



December 2, 2005

Paul E. Norman
Sr. Vice President
Bonneville Power Administration
PO Box 3621
Portland, OR 97208-3621

Dear Paul:

Thank you for your letter of November 28, 2005, concerning the DSI prototype contract. Umatilla Electric Cooperative (UEC) did not support BPA's decision to increase the DSI benefit from \$40M to \$59M, though we agree with some amount of help for the DSI's.

What is the risk to BPA and its customers if BPA miscalculates the consequences of a DSI decision prior to a full cost review? UEC cannot support BPA actions which raises its wholesale rates or further diminishes the already down-sized benefits which UEC receives from BPA.

Thank you.

Sincerely,

M. Steven Eldrige
General Manager and CEO

MSE/dkt