



MARK G. RICKS
LIEUTENANT GOVERNOR

August 23, 2006

Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

Dear Bonneville Power Administration Representatives:

I am writing to express Idaho's strong support for the federal law requirement that residential and small farm customers served by BPA through investor-owned utilities have the right to share in the benefits of the federal hydro system administered by the Bonneville Power System. Idaho's support for sharing benefits derived from the federal hydro system with participants within the region has been ongoing and continues today.

Given that the State of Idaho shares in the difficulties and costs associated with the system, including endangered species, requests for flow augmentation water, and operational changes for the endangered salmon and steelhead, it's only appropriate that Idaho should also share in the benefits of the system.

The BPA proposal to reduce the annual benefits of the Residential Exchange Program from approximately \$300 million dollars currently to \$250 million dollars for fiscal year 2012 raises considerable concerns. I request that BPA provide the fiscal accounting for such a reduction, including the assumptions and methodology used for that accounting to Governor Risch for his review.

I join Governor Risch in seeking assurances that Tier 1 power and rates would be provided to the Residential Exchange Program. Additional information is also going to be required upon the entire customer base of BPA, which would include current rates, rate reductions and rate increases for those customers.

It is also important to note that while Idaho understands the benefits and challenges of integrating wind energy resources into a power system, we do not believe that the additional costs of integration should be an expense born by the Residential Exchange Program.

Thank you for this meeting in Idaho and for the opportunity to provide comment on this matter.

Very Truly Yours,

A handwritten signature in black ink that reads "Mark G. Ricks".

Mark G. Ricks
Lieutenant Governor