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***NEWS RELEASE:***  
***BPA and PGE reach agreement;***  
***residential rates go down***

**FOR IMMEDIATE RELEASE:**  
**THURSDAY, September 3, 1998**  
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**PORTLAND, Ore.** – Residential and small farm customers of Portland General Electric Co. will soon see their electric rates decrease 5.5 percent. That's because the Bonneville Power Administration will pay PGE \$34.5 million in rate relief for its customers through 2001.

"This payment reflects BPA's commitment to spread the benefits of low-cost power from the Columbia River power system among residential and rural consumers in the Northwest," said Judi Johansen, BPA administrator.

The agreement between PGE and BPA comes after a year of negotiation over PGE's participation in the "residential exchange program," a provision of the Northwest Power Act of 1980. The law granted access to the benefits of federal power to home and rural customers of Northwest utilities. Since 1980, BPA has provided more than \$1 billion in rate benefits to Oregonians served by PGE, PacifiCorp and other utilities.

A utility may receive such benefits when the cost of its power is higher than that of federal system power. Under the exchange agreement, BPA may either provide monetary benefits or sell federal power to such utilities in order to lower rates to their customers.

Johansen said BPA is committed to continuing access to federal power after 2001.

"BPA is well positioned to sell power at cost and below market for the foreseeable future," the administrator said. "This means energy from the Columbia River system will help hold rates well below the national average for all Oregonians."

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