



DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

May 13, 2004

Annie Eissler
Freedom of Information Act Officer
Bonneville Power Administration
P.O. Box 61409
Vancouver, Washington 98666-1409

Annie Eissler
Freedom of Information Act Officer
Bonnesville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

RECEIVED BY BPA FOIA OFFICE THIS DATE: 5/20/04
DUE DATE: 6/18/04
LOG # 04-039

Re: Fourth Request for documents under Freedom of Information Act
DOJ File No. 150302-GT0373-02

Dear Ms. Eissler:

As indicated in my letter to you of April 22, 2004 (enclosed), the documents provided by BPA on April 16 do not include copies of the written elections made by Snohomish and Tacoma under paragraph 3(b) of their Capacity Ownership Agreements or an amendment to that subparagraph that is signed by Seattle regarding its Capacity Ownership Agreement. Since I have not received a response to my April letter, I assume you need another request for those documents under the Freedom of Information Act.

The subject Capacity Ownership Agreements are DE-MS79-94BP94525 (Snohomish); DE-MS79-94BP94524 (Tacoma); and DE-MS79-94BP94522 (Seattle). Paragraph 3(b) of each of these agreements states that each capacity owner shall notify BPA in writing of its decision to utilize its Scheduling Share pursuant to either paragraph 3(b)(1) or paragraph 3(b)(2) of the agreement. However, paragraph 3(b)(1) is also the default election in the event no written election is submitted.

For each of foregoing agreements, please provide copies of

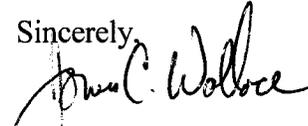
- (1) all written elections under paragraph 3(b); and
- (2) all documents that amend or modify any of these agreements.

Since this request is made on behalf of the State of Oregon, Department of Revenue, it is my understanding that there is no charge for this request. If I am incorrect, however, the department will reimburse BPA for the costs of copying the requested documents.

Annie Eissler
May 13, 2004
Page 2

If someone will call me at 503-947-4491 when copying is finished, I may be able to pickup the copies from your Portland or Vancouver office. Otherwise, they may be mailed to me at the address on the first page of this letter. If there are any questions regarding this request, please call me.

Sincerely,



James C. Wallace
Assistant Attorney General
Tax & Finance Section

Encl.
JCW:jcw/GENJ0668.DOC
C: Marilyn J. Harbur, Department of Justice w/out encl.
Merri Seaton, Department of Revenue w/out encl.

HARDY MYERS
Attorney General



PETER D. SHEPHERD
Deputy Attorney General

DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

April 22, 2004

Annie Eissler
Freedom of Information Act Officer
Bonneville Power Administration
P.O. Box 61409
Vancouver, Washington 98666-1409

FILE COPY

Re: Receipt of documents under Freedom of Information Act
Elections under Paragraph 3(b) of the Capacity Ownership Agreements
DOJ File No. 150302-GT0373-02
BPA FOIA request #04-031

Dear Ms. Eissler:

Your cover letter of April 16 states that Snohomish, Tacoma and Puget elected 3(b)(2) and Seattle elected 3(b)(1) under their respective Capacity Ownership Agreements.

You sent me the Amendatory Agreement No. 1's for Snohomish and Tacoma that change paragraph 3(b)(2), but I did not receive copies of the written elections under paragraph 3(b). Does BPA have copies of the written elections? If not, what evidence does BPA have that indicates that 3(b)(2) had been elected by Snohomish and Tacoma?

I also received Seattle's 3(b)(1) election that was made in 1994. However, you also sent me a letter from Seattle, dated October 16, 1996, in which Seattle requests an amendment to its agreement to enable it to re-market its unused Scheduling Share pursuant to FERC 888. The amendment I received, dated November 6, 1996, is not signed by Seattle. Did Seattle ever execute a 3(b)(2) election or did it reconsider and decide not to change its election? Does BPA have any evidence that Seattle reversed its decision in October 1996 to re-market its unused Scheduling Share?

Thank you for considering these inquiries and please let me know if you would prefer that they be made under another FOIA request.

Sincerely,

A handwritten signature in cursive script that reads "James C. Wallace".

James C. Wallace
Assistant Attorney General
Tax & Finance Section

JCW:jcw/GENI8620.DOC
C: Marilyn J. Harbur, Department of Justice
Merri Seaton, Department of Revenue



Department of Energy

Official File

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

CORPORATE

April 16, 2004

In reply refer to: KDP-4

Mr. James C. Wallace
Assistant Attorney General
Tax & Finance Section
General Counsel Division
Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

RECEIVED
APR 21 2004
GENERAL COUNSEL
DEPT. OF JUSTICE
SALEM, OREGON

Dear Mr. Wallace:

Re: Third Request for documents under Freedom of Information Act DOJ file No. 150302-GT0373-02

This letter responds to your Freedom of Information Act request dated March 18, 2004, and logged in as Bonneville Power Administration FOIA request #04-031.

Enclosed in their entirety are the following documents in response to your request under the Freedom of Information Act.

<i>Customer</i>	<i>Contract No.</i>
Snohomish election of 3(b)(2)	AA #1 to 94525
Tacoma election of 3(b)(2)	AA #1 to 94524
Puget election of 3(b)(2)	AA #1 to 94521
Seattle election of 3(b)(1)	Correspondence for 94522
PacifiCorp	14-03-56379, including SA#1, AA#2
PacifiCorp	DE-MS79-81BP90425, including AA#1, AA#2, Letter dated 12/21/82 (AA#3), AA#4
PGE	14-03-55063, related correspondence

1. Snohomish, Tacoma and Puget elected 3(b)(2) for contract numbers: DE-MS79-94BP94525, DE-MS79-94BP94524, DE-MS79-94BP94521. The amendments are enclosed.
2. Seattle selected 3(b)(1) under Contract No. DE-MS79-94BP94522. The attached correspondence demonstrates Seattle's selection.
3. Copies of 14-03-56379 (including amendments), 14-03-55063, DE-MS79-81BP90425 (including amendments). All of these contracts are terminated.

Enclosed are copies of all records in response to your request. There will be no fee for providing the enclosed information

Sincerely,



Annie Eissler
Freedom of Information Act Officer

Enclosures

November 6, 1996

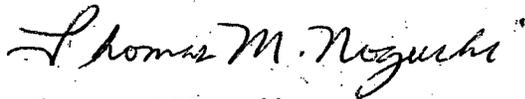
Paula S. Green
Director, Power Management
Wholesale Branch
City of Seattle, City Light Department
700 Fifth Avenue, Suite 3100
Seattle, WA 98104-5031

Dear Ms. Green:

In response to your letter of October 16, 1996, Bonneville Power Administration (Bonneville) and Seattle City Light (Seattle) agree that Seattle hereby changes its election under paragraph 3(b) of the Pacific Northwest AC Intertie Capacity Ownership Agreement, Contract No. DE-MS79-94BP94522, (Capacity Ownership Agreement), from the "No Third Party Wheeling" option described in paragraph 3(b)(1) to the "Third Party Wheeling" option described in paragraph 3(b)(2). This new election will enable Seattle to re-market its unused Scheduling Share under the Capacity Ownership Agreement. Seattle's election of the "Third Party Wheeling" option shall be effective on the date Seattle countersigns this letter.

If these terms are satisfactory to Seattle, please indicate Seattle's acceptance by signing below and returning one fully executed original to Bonneville.

Sincerely,



Thomas M. Noguchi
Senior Account Executive

APPROVED:

SEATTLE CITY LIGHT

By _____

Name _____
(Print/Type)

Title _____

Date _____

Seattle City Light



Gary Zarker, Superintendent
Norman B. Rice, Mayor

October 16, 1996

Clifford Perigo
Senior Account Executive/TM-700
Bonneville Power Administration
PO Box 3621
Portland, OR 97208

Dear Mr. Perigo:

This letter is to notify you that Seattle City Light requests an amendment to our Pacific Northwest (PNW) AC Intertie Capacity Ownership Agreement, to enable us to re-market our unused Scheduling Share pursuant to FERC Final Rule 888. We would like to discuss the issues regarding this amendment with you as soon as possible in order to complete the process specified by Order 888 before the end of the year.

Thank you for your prompt consideration of this matter. You may contact me (206-386-4530) or Jay Whaley (206-386-4549) to arrange a time.

Sincerely,

Paula S. Green
Director, Power Management
Wholesale Branch

MC:jmr

cc: Tom Noguchi
BPA, Portland

Gregg Childs - Action
Sae Rogers

Seattle City Light

Post-it® Fax Note		Date	11/4	# of pages	1
To	Lara Skidmore	From	Tom Noguchi		
Co./Dept.	LP	Co.	TM-700		
Phone #	X4201	Phone #	X5521		
Fax #	X7405	Fax #			

Gary Zarker, Acting Superintendent
Norman B. Rice, Mayor

November 10, 1994

Walter E. Pollock, Vice President
Marketing, Conservation and Production Group
Attention: Gregg Childs
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

Dear Mr. Pollock:

Please reference your letter dated October 27, 1994 in which you requested notification regarding Seattle's use of its Scheduling Share under the Capacity Ownership Agreement (Agreement).

Seattle will utilize the "No Third Party Wheeling" option as described in paragraph 3(b)(1) of the Agreement.

We understand we are required to make such notification to Bonneville by November 14, 1994 and trust this letter fulfills that requirement.

If you have any questions, please call George Marshall at (206) 386-4548.

Sincerely,

Paula Green, Acting Director
Power Management Division
Wholesale Branch

GM:slt



TM-700



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

SEP 26 1994

In reply refer to: **PMT**

Amendatory Agreement No. 1
Contract No. DE-MS79-94BP94524

Mr. Steven J. Klein
Light Division Superintendent
City of Tacoma, Department of Public Utilities
3628 South 35th Street
Tacoma, WA 98411

Dear Mr. Klein:

This letter constitutes an agreement between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration (Bonneville) and the City of Tacoma, Department of Public Utilities (Tacoma), a municipal corporation operating and existing under the laws of the State of Washington, to amend Contract No. DE-MS79-94BP94524 (Capacity Ownership Agreement), executed by Tacoma on September 23, 1994. This letter agreement shall be effective upon the Effective Date of the Capacity Ownership Agreement and shall have the same term as the Capacity Ownership Agreement.

Bonneville and Tacoma agree that subparagraphs 3(b)(2)(A) and 3(b)(2)(B) in the Capacity Ownership Agreement shall be deleted and the following language shall be substituted:

- (A) Tacoma may use its Scheduling Share to transmit any and all power and energy, whether or not such power or energy is owned by Tacoma. Tacoma agrees to provide Bonneville access to its available unused Scheduling Share on any hour under terms and conditions comparable to those provided by Bonneville to Tacoma under the open market provisions of section 5(c)(2) of Bonneville's Long-Term Intertie Access Policy, including any revisions or amendments thereto.**

- (B) Tacoma hereby waives any rights it may have under Exhibit B of the Long-Term Intertie Access Policy as Exhibit B existed on June 30, 1994, and any rights to access under the condition 1 provisions of section 5(c)(1) of Bonneville's Long-Term Intertie Access Policy, including any revisions or amendments thereto. Tacoma does not waive any other rights it may have to transmission access on Bonneville's PNW-PSW Intertie including but not limited to: (1) firm transmission service on Bonneville's PNW-PSW Intertie; (2) transmission service under the open market provisions of section 5(c)(2) of Bonneville's Long-Term Intertie Access Policy, including any revisions or**

amendments thereto; or (3) any rights to request an order from the Federal Energy Regulatory Commission under Section 211, or any other applicable section, of the Federal Power Act or any successor statute, requiring Bonneville to provide transmission service to Tacoma consistent with the above.

Tacoma and Bonneville agree to negotiate in good faith the terms and conditions under which Tacoma shall be able to access Bonneville's PNW-PSW Intertie under the condition 1 provisions of section 5(c)(1) of Bonneville's Long-Term Intertie Access Policy as it existed on June 30, 1994.

In order for Bonneville to implement the changes to (A) and (B) reflected above, a new paragraph 3(b)(2)(D) needs to be added to the Capacity Ownership Agreement. The language follows:

- (D) Bonneville shall not be obligated to provide wheeling under the open market provisions of section 5(c)(2) of Bonneville's Long-Term Intertie Access Policy, including any revisions or amendments thereto, until Bonneville has successfully developed software to allow Bonneville to provide such wheeling to Tacoma or until December 27, 1994, whichever occurs sooner.

Further, the following amendments to subsection 4(a) are made. Delete the phrase "(and only Tacoma)" in the first sentence. Before the first sentence, insert the following three sentences: "For purposes of this section 4, all references to Tacoma shall mean Tacoma or its designee. Any such designee shall be identified in writing by Tacoma to Bonneville. Only one entity may submit schedules on Tacoma's behalf at any one time."

In addition, the following amendment to Exhibit E, paragraph B, is made. Delete the phrase "subparagraph 3(b)(1)(C)" and replace it with the phrase "subparagraph 3(b)(1)(C) or 3(b)(2)(B)."

If the foregoing terms are acceptable to Tacoma, please sign and return one copy of this letter agreement. The remaining copy is for your files.

Sincerely,

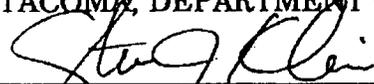


Walter E. Pollock
Group Vice President, Marketing,
Conservation and Production

Name Walter E. Pollock
(Print/Type)

ACCEPTED:

CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES

By 

Name Steven J. Klein
(Print/Type)

Title Deputy Director/Light Superintendent

Date 10/27/94

Effective Date September 27, 1994

(PMLAN-W:\PMT\CONTRACT\LTR_AGMT\94524AM1.DOC)

Approved as to form & legality


Mark B. Berman
Chief Asst. City Attorney



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

SEP 26 1994

In reply refer to: PMT

Amendatory Agreement No. 1
Contract No. DE-MS79-94BP94525

Mr. John F. Spencer
General Manager
Public Utility District No. 1 of
Snohomish County, Washington
2320 California Street
Everett, WA 98201

Dear Mr. Spencer:

This letter constitutes an agreement between the United States of America, Department of Energy, acting by and through the Bonneville Power Administration (Bonneville) and Public Utility District No. 1 of Snohomish County Washington (Snohomish), a municipal corporation operating and existing under the laws of the State of Washington, to amend Contract No. DE-MS79-94BP94525 (Capacity Ownership Agreement), executed by Snohomish on September 23, 1994. This letter agreement shall be effective upon the Effective Date of the Capacity Ownership Agreement and shall have the same term as the Capacity Ownership Agreement.

Bonneville and Snohomish agree that subparagraphs 3(b)(2)(A) and 3(b)(2)(B) in the Capacity Ownership Agreement shall be deleted and the following language shall be substituted:

- (A) Snohomish may use its Scheduling Share to transmit any and all power and energy, whether or not such power or energy is owned by Snohomish. Snohomish agrees to provide Bonneville access to its available unused Scheduling Share on any hour under terms and conditions comparable to those provided by Bonneville to Snohomish under the open market provisions of section 5(c)(2) of Bonneville's Long-Term Intertie Access Policy, including any revisions or amendments thereto.
- (B) Snohomish hereby waives any rights it may have under Exhibit B of the Long-Term Intertie Access Policy as Exhibit B existed on June 30, 1994, and any rights to access under the condition 1 provisions of section 5(c)(1) of Bonneville's Long-Term Intertie Access Policy, including any revisions or amendments thereto. Snohomish does not waive any other rights it may have to transmission access on Bonneville's PNW-PSW Intertie including but

not limited to: (1) firm transmission service on Bonneville's PNW-PSW Intertie; (2) transmission service under the open market provisions of section 5(c)(2) of Bonneville's Long-Term Intertie Access Policy, including any revisions or amendments thereto; or (3) any rights to request an order from the Federal Energy Regulatory Commission under Section 211, or any other applicable section, of the Federal Power Act or any successor statute, requiring Bonneville to provide transmission service to Snohomish consistent with the above.

Snohomish and Bonneville agree to negotiate in good faith the terms and conditions under which Snohomish shall be able to access Bonneville's PNW-PSW Intertie under the condition 1 provisions of section 5(c)(1) of Bonneville's Long-Term Intertie Access Policy as it existed on June 30, 1994.

In order for Bonneville to implement the changes to (A) and (B) reflected above, a new paragraph 3(b)(2)(D) needs to be added to the Capacity Ownership Agreement. The language follows:

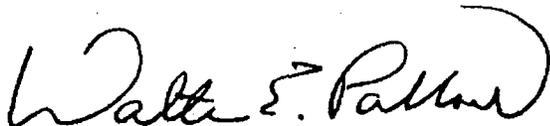
- (D) Bonneville shall not be obligated to provide wheeling under the open market provisions of section 5(c)(2) of Bonneville's Long-Term Intertie Access Policy, including any revisions or amendments thereto, until Bonneville has successfully developed software to allow Bonneville to provide such wheeling to Snohomish or until December 27, 1994, which ever occurs sooner.

Further, the following amendments to subsection 4(a) are made. Delete the phrase "(and only Snohomish)" in the first sentence. Before the first sentence, insert the following three sentences: "For purposes of this section 4, all references to Snohomish shall mean Snohomish or its designee. Any such designee shall be identified in writing by Snohomish to Bonneville. Only one entity may submit schedules on Snohomish's behalf at any one time."

In addition, the following amendment to Exhibit E, paragraph B, is made. Delete the phrase "subparagraph 3(b)(1)(C)" and replace it with the phrase "subparagraph 3(b)(1)(C) or 3(b)(2)(B)."

If the foregoing terms are acceptable to Snohomish, please sign and return one copy of this letter agreement. The remaining copy is for your files.

Sincerely,

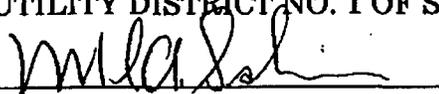


Walter E. Pollock
Group Vice President, Marketing,
Conservation and Production

Name Walter E. Pollock
(Print/Type)

ACCEPTED:

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY

By 

Name Mark A. Schinman
(Print/Type)

Title Deputy General Manager

Date October 25, 1994

Effective Date October 25, 1994

**PUGET
POWER**

December 23, 1996

Group Vice President for Marketing,
Conservation and Production
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232

Attention: Cliff Perigo
Senior Account Executive

**Subject: Amendment to Puget Sound Power & Light Company (Puget)
PNW AC Intertie Capacity Ownership Agreement**

Dear Mr. Perigo:

Enclosed for your signature are two original copies, each signed by Puget, of an Amending Agreement to Puget's PNW AC Intertie Capacity Ownership Agreement, Contract No. DE-MS79-94BP94521. On December 20, 1996, Puget and Bonneville Power Administration entered into the Amending Agreement by signing and exchanging a facsimile copy of the enclosed originals.

This amendment was requested by Puget in order to meet the requirement that public utilities that jointly own interstate transmission facilities with non-jurisdictional utilities offer transmission service over their share of the joint facilities. The requirement is contained in the Federal Energy Regulatory Commission Order No. 888, "Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Service by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities."

Please sign both originals and return one set to Puget.

Sincerely,

Puget Sound Power & Light Company

By Wayman L. Robinett
Wayman L. Robinett
Its: Manager, Transmission

Enclosures

AMENDATORY AGREEMENT
to the
PACIFIC NORTHWEST AC INTERTIE
CAPACITY OWNERSHIP AGREEMENT
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
PUGET SOUND POWER & LIGHT COMPANY

Section	Page
1. Definitions	2
2. Amendment of Agreement	2

This AMENDATORY AGREEMENT is executed as of Dec 20
1996, by the UNITED STATES OF AMERICA, Department of Energy, acting by and
through the BONNEVILLE POWER ADMINISTRATION (Bonneville) and PUGET
SOUND POWER & LIGHT COMPANY (Puget), a corporation of the State of
Washington.

W I T N E S S E T H:

WHEREAS the Parties on October 11, 1994, entered into the Pacific Northwest (PNW) AC Intertie Capacity Ownership Agreement, Contract No. DE-MS79-94BP94521 (Agreement); and

WHEREAS the Federal Energy Regulatory Commission (FERC) has issued Order No. 888, "Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Service by Public Utilities; Recovery of Stranded Costs By Public Utilities And Transmitting Utilities"; and

WHEREAS the Parties desire to amend the Agreement so as to comply with such Order No. 888,

NOW, THEREFORE, the Parties agree as follows:

1. DEFINITIONS

Capitalized terms used in this Amendatory Agreement, unless otherwise defined herein, have the respective meanings set forth for such terms in the Agreement.

2. AMENDMENT OF AGREEMENT

Subsection 3(b) of the Agreement is deleted in its entirety and the following is inserted in lieu thereof

(b) Right to Wheel for Third Parties

Puget may use its Scheduling Share to transmit any and all power and energy, whether or not such power or energy is owned by Puget. Puget shall have no obligation under this Agreement to make available to Bonneville any portion of Puget's Scheduling Share which is unused in any hour, and Bonneville shall not schedule over Puget's Scheduling Share without Puget's prior written consent.

Bonneville shall treat all scheduling information consistent with the standards of conduct contained in Part 37 of FERC's regulations.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendatory Agreement.

**PUGET SOUND POWER & LIGHT
COMPANY**

By Wayman Robnett

Name Wayman Robnett
(Print/Type)

Title Manager Transmission

Date Dec 20, 1996

**UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration**

By Clifford C. Perigo

Name Clifford C. Perigo
(Print/Type)

Title SR. Act Ex.

Date 12-20-1996