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April 4, 2005

To: Council Members

From: Doug Marker, Director
Fish and Wildlife Division

Subject: Principles for Program Funding in the Bonneville 2007-2009 Rate Case

Bonneville is presenting alternative conceptual funding levels in tomorrow's Power Function Review Workshop. These funding levels contain assumptions about possible budget needs that have been discussed in previous staff working group discussions and presented to the Council. Briefly, the four alternatives described in Bonneville's presentation materials are:

1. A decrease to \$125 million or less with priority for ESA requirements as opposed to Program implementation;
2. "Status Quo" or a small increase of \$139-150 million annually;
3. Increase above "Status Quo" to \$150-164 million
4. No cost definition at this time pending more regional discussions.

I assume that these funding levels include Bonneville's program support internal costs (currently \$12 million a year) and so are comparable to the current \$139 million annual expense average. There will be additional detail on the assumptions supporting these alternatives presented at the workshop, so I'm again in the position of needing to bring you more information than is available for the packet.

You should also have seen a revised proposed management agreement sent via e-mail on Friday from Greg Delwiche. John Ogan and I provided some initial reactions that afternoon and plan to meet with Bonneville to discuss this draft later this week.

Attachment: Direct Program presentation slides for April 5, 2005 Power Function Review

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