Wind Exchange Agreement Comments

Dear Public Affairs Office:

By letter dated August 19, 2008, BPA stated that it "has entered into an agreement with San Francisco-based Pacific Gas and Electric Company (PG&E) to exchange wind energy for a period of 10 years from a Northwest wind project." The letter further indicates that: "BPA is seeking comments on this agreement to ensure it has considered all the issues surrounding the agreement." BPA has identified this agreement as "the wind exchange agreement" and has invited comments through August 29, 2008. Puget Sound Energy, Inc. ("PSE") submits the following comments in response to this request.

The "Overview" of this transaction provided by BPA ("Proposed Wind Energy Exchange Agreement With Pacific Gas and Electric") indicates that the agreement has been "negotiated" and that it will include the delivery by BPA of energy to PG&E at the California Oregon Border. Accordingly, BPA must comply with the provisions of the Regional Preference Act, P.L. 88-552, 78 Stat. 756 *et seq.*, as amended, and the provisions of Section 9(e) of the Northwest Power Act with respect to contracts for the sale or exchange of electric power, energy, or peaking capacity for use outside the Pacific Northwest. These provisions include, but are not limited to, the following requirement:

At least 30 days prior to the execution of any contract for the sale, delivery, or exchange of surplus energy or surplus peaking capacity for use outside the Pacific Northwest, the Secretary shall give the then customers of the Bonneville Power Administration written notice that negotiations for such a contract are pending, and thereafter, at any customer's request, make available for its inspection current drafts of the proposed contract.

Regional Preference Act, §2, 78 Stat. 756 (*emphasis added*).

Pursuant to the foregoing requirement, BPA is obligated to provide its customers written notice at least 30 days prior to the execution of the "wind exchange agreement." In light of the request for comments by August 29, 2008 in the August 19, 2008 release letter, it is not apparent that BPA is providing the statutorily-required 30 day notice. BPA must provide the required 30 day notice prior to execution of the agreement.

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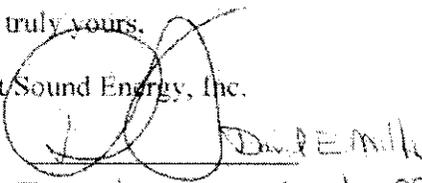
Further, PSE hereby requests that BPA provide to PSE copies of all current drafts of the proposed "wind exchange agreement." consistent with the above quoted statutory mandate, or that such drafts be made available for PSE's inspection.

Please contact Doug Faulkner at (425) 462-3352, if you have any questions regarding these comments.

Very truly yours,

Puget Sound Energy, Inc.

By:



Its:

Director, Energy Supply & Planning