

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

February 6, 2006

Joshua B. Bolten  
Director  
Office of Management and Budget (OMB)  
725 17<sup>th</sup> Street NW  
Washington, DC 20503

Dear Director Bolten:

As co-chairs of the bipartisan Northwest Energy Caucus, we are writing to express our strong unified opposition to OMB's proposal to increase near term electric rates in the Pacific Northwest by accelerating Bonneville Power Administration (BPA) federal debt repayment. We ask that you suspend the pursuit of this ill-conceived plan, which will negatively impact the Northwest economy.

As you know, BPA has made timely payments to Treasury for more than 20 years running. In fact, BPA has voluntarily made more than \$1.46 billion in early payments on its federal debt. There are numerous built-in protections to assure this timely repayment of federal debt continues.

We believe this proposal to use a portion of BPA's secondary sales revenues for accelerated debt repayment is a disguised rate increase. By capturing secondary revenues in this manner, electric rates throughout the Northwest will increase – perhaps by ten percent or more. This runs counter to the President's interest in reducing energy costs for Americans and will negatively impact electricity-intensive industries. Under this direction, millions of dollars will be pulled out of our region's economy today to pay a federal debt obligation that is already ahead of schedule for repayment.

We are especially disappointed that this proposal has been made with no consultation with the Northwest congressional delegation. We have repeatedly requested, in correspondence and in congressional oversight hearings, greater consultation with OMB on these BPA budget issues. Without this communication, OMB has repeatedly issued proposals that reflect a lack of understanding of BPA's role in the Northwest economy. These proposals create tremendous uncertainty at a time when BPA and regional stakeholders are making significant decisions regarding near term rates and long term system allocation.

Our region's ratepayers are still recovering from the dramatic electric rate increases that followed in the wake of the 2001 California electricity crisis and associated market manipulation. Successive years of drought and increasing fish costs have also reduced hydro generation and increased power rates. The families, farms, and job-creating businesses of the Pacific Northwest can ill-afford another rate increase at this time.

We request that you postpone indefinitely further consideration of this accelerated debt repayment scheme.

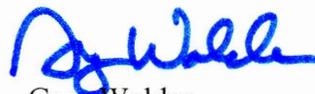
Sincerely,



Doc Hastings  
Member of Congress



Peter DeFazio  
Member of Congress



Greg Walden  
Member of Congress

cc: Energy Secretary Sam Bodman  
BPA Administrator Steve Wright