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United States Senate

WASHINGTON, DC 20510-3703

July 16, 2003

Mr. Steve Wright, Administrator
Bonneville Power Administration
Box 3621
Portland, Oregon 97208

Dear Steve:

With the possibility that the Bonneville Power Administration's recent Record of Decision will result in rate increases for Northwest consumers later this year and the adverse impacts that would have on our region's economy, I am writing to urge you to do everything you can to bring about a settlement between the Northwest investor-owned utilities (IOUs) and public power of pending litigation over Bonneville's Residential Exchange settlement agreements. It is my understanding that if a settlement of this litigation can be worked out, this would not only eliminate the need for a rate increase this year, but would even result in a rate *decrease* in the short-term.

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A settlement between IOUs and public utilities would clearly be a win/win proposition for the region. It could save at least \$400 million in the current rate period. That savings would allow Bonneville to reduce current rates by as much as 5-6 percent this year, and it would give regional utilities and consumers greater certainty about Bonneville power for the future. I think all parties in the region should work together to find a way to get to "yes" on a settlement agreement.

Bonneville can play a critical role in this effort. I urge you to do everything you possibly can to bring the parties together and achieve a settlement that will decrease rates for Northwest ratepayers.

I stand ready to do anything I can to bring about a settlement between IOUs and public utilities. In addition to achieving a settlement, I also encourage you to continue to look for other opportunities to bring down Bonneville's internal costs, as well as the costs of Energy Northwest and Bonneville's other cost partners, in order to further reduce rates for Northwest consumers.

Thank you for your prompt attention to this important issue for the region.

Sincerely,



RON WYDEN
United States Senator