



July 25, 2013

The Honorable Ernest Moniz
Secretary
Department of Energy
1000 Independence Ave., S.W.
Washington, DC 20585

Re: Pending Management Review at the Bonneville Power Administration

Dear Secretary Moniz:

On behalf of the Public Power Council, representing the preference utility customers of the Bonneville Power Administration, I write today out of genuine concern, confusion, and frustration regarding the events currently taking place with respect to the management team at BPA. The lack of information provided so far by the Department on its drastic actions regarding a major utility and power supplier is unacceptable and does not serve the citizens of this region well.

Of great concern is the lack of transparency in these actions recently taken by the Department of Energy. We understand that on July 15, 2013 the Department appointed a new Acting Administrator on an interim basis. Yet, ten days later there has been no public announcement referencing that appointment or the status of the Administrator who only came into office this past February. Is there a public explanation forthcoming?

Moreover, we have been left in the dark regarding the process for the management review referred to in a Department memorandum dated July 15, 2013. There is no mention of the scope or timeline for that review, nor why you installed an Acting Administrator during that review. Can you please provide a clarification and timeline for the completion of this process?

As you know, BPA is a ratepayer funded utility that has long-term power and transmission contracts with our member utilities. Certainly, correcting the hiring practices preliminarily identified as deficient by the Department's Inspector General is an important matter deserving BPA's attention. And, it is understandable that the Department would review certain allegations of retaliation to see if they really have any basis. Personnel matters can be sensitive and complex to unravel in any business. However, it is hard to imagine a circumstance where the CEO of a large utility would be placed on unspecified leave and the shareholders and customers not given even minimal information about the status of its leadership.

A well-functioning BPA is critical to the Northwest and to the millions of electricity consumers who live and work here. At this time, BPA and its customers face an array of important issues such as review of the Columbia River Treaty with Canada, preparation of a revised biological opinion, integration of variable energy resources, policy and rates for generation oversupply events, access to capital issues, ongoing rate case and budget setting processes for the transmission and power business lines, and increasing reliability compliance measures. The abrupt removal of two critical leaders at BPA, even for a limited time, is bound to impact the agency's ability to effectively manage and operate its system.

Finally, in view of the little information given to us, please note the context through which we view these events. Energy industry professionals in the Northwest have known and worked closely with Bill Drummond and Anita Decker for decades. We were thankful to have Mr. Drummond begin as Administrator just a few months ago, and bring his considerable talents to this important agency. And, we were glad to have Ms. Decker back in place this year after having taken an assignment from the Department to run the Western Area Power Administration for much of last year. The character and integrity of these two leaders is widely known and referenced in recent news articles on this matter. So, the impression left by the actions taken by the Department, before even beginning a management review, is greatly troubling and begs for quick resolution.

During this time of many challenges to our industry, our region needs certainty, continuity, and a clear path forward for BPA. This can only be achieved through much better communication by DOE with its affected customers. We look forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Scott Corwin". The signature is written in a cursive, flowing style.

Scott Corwin
Executive Director

Cc: Northwest Congressional Delegation
Deputy Secretary of Energy Daniel Poneman