Dear Mr. Wright:

My name is Jessie Garza and I am a resident of Toppenish, Washington and have lived all my life in the Yakima Valley since 1951. I'm writing this letter as a concerned citizen about my electricity rates going up, because of the loss of the "Residential Exchange Program", offered by our local utility company. As northwest residents we all have all helped pay for the federal hydropower system, and therefore we should all continue to receive some benefit. Though I am concerned about my own rates going up I am particularly concerned about the economically disadvantaged families who are barely making ends meet on their incomes, and especially the elderly and those who must live on a fixed income.

In 1980 Congress passed the Northwest Power Act, which was created to ensure that "all residents of the northwest" shared in the benefits of the federal hydropower system. The intent was that it shouldn't matter if a customer is served by a publicly owned utility like a PUD, REA, or municipally-owned utility, or if the customer is served by an investor-owned utility like Pacific Power. Thus, in 1980 our local public utility company Pacific Power & Light Company via the payments agreed to between BPA and the investor-owned utilities began what has been known as the "Residential Exchange Program" and who has passed on "every penny" of that benefit as a credit to its customers.

As I understand that on May 3rd the 9th circuit court of appeals ruled in favor of the public utilities on two cases involving the 2002-2006 payments, saying that BPA had not followed the law in how those payments were calculated. However, the courts didn't say what BPA should have done or what the correct amount of the payments should have been. Furthermore, the court did not say that PP&L customers should receive no credit at all.

As a concerned individual I would like to remind you that Congress passed the Northwest Power Act in 1980 to ensure that "all residents of the northwest" share in the benefits of the federal hydropower system. The concept is that it shouldn't matter if a customer is served by a publicly owned utility like a PUD, REA, or municipally-owned utility, or if the customer is served by an investor-owned utility like Pacific Power.

Kathleen Harz

Sincerely

Jessie Garza, Jr. P.O. Box 901

Toppenish, WA. 98948

jessiegarza@embarqmail.com