

City of Grants Pass



October 24, 2006

REG-092

Mr. Steve Wright, Administrator
Bonneville Power Administration
905 NE 11th Avenue
Portland, Oregon 97232

Dear Mr. Wright,

I am writing on behalf of the Grants Pass City Council to express concern regarding a proposal by the Bonneville Power Administration (BPA) to reduce the small farm and residential rate benefits of many Oregonians.

Almost 75 percent of Oregon residential and small farm electric customers are served by investor-owned utilities. Through an exchange program that dates back to 1980, these customers are given a share in the benefits of the region's federal hydro system. In its plans for post-2011, however, BPA has proposed reducing benefits to these customers by approximately one-third, in effect causing a price increase. For Oregon residential customers of Pacific Power, the increase is estimated to be 5 percent, or up to \$5.45 more per month.

The Bonneville system is a resource shared by all in the Pacific Northwest. The vast majority of the benefit from the system – nearly 79 percent – already flows to public utilities. To ensure the future broad political support that may be needed to maintain this important resource for public benefit, BPA should consider modifying its proposal to more fairly distribute the benefits of the system to all of the taxpayers in the region, whether served by an investor-owned utility or public power.

Equitable sharing of the federal system benefits was at the core of the Northwest Power Act of 1980. The legislation acknowledged that *all* Northwest consumers have a financial stake in the future of the Bonneville system. The current post-2011 BPA proposal, however, significantly reduces shared benefits for residents of Grants Pass because our residents are served by an investor-owned utility rather than by a publicly-owned utility.

Accordingly, the City of Grants Pass respectfully requests that our residents continue to share in the federal system benefits by making no new distinctions between public utilities and investor-owned utilities in the BPA proposal. Thank you for your consideration and please let me know if you have any questions.

Sincerely,

David W. Frasher, City Manager

c: Mr. Steve Wright, Administrator, BPA
Grants Pass Mayor and City Council
Executive Staff
Administrative Staff
League of Oregon Cities
CF#06-192

October 25, 2006

City of Grants Pass



The Honorable Ron Wyden
United States Senate
230 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Gordon Smith
United States Senate
404 Russell Senate Office Building
Washington, D.C. 20510

Dear Senators,

I am writing on behalf of the Grants Pass City Council to express concern regarding a proposal by the Bonneville Power Administration (BPA) to reduce the small farm and residential rate benefits of many Oregonians.

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