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## *Pend Oreille PUD* *steps up to reduce wholesale power rates*

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### **Bonneville Power Administration**

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**Pasco, WA.** – The Bonneville Power Administration today announced that Pend Oreille PUD is one of the first three Washington public utilities to sign load reduction agreements. Under the agreement, Pend Oreille will reduce its share of BPA power by 4 average megawatts through March 2003.

Steve Wright, acting BPA administrator, had praise for Pend Oreille, saying,

"The PUD has set an important example by taking steps to keep wholesale electricity rates down." He added, "Pend Oreille's leadership will benefit the Northwest economy."

This is a very important step toward reducing the rate increase, and we hope that other public utilities will follow their lead."

Bob Geddes, Pend Oreille PUD's General Manager, said, "Even though it's a small amount, we're glad to do our part and help the situation in the Northwest as much as we can". The agreement was signed today, making Pend Oreille the third Washington public utility to accept the load reduction.

Beginning in October, BPA will reduce its load to Pend Oreille PUD by 4 average megawatts. BPA will buy back the 4 average megawatts at a price roughly equivalent to its current preference rate.

BPA's goal is to find approximately 600 additional average megawatts of load reduction from its other 127 public utility customers. The goal is to keep loads down so that BPA does not have to buy power in the expensive wholesale market, which could result in far higher electricity rates. BPA expects that within two years sufficient new generation will have come on line so that market prices stabilize.

"Negotiations are ongoing with all our customer groups," said Wright. "We hope that our recent load reduction agreements with two aluminum companies, PacifiCorp, Clark Public Utilities, Franklin PUD, and now Pend Oreille PUD will serve as catalysts to firming up additional agreements – and soon."

On April 9, BPA announced that the region's federal electricity system is headed for wholesale rate increases of 250 percent or more beginning October 1 unless customers – the region's retail utilities and large industries – make commitments to reduce energy use within the next 60 days

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