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The Confederated Tribes of the Warm Springs Reservation of Oregon (Tribes), Portland General Electric Company (PGE), and the U.S. Department of the Interior today approved an agreement providing for the Tribes and PGE to share the 408-megawatt Pelton Round Butte hydroelectric project near Madras, Ore. Before the signing of the agreement, Warm Springs tribal elder, Delvis Heath, provided a beautiful traditional blessing for the ceremony.

Members of Tribes overwhelmingly approved the agreement in a referendum election held on March 28, 2000.

Under the agreement, PGE and the Tribes will pursue a joint license from the Federal Energy Regulatory Commission (FERC). Last year they had filed competing license applications. The agreement is also subject to approval by the Oregon Public Utility Commission and FERC.

The Tribes will purchase portions of the project from PGE over a proposed 50-year license period. On December 31, 2001, the Tribes would acquire one-third interest. Twenty years later, the Tribes have the option to increase their share to 49.99 percent plus an additional option to increase their ownership to 50.01 percent by 2037. The Tribes would purchase all shares at net book value (initial investment minus depreciation). In turn, the proposal provides that PGE's current annual payments of approximately $10 million to the Tribes for use of Tribal lands and resources would cease on December 31, 2001. In lieu of those payments, the Tribes would earn revenues by marketing their share of the power output from the project.

PGE would continue to operate the project, which would be managed by a joint operating committee of PGE and the Tribes.

The Department of the Interior retains its authorities to provide conditions for the protection of the environment including tribal lands and resources in the new license from the Federal Energy Regulatory Commission, but agrees not to use those authorities to require additional payments to the Tribes, or to alter the relationship between PGE and the Tribes set forth in the agreement.

Olney Patt, Jr., Chairman of the Warm Springs Tribal Council said, "We are very pleased to have taken this step toward our goal of economic self-sufficiency and control of tribal resources that generate revenue. Sharing ownership of the dams with our new partners begins to achieve such control."

PGE General Manager of Hydro Operations Jim Wyatt said, "PGE is delighted to enter into this agreement with the Tribes, and we are very positive about our partnership and the future of our business relationship."

Interior Deputy Secretary David Hayes said, "Interior is pleased to support the Tribes and PGE in establishing this unique and historic relationship, which will provide multiple benefits to the Tribes, PGE, and the public."

Pelton Round Butte is the largest hydroelectric project located entirely in Oregon. Its generators convert the energy of Deschutes River water into 1.5 billion kilowatt-hours of electric power per year, enough to supply a city the size of Salem.

PGE, headquartered in Portland, is Oregon's largest electric utility. The Tribes are a federally recognized Indian Tribe with a reservation in north Central Oregon, covering 1,000 square miles (640,000 acres), 12 miles north of Madras.
