

For More Information Contact:
Kathi VanderZanden, PNGC Power, 503-288-5561

PNGC Power Board of Directors Passes Resolution Supporting Residential Exchange Program Recommendations

Recommendations preserve cost-based rates for co-op customers

Portland, Oregon - 12/11/2007 - The Board of Directors of PNGC Power has passed a resolution expressing unanimous support for the recommendations for the investor-owned utility (IOU) Residential Exchange Program. The recommendations are outlined in the document, dated November 6, 2007, "Recommendations of Representatives of the Investor-Owned and Certain Consumer-Owned Utilities Regarding the Residential Exchange Benefit for Customers Served by the Pacific Northwest Investor-Owned Utilities." Portland-based PNGC Power and its 15 Northwest electric distribution cooperative utilities have service territory in seven western states.

Consumer-Owned Utilities (COUs) and IOU customers of BPA have been engaged in litigation with the Bonneville Power Administration (BPA) concerning the level of Residential Exchange Program (REP) benefits paid to IOUs, and the manner of the determination and payment of those benefits. On May 3, 2007, the Ninth Circuit Court of Appeals announced decisions on these and other issues, and since that time representatives of COU and IOU customers have been engaged in discussions with BPA concerning the proper means of implementation and compliance with the Court's decisions.

The "Recommendations" include a value structure and framework for settling the long-standing disputes over how the REP should be implemented. This set of recommendations expedites rate relief to COUs and significantly controls the values associated with the REP over the next BPA contract period.

According to Rick Crinklaw, Chairman of the PNGC Power Board and General Manager of Lane Electric Cooperative, Eugene, Oregon, "Our top priority is to provide reliable power at stable rates to our customers and these recommendations preserve the cost-based rates we now enjoy. Agreeing on a recommendation is definitely good news for our members and the region.

"Neither the IOUs nor the COUs got everything they wanted, but the recommendation is expected to be reasonable, politically durable and legally sustainable. Many issues lie ahead in order to implement these recommendations," said Crinklaw.

PNGC Power members include: Blachly-Lane Electric Cooperative; Central Electric Cooperative, Inc.; Clearwater Power Company; Consumers Power Inc.; Coos-Curry Electric Cooperative, Inc.; Douglas Electric Cooperative; Fall River Rural Electric Cooperative, Inc.; Lane Electric Cooperative; Lost River Electric Cooperative; Northern Lights, Inc.; Okanogan County Electric Cooperative, Inc.; Raft River Rural Electric Cooperative, Inc.; Salmon River Electric Cooperative, Inc.; Umatilla Electric Cooperative; and, West Oregon Electric

Cooperative, Inc. Each is a customer of the U. S. Department of Energy and Bonneville Power Administration under long-term power purchase and transmission service agreements.

About PNGC Power

PNGC Power is a Portland-based electric power services cooperative owned by 15 Northwest electric distribution cooperative utilities with service territory in seven western states. The company creates value for its member systems by providing sophisticated power management, technical innovation and cutting edge customer services and products. PNGC Power is a top aggregator of geographically diverse loads in the region and became the first electric cooperative in the country to receive a power marketing license from the Federal Energy Regulatory Commission. More information about PNGC Power can be found at www.pngcpower.com.