



Department of Energy

Bonneville Power Administration
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POWER SERVICES

May 29, 2009

In reply refer to: PFP-6

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

Today Bonneville Power Administration (BPA) reaches another milestone in implementing the Tiered Rates Methodology by finalizing Above-Rate-Period High Water Mark (Above-RHWM) load amounts for its public utility and Federal agency customers for the initial years under their Regional Dialogue Contracts. Customers will have until November 1, 2009, to decide whether these load amounts will be served by BPA or through self-supply. BPA has worked with customers over the last month to refine the draft THWM numbers and Above-RHWM load data that was released for public review May 6, 2009.

The load forecasts for several customers have been adjusted from the amounts initially published May 6 for various reasons, including updating information on industries plans, reaching consensus on assumption differences, and verification of historical data. While some customers' forecasts were increased and others were decreased, there was a net reduction of approximately 32 aMW in the FY 2010 load eligible to be served at preference rates.

The updated THWM/Above-RHWM data and a THWM fact sheet may be accessed online at www.bpa.gov/power/pl/regionaldialogue/implementation/documents/#HW. Additional information on the THWM can be found in sections 4.3.2 - 4.3.2.2 of BPA's Tiered Rate Methodology (November 2008).

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 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 being released with this letter. *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.*

Customers that have any questions about the updated THWM data may contact their Power Account Executive. Others may contact Larry Stene, Power Policy Development, at (503) 230-4704 or at lmstene@bpa.gov.

Sincerely,

/s/ Mark O. Gendron

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