

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

PNGC Power Signs New BPA Load Following Power Sales Contract

For PNGC, this pooling arrangement is a key milestone in company history

Portland, Oregon - 12/04/2008 - Today PNGC Power announced the signing of a new contract with the Bonneville Power Administration (BPA). PNGC is a Portland-based generation and transmission cooperative owned by Northwest electric distribution cooperative utilities that have service territory in seven western states. This is a 20-year contract representing 17 years of power purchases beginning October 1, 2011. The contract provides a long-term commitment of power supply from the Federal Columbia River Power System and sets the stage for PNGC Power's investments in generation to meet future load growth.

"Looking ahead, PNGC Power plans to add resources to build a portfolio of power resources to efficiently serve member load requirements," said John Prescott, PNGC Power President & CEO. "This contract secures the benefits of the cost-based federal system for those members going forward with PNGC Power, post 2011 and forms the basis for additional resource acquisition."

"The contract fully recognizes PNGC as a Joint Operating Entity (JOE) and allows both the benefits and savings that occur through aggregated operation to be passed along to members," according to Rick Crinklaw, Chairman of PNGC Power's Board of Directors and General Manager of Lane Electric Cooperative (Eugene, Oregon). "PNGC is able to optimize power deliveries to members across the region using PNGC's JOE - BPA customer status. This pooling arrangement is a distinct advantage."

The contract is the result of the "Regional Dialogue" process, more than five-years in the making and focused on the future role of BPA. The resulting long-term policy will be implemented through power product design, Tiered Rate Methodology (TRM) and contract High Water Marks (HWM). BPA's Load Following contract has been tailored for PNGC Power as a result of diligent work by both parties to agree on terms and facilitate PNGC's unique status as a Joint Operating Entity under the Northwest Power Act.

The PNGC Power - BPA Load Following Power Sales contract is intended to achieve greater certainty of the federal power supply; to encourage capital investments in long-term electricity infrastructure development (including non-federal); and to pass through marginal costs of resource development instead of 'melding' the costs onto one BPA rate. Other benefits to PNGC members include the long-term management of a complex contract and proportional scheduling to allow optimized transmission for the addition of new resources.

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 (Oregon, Washington, Idaho, Montana, Utah, Nevada and Wyoming). The company creates value for its member systems by providing power supply and other management services. 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.