



EMERALD PEOPLE'S UTILITY DISTRICT

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July 2, 2007

Steve Wright
BPA Administrator
PO Box 3621
Portland, OR 97208-3621

Scott and Steve:

We are writing in regard to the recent 9th Circuit Court ruling on the Residential Exchange.

While Emerald PUD believes that the Court made the right decision when it set-aside the Residential Exchange settlement; we encourage you to come to a quick resolution of this matter. We also think that it is critical that we settle this issue within the region without intervention from Congress.

We believe that Emerald's customers have been overcharged for nearly seven years as a result of the Residential Exchange settlement. This fact should not be overlooked during settlement discussions among public power, BPA and the IOUs. After all the dust settles and we redo the Residential Exchange calculation we believe our customers will be due a rebate. As you proceed through the settlement negotiations we encourage you to make sure that you create an equitable solution that leaves our customers whole in the near-term. Thank you for your consideration of our views on this matter.

Sincerely,

A handwritten signature in black ink that reads "Frank Lambe". The signature is written in a cursive style with a long horizontal line extending to the right.

Frank Lambe
General Manager



MAKING CONSERVATION COMFORTABLE

