



## Department of Energy

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

OCT 19 1993

In reply refer to: DRE

Mr. W. Lester Bryan  
Senior Vice President, Rates and Resources  
Washington Water Power Company  
P.O. Box 3727  
Spokane, WA 99220

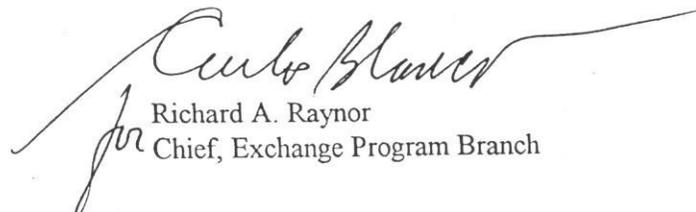
Re: Contract No. DE-MS79-81BP90606 - Residential Purchase and Sale Agreement (RPSA)  
DE-MS79-87BP92803 - Suspension of Residential Purchase and Sale Agreement

Dear Mr. Bryan:

This letter is in response to your letter of September 29, 1993, notifying Bonneville Power Administration (BPA) of the Washington Water Power Company's (Company) election to terminate the above-referenced RPSA. BPA accepts the termination subject to the following conditions, which are required by your Company's RPSA and authorized by the Suspension of Residential Purchase and Sale Agreement (Suspension Agreement) previously executed by you on behalf of the Company. The Company's deemer account balance through September 30, 1993, is \$18,271,996 for its Washington Jurisdiction and \$41,664,455 for its Idaho Jurisdiction. The Company's deemer account balances accrued as of September 30, 1993, for each of its exchange jurisdictions shall continue to accrue interest, which shall be compounded quarterly, at an average prime rate for each calendar quarter, which shall be the arithmetic mean, to the nearest one-hundredth of one (1) percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's "Selected Interest Rates" (Statistical Release G. 13), for the fourth, third and second months preceding the first month of the calendar quarter. Consistent with section 10 of the Company's RPSA, the balances in the Company's deemer accounts shall not be a cash obligation of the Company, but shall be carried forward to apply to any new or succeeding exchange agreement by the Company for the jurisdiction(s).

Termination of the Company's RPSA in accordance with the above-stated conditions is agreed by BPA to meet the requirements of the Company's RPSA for termination and to satisfy the Company's obligations under paragraphs 4 and 6 of the Suspension Agreement concerning effective revocation of the Suspension Agreement. Termination of the Company's RPSA without the above-stated conditions is unacceptable to BPA as not meeting the requirements of the Company's RPSA and Suspension Agreement.

Sincerely,

  
Richard A. Raynor  
for Chief, Exchange Program Branch

cc:  
Mr. Gary Dahlke, Paine, Hamblen, Coffin, Brooke & Miller