

# Pacific Northwest Electric Utilities

May 2, 2002

Congressional Delegations of  
Idaho, Montana, Oregon and Washington

Dear Member of the Northwest Congressional Delegation:

We are writing to inform you of our strong support for a landmark agreement among the electric utilities of the Pacific Northwest. Most of the region's utilities – including publicly-owned utilities, investor-owned utilities, and cooperatives – support this agreement, which is fully described in the enclosed briefing materials. Together, we serve virtually all of the region's electric consumers.

We jointly propose to transfer from BPA to the region's utilities much of the responsibility for providing the additional electricity needed for load growth in the region. We think that this approach would provide secure sources of electricity at lower cost than continuing to fully expose BPA to the need for large market purchases during times of shortage.

The proposal would also provide long-term stability regarding the allocation of the federal hydropower system benefits, helping to align the interests of all consumers in the region. Both of these goals would be accomplished through 20-year contracts between BPA and each of the region's utilities.

BPA Administrator Steve Wright has asked for 4-6 weeks for his agency to analyze the proposal, and we are meeting regularly with him and his staff to explain the proposal and work out important details. Discussions are also ongoing with the Direct Service Industries (DSIs), groups interested in conservation and renewables, and other interested parties.

During this same period, we would like to have a similar dialogue with the Northwest Congressional Delegation. For that reason, a delegation representing us will be in Washington, D.C. during the week of May 6 to begin that process.

Please feel free to call any of us if you have questions or concerns about the proposal. We look forward to working with you on this important matter.

Sincerely,

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  Richard D. Lovely General Manager	  Loren A. Baker President Power Resource Managers, LLP
  Kenneth A. Sugden Manager Franklin PUD	  Patrick Reiten President and CEO PNGC Power



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