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PPC REMARKS ON INTERIM APPROACH TO RESIDENTIAL EXCHANGE

PORTLAND, OR - December 17, 2007 – The Public Power Council remarked today on an approach outlined by the Bonneville Power Administration to return funding to consumer-owned utilities of amounts overcharged in their current rates as BPA restarts payments under the residential exchange program (REP) for customers of investor-owned utilities (IOUs).

“We’ll take a close look at it during the comment period,” said PPC Executive Director, Scott Corwin. “It appears to be a timely way to get over-charged amounts back to consumer-owned utilities and move away from a bad situation.”

The law creating the REP provides, with specific protections for consumer-owned ratepayers, rate credits to residential and small farm customers of private utilities in the Northwest. Currently, BPA rates charged to PPC members collect for a settlement of the REP that is not being paid to customers of IOUs. That settlement between BPA and IOUs was found illegal by the Ninth Circuit Court of Appeals in May. Representatives of investor and consumer-owned utilities entered negotiations and created a set of recommendations in November.

Under the BPA proposal, a total of \$191 million could be returned to consumer-owned utilities this year. The appropriate amounts under the REP program for fiscal year 2008 would need to be trued-up after a rate case is run to determine the actual amounts.

“An interim approach that provides financial relief to PPC members sooner rather than later was one of the recommendations approved by the PPC Executive Committee last month,” Corwin said. “There are many steps ahead on the long-term issue, but this is a helpful start.”

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About the Public Power Council

The Public Power Council, established in 1966, is an association that represents 115 consumer-owned electric utilities in the Pacific Northwest. PPC’s objective is to preserve and protect the benefits of the Federal Columbia River Power System for consumer-owned utilities. PPC acts as a forum to identify, discuss and build consensus about energy and utility issues. For more information, please visit us on the web, at www.ppcpdx.org.