



Department of Energy

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

July 8, 2014

In reply refer to: LP-7

To People Interested in the 2014 PNCA Rate Proceeding:

On June 30, 2014, the Bonneville Power Administration (BPA) published notices in the Federal Register announcing the commencement of the PNC-14 Rate Case.

The PNC-14 proceeding will set a rate for Interchange Energy Imbalances under the Pacific Northwest Coordination Agreement (PNCA) effective immediately. In PNCA-02, BPA established a rate for Interchange Energy that was linked to a market index, the Dow Jones Mid-Columbia Firm Index. BPA is proposing to substitute the Dow Jones Mid-Columbia Firm Index, with the Intercontinental Mid-Columbia On-Peak and Off-Peak Indexes. BPA is also proposing to place a floor of \$0.00/MWh for energy provided for the Interchange Energy imbalances.

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 on July 9, 2014. The information developed in the proceedings will be the basis of the BPA Administrator's decisions establishing a new rate for Interchange Energy in October 2014. Copies of the Federal Register notices can be viewed on the website:

<http://www.bpa.gov/Finance/RateCases/PNC-14/Pages/PNC-14.aspx>

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. The rate proceeding will end when the Administrator issues a final Record of Decision (ROD) on October 8, 2014. The final ROD, along with the complete record of the proceedings, will be filed with the Federal Energy Regulatory Commission (Commission) by October 2014 for the Commission's review and approval for rates to go into effect immediately.

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 PNC-14 website.

Comments can be made on-line at BPA's website: 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 PNC-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 PNC-14 website. Sincerely,

/s/ Peter Burger

Peter Burger, Attorney for
Power Services

Attachment

**Notice of Application of *Ex Parte* Communication Rule
to the 2014 PNCA Rate Proceeding**

On June 30, 2014, the Bonneville Power Administration (BPA) began a formal rate proceeding to establish rates for Interchange Energy Imbalances under the Pacific Northwest Coordination Agreement (PNCA) The proceeding will be conducted in accordance with section 7(i) of the Northwest Power Act, 16 U.S.C. 839e(i).

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 PNC-14 Rate Proceeding as of June 30, 2014, and prohibits BPA employees from listening to or engaging in discussions regarding any matter pending before BPA in the PNC-14 Rate Proceeding. The prohibition on *ex parte* communications will continue in effect for a proceeding until the Administrator signs the final Record of Decision for the PNC-14 Rate Proceeding in October, 2014.

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 PNC-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.