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An Open Letter to the BPA

Dear Stephen J. Wright, CEO, Bonneville Power Administration:

On January 13th our Board voted to approve the STIPULATION AND AGREEMENT FOR SETTLEMENT with BPA relating to legal challenges brought by Klickitat PUD and other affected parties.

We as a Board would like to go on record, stating that our action of approving the settlement should in no way be construed as support of the settlement.

We believe that the settlement, if not a direct contravention of the Northwest Power Act, is at least contradictory to the intent of the Act. In fact the settlement creates an opportunity to alter what was intended to be some of the fundamental business relationships between BPA and its public power customers by providing anticipated benefits of the Federal Based System to the IOUs in excess of what would reasonably be projected under the Regional Act. This is done by perpetuating or recasting some of the decisions BPA made in the Subscription process, and that we subsequently challenged in the Ninth Circuit Court.

Given the legal and political realities that currently exist in relation to the settlement agreement, and in our perception the unlikely ability to prevail in either the legal or political arena, we, as evidenced by our decision, obviously believe that settlement is the most responsible, although extremely distasteful course to follow.

This settlement while (legally) resolving many long standing and contentious issues between public and private utilities and BPA may have inadvertently created an environment of mistrust and dissatisfaction that, going forward, may make achieving many of the perceived advantages of settlement difficult.

Having said that, if settlement should in the end occur, we believe that specifically for those of us in public power to move forward as in the end we must, fundamental changes in many areas must occur. The public power community today is so much more diverse than in the past both in the missions that the various utilities have taken on i.e. telecomm, generation, conservation and the method used to fulfill those missions, full requirements, partial requirements, block, slice, generators. We must insure that diverse does not translate into fractured.

The environment in which we operate has also changed dramatically and will change even more dramatically in the future, the way in which we interact and collaborate simply has not kept pace.

If we wish to successfully represent our constituents we believe this must change. While signing the Settlement, we continue to believe that much work remains to be done on this front, and that this perspective is shared by many others in the public power community. How this can be achieved should be your top priority. If you would like to discuss any aspect of this, please let us know.

Sincerely,

Randy L. Knowles, President
Board of Commissioners
Public Utility District No. 1 of Klickitat County, WA

WA-18