

United States Senate

WASHINGTON, DC 20510

May 24, 2007

Stephen J. Wright
Administrator
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232

Dear Steve,

On May 3rd, the U.S. Ninth Circuit Court of Appeals ruled on a case regarding how utilities and their customers in our three states share in the economic benefits of the Federal Columbia River Power System (FCRPS) under the Northwest Power Act (NWPAct). The court's decision appears to cast a legal shadow on BPA's authority to adopt the "Regional Dialogue" proposal and to enter into power supply contracts with its public agency customers next year as hoped. This week, seven Northwest investor-owned utilities announced residential ratepayers could see rate increases as much as 25 percent at a time when other energy costs, notably gasoline, are sky high.

We know BPA is trying to implement the court's decision, and that it is difficult to navigate through these complex issues. However, everyone in the region has an interest in reaching a legally sustainable compromise that fulfills the public policy goals of the NWPAct and allows BPA to enter into new power supply contracts with public agencies before the current contracts expire. This requires that all stakeholders – public and private utilities, BPA and consumers, states and public utility commissions – join together in good faith in an effort to negotiate a mutually agreeable and legally sustainable compromise. We believe that such a compromise is best forged in the region, and are pleased that BPA is committed to a regionally developed solution.

Our region relies on clean and affordable hydropower to provide the majority of electricity consumed in the region, and this abundant, reliable, and affordable resource is the backbone of our economy. We have worked for decades across state borders and political parties to protect the value of the FCRPS for the Northwest and to distribute the benefits as widely as legally possible.

We urge all of the parties to immediately come together in good faith in an effort to find that solution to these issues. We urge BPA to lead and facilitate that effort to the maximum extent possible.

Sincerely,



Patty Murray

B. W. W.

John

Mike Crayco
