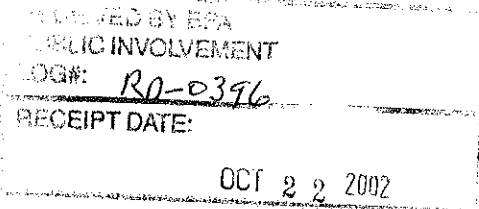


Date: October 10, 2002

To: Bonneville Power Administration

From: Dile Monson; City of Burley Electric Department Manager

Re: Comments on the Joint Utility Customer Proposal



Please consider the following comments and questions in your preparations for new contracts.

Rather than giving slicers first allotment of FBS capability, wouldn't it be better to sum up the needs of slicers and requirements customers and then allocate on the basis of the whole need? If the FBS capability matches or exceeds that need, then each utility is allotted that amount. If the FBS capability is not enough to satisfy the need, then each utility is allotted its proportionate share; then slicers would acquire their additional needs and BPA would acquire the additional needs of its requirements customers who elect this service. This would result in less BPA impact on the market, would it not?

If allotment is done on the basis of slicers and requirements customers needs combined, can the percentage that would be allocated to each utility be determined before contracts of either type are signed? If this is done, then it seems that customers could shift from being slice to requirements or vice versa at the beginning of a fiscal year provided the customer gives BPA one year's advance notice. Is this possible? If not, can there at least be a one-time election to switch? It provides much greater ability to utilities to manage their future. Twenty years is too long to guess what other generation or resources might be available or feasible.

If additional resources must be acquired by BPA for new preference customers or annexations, when will it be acquired and how will the expenses be spread to all BPA customers? Will it be acquired only if new customers materialize? Will the costs look like another CRAC to existing customers because it only happens if and when BPA needs to serve and no FBS capability remains?

Under DSI options, if a DSI generates and then sells that energy to BPA at its cost which BPA then sells back to the DSI at BPA cost, who will pay the difference? How will it be distributed?

How will additional resources acquired for requirements customers load growth be billed -- pancake or specific?

What happens if a requirements customer experiences load decline and then load growth?

When will load forecasts be updated to determine load growth? Will there be a small bandwidth for error between forecast and actual loads of requirements customers?

If a DSI that was taking 100Mw closes the plant, will that energy need go away or will it be transferred to another plant/DSI?

Will DSI's have the same CRAC's or cost adjustments as requirements customers?

What is BPA planning to do with GTA costs?

What is the joint utility customers' feelings?

Will these costs be melted into all customers' basic energy cost?