

OWNED BY THOSE WE SERVE

DOUGLAS ELECTRIC COOPERATIVE INC.,
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Mission Statement

“The mission of Douglas Electric Cooperative, a member-owned and operated cooperative, is to provide affordable, reliable electric and other compatible services that enhance the quality of life for its members, using progressive marketing in conjunction with sound financial and management principles.”

DOUGLAS
ELECTRIC COOPERATIVE



Cooperative Rates Not Affected by Court Ruling

Dear Members,

In recent weeks, you may have heard about public power being involved in a controversy with the investor owned utilities (IOUs), such as Pacific Power and Portland General Electric, and I'd like to set the record straight. A Ninth Circuit Court of Appeals decision announced May 3, throws a monkey wrench into a large policy issue in the Northwest electricity industry - the residential and small farm exchange benefits between BPA and the for-profit IOUs.

The Northwest Power Act was originally enacted to provide some benefits of the federal power system to residential and small farm customers of investor-owned utilities. The Act established a method of calculating those benefits and a rate ceiling for other customers, thus creating a balance that needs to be respected in any approach to providing those benefits.

BPA had been making monthly exchange benefit payments of \$28 million to the IOUs who in turn passed them along to their customers. But, because of the court decision, these payments have been suspended. BPA announced that its officials are personally liable if the payments that are not consistent with the law, continue to the IOUs. Public power did not advocate for the payment suspension which created this situation. It would be better if stakeholders were working together to create sustainable solutions that are in the interest of all of the region's ratepayers.

Douglas Electric Cooperative, PNGC Power and public power in the region are working with the IOUs and BPA to create sustainable solutions that are both balanced and legal. We disagree with BPA's assertion that the court erred. We are working with BPA and the IOUs to establish a fair resolution as envisioned under the Act and meetings are underway now. We are ready to support BPA in finding a fair and lawful solution as quickly as possible.

The question of return payments is yet unknown. We will keep you informed as this issue plays out, and as we move forward with our energy resource planning for the future.

Our goal is always to bring you reliable power at the lowest and most stable rates possible.

Best Regards,

Dave Sabala
General Manager

Visit our Web site at www.douglaselectric.com

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