

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

May 25, 2007

Mr. Stephen J. Wright  
Administrator  
Bonneville Power Administration (BPA)  
905 NE 11<sup>th</sup> Avenue  
Portland, OR 97232

Dear Steve:

We write to request that you immediately convene a series of meetings with regional stakeholders to resolve issues raised by the recent Ninth Circuit rulings that have resulted in your decision to suspend payments by BPA under the Residential Exchange Program (REP). We believe that prompt and intensive negotiation by all affected parties in the region, with strong leadership shown by BPA, is the best way to reach an agreement on this matter in a way that complies with the Northwest Power Act, protects the customers of public utilities and shares the benefits of the hydrosystem with the residential and small farm customers of Northwest investor-owned utilities.

As you know, in its recent rulings in the *Portland General Electric* and *Golden Northwest Aluminum* cases, the Ninth Circuit concluded that BPA's payments to investor-owned utilities under the 2000 REP settlement were not in compliance with the terms of the Northwest Power Act. Other significant cases related to BPA's settlement authority have yet to be decided.

We believe the uncertainty of the current situation is simply untenable. We are concerned that a prolonged debate over this issue between public power and investor-owned utilities could hinder our efforts to protect the low cost power of the federal hydrosystem for the long-term as envisioned in the "Regional Dialogue" process. We note that continued regional unity is essential as we work to defeat ill-advised attempts by outside entities that have long sought the benefits of this system for themselves.

We reaffirm our strong support for the basic principles of the Northwest Power Act – as well as the Bonneville Project Act that preceded it – both of which have served our region well and provided the Northwest with the autonomy necessary to respond to changing energy markets while retaining the value of the federal hydrosystem.

We understand that securing an agreement on this issue will be difficult. However, absent additional clarity on these matters from the courts, we believe that it is in the best interest of the region for all parties involved to make an immediate and intensive good faith effort to reach an accord within the region as soon as possible.

We further request that BPA keep the delegation informed not only on the status of these negotiations but also on the development of the overall Regional Dialogue process. It is our hope that these matters progress in a timely manner.

Sincerely,

<u>Pat King</u>	<u>LT Ogden</u>
<u>Darlene Hooley</u>	<u>Bob Smith</u>
<u>Norm Ricks</u>	<u>Brian Hill</u>
<u>[Signature]</u>	<u>Earl Blumensaat</u>
<u>Cathy McKeown-Rodgers</u>	<u>D. Rief</u>
<u>J. McArthur</u>	<u>[Signature]</u>
<u>Phil Turner</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>