



We congratulate Mr. Kempas and his crew for their film's acceptance into the prestigious Toronto International Film Festival.

In addition to some of the varied interests captured in the film, there are many other groups with complex interests, living and working in the Klamath River region. Our customers form a rainbow of unique and distinct energy users, and many of them keep telling us they desire low-cost, carbon-free hydroelectric power, a belief that is broadly held throughout the region.

This film clearly advocates on behalf of one unique perspective. However, our continued goal is to balance all interests with a reasonable and common-sense approach to providing reliable power at reasonable rates for our customers in the Klamath Basin and throughout our entire service territory.

The Klamath issue is incredibly complex and ever-changing. Shooting for this film stopped more than a year ago. In that time, significant conversations and negotiations have occurred. We feel that is important context for people to know, as they view this film.

Today, we are closer than we've ever been to a positive resolution for the Klamath; however, to maintain integrity and candor at the negotiating table, all parties involved have agreed to keep details confidential until we've reached a formal agreement. We remain at the settlement table with Oregon, California and federal officials, working toward a possible resolution. Those talks have been productive and we continue to meet.

Throughout the past number of years that we've been involved in relicensing of the Klamath project, we have been clearly consistent in stating our position: If elected officials feel that, as a matter of public policy and after careful consideration of independent scientific evidence, PacifiCorp should no longer operate the Klamath Hydroelectric Project, then as long as our customers are protected in terms of costs and liability, PacifiCorp would work with those elected officials, along with state and federal regulatory officials to facilitate their desired outcome for the Klamath basin community.

While we prefer the settlement route, we are also legally obligated on behalf of our customers to continue to pursue relicensing for these facilities, until we have a viable alternative. Given the complexity and competing interests associated with relicensing the Klamath hydroelectric project, it is likely that no single resolution will satisfy all stakeholders. However, we continue to strive to find a balanced and reasonable outcome that will best protect our customers from liability and provide them with reliable power at reasonable rates.

Again, we congratulate Mr. Kempas on the recognition of his work. We wish him well in the same spirit we're confident he wishes us only the best in achieving a balanced and beneficial resolution for the myriad of interests in the Klamath River region.