



## Department of Energy

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

FINANCE

February 11, 2002

In reply refer to: DFW

Energy Northwest  
P. O. Box 968  
Richland, Washington 99352

Dear Members of the Executive Board:

It has been brought to our attention that Energy Northwest (ENW) has the authority to issue bonds for the Independent Spent Fuel Storage Installation (ISFSI) project, and Bonneville Power Administration (BPA) is requesting such action. The disposal of spent fuel is an immediate necessity for the continued high quality operation of the Columbia Generating Station (Columbia), and financing such a long-lived capital investment seems prudent. It will reduce near term costs and better match costs with asset beneficiaries over the long term. In the future, we would also like to consider the option of financing other major Columbia capital expenditures when it makes sense.

Since the Official Statement has just been updated for the 2002A refinancing and we will be in the market again soon with a 2002B current refinancing, the necessary conditions for an additional ENW financing to take place in the near future for the spent fuel project are ideal. BPA would like to finance the entire cost of the project, including expenditures made to date. We would like to finance as much as possible tax-exempt, but we still want to go forward even if the entire financing is required to be completed on a taxable basis.

The joint partnership of ENW and BPA regarding financing of certain investments is a tremendous benefit for the ratepayers of the Pacific Northwest. And, as always, BPA appreciates the continued support of the Executive Board on these matters. Upon your approval of this effort, I will direct my staff to begin work with the Energy Northwest finance staff towards completion of the financing.

Sincerely,

A handwritten signature in black ink, appearing to read "J. H. Curtis", is written over a large, stylized flourish that extends to the left and down.

James H. Curtis  
Chief Financial Officer, Bonneville Power Administration