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HOUSE JOINT MEMORIAL 4029

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State of Washington                      58th Legislature      2003 3rd Special Session

By Representatives Morris, Nixon, Linville, Tom, Wood, Hankins and Eickmeyer

Prefiled 12/4/2003.      Read first time 12/05/2003.      Referred to Committee on Technology, Telecommunications & Energy.

1            TO THE HONORABLE GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES,  
2            AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
3            REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE  
4            UNITED STATES, IN CONGRESS ASSEMBLED, AND TO THE OFFICE OF MANAGEMENT  
5            AND BUDGET, AND TO THE HONORABLE SPENCER ABRAHAM, SECRETARY OF THE  
6            UNITED STATES DEPARTMENT OF ENERGY, AND TO THE HONORABLE MEMBERS OF THE  
7            BOARDS OF DIRECTORS OF THE PUBLIC AGENCY UTILITIES AND THE INVESTOR-  
8            OWNED UTILITIES WHO ARE SERVED BY THE BONNEVILLE POWER ADMINISTRATION:

9            We, your Memorialists, the Senate and House of Representatives of  
10           the State of Washington, in legislative session assembled, respectfully  
11           represent and petition as follows:

12           WHEREAS, The economy in Washington and the Pacific Northwest is  
13           struggling to recover from the economic downturn, and high electricity  
14           costs have contributed to the struggles; and

15           WHEREAS, The effects of the economic struggle have hurt consumers,  
16           workers, businesses, and all sectors of the economy; and

17           WHEREAS, The Bonneville Power Administration's 2.2 percent rate  
18           increase which took effect on October 1st will further harm the  
19           economy; and

1       WHEREAS, This rate increase is in addition to 46 percent rate  
2 increases imposed in the past two years, in response to the energy  
3 crisis of 2000-2001; and

4       WHEREAS, The Bonneville Power Administration has been working with  
5 public and private utilities since the announced rate increase to try  
6 to lower that rate increase; and

7       WHEREAS, The Bonneville Power Administration recently announced a  
8 proposed agreement that, if signed by all participants, would eliminate  
9 the 2.2 percent rate increase and in fact lower rates to 7.4 percent  
10 below the average fiscal 2003 rates; and

11       WHEREAS, The proposed agreement has been described by Kyle  
12 McSlarrow, United States Deputy Secretary of Energy, as striking a  
13 balance of interests of all parties, and an important step in the  
14 region's effort to stabilize rates and promote economic recovery; and

15       WHEREAS, The resulting rate reduction of nearly 10 percent would  
16 greatly benefit the regional economy as a whole, which would be of  
17 benefit to consumers, businesses, ratepayers, workers, and the entire  
18 economy; and

19       WHEREAS, Rate uncertainty has a chilling effect on capital  
20 investment decisions vital to economic recovery; and

21       WHEREAS, In order for the proposed 10 percent rate reduction to  
22 take effect, the proposed agreement requires public agencies and other  
23 parties to drop their lawsuits against the Bonneville Power  
24 Administration that generally concern the benefits the Bonneville Power  
25 Administration provides to the investor-owned utilities under the  
26 Northwest Power Act of 1980; and

27       WHEREAS, The proposed agreement also requires the investor-owned  
28 utilities to forego or defer 469 million dollars worth of monetary  
29 benefits and power payments between 2004 and 2006; and

30       WHEREAS, The proposed agreement also requires the Bonneville Power  
31 Administration to seek additional cost reductions and revenue  
32 enhancements of approximately 100 million dollars in FY 2004 and FY  
33 2005; and

34       WHEREAS, All participants in the proposed agreement must sign the  
35 proposed agreement within 90 days of its announcement on October 23rd,  
36 and give final approval within 120 days, or the settlement fails to  
37 become final and the 2.2 percent rate increase remains in effect; and

1       WHEREAS, Such failure would seriously harm the economy of the  
2 region now and into the future; and

3       WHEREAS, The proposed agreement is supported by almost the entire  
4 Northwest Congressional delegation, and the Governors of Washington,  
5 Idaho, Montana, and Oregon; and

6       WHEREAS, The proposed agreement will return immediate benefits to  
7 the Northwest economy and its citizens; and

8       WHEREAS, Enactment of the proposed agreement will allow all  
9 involved to focus on the future, and to focus their collective efforts  
10 on formulating the optimum framework for a reliable, cost-effective  
11 power supply for the long term;

12       NOW, THEREFORE, Your Memorialists respectfully pray that in a  
13 spirit of cooperation and a willingness to work together to benefit the  
14 economy of the entire region, which will help the economic outlook in  
15 each sector and segment of the region, all participants in the proposed  
16 agreement sign the agreement within the 90-day deadline, and give final  
17 approval within 120 days.

18       BE IT RESOLVED, That copies of this Memorial be immediately  
19 transmitted to the Honorable George W. Bush, President of the United  
20 States, the Office of Management and Budget, the Honorable Spencer  
21 Abraham, Secretary of the United States Department of Energy, the  
22 honorable members of the Boards of Directors of the public agency  
23 utilities and the investor-owned utilities who are served by the  
24 Bonneville Power Administration, the President of the United States  
25 Senate, the Speaker of the House of Representatives, and each member of  
26 Congress from the State of Washington.

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