



Department of Energy

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

POWER SERVICES

July 2, 2007

In reply refer to: PS-6

To Parties Interested in BPA's Residential Exchange Program:

The Bonneville Power Administration will hold an initial public meeting Wednesday, August 1, 2007, to provide an update on the status of the Residential Exchange Program and to discuss how the region can move forward to provide Residential Exchange benefits that are both equitable and consistent with the law.

The public meeting will be held at the Sheraton Portland Airport Hotel, 8235 Northeast Airport Way, Portland, Oregon. The meeting starts at 6 p.m. with registration beginning at 5:30 p.m.

On May 21, BPA informed six Northwest investor-owned utilities that, due to the uncertainty created by the May 3 United States Court of Appeals for the Ninth Circuit rulings, BPA had to immediately suspend Residential Exchange Program payments that reduce rates for their residential and small-farm customers. The rulings found that certain BPA actions in entering into Residential Exchange settlements with investor-owned utilities were not consistent with the Northwest Power Act.

BPA expects to address the status of informal discussions among investor-owned and public utilities and outline BPA's plans to move forward at this initial August public meeting. The meeting also will provide interested parties an opportunity to learn more about the issues facing the Residential Exchange Program, speak with BPA representatives and participate in moderated discussions of the factors that should be considered in addressing Residential Exchange issues. Opportunities for further involvement in the resolution of Residential Exchange issues also will be discussed.

We look forward to your participation in this process. If you have any questions, please contact your Power Account Executive, Constituent Account Executive or Tribal Account Executive. Additional information on the Residential Exchange Program also can be found at <http://www.bpa.gov/corporate/BPANews/Perspective/2007/ResExchRuling/>.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark O. Gendron".

Mark O. Gendron
Vice President, Northwest Requirements Marketing