



July 19, 2007

VIA: Facsimile (503)230-5026/230-5211

Stephen J. Wright
Administrator and Chief Executive Officer
Bonneville Power Administration
PO Box 3621
Portland, OR 97208-3621

Dear Steve:

I wanted to extend my thanks to you for releasing the record of decision having to do with the regional dialogue. We, at Umatilla Electric Cooperative, are heartened by the fact that Bonneville Power Administration will not be pursuing a rehearing with the 9th Circuit Court regarding the Residential Exchange.

We believe this is an act of good faith and we look forward to resolving the Residential Exchange issue with you. It is our hope that we can have a plan in place that is durable, understandable, and is a repeatable process for calculating future Residential Exchange payments.

Thank you for your leadership on this issue.

Sincerely,

M. Steven Eldrige
General Manager and CEO

MSE/dkt

750 W Elm Street • PO Box 1148 • Hermiston OR 97838

Phone: (541) 567-6414

Fax: (541) 567-8142

Toll Free: 800-452-2273