

September 23, 1993

TO: Gary A. Dahlke -- representing Washington Water Power
Jim Thompson -- representing Idaho Power Company

FROM: Randy A. Roach -- representing Bonneville Power Administration

RE: Dahlke 9/23/93, 9 a.m. fax re additional sentence

Gary:

I would prefer the following language: "We understand that the balances in the Company's deemer account will not be a cash obligation of the utility, but will be carried forward to apply to any new or succeeding exchange agreement." I think this gets at what you want--a working down of the balance before net positive benefits are available under any new agreement--but eliminates what I see as some ambiguity in your language that might infer the new exchange contracts will have a deemer account mechanism like the current contracts. While it may be a stretch to draw that inference, you know how sensitive people are on this(!), so I think it would be best to avoid that quagmire, particularly given our clients' interest in speed, accuracy, and simplicity.

On a somewhat related note, the PPC asked whether the 2001 date in my previous language was intended to address the question of what happens if all of the parties, including WWP and IPC, agree to renegotiate and execute their BPA contracts before the 2001 expiration of the current contracts. I stated that was a complication we hadn't dealt with, that we wanted the current termination to be fairly simple and uncluttered, and that I thought we could deal with that issue when it came time to negotiate the new contracts. Based on your (Gary's) discussion about leaving future complications to the future, I assumed you would agree.

Randy A. Roach