

Message From Your Manager

*You Can Help
Keep Electric Rates
Affordable by
Getting Involved*



Dear Member,

Like all industries, Clearwater Power Company, your electric cooperative, is dealing with rising expenses. Two of the more prominent issues currently driving the increasing costs are the pending climate change legislation and wholesale power increases. The good news is that we do not plan to have any rate increases in 2009. In fact, CPC has not had a rate increase since August 2003. We even refunded excess margins back to our members in 2005, 2006, and 2007, equating to an approximate 3 percent rate decrease for each of those years.

Regardless of your opinion on climate change, this issue will be on everyone's mind for many years to come. In fact, Congress is already working on climate change legislation that will affect all Americans. For example, House Energy and Commerce Chairman Henry Waxman (D-CA) has sponsored a climate change bill (H.R. 2454) that could increase electric bills by 15 percent or more.

One way to make your voice heard on this issue is through the "Our Energy, Our Future" campaign that is designed to open the dialogue between elected officials and co-op members. By registering at www.ourenergy.coop or by filling out the form in July's billing insert, you can join thousands of other co-op members across the United States who have sent emails to their elected officials in Washington D.C. This campaign is designed to make sure your Senators and Congressmen understand that they need to make certain electricity remains affordable for everyone while we work to find solutions regarding climate change concerns.

The other big issue affecting our rates is the Bonneville Power Administration's (BPA) pending rate case. News releases from BPA have announced a potential wholesale increase ranging from 5 percent up to as high as 30 percent. We have been lobbying BPA heavily to do everything they can to keep this increase as low as possible and hope that it will be less than 10 percent. Because wholesale power costs account for almost half of our annual expenses, any increase from BPA has a significant effect on the retail electric rates you, the member, pay each month.

BPA expects to announce their increase at the end of July. At that time, we will begin our own retail rate analysis. I've asked my staff to evaluate their department expenses and come up with cost-cutting measures. Some of these have already been implemented. In spite of these actions, we will most likely need to have a rate increase in January 2010. I currently do not know what the amount of that increase will be, but I will continue to keep you informed as new information becomes available. Until then, rest assured that our number one priority is providing you safe, reliable, and affordable power.

Sincerely,

A handwritten signature in black ink, appearing to read "K. David Hagen". The signature is written in a cursive style with a long horizontal stroke at the end.

K. David Hagen
General Manager