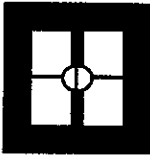


CITY OF HILLSBORO



July 31, 2007

Steven J. Wright
BPA Administrator and Chief Executive Officer
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

Dear Mr. Wright:

I understand that BPA is holding a public meeting this week regarding the Residential Exchange Benefit and would like to take the opportunity to provide you with my thoughts on this important issue. First, I want to thank you as you work with the various utilities toward a long-term resolution that is fair and durable.

With a population of over 84,000, Hillsboro is Oregon's 5th largest city. Having been the Mayor since 2001 and involved in the city government for over 30 years, I've seen this city grow and thrive in the midst of changes that have taken us from a farming and logging community to the hub of Oregon's silicon forest. Those changes have been both challenging and rewarding to our residents.

I am concerned about the impact the suspension of this credit has on such a huge segment of our city's population. As a result of the decisions by the 9th Circuit Court, all of our residents are now seeing a 13% increase in their monthly bills. For many of our low-income residents, that bill impact will make it increasingly difficult to balance paying the electricity bill with paying for other necessities such as food, shelter, medicines and clothing.

Our residents have been affected by this issue because Portland General Electric provides service to Hillsboro and to most of Washington County, but it's not just our community that will have to reach deep in their pockets to keep the electricity on for themselves and their families. A large majority of the residents of Oregon are served by investor owned utilities.

The Northwest Power Act intends that residents of the Pacific Northwest, regardless of what type of utility serves them, share in the benefits of the Columbia River federal hydro system. As administrator of BPA, I am sure you agree with that principal. My hope is that this process will result in a resolution that is fair to all NW citizens and reinstates the credit as soon as possible. This issue is important to me and my community. We look forward to seeing a long-term solution that is stable and equitable.

Respectfully,

CITY OF HILLSBORO

A handwritten signature in cursive script that reads "Tom Hughes".

Tom Hughes,
Mayor