



Department of Energy

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

POWER SERVICES

February 8, 2019

In reply refer to: PSR-6

Ryan S. Neale, Attorney
Marsh Mundorf Pratt Sullivan & McKenzie, P.S.C.
4220 132nd Street SE, Suite 201
Mill Creek, WA 98012

Dear Ryan:

Thank you for your letter dated January 31, 2019, in which you suggest holding a workshop to discuss eliminating Bonneville's currently proposed power rate increase. We appreciate your thoughtful technical proposals, including settlement, and your acknowledgement of Bonneville's efforts thus far to reduce its costs which resulted in a proposed power rate increase of just 2.9 percent.

We are committed to continue our efforts to set rates as low as possible consistent with sound business principles and the full recovery of costs. Consistent with that commitment, we are continuing to review our costs for possible additional reductions outside the rate case process. If additional cost reductions are identified, they would be included in Bonneville's final rate proposal.

As a number of your technical proposals impact the rate level, we believe the most efficient and effective method to address them is through the rate case process. It provides a forum which fosters a thorough examination by all parties and provides the Administrator with a complete record upon which to consider your proposals. Given that the rate case process has already been compressed, we are concerned that trying to resolve these issues outside and concurrent with the official process could both limit the thorough examination of your proposals and compromise the time needed by Bonneville staff and other litigants to timely complete their work on the rate case – particularly in the event that negotiation of a power rate settlement proved unsuccessful.

Thank you again for your letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Fisher", is located below the "Sincerely," text.

Daniel Fisher
Power Rate Manager