

THE BELLINGHAM HERALD

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50 cents

PREP GOLF TOURNEYS

Bellingham girls eye another trophy; local golfers in title hunts, **B1**



'CHICKEN SOUP' CONTRIBUTOR

Acme woman writes inspirational story for series. **C1**

A FEAST FOR LOCAL BOOKWORMS

Ski to Sea used book sale opens today at library. **A3**

ENERGY

Ruling sets stage for higher power bills

Puget Sound Energy, BPA vow to fight for customers

HERALD WIRE SERVICES

Call it a decrease in benefits rather than a rate increase. Either way, Puget Sound Energy electricity customers will likely see their bills increase by an average of \$10.28 per month.

WHAT HAPPENED: The Bonneville Power Administration has

notified seven Northwest utilities, including PSE, said that it is suspending payments amounting to some \$25 million in a type of benefit that had been passed on as credits to utility customers.

HISTORY: The residential exchange program derives from a decades-old federal law man-

dating that publicly owned and investor-owned utilities share the benefits of hydroelectric power generation. The latest contract said BPA would provide investor-owned utilities — including Puget Sound Energy — an annual total of at least \$100 million and not more than \$300 million.

RULING CHANGES GAME: BPA's announcement follows a May 3 decision by the U.S. Court of Appeals for the 9th District. The court said BPA had overstepped its authority in

reaching a settlement in 2000 with investor-owned utilities. Publicly owned utilities had challenged the settlement.

WHO'S AFFECTED: Puget Sound Energy serves more than 1 million customers, including most electricity customers in Whatcom County.

Other utilities that have been benefiting from the program are Portland General Electric, Avista, Rocky Mountain Power, Pacific Power, NorthWestern Energy and Idaho Power.

WHAT'S NEXT: BPA spokesman Mike Hansen said the payments would be held in a reserve account "until we work through this issue." Mark Gendron, BPA vice president of requirements marketing, said BPA believed the court decision was "in error," and said that BPA was "exploring all potential viable avenues for rehearing, including by the full court if possible."

The seven utilities affected by the BPA decision said in a col-

lective statement that they "will pursue all available options necessary — judicial, administrative or legislative — to restore their customers' federal power benefits."

PSE, which must present any proposed take-away to the Washington Utilities and Transportation Commission, planned to file a request for a hearing with the commission today.

"We are going to work to fight for our customers," said PSE spokeswoman Martha Monfried.