

PETER A. DeFAZIO
4TH DISTRICT, OREGON



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Congress of the United States
House of Representatives

November 4, 2005

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RECEIVED BY BPA ADMINISTRATOR'S LOG #: 05-0154
RECEIPT DATE: 11.04.05
DATE: 11.18.05

Mr. Stephen J. Wright
Administrator
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

Dear Steve:

As the FY2007-2009 rate case formally begins, I am writing to urge you keep rates as low as possible, consistent with your multiple statutory obligations.

Despite cheerleading from some so-called experts, the Northwest economy continues to limp along. And, just as importantly, Northwest families are struggling. Wages are not keeping pace with inflation. High-wage jobs are being replaced with lower-wage service sector jobs with fewer, if any, fringe benefits. Unemployment remains stubbornly high. Gasoline, home heating oil, and natural gas prices are setting records. And families and businesses continue to struggle with the massive rate increases for electricity that began in the wake of the fraud-driven 2001 Western electricity crisis.

I recognize that Bonneville has engaged in cost-cutting exercises over the last couple of years. And, I commend Bonneville for the lengthy and open process you embarked on during the Power Function Review earlier this year to discuss costs and revenue requirements in great detail, and would encourage you to continue to promote transparency. I also appreciate that Bonneville, in response to customer concerns, has agreed to once again revisit your program costs to determine if there are any additional savings that can be squeezed out while still meeting your statutory obligations, including repayment of the federal Treasury.

The demands on Bonneville and the Columbia River Power System are large and varied: power generation, fish, navigation, flood control, renewable energy, conservation, and debt repayment, among others. However, low power costs have long been one of the main economic engines of the Northwest. That advantage has significantly eroded over the last several years. I stand ready to work with you, your customers, and other stakeholders to try to regain that advantage and protect ratepayers, while preserving the benefits of the Columbia River System.

Thank you for your continued work on behalf of Northwest ratepayers.

Sincerely,

PETER DeFAZIO
Member of Congress

ASSIGN: DKR-7

cc: FO3, DKN/Wash, DK-7, L-7, P-6, PF-6