

**OREGON MUNICIPAL ELECTRIC
UTILITIES ASSOCIATION (OMEU)**

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**Oregon Municipal Utilities Oppose
Bush Budget Plan to Raise Electric Rates**

SALEM – Oregon’s local municipally-owned electric utilities were informed yesterday that the new Bush Administration budget could mean a 10% wholesale rate increase from the Bonneville Power Administration (BPA) in FY 2008.

The budget proposal would reverse BPA’s long-standing policy to use revenues from surplus power sales to help lower rates for Northwest electricity consumers. The new budget would divert these revenues to accelerate debt repayments to the federal Treasury.

“This proposal means a potential \$1 billion transfer of dollars from our local communities to the federal government over the next ten years,” said Tom O’Connor, Executive Director of the Oregon Municipal Electric Utilities Association. “

“We are especially concerned that the budget proposes to divert these funds administratively without congressional approval,” said O’Connor. “If they can do this without the consent of Congress, it’s a sure bet they will grab even more local electric ratepayer dollars for federal programs totally unrelated to energy needs.”

The budget proposal is particularly negative for Oregon’s communities served by publicly-owned utilities that have historically purchased electricity at cost from BPA.

“We are heartened, however, that members of Oregon’s congressional delegation have announced their strong opposition to this proposal,” said, Paul Elias, OMEU President and General Manager of McMinnville Water & Light. “Our congressional delegation has once again risen quickly to the support of our local businesses and consumers. We intend to work with them to help defeat this raid on the NW.”

OMEU members serve the communities of Ashland, Bandon, Canby, Cascade Locks, Drain, Forest Grove, Hermiston, McMinnville, Milton-Freewater, Monmouth, and Springfield.