

Benton REA & Yakama Power Transaction

Topics We Will Cover

- Our Situation
- Our Research
- Board Decisions
- Negotiations
- Member Vote
- Communications
- Transition

Our Situation

- Yakama Power Functioning Utility for more than 10 years.
 - 400+ Yakama Power customers
- Yakama Nation Utility Franchise Fee
 - Agreement to provide services to cover the cost of the fee
- Letter From Yakama Nation
 - 1,150 members inside YN (11,400 total)

Our Research

- Staff, Attorneys, Consultants
 - Tribal Authority
 - Likely & Potential Outcomes
 - Trespass issues
 - Options

Board Direction

- Tough board issue
- Start a dialogue
- Key Elements of a Potential Agreement
 - No financial harm to Benton REA
 - Rates at or below Benton REA
 - Fair price for facilities
 - Reliability for members transferred to Yakama Power
 - 85/15
 - Future service area protection

Discussions & Negotiations

■ Process

- Mostly between key staff
- Agreements/Contracts reviewed by staff & council before consideration

■ Agreements presented to each entity governing bodies

- Benton REA Board unanimously voted to propose sale to the members
- Only approved Separation & Integration Agreement

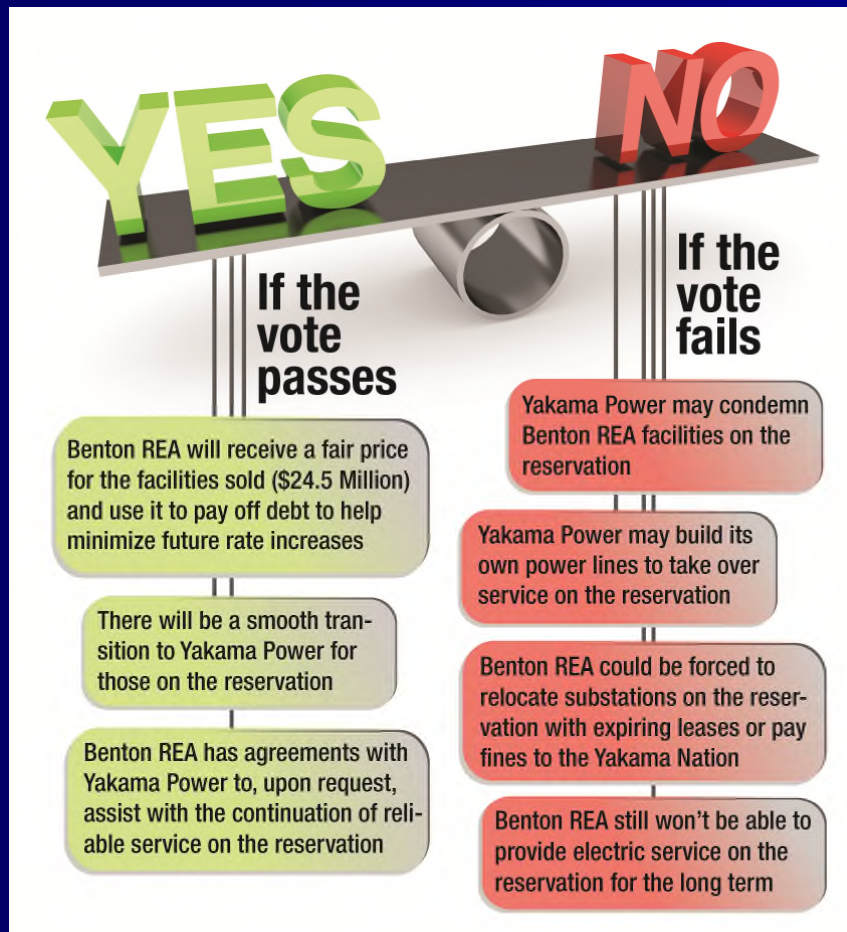
Member Vote

- Articles of Incorporation
 - More than 10% of assets require vote
 - 25% of membership participation (2,850)
 - Simple majority
- Survey & Ballot Systems
 - Hybrid (paper & web)

Member Communications

- Communications Plan
- Member Meetings
- FAQs
- Media Relations & Interviews
- Everyone reminding people to vote
- Simple & easy to understand

Communications



Member Vote Results

- 3,851 valid ballots (33.74%)
 - Yes = 3,458 (90%)
 - No = 384 (10%)
 - 1,169 web ballots
 - 2,715 paper ballots

Transition

- Vote concluded October 31st
- December 1st accounts transferred
 - Separation & Integration already started
 - Member communications
 - What to expect, last bill, office payments