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May 31, 2007

MEMORANDUM

TO: Council Members

FROM: John Shurts

SUBJECT: Update on developments relating to the recent Ninth Circuit decision invalidating

Bonneville's residential exchange settlement agreements

The June Council meeting includes an agenda item updating developments relating to the recent Ninth Circuit decision invalidating Bonneville's residential exchange settlement agreements, *Portland General Electric v. Bonneville*. Every day brings some new development, or reaction, or counter-reaction, or proposal, and so forth. I am not going to try to summarize here, as too much is in flux. I will gather with Terry Morlan and Mark Walker as we get closer to the meeting date to organize the various events into a summary.

Note that the end date for a decision by the United States or by another party in the case to seek reconsideration is June 17 (by my count), *after* the meeting. So we may not know even at the meeting if the litigation will continue.