



Department of Energy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION BUSINESS LINE

February 10, 2004

In reply refer to: TM/Ditt 2

Mr. Dennis P. Robinson
Public Generating Pool
c/o Cowlitz County PUD
Box No. 3007
Longview, WA 98632

Dear Mr. Robinson:

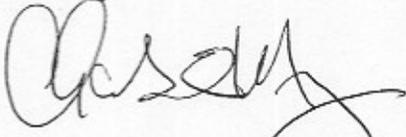
Thank you for your letter of January 27, 2004, expressing the Public Generating Pool's (PGP) concerns regarding the Bonneville Power Administration (BPA) Transmission Business Line's (TBL) anticipated compliance filing to implement FERC Order 2003. We appreciate your attention to this issue and are thoughtfully considering the detailed comments and concerns expressed in Lon Peters' letter of January 9, 2004.

In the public meeting held December 11, 2003, my staff indicated that the TBL shared some of the financial concerns with the FERC Order 2003 that are detailed in your and Mr. Peters' letters. We agree that these issues need further consideration prior to any inclusion of the FERC order in BPA's Tariff or rates. At this point, our staff is planning on the following actions, which I believe will address your concerns:

- Post BPA's proposed compliance filing with FERC Order 2003 for public review with an explanation of any deviation from the order. BPA will provide adequate opportunity for customers to review and comment on the proposal including a public meeting, well in advance of any filing with FERC.
- Make a filing based on the results of the public process to incorporate FERC Order 2003 (including any deviations) into BPA's Open Access Transmission Tariff.
- We are considering addressing the pricing aspects of FERC Order 2003 in a 7(i) process (probably the 2006 Transmission Rate Case). In this case the filing referred to above would not include the pricing aspects of FERC Order 2003. Addressing the pricing methodology in a 7(i) process would give BPA and the rate case parties further opportunity to completely consider all pricing issues. These issues would then be decided in the rate case's Record of Decision.

In conclusion, I want to affirm that we appreciate the concern and consideration with which the PGP is assessing our efforts. We look forward to PGP's continued interest and participation in TBL's public process regarding FERC Order 2003.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Meyer", with a large, stylized flourish extending from the end of the signature.

Charles E. Meyer, Vice President
Transmission Marketing & Sales

cc:

Lon Peters, Northwest Economic Research, Inc.
Ray Kindley, Schwabe Williamson Wyatt