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***NEWS RELEASE:***  
***PGE-BPA reach agreement to reduce customers' electricity bills***

**FOR IMMEDIATE RELEASE:**  
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FOR MORE INFORMATION, CONTACT: [Crystal Ball](#), BPA, 503-230-5133  
Karen Lee, PGE, 503-464-7894

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**PORTLAND, Ore.** –[Portland General Electric](#)'s residential and small farm customers can expect a 5 percent price decrease in the near future thanks to an agreement announced today between the Portland-based utility and the Bonneville Power Administration.

PGE plans to file in May with the Oregon Public Utility Commission for the price decrease. Pending a favorable decision from the commission, the decrease could go into effect as early as June.

"We are very pleased to be able to lower prices again to our customers with this agreement. We've both worked hard to make it happen," said Peggy Fowler, PGE's president.

"The agreement combines near-term rate relief with long-term access to low-cost Columbia River hydropower. It was very important to us that this resource be available to the homes and individuals of the Northwest," said Jack Robertson, acting administrator of BPA.

The settlement involves the "residential exchange," also known as the "Regional Power Act Credit." It is a mechanism established by the Northwest Power Act of 1980 that enables residential and small farm customers of investor-owned utilities to share in low-cost federal power produced by Columbia Basin dams and marketed by BPA at wholesale. Under the law, investor-owned utilities, such as PGE, pass on all the benefits accruing from the exchange directly to their customers.

A feature of the new agreement is that it allows customers access to federal power at cost. Under terms of the agreement, BPA will pay PGE \$25.5 million, which will be used to reduce the retail rates of PGE's residential and small farm customers up to the year 2001. PGE will also receive an option to buy 360 average megawatts of Columbia River power at cost after 2001. This will give PGE customers direct access to low-cost federal power comparable to the access provided public power customers.

The amount of power involved in the agreement is sufficient to meet approximately a third of PGE's residential customers' electricity demand. PGE's residential and small farm customers will receive all the benefits of any power BPA sells to PGE under this agreement.

"This is a fair settlement of issues involving the residential exchange," said Jason Eisdorfer of the

Citizens Utility Board. "Residential customers of PGE now have an opportunity to access the federal hydropower system for years to come. I commend BPA and PGE for working through some very tough issues and reaching an agreement that is fair to all parties, including, most importantly, PGE's residential customers."

Under the agreement, PGE customers will see no future price increases related to the residential exchange program for the period ending June 30, 2001. PGE has also agreed to drop a related lawsuit against BPA before the Ninth Circuit Court of Appeals.

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