



Department of Energy

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

November 8, 2012
In reply refer to: LP-7

To People Interested in the 2014 Rate Proceeding:

On November 8, 2012, the Bonneville Power Administration (BPA) published notices in the Federal Register announcing the commencement of the BP-14 Rate Case and the OS-14 Rate Case.

The BP-14 proceeding will set rates for power, transmission, and ancillary and control area services for a two-year period beginning October 1, 2013. Under BPA's initial proposal, BPA's wholesale power rate would increase by about 9.6 percent for BPA's public utility and federal agency customers, and BPA's transmission rates would increase by about 13 percent. The OS-14 rate proceeding, which will establish rates to recover the costs incurred under BPA's Oversupply Management Protocol, will be conducted concurrently and on the same schedule as the BP-14 rate proceeding.

Rates are set in a formal hearing process in which interested parties have the opportunity to challenge BPA's rate proposal and to make alternative proposals. BPA will release its initial proposal in each of these proceedings on November 14, 2012. The information developed in the proceedings will be the basis of the BPA Administrator's decisions establishing final rates in July 2013. Copies of the Federal Register notices can be viewed on the BP-14 and OS-14 Web sites:

<http://www.bpa.gov/Finance/RateCases/BP-14RateAdjustmentProceeding/Pages/default.aspx> (BP-14) and <http://www.bpa.gov/Finance/RateCases/OS-14RateProceeding/Pages/default.aspx> (OS-14).

People who are not parties to the rate case may send comments regarding the rate proposals. The BPA Administrator considers all comments fully when making final rate decisions. Each of the formal rate proceedings will end when the Administrator issues a final Record of Decision (ROD) for that proceeding in late July 2013. The final RODs, along with the complete record of the proceedings, will be filed with the Federal Energy Regulatory Commission (Commission) by August 2, 2013 for the Commission's review and approval for rates to go into effect October 1, 2013.

Notice of *Ex Parte* in Effect

Please see the attachment to this letter which provides notification that, in accordance with section 1010.7 of BPA's Rules for Procedure Governing Rate Hearings, the rule governing *ex parte* communications is now in effect.

How to Comment

You may provide written comments on BPA's rate proposals until the end of the comment period, a date set by the Hearings Officer in each proceeding. The official rate case schedules set by the Hearing Officer will be available on the respective BP-14 and OS-14 Web sites. Comments can be made on-line at BPA's Web site: www.bpa.gov/comment, or through the mail at: Public Engagement Office - DKE-7, Bonneville Power Administration, P.O. Box 14428, Portland, Oregon 97293. Please include the proceeding name "BP-14" or "OS-14" with your comments.

For more information

If you have questions or want more information on these rates cases, please call us toll free at (800) 622-4520. Additional information is available on the BP-14 and OS-14 Web sites.

Sincerely,

/s/ Peter Burger

Peter Burger, Attorney for
Power Services

/s/ Barry Bennett

Barry Bennett, Attorney for
Transmission Services

Attachment

**Notice of Application of *Ex Parte* Communication Rule
to the BP-14 Rate Proceeding and the OS-14 Rate Proceeding**

On November 8, 2012, the Bonneville Power Administration (BPA) will begin two concurrent formal rate proceedings: a proceeding to establish rates for power, transmission, and ancillary and control area services for fiscal years 2013–2014 (the BP-14 Rate Proceeding); and a proceeding to establish rates to recover the costs incurred under BPA’s Oversupply Management Protocol (the OS-14 Rate Proceeding). Both proceedings will be conducted in accordance with section 7(i) of the Northwest Power Act, 16 U.S.C. 839e(i). This Notice applies to the BP-14 Rate Proceeding and the OS-14 Rate Proceeding (the BP-14 and OS-14 Rate Proceedings).

This letter serves as notice that the limitation on *ex parte* communications, as set forth in section 1010.7 of BPA’s Rules for Procedure Governing Rate Hearings, applies to the BP-14 and OS-14 Rate Proceedings as of November 8, 2012, and prohibits BPA employees from listening to or engaging in discussions regarding any matter pending before BPA in the BP-14 and OS-14 Rate Proceedings. The prohibition on *ex parte* communications will continue in effect for a proceeding until the Administrator signs the final Record of Decision for that proceeding concluding the BP-14 Proceeding or the OS-14 Rate Proceeding, as the case may be, in late July 2013.

The *ex parte* rule provides that no party or participant in the proceeding shall submit *ex parte* communications to the Administrator, or any BPA employee, regarding any matter pending before BPA in the BP-14 Rate Proceeding or the OS-14 Rate Proceeding, and that neither the Administrator nor any BPA employee may request or entertain such communications. The purpose of the *ex parte* rule is to assure that all oral or written communications with BPA regarding any matter pending in a rate proceeding are on the record. BPA will provide reasonable advance notice of any meetings that BPA may hold with any customer group or member of the public when it appears that issues pending in the rate proceeding will be discussed. Limited exceptions to the *ex parte* rule allow non-substantive communications between BPA employees and parties or participants related to the rulemaking procedure. Some of the exceptions to the *ex parte* rule include communications relating to matters of procedure, exchanges of data in the ordinary course of business, and communications related solely to requests for supplemental information or data necessary for an understanding of factual materials contained in documents filed during a proceeding.

If you have any questions regarding this *ex parte* notice, please contact Peter Burger, Attorney for Power Services, at 503-230-4148 or Barry Bennett, Attorney for Transmission Services, at 503-230-4053.