
SUBSTITUTE SENATE JOINT MEMORIAL 8018

State of Washington

59th Legislature

2005 Regular Session

By Senate Committee on Water, Energy & Environment (originally sponsored by Senators Fraser, Parlette, Poulsen, Hewitt, Berkey, Zarelli, Prentice, Doumit, Rockefeller, Fairley, Rasmussen, Kohl-Welles, Schoesler, Brandland, Schmidt, Shin, Pridemore, Mulliken, Honeyford, Brown, Kline and Regala)

READ FIRST TIME 02/25/05.

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 SECRETARY OF THE
5 UNITED STATES DEPARTMENT OF ENERGY, SAMUEL W. BODMAN:

6 We, your Memorialists, the Senate and House of Representatives of
7 the State of Washington, in legislative session assembled, respectfully
8 represent and petition as follows:

9 WHEREAS, The Bonneville Power Administration supplies seventy
10 percent of the electrical power consumed in the state of Washington;
11 and

12 WHEREAS, Currently and since its creation the rates established for
13 such power have been based upon recovery of its costs; and

14 WHEREAS, The ratepayers of the Pacific Northwest and West Coast
15 have paid those costs in their entirety through their rates; and

16 WHEREAS, The Pacific Northwest region has experienced a nearly
17 fifty percent increase in wholesale power rates since the energy crisis
18 of 2001-2002; and

19 WHEREAS, The President's proposed fiscal year 2006 budget would

1 transition the Bonneville Power Administration from cost-based rates to
2 market-based rates;

3 WHEREAS, The Office of Management and Budget has estimated that
4 such change would result in an estimated increase of one hundred
5 dollars per year for each Pacific Northwest ratepayer; and

6 WHEREAS, This budget proposal would cost the Northwest region four
7 hundred eighty million dollars next year and two and one-half billion
8 dollars over three years; and

9 WHEREAS, The first argument to justify these increased rates, that
10 the ratepayers of the Pacific Northwest are being subsidized by the
11 federal government, is not well-founded in light of the fact that all
12 of the Bonneville Power Administration's costs, including repayment of
13 debt at market-based interest rates to the United States Treasury, are
14 recovered from ratepayers, primarily individuals and businesses in the
15 Pacific Northwest; and

16 WHEREAS, The second argument to justify these increased rates, that
17 of further accelerating Bonneville's debt repayment to the United
18 States Treasury, are not well-founded in light of Bonneville's success
19 in recent years of early repayment of its debt, despite the sale of
20 power at-cost and during difficult economic times; and

21 WHEREAS, This proposal if enacted would essentially result in a one
22 hundred percent increase in power rates over a seven-year period, which
23 will severely harm the region's businesses and industries, as well as
24 all the residents of the region; and

25 WHEREAS, The administration's additional budget proposal to
26 increase the types of transactions that would count against the
27 Bonneville Power Administration's authorized debt limit would
28 negatively impact the Bonneville Power Administration's ability to
29 upgrade existing or build new vital infrastructure; and

30 WHEREAS, This proposal would lead to further limiting investment in
31 an already constrained transmission system which could result in
32 electricity shortages and decreased reliability;

33 NOW, THEREFORE, Your Memorialists respectfully pray that the
34 proposal to transition the Bonneville Power Administration from cost-
35 based rates to market-based rates, as expressed in the President's
36 fiscal year 2006 proposed budget, be rejected; and furthermore, your
37 memorialists respectfully pray that the proposal to add additional

1 transactions for inclusion into the Bonneville Power Administrations's
2 authorized debt limit be rejected.

3 BE IT RESOLVED, That copies of this Memorial be immediately
4 transmitted to the Honorable George W. Bush, President of the United
5 States, the President of the United States Senate, the Speaker of the
6 House of Representatives, and each member of Congress from the State of
7 Washington, and the Secretary of the United States Department of
8 Energy, Samuel W. Bodman.

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