

RON WYDEN  
OREGON

230 DIRKSEN SENATE OFFICE BUILDING  
WASHINGTON, DC 20510  
(202) 224-5244  
(202) 224-1280 (TDD)

**United States Senate**  
WASHINGTON, DC 20510-3703

**COMMITTEES:**  
COMMITTEE ON THE BUDGET  
COMMITTEE ON ENERGY AND NATURAL RESOURCES  
SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS  
SPECIAL COMMITTEE ON AGING  
SELECT COMMITTEE ON INTELLIGENCE  
COMMITTEE ON FINANCE

June 4, 2007

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

Dear Steve,

Just a few days ago on May 24<sup>th</sup>, I joined with my colleagues from the Idaho, Washington, and Oregon congressional delegations in calling for a regional response and solution to the disruption of the Residential Exchange program due to the recent decision by the U.S. Ninth Circuit Court of Appeals. As a result of this decision and Bonneville's subsequent suspension of Exchange payments, thousands of residential and small farm customers of investor-owned utilities in Oregon will begin paying significantly higher rates beginning today. I was therefore shocked to learn that the Bonneville Power Administration apparently intends to proceed with the release of the Record of Decision (ROD) and Policy concluding the outcome of the Regional Dialogue process as early as this week. I believe this is a mistake.

Without attempting to speak for everyone who signed these letters, I for one meant what we said when we wrote that "...everyone in the region has an interest in reaching a legally sustainable compromise that fulfills the public policy goals of the NWP 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 a good faith effort to negotiate a mutually agreeable and legally sustainable compromise." It is not only a mistake to proceed to resolve all other long-term issues in the absence of a clear policy on the issue of the Exchange, the decision to do so sends an unfortunate signal to all parties that resolution of this issue will be delayed and protracted and raises questions about BPA's ability to be an "honest broker" in resolving this crisis.

I recognize that the Regional Dialogue process has been underway for sometime and its further delay will impact the ability of utilities in the region to complete their long-term planning efforts, but it is even more imperative that all parties impacted by this process have a say, and a stake, in its outcome. We have just seen, in the outcome of the Ninth Circuit decision, the negative impact of what happens when any group is excluded from the process or when the process doesn't, in fact, address their interests. In the interest of bringing all parties to the table to resolve this issue, I urge you to delay moving ahead with the Regional Dialogue. I also urge you, in the strongest possible terms, to proceed as quickly as possible to bring these parties together to negotiate a solution.

1220 SW 3RD AVE  
SUITE 585  
PORTLAND, OR 97204  
(503) 326-7525

151 WEST 7TH AVE  
SUITE 435  
EUGENE, OR 97401  
(541) 431-0229

SAC ANNEX BUILDING  
105 FIR ST  
SUITE 201  
LA GRANDE, OR 97850  
(541) 962-7691

Finally, I understand that the Ninth Circuit decision raises a number of questions about the procedures BPA followed in determining the level of Residential Exchange benefits. Nonetheless, residential and small farm customers throughout the region are faced with completely unanticipated increases in their electricity bills, increases some customers will have a hard time paying. It is imperative that BPA look for legally sufficient ways to restore some level of Exchange benefits as soon as possible while the longer term issues are being resolved.

Sincerely,

A handwritten signature in black ink that reads "Ron Wyden". The signature is written in a cursive, flowing style.

Ron Wyden  
United States Senator