

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel, interest on the 2005-C (Taxable) Bonds is not excluded from gross income for federal income tax purposes pursuant to Title XIII of the Tax Reform Act of 1986, as amended, or Section 103 of the Internal Revenue Code of 1954, as amended. See "TAX MATTERS" herein.

\$91,890,000
Energy Northwest
Columbia Generating Station Electric Revenue Bonds, Series 2005-C (Taxable)

Dated: Date of Delivery

Due: July 1, as shown below

The Energy Northwest Columbia Generating Station Electric Revenue Bonds, Series 2005-C (Taxable) (the "2005-C Bonds") are being issued to finance costs of acquiring fuel for the Columbia Generating Station. See "PURPOSE OF ISSUANCE" herein.

This Official Statement incorporates by reference portions of the Official Statement dated May 19, 2005 for the Energy Northwest Series 2005-A Bonds and Series 2005-B (Taxable) Bonds (the "2005-A/B Official Statement"). See "INTRODUCTION—INCLUSION BY REFERENCE" herein.

The 2005-C Bonds will be issued in fully registered form, registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2005-C Bonds. Individual purchases will be made in book-entry form, in denominations of \$5,000 and integral multiples thereof. So long as Cede & Co. is the Registered Owner of the 2005-C Bonds and nominee of DTC, references herein to holders or Registered Owners shall mean Cede & Co. and shall not mean the beneficial owners of the 2005-C Bonds. Principal of the 2005-C Bonds is payable at the principal office of The Bank of New York Trust Company, N.A., Seattle, Washington, as Trustee for the 2005-C Bonds. Interest on the 2005-C Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2006, by check or draft of the Trustee. As long as Cede & Co. is the Registered Owner as nominee of DTC, payments on the 2005-C Bonds will be made to such Registered Owner, and disbursement of such payments will be the responsibility of DTC and DTC participants as described herein. See "DESCRIPTION OF THE 2005-C BONDS — GENERAL" herein and Appendix C — "BOOK-ENTRY SYSTEM" in the 2005-A/B Official Statement.

The 2005-C Bonds are not subject to redemption prior to their stated maturities.

The 2005-C Bonds are special revenue obligations of Energy Northwest, payable solely from the sources described herein, including amounts derived pursuant to Columbia Net Billing Agreements with the United States of America, Department of Energy, acting by and through the Administrator of the

Bonneville Power Administration

from net billing credits and from cash payments from the Bonneville Fund, as described herein. Bonneville's obligations under the Columbia Net Billing Agreements are not general obligations of the United States of America and are not secured by the full faith and credit of the United States of America. The 2005-C Bonds are payable as provided herein on a subordinated basis to the Columbia Prior Lien Bonds and do not constitute an obligation of the State of Washington or of any political subdivision thereof, other than Energy Northwest. Energy Northwest has no taxing power. The Columbia Generating Station is a separate project of Energy Northwest, and the 2005-C Bonds are payable solely from the revenues of the Columbia Generating Station. See "SECURITY FOR THE NET BILLED BONDS" and Appendix A — "THE BONNEVILLE POWER ADMINISTRATION" in the 2005-A/B Official Statement.

Payment when due of the principal of and interest on the 2005-C Bonds will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the 2005-C Bonds. See "BOND INSURANCE" herein.

MATURITY SCHEDULE — See Inside Cover

The 2005-C Bonds are offered when, as, and if issued and received by the Underwriters, subject to the approval of legality by Preston Gates & Ellis LLP, Seattle Washington, Bond Counsel to Energy Northwest, and to certain other conditions. Certain tax matters will be passed upon by Orrick Herrington & Sutcliffe LLP, Special Tax Counsel. Certain legal matters will be passed upon for Energy Northwest by its General Counsel and for Bonneville by its General Counsel and by its Special Counsel, Orrick Herrington & Sutcliffe LLP. Certain legal matters will be passed upon for the Underwriters by Fulbright & Jaworski L.L.P., New York, New York, Counsel to the Underwriters. It is expected that the 2005-C Bonds will be available for delivery through the facilities of DTC on or about June 29, 2005.

Citigroup
JPMorgan
Seattle-Northwest Securities Corporation

Goldman, Sachs & Co.
Prager, Sealy & Co., LLC
UBS Financial Services Inc.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND PRICES

\$91,890,000 Columbia Generating Station Electric Revenue Bonds, Series 2005-C (Taxable)

Year (July 1)	<u>Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP*</u>
2009	\$ 11,475,000	4.34 %	100 %	29270CKW4
2010	11,970,000	4.40	100	29270CKX2
2011	12,500,000	4.49	100	29270CKY0
2012	13,060,000	4.52	100	29270CKZ7
2013	13,650,000	4.64	100	29270CLA1
2014	14,280,000	4.72	100	29270CLB9
2015	14,955,000	4.74	100	29270CLC7

* Copyright 2005, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondowners only at the time of issuance of the 2005-C Bonds, and Energy Northwest makes no representation with respect to such numbers and undertakes no responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2005-C Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2005-C Bonds.

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Richland, Washington 99352
Telephone (509) 372-5000
Facsimile (509) 372-5649**

Executive Board Members

Edward E. Coates, Chairman	Jack Janda
Dan G. Gunkel, Vice Chairman	Lawrence Kenney
Roger C. Sparks, Secretary	Sid W. Morrison
Amy C. Solomon, Assistant Secretary	David Remington
Tom Casey	Tim Sheldon
Vera Claussen	

Administrative Staff

Chief Executive Officer/Chief Nuclear Officer	Joseph V. Parrish
Vice President, Nuclear Generation	Dale K. Atkinson
Vice President, Technical Services	W. Scott Oxenford
Vice President, Energy/Business Services/Public Information Officer	John W. Baker
Vice President, Corporate Services/General Counsel/Chief Financial Officer	Albert E. Mouncer
Vice President, Organizational Performance and Staffing/Chief Knowledge Officer	Cheryl M. Whitcomb

Financial Advisor
Public Financial
Management, Inc.

Bond Counsel
Preston Gates & Ellis LLP

Trustee for the 2005-C Bonds
The Bank of New York Trust
Company, N.A.

**BONNEVILLE POWER ADMINISTRATION
P.O. Box 3621
Portland, Oregon 97208
Telephone (503) 230-3000**

Administrator and Chief Executive Officer	Stephen J. Wright
Deputy Administrator and Deputy Chief Executive Officer	Steven G. Hickok
Chief Operating Officer	Ruth B. Bennett
General Counsel	Randy A. Roach
Acting Chief Financial Officer	Nancy Mitman

Special Counsel
Orrick, Herrington & Sutcliffe LLP

No dealer, broker, salesman or other person has been authorized by Energy Northwest or by the Underwriters to give any information or to make any representations, other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by Energy Northwest or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2005-C Bonds, by any person in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

The information set forth herein has been furnished by Energy Northwest and Bonneville and includes information obtained from other sources that are believed to be reliable; however the information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Energy Northwest or Bonneville since the date hereof.

Other than with respect to information concerning Ambac Assurance Corporation (“Ambac”) contained under “BOND INSURANCE” herein and in Appendix K — “AMBAC SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY” in the 2005-A/B Official Statement, none of the information in this Official Statement has been supplied or verified by Ambac, and Ambac makes no representation or warranty, express or implied, as to: (i) the accuracy or completeness of such information; or (ii) the validity of the 2005-C Bonds.

None of the information herein was provided by the Participants or the Trustee, and none of such entities participated in the preparation of this Official Statement. This Official Statement has not been submitted to such entities for review, comment or approval.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward-looking statements. A number of important factors affecting Energy Northwest’s or Bonneville’s business and financial results could cause actual results to differ materially from those stated in the forward-looking statements. Energy Northwest and Bonneville do not plan to issue any updates or revisions to the forward-looking statements.

The prospective financial information included in this Official Statement, including any forward-looking or prospective financial information, has been prepared by, and is the responsibility of the management of Energy Northwest and Bonneville. PricewaterhouseCoopers LLP has neither examined nor compiled such prospective financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP reports included in this Official Statement relate to the historical financial information of Energy Northwest and Bonneville. They do not extend to the prospective financial information and should not be read to do so.

The Underwriters have provided the following sentence for inclusion in this Official Statement: “The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.”

IN CONNECTION WITH THE OFFERING OF THE 2005-C BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 2005-C BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

\$91,890,000

ENERGY NORTHWEST COLUMBIA GENERATING STATION ELECTRIC REVENUE BONDS, SERIES 2005-C (TAXABLE)

INTRODUCTION

Energy Northwest, a municipal corporation and a joint operating agency of the State of Washington (formerly known as the Washington Public Power Supply System), proposes to issue \$91,890,000 Columbia Generating Station Electric Revenue Bonds, Series 2005-C (Taxable) (the "2005-C Bonds"). In connection with the sale of the 2005-C Bonds, Energy Northwest furnishes this Official Statement, which includes the cover page and inside cover page hereof, the exhibits hereto and, by reference, portions of the Official Statement dated May 19, 2005 for the Energy Northwest Series 2005-A Bonds and Series 2005-B (Taxable) Bonds (the "2005-A/B Official Statement"). See "INCLUSION BY REFERENCE," below. The 2005-C Bonds are being issued pursuant to the Act and Resolution No. 1042, adopted on October 23, 1997, and a Supplemental Resolution adopted June 16, 2005 (as amended and supplemented, the "Columbia Electric Revenue Bond Resolution") to provide funds for acquiring fuel for the Columbia Generating Station.

INCLUSION BY REFERENCE

Subject to information contained elsewhere herein, information under the following captions in the 2005-A/B Official Statement is incorporated herein by reference:

INTRODUCTION—NET BILLING AGREEMENTS

DESCRIPTION OF THE 2005 BONDS—GENERAL

SECURITY FOR THE NET BILLED BONDS (except for information under the heading "BOND INSURANCE")

ENERGY NORTHWEST

INITIATIVE AND REFERENDUM

APPENDIX A—THE BONNEVILLE POWER ADMINISTRATION

APPENDIX B-1—FEDERAL SYSTEM AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2004 AND 2003

APPENDIX B-2—FEDERAL SYSTEM UNAUDITED SIX MONTH REPORT FOR THE SIX MONTHS ENDED MARCH 31, 2005

APPENDIX C—AUDITED FINANCIAL STATEMENTS OF ENERGY NORTHWEST PROJECTS FOR THE YEAR ENDED JUNE 30, 2004

APPENDIX D-2—PROPOSED FORM OF SUPPLEMENTAL OPINIONS OF BOND COUNSEL

APPENDIX F—ENERGY NORTHWEST PARTICIPANT UTILITY SHARE AMENDED FISCAL YEAR 2005 BUDGETS

APPENDIX G—SUMMARY OF CERTAIN PROVISIONS OF RELATED CONTRACTS

APPENDIX H-1—SUMMARY OF CERTAIN PROVISIONS OF ELECTRIC REVENUE BOND RESOLUTIONS AND SUPPLEMENTAL ELECTRIC REVENUE BOND RESOLUTIONS

APPENDIX H-2—SUMMARY OF CERTAIN PROVISIONS OF PRIOR LIEN RESOLUTIONS

APPENDIX I—BOOK-ENTRY SYSTEM

APPENDIX J—SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENTS

APPENDIX K—AMBAC SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

Any reference to the 2005 Bonds in the information from the 2005-A/B Official Statement incorporated herein by reference shall be read to include the 2005-C Bonds unless the context thereof clearly indicates that such information is only applicable to the Series 2005-A Bonds or the Series 2005-B Bonds. The 2005-A/B Official Statement is currently on file with

each of the nationally recognized securities information repositories within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, and the Municipal Securities Rulemaking Board. The 2005-A/B Official Statement is also available at the following web address:

<https://delivery.i-dealprospectus.com/?id=%3a%3c53%3e%2f%3d69%3b%3d>

ENERGY NORTHWEST

Energy Northwest was organized in 1957 as the Washington Public Power Supply System. By resolution of its Executive Board adopted on June 2, 1999, the Washington Public Power Supply System officially changed its name to Energy Northwest. It currently has 19 members, consisting of 16 public utility districts and the cities of Richland, Seattle and Tacoma, all located in the State of Washington. Energy Northwest has the authority, among other things, to acquire, construct and operate plants, works and facilities for the generation and transmission of electric power and energy and to issue bonds and other evidences of indebtedness to finance the same.

Energy Northwest owns and operates a nuclear electric generating station, the Columbia Generating Station (“Columbia Generating Station” or “Columbia”), with a net design electric rating of 1,153 megawatts. Energy Northwest also owns an operating hydroelectric facility, the Packwood Lake Hydroelectric Project (“Packwood”), with a name-plate rating of 27.5 megawatts. Energy Northwest also owns and operates the Nine Canyon Wind Project, which consists of 49 turbines with a maximum generating capacity of approximately 64 megawatts. Energy Northwest also owns and/or has financial responsibility for four other nuclear electric generating projects that have been terminated. For discussions concerning the terminated projects, see “ENERGY NORTHWEST — PROJECT 1,” “— PROJECT 3,” and “— PROJECTS 4 and 5” in the 2005-A/B Official Statement. Projects 1 and 3 and Columbia are collectively referred to herein as the “Net Billed Projects.” Each of Projects 1 and 3 and Columbia is financed and accounted for as a separate utility system. Projects 4 and 5 were financed and accounted for as a single utility system separate and apart from all other Energy Northwest projects. All of Energy Northwest’s projects are located in the State of Washington. For additional information relating to Energy Northwest, see “ENERGY NORTHWEST” in the 2005-A/B Official Statement.

The United States of America, Department of Energy (“DOE”), acting by and through the Administrator of the Bonneville Power Administration (“Bonneville”), has acquired the capability of Columbia. As more fully discussed under “SECURITY FOR THE NET BILLED BONDS — NET BILLING AND RELATED AGREEMENTS” in the 2005-A/B Official Statement, Bonneville pays Energy Northwest for such capability pursuant to Columbia Net Billing Agreements, with payments being made through a combination of credits against customer bills and cash payments from the Bonneville Fund. Bonneville’s obligations to make such payments under the Columbia Net Billing Agreements continue notwithstanding suspension or termination of Columbia.

THE BONNEVILLE POWER ADMINISTRATION

The information under this heading has been derived from information provided to Energy Northwest by Bonneville. For detailed information with respect to Bonneville, see Appendix A — “THE BONNEVILLE POWER ADMINISTRATION” in the 2005-A/B Official Statement.

Bonneville was created by Federal law in 1937 to market electric power from the Bonneville Dam and to construct facilities necessary to transmit such power. Today, Bonneville markets electric power from 30 federally-owned hydroelectric projects, most of which are located in the Columbia River Basin and all of which were constructed and are operated by the United States Army Corps of Engineers (the “Corps”) or the United States Bureau of Reclamation (the “Bureau”), and from several non-federally-owned projects, including the Columbia Generating Station. Bonneville sells and/or exchanges power under contracts with over 100 utilities in the Pacific Northwest and Pacific Southwest and with several industrial customers. It also owns and operates a high voltage transmission system comprising approximately 75% of the bulk transmission capacity in the Pacific Northwest.

Bonneville’s primary customer service area is the Pacific Northwest region, an area comprised of Oregon, Washington, Idaho, western Montana and small portions of California, Nevada, Utah and Wyoming (sometimes referred to herein as the “Pacific Northwest,” the “Northwest,” the “Region,” or “Regional”). Bonneville estimates that this 300,000 square mile service area has a population of approximately 11 million people. Electric power sold by Bonneville accounts for about 45% of the electric power consumed within the Region. Bonneville also exports power that is surplus to the needs of the Region to the Pacific Southwest, primarily to California.

Bonneville is one of four regional Federal power marketing agencies within the DOE. Bonneville is required by law to meet certain energy requirements in the Region and is authorized to acquire power resources, to implement conservation measures and to take other actions to enable it to carry out its purposes. Bonneville is also required by law to operate and maintain its transmission system and to provide transmission service to eligible customers and to undertake certain other programs, such as fish and wildlife protection, mitigation and enhancement.

Updated Bonneville Information

The following supplements the information found in Appendix A to the 2005-A/B Official Statement under the captions:

Appendix A — “BONNEVILLE POWER ADMINISTRATION—DEVELOPMENTS RELATING TO BONNEVILLE’S POWER MARKETING APPROACH AND BONNEVILLE’S FINANCIAL CONDITION—Fiscal Year 2005 Developments—*President’s Fiscal Year 2006 Budget*,” and Appendix A — “BONNEVILLE POWER ADMINISTRATION—MATTERS RELATING TO THE POWER AND TRANSMISSION BUSINESS LINES—Proposals for Federal Legislation and Administrative Action Relating to Bonneville”:

With respect to the President’s Fiscal Year 2006 Budget and proposals relating to certain nontraditional financing transactions, by letter dated June 1, 2005, the Director of the Office of Management and Budget submitted proposed legislation to Congress for its consideration. No hearings or related Congressional action have been scheduled for the proposal, although it is expected that the bill will be enrolled in both houses of Congress.

The proposal, if enacted, would count the outstanding principal amount of any capitalized contracts entered into by Bonneville after the date of enactment together with the outstanding principal amount of bonds issued by Bonneville to the United States Treasury against an overall limit of \$4.45 billion, increasing to \$4.65 billion in fiscal year 2008. The proposal would not count existing obligations secured by Bonneville, including Net Billed Bonds, against the overall limit. Net Billed Bonds issued in the future to refund existing Net Billed Bonds would also not count against the cap. However, obligations issued by Energy Northwest after the date of enactment to fund any “improvement or addition to, or renewal or replacement of the physical plant of” Columbia Generating Station under the Net Billing Agreements would also count against the overall limit.

Appendix A — “BONNEVILLE POWER ADMINISTRATION—DEVELOPMENTS RELATING TO BONNEVILLE’S POWER MARKETING APPROACH AND BONNEVILLE’S FINANCIAL CONDITION—Power Marketing After Fiscal Year 2006”:

In the winter of 2005, Bonneville adopted the portions of its Policy for Power Supply Role for Fiscal Years 2007 - 2011 and accompanying record of decision with respect to issues other than those relating to DSIs. Bonneville expects to adopt the portion of the Policy with respect to issues relating to DSIs in mid-June 2005. The Policy generally reflects the proposals included in the Draft Strategy. However, the ultimate load obligations that Bonneville will assume continue to be uncertain and Bonneville does not anticipate finally resolving its load obligations for the post-fiscal year 2006 period until some time later during fiscal year 2005.

Appendix A — “BONNEVILLE POWER ADMINISTRATION—BONNEVILLE LITIGATION—Residential Exchange Program Litigation”:

The Ninth Circuit Court has granted a motion to dismiss the challenges to the RPSAs.

Several of Bonneville’s customers have filed lawsuits in the Ninth Circuit Court challenging the June 2004 agreements and related agreements between Bonneville and the related Regional IOUs.

Appendix A — “BONNEVILLE POWER ADMINISTRATION—BONNEVILLE LITIGATION— Industrial Customers of Northwest Utilities, et al. v. Bonneville Power Administration”:

On May 24, 2005, the Ninth Circuit Court issued an opinion dismissing the petitions for lack of jurisdiction. Under Ninth Circuit Court rules, the petitioners have ninety days from the entry of the final order to request rehearing by the Ninth Circuit Court.

Appendix A — “BONNEVILLE POWER ADMINISTRATION—BONNEVILLE LITIGATION— Fiscal Year 2004 SN-CRAC Adjustment Litigation”:

Briefing has been completed and the parties await the scheduling of oral argument.

Appendix A — “BONNEVILLE POWER ADMINISTRATION—BONNEVILLE LITIGATION—Upper Columbia United Tribes Litigation”:

The parties have completed a memorandum of understanding and are in the process of filing a joint motion to dismiss the petition.

Appendix A — “BONNEVILLE POWER ADMINISTRATION—BONNEVILLE LITIGATION—ESA Litigation—National Wildlife Federation v. National Marine Fisheries Service”:

With respect to the 2004 Biological Opinion, on May 26, 2005, the court issued an opinion identifying several deficiencies in the 2004 Biological Opinion. The ruling is not yet final and further provides that the court retains jurisdiction of the matter until the ruling is made final. The United States has not determined whether it would appeal the matter notwithstanding that the court has not yet issued a final order in the case.

The court’s opinion does not specify a remedy or corrective action to cure the identified deficiencies, thus, the direct and immediate consequences of the ruling are not known. Ordinarily, in a case of judicial review of an agency’s plan or proposal, such as the 2004 Biological Opinion, the court is limited to remand of the matter to the agency, in this case NOAA Fisheries, to correct any infirmities in the plan or proposal. This remedy would lead to an amended or new biological opinion. Bonneville cannot predict the contents of an amended or new biological opinion, but it is possible that the amended or new biological opinion could lead to the Federal System’s bearing increased direct and indirect costs.

On June 10, 2005, the court ruled on plaintiffs’ application for preliminary and/or permanent injunctive relief seeking increased spill and increased river velocity through Columbia River and Snake River Federal System hydroelectric dams. The court granted a preliminary injunction to increase spill in the summer of 2005, but did not grant the requested injunction seeking increased river velocity. Bonneville estimates that the preliminary injunction will lead to foregone power revenues to Bonneville in fiscal year 2005 of between \$57 million and \$81 million, depending on factors such as weather, precipitation, stream flow conditions and power prices. The court did not grant any permanent injunctive relief.

On June 15, 2005, the United States filed with the Ninth Circuit Court (i) a notice of appeal seeking review of the lower court’s order granting preliminary injunction, and (ii) a motion seeking an emergency stay of the injunction pending the appeal.

Appendix A — “BONNEVILLE POWER ADMINISTRATION—BONNEVILLE LITIGATION—ESA Litigation—Aalsea Valley Alliance v. Evans”:

On June 16, 2005, NOAA issued its final policy for considering hatchery fish in making listing determinations under the ESA. It also made a final decision for 16 salmon populations, while deferring 11 other listing decisions for six months (for further scientific review). The hatchery listing policy establishes the criteria a hatchery stock must meet to be considered part of the same biological population as a naturally spawning population, establishes that biologically related hatchery fish will be listed under the ESA when the related naturally spawning population is listed, and that the extinction of the entire biological population (natural and hatchery fish) will be considered when conducting a jeopardy analysis. Finally, it allows the harvest of listed hatchery fish that are surplus to conservation needs. Under the new listing decision, more than 130 hatchery stocks (closely related to naturally spawning stocks) are now listed under the Act.

THE 2005-C BONDS

The 2005-C Bonds are special revenue obligations of Energy Northwest issued pursuant to the Columbia Electric Revenue Bond Resolution. Bonds issued pursuant to the Columbia Prior Lien Resolution are referred to herein as the “Columbia Prior Lien Bonds,” and bonds issued pursuant to the Columbia Electric Revenue Bond Resolution are referred to herein as the “Columbia Electric Revenue Bonds.” The Columbia Prior Lien Bonds, the Columbia Electric Revenue Bonds, including the 2005-C Bonds, and any bonds or notes issued pursuant to the Separate Subordinated Resolutions are collectively referred to herein as the “Columbia Net Billed Bonds.” The 2005-C Bonds are secured, on a subordinated basis to the Columbia Prior Lien Bonds, which are outstanding under the Columbia Prior Lien Resolution, by a pledge of all receipts, income and revenues derived by Energy Northwest from the ownership and operation of Columbia. The 2005-C Bonds are secured on parity with the Columbia Electric Revenue Bonds, which are outstanding pursuant to the Columbia Electric Revenue Bond Resolution, and will be secured on a parity with any additional bonds, notes or other obligations of Energy Northwest that are secured pursuant to the Columbia Electric Revenue Bond Resolution or any Columbia Separate Subordinated Resolution.

There are no restrictions under the Columbia Electric Revenue Bond Resolution on the issuance of debt pursuant to any of the above mentioned Separate Subordinated Resolutions, so long as the Columbia Net Billing Agreements and the other Columbia agreements are in effect and no event of default is existing under the Columbia Electric Revenue Bond Resolution. See “SECURITY FOR THE NET BILLED BONDS — ADDITIONAL INDEBTEDNESS” in the 2005-A/B Official Statement.

Energy Northwest has covenanted that it will not issue any more Columbia Prior Lien Bonds or any other bonds, warrants or other obligations that will rank on a parity with the pledge of and lien on the revenues created by the Columbia Prior Lien Resolution.

The 2005-C Bonds are secured on a subordinated basis to the Columbia Prior Lien Bonds from amounts derived pursuant to Columbia Net Billing Agreements with and through Bonneville from net billing credits and from cash payments from the Bonneville Fund, as described herein. The receipts, income and revenues derived from Columbia secure the 2005-C Bonds. Accordingly, the owners of the 2005-C Bonds issued for Columbia will have no claim on the receipts, income and revenues securing any other Energy Northwest Project.

For further information, see “INTRODUCTION — NET BILLING AGREEMENTS” and “SECURITY FOR THE NET BILLED BONDS” in the 2005-A/B Official Statement. For further information on the Columbia Net Billed Bonds outstanding as of April 1, 2005, see “ENERGY NORTHWEST — ENERGY NORTHWEST INDEBTEDNESS” in the 2005-A/B Official Statement.

DESCRIPTION OF THE 2005-C BONDS

GENERAL

The 2005-C Bonds will initially be dated the date of their delivery to the Underwriters and will mature on July 1 in the years and bear interest, payable on January 1 and July 1 of each year, commencing January 1, 2006, at the rates shown on the inside cover of this Official Statement. Interest on the 2005-C Bonds will be calculated based on a 360-day year, consisting of twelve 30-day months. The Bank of New York Trust Company, N.A., Seattle, Washington, has been appointed the Trustee, Paying Agent and Registrar for the 2005-C Bonds (collectively, the “Trustee”). For so long as the 2005-C Bonds are registered in the name of Cede & Co. (as nominee of The Depository Trust Company, New York, New York (“DTC”)) or its registered assigns, payments of principal and interest shall be made in accordance with the operational arrangements of DTC. In the event that the 2005-C Bonds are no longer registered in the name of Cede & Co., interest on the 2005-C Bonds is payable by check or draft mailed to the Registered Owners thereof by the Trustee at the addresses appearing on the registration books on the 15th day of the month preceding the interest payment date, and principal of the 2005-C Bonds is payable at the office of the Trustee in Seattle, Washington; provided, however, that upon the written request of a Registered Owner of at least \$1,000,000 in aggregate principal amount of the 2005-C Bonds outstanding, interest will be paid by wire transfer on the date due to an account with a bank located in the United States.

The 2005-C Bonds will be available to the ultimate purchasers in book-entry form only, in denominations of \$5,000 and integral multiples thereof. For further information on the book-entry system and registration and transfer of the 2005-C Bonds, see “DESCRIPTION OF THE 2005 BONDS – GENERAL – Book-Entry Only System; Transferability and Registration” and “ — Discontinuation of Book-Entry Transfer System” in the 2005-A/B Official Statement.

REDEMPTION

Optional Redemption

The 2005-C Bonds are not subject to redemption prior to their stated maturities.

Open Market Purchases

Energy Northwest has reserved the right to purchase any 2005-C Bonds on the open market at any time and at any price.

DEFEASANCE

In addition to the requirements for defeasance under the Columbia Electric Revenue Bond Resolution (see Appendix H-1, “SUMMARY OF CERTAIN PROVISIONS OF ELECTRIC REVENUE BOND RESOLUTION AND SUPPLEMENTAL ELECTRIC REVENUE BOND RESOLUTION — Defeasance (Article XI)” in the 2005-A/B Official Statement), the 2005-C Bonds may be defeased only upon delivery to the Trustee of (a) either (i) a ruling from the Internal Revenue Service to the effect that the beneficial owners of such 2005-C Bonds will not recognize income, gain or loss for federal income tax purposes as a result of Energy Northwest’s defeasance of such 2005-C Bonds and will be subject to federal income tax on the same amount and in the same manner and at the same time as would have been the case if such defeasance had not occurred or (ii) an Opinion of Counsel to the same effect as the ruling described in clause (i) of this paragraph; and (b) an Opinion of Counsel to the effect that any deposit of escrowed funds or securities to accomplish such defeasance shall not result in Energy Northwest or the Trustee becoming or being deemed to be an “investment company” under the Investment Company Act of 1940.

PURPOSE OF ISSUANCE

The 2005-C Bonds are being issued to provide funds for the purchase of fuel for the Columbia Generating Station and to pay costs of issuance of the 2005-C Bonds. To meet future needs for fuel for the Columbia Generating Station reactor, Energy Northwest expects to purchase approximately \$93 million of uranium in calendar years 2005, 2006 and 2007.

BOND INSURANCE

Concurrently with the issuance of the of the 2005-C Bonds, Ambac Assurance Corporation (“Ambac”) will issue its Financial Guaranty Insurance Policy for the 2005-C Bonds.

The following information has been furnished by Ambac for use in this Official Statement. Reference is made to Appendix K in the 2005-A/B Official Statement for a specimen of Ambac’s policy.

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the “Financial Guaranty Insurance Policy”) relating to the 2005-C Bonds effective as of the date of issuance of the 2005-C Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York or any successor thereto (the “Insurance Trustee”) that portion of the principal of and interest on the 2005-C Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received written notice of Nonpayment from the Trustee. The insurance will extend for the term of the 2005-C Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates, in the case of principal, and on stated dates for payment, in the case of interest. If the 2005-C Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding 2005-C Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding 2005-C Bonds on the originally scheduled interest and principal payment dates. In the event of any acceleration of the principal of the 2005-C Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee has notice that any payment of principal of or interest on an Insured Bond which has become Due for Payment and which is made to a holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such holder will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of 2005-C Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such 2005-C Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of holder entitlement to interest payments and an appropriate assignment of the holder’s right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the 2005-C Bond, appurtenant coupon, if any, or right to payment of principal or interest on such Insured Bond and will be fully subrogated to the surrendering holder’s rights to payment.

Ambac Assurance Corporation

Ambac Assurance Corporation (“Ambac Assurance”) is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately \$8,585,000,000 (unaudited) and statutory capital of \$5,251,000,000 (unaudited) as of March 31, 2005. Statutory capital consists of Ambac Assurance’s policyholders’ surplus and statutory contingency reserve. Standard & Poor’s Credit Markets Services, a Division of The McGraw-Hill Companies, Moody’s Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical

to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Obligor of the 2005-C Bonds.

Ambac Assurance makes no representation regarding the 2005-C Bonds or the advisability of investing in the 2005-C Bonds and makes no representation regarding, nor has it participated in the preparation of, this Official Statement other than the information supplied by Ambac Assurance and presented under the heading "BOND INSURANCE" herein.

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

1. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and filed on March 15, 2005;
2. The Company's Current Report on Form 8-K dated April 5, 2005 and filed on April 11, 2005;
3. The Company's Current Report on Form 8-K dated and filed on April 20, 2005;
4. The Company's Current Report on Form 8-K dated May 3, 2005 and filed on May 5, 2005; and
5. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2005 and filed on May 10, 2005.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information."

Rights of Ambac

Notwithstanding anything in the Columbia Electric Revenue Bond Resolution to the contrary and in addition to the provisions of such resolution relating to control of proceedings in the case of an Event of Default, so long as the Bond Insurance Policy is then in effect and Ambac has not failed or refused to perform its obligations with respect to the Bond Insurance Policy, upon the occurrence and continuance of an Event of Default as defined in the Columbia Electric Revenue Bond Resolution, Ambac shall be entitled to control and direct the enforcement of all rights and remedies granted to the Registered Owners of the 2005-C Bonds or to the Trustee for the benefit of such Registered Owners under such resolution. Whether or not an Event of Default has occurred and is continuing, so long as the Bond Insurance Policy is then in effect and Ambac has not failed or refused to perform its obligations with respect to the Bond Insurance Policy, the Columbia Electric Revenue Bond Resolution provide that Ambac is deemed to be the Registered Owner of all 2005-C Bonds for purposes of (a) initiating any action or effecting any demand that such Registered Owners may initiate or effect and (b) approving or disapproving any action, forbearance or amendment that is subject to Registered Owner approval.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS:

Principal of 2005-C Bonds	\$ <u>91,890,000</u>
Total	\$ 91,890,000

USES OF FUNDS:

Acquisition of Fuel	\$ 90,872,434
Costs of Issuance*	<u>1,017,566</u>
Total	\$ 91,890,000

* Including bond insurance premium and underwriter’s compensation.

LEGAL MATTERS

The approving opinions of Preston Gates & Ellis LLP, Bond Counsel to Energy Northwest, as to the legality of the 2005-C Bonds will be in substantially the form set forth in Exhibit A — “PROPOSED FORM OF OPINION OF BOND COUNSEL.” The opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel, as to the inclusion of the interest on the 2005-C Bonds in gross income of the beneficial owner thereof for federal income tax purposes will be in substantially the form appended hereto in Exhibit B — “PROPOSED FORM OF OPINION OF SPECIAL TAX COUNSEL.”

Bond Counsel will also render a supplemental opinion with respect to the validity and enforceability of the Net Billing Agreements and the Assignment Agreements. As to the due authorization, execution and delivery of such Net Billing Agreements and the Assignment Agreements by Bonneville and certain other matters relating to Bonneville, Bond Counsel will rely on the opinion of Bonneville’s General Counsel. In rendering its opinion with respect to the Net Billing Agreements, Bond Counsel will assume, among other things, (1) the due incorporation and valid organization and existence as a municipality, publicly owned utility or rural electric cooperative, as applicable, of each Participant, (2) the due authorization by such Participant of the requisite governmental or corporate action, as the case may be, and due execution and delivery of the Net Billing Agreements to which such Participant is a party and that all assignments of any Participants’ obligations under the Net Billing Agreements were properly done and (3) with respect to the Participants’ obligations under the Net Billing Agreements, no conflict or violations under applicable law. In rendering its opinion as to the enforceability of the Net Billing Agreements against the Participants, Bond Counsel has assumed the continued obligations of Bonneville, and performance by Bonneville of its obligations under, the Net Billing Agreements and Assignment Agreements, and such opinion does not address the effect on the enforceability against the Participants if Bonneville is no longer obligated under the Net Billing Agreements and Assignment Agreements or of nonperformance thereunder by Bonneville. The assumption in the prior sentence does not affect Bond Counsel’s opinion as to the enforceability of the Net Billing Agreements and Assignment Agreements against Bonneville. In the event a Participant’s obligations under the Net Billing Agreements are no longer enforceable against such Participant, it is the opinion of Bond Counsel that Bonneville is obligated under the Net Billing Agreements, the Assignment Agreements and the 1989 Letter Agreement to pay to Energy Northwest the amounts required to be paid by such Participant under the Net Billing Agreement. A copy of the proposed form of supplemental opinion of Bond Counsel is set forth in Appendix D-2 — “PROPOSED FORM OF SUPPLEMENTAL OPINIONS OF BOND COUNSEL” in the 2005-A/B Official Statement.

See “SECURITY FOR THE NET BILLED BONDS — NET BILLING AND RELATED AGREEMENTS — Assignment Agreements” in the 2005-A/B Official Statement for a discussion of Bonneville’s agreement to pay directly to Energy Northwest certain amounts that are not paid by a Participant and for a discussion of certain of Bonneville’s obligations under the Assignment Agreements.

Certain legal matters, including the enforceability against Bonneville of the Net Billing Agreements and the Assignment Agreements relating to Columbia, will be passed upon for Bonneville by its General Counsel and by its Special Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

Certain legal matters will be passed upon for the Underwriters by Fulbright & Jaworski L.L.P., New York, New York, Counsel to the Underwriters.

TAX MATTERS

In the opinion of Special Tax Counsel, interest on the 2005-C Bonds is not excluded from gross income for federal income tax purposes pursuant to Title XIII of the Tax Reform Act of 1986, as amended, or Section 103 of the Internal Revenue Code of 1954 Code, as amended. Special Tax Counsel expresses no opinion regarding any other federal or state tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2005-C Bonds. A complete

copy of the proposed form of opinion of Special Tax Counsel is set forth in Exhibit B — “PROPOSED FORM OF OPINION OF SPECIAL TAX COUNSEL.”

The following is a summary of certain of the United States federal income tax consequences of the ownership of the 2005-C Bonds as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Internal Revenue Code of 1986, as amended (the “1986 Code”), as well as Treasury regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of owning the 2005-C Bonds generally and does not purport to furnish information in the level of detail or with the investor’s specific tax circumstances that would be provided by an investor’s own tax advisor. For example, it generally is addressed only to original purchasers of the 2005-C Bonds, deals only with 2005-C Bonds held as capital assets within the meaning of Section 1221 of the 1986 Code and does not address tax consequences to beneficial owners that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, foreign investors, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, FASITs, S corporations, persons that beneficially own 2005-C Bonds as part of a straddle, hedge, integrated or conversion transaction, or persons whose “functional currency” is not the United States dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to an owner of an equity interest in a beneficial owner of 2005-C Bonds.

PAYMENT OF INTEREST

The 2005-C Bonds will be treated, for federal income tax purposes, as a debt instrument. Accordingly, interest will be included in the income of the beneficial owner as it is paid (or, if the beneficial owner is an accrual method taxpayer, as it is accrued) as interest.

SALE AND EXCHANGE OF 2005-C BONDS

Upon a sale or exchange of a 2005-C Bond, a beneficial owner generally will recognize gain or loss on the 2005-C Bonds equal to the difference between the amount realized on the sale and the beneficial owner’s adjusted tax basis in such 2005-C Bond. Such gain or loss generally will be capital gain or loss. The adjusted basis of the beneficial owner of a 2005-C Bond will (in general) equal its original purchase price and will be decreased by any principal payments received on the 2005-C Bond. In general, if the 2005-C Bond is held for longer than one year, any gain or loss would be long term capital gain or loss, and capital losses are subject to certain limitations.

BACKUP WITHHOLDING AND INFORMATION REPORTING

A “backup” withholding tax and certain information reporting requirements may apply to payments of principal and interest made to, and the proceeds of disposition of a 2005-C Bond by, certain beneficial owners. Backup withholding will apply only if (i) the beneficial owner fails to furnish its Taxpayer Identification Number (“TIN”) to the payor, (ii) the IRS notifies the payor that the beneficial owner has furnished an incorrect TIN, (iii) the IRS notifies the payor that the beneficial owner has failed to report properly payments of interest and dividends or (iv) under certain circumstances, the beneficial owner fails to certify, under penalty of perjury, that it has both furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. Backup withholding will not apply with respect to payments made to certain exempt recipients, such as corporations and financial institutions. Beneficial owners should consult their tax advisors regarding their qualification for exemption from backup withholding and the procedure for obtaining such an exemption.

The amount of any backup withholding from a payment to a beneficial owner will be allowed as a credit against such beneficial owner’s federal income tax liability and may entitle such beneficial owner to a refund, provided that the required information is furnished to the IRS.

NON-UNITED STATES BENEFICIAL OWNERS

A “non-United States beneficial owner” is any person who is the beneficial owner of 2005-C Bonds other than (i) a citizen or resident of the United States, (ii) a corporation or partnership organized in or under the laws of the United States, any state thereof or the District of Columbia (except, in the case of a partnership, to the extent applicable regulations provide otherwise), or (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (a) a United States court is able to exercise primary supervision over the trust’s administration and (b) one or more United States persons have the authority to control all of the trust’s substantial decisions. A non-United States beneficial owner

generally will not be subject to United States federal withholding tax with respect to payments of interest on 2005-C Bonds, provided that the beneficial owner of the 2005-C Bond certifies under penalties of perjury as to its status as a non-United States beneficial owner and complies with applicable identification procedures. In certain circumstances, the above-described certification can be provided by a bank or other financial institution.

In addition, a non-United States beneficial owner generally will not be subject to United States federal income tax on any gain realized upon the sale, retirement, defeasance or other disposition of a 2005-C Bond, unless such beneficial owner is an individual who is present in the United States for 183 days or more during the taxable year of such sale, retirement or other disposition and certain other conditions are met. If a non-United States beneficial owner is engaged in a trade or business in the United States and income or gain from the 2005-C Bond is effectively connected with the conduct of such trade or business, the non-United States beneficial owner will be exempt from withholding tax if appropriate certification has been provided, but will generally be subject to regular United States income tax on such income and gain in the same manner as if it were a United States beneficial owner. In addition, if such non-United States beneficial owner is a foreign corporation, it may be subject to a branch profits tax equal to 30 percent of its effectively connected earnings and profits for the taxable year, subject to adjustments.

Backup withholding will not apply to payments of principal and interest made to a non-United States beneficial owner on a 2005-C Bond with respect to which the beneficial owner has provided the required certification under penalties of perjury of its non-United States beneficial owner status or has otherwise established an exemption, provided in each case that Energy Northwest or its paying agent, as the case may be, does not have actual knowledge that the payee is a United States person. Payments on the sale, exchange or other disposition of a 2005-C Bond by a non-United States beneficial owner to or through a foreign office a broker will not be subject to backup withholding. However, if such broker is (i) a United States person, (ii) a controlled foreign corporation for United States tax purposes, (iii) a foreign person 50 percent or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, (iv) a foreign partnership in which United States persons hold more than 50 percent of the income or capital interests, (v) a foreign partnership which, at any time during its tax year, is engaged in the conduct of a trade or business in the United States or (vi) one of certain United States branches of foreign banks or insurance companies, information reporting will be required unless the non-United States beneficial owner has provided certain required information or documentation to the broker or to establish its non-United States status or otherwise establishes an exemption. Payments to or through the United States office of a broker will be subject to backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury to its non-United States beneficial owner status or otherwise establishes an exemption.

The Treasury Department has recently issued final Treasury Regulations which revise various procedural matters relating to withholding taxes. Non-United States beneficial owners should consult their tax advisors regarding the application of United States federal income tax laws, including information reporting and backup withholding, to their particular situations.

RATINGS

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), Moody's Investors Service ("Moody's") and Fitch, Inc. ("Fitch") are expected to assign the 2005-C Bonds the ratings of AAA, Aaa and AAA, respectively, with the understanding that upon delivery of the 2005-C Bonds, a policy insuring the payment when due of principal of and interest on the 2005-C Bonds will be issued by Ambac Assurance Corporation. The 2005-C Bonds received underlying ratings of AA-, Aaa and AA-, respectively from S&P, Moody's and Fitch. Ratings were applied for by Energy Northwest and certain information was supplied by Energy Northwest and Bonneville to such rating agencies to be considered in evaluating the 2005-C Bonds. Such ratings reflect only the respective views of such rating agencies, and an explanation of the significance of such ratings may be obtained only from the rating agency furnishing the same. There is no assurance that any or all of such ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2005-C Bonds.

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the 2005-C Bonds from Energy Northwest and to make a bona fide public offering of such Bonds at not in excess of the public offering prices set forth on the inside cover of this Official Statement. Underwriters' compensation under the bond purchase contract is \$402,209. The Underwriters' obligations are subject to certain conditions precedent contained in the bond purchase contract, and they will be obligated to purchase all of the 2005-C Bonds if any 2005-C Bonds are purchased. The 2005-C Bonds may be offered and sold to certain dealers, banks and others (including underwriters and other dealers depositing such 2005-C Bonds into investment trusts) at prices lower than such initial offering prices and such initial offering prices, may be changed from time to time by the Underwriters of the 2005-C Bonds.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"), Energy Northwest and Bonneville will enter into Continuing Disclosure Agreements, to be dated the date of delivery of the 2005-C Bonds, for the benefit of the owners and beneficial owners of the 2005-C Bonds, to provide certain financial information and operating data relating to Energy Northwest (the "Energy Northwest Annual Information"), certain financial information and operating data relating to Bonneville (the "Bonneville Annual Information" and, together with Energy Northwest Annual Information, the "Annual Information") and to provide notices of the occurrence of certain enumerated events with respect to the 2005-C Bonds, if material. Energy Northwest Annual Information is to be provided not later than December 31 of each year, commencing December 31, 2005. The Bonneville Annual Information is to be provided not later than March 31 of each year, commencing March 31, 2006. The Annual Information will be filed with each Nationally Recognized Municipal Securities Information Repository (the "NRMSIRs") and with the State Depository for the State of Washington, if such State Depository exists (the "State Depository") (or provided to a transmitting entity approved by the SEC). At this time, there is no State Depository. Notices of aforesaid enumerated events will be filed by Energy Northwest with the NRMSIRs or the Municipal Securities Rulemaking Board (the "MSRB") and with the State Depository. Energy Northwest and Bonneville have complied with all previous undertakings with respect to Rule 15c2-12. The nature of the information to be provided in the Annual Information and the notices of such material events is set forth in Appendix J — "SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENTS" in the 2005-A/B Official Statement.

MISCELLANEOUS

The references, excerpts and summaries contained herein of the Columbia Prior Lien Resolution, Columbia Electric Revenue Bond Resolution, the Columbia Net Billing Agreements, the Columbia Project Agreement, the Columbia Assignment Agreements and any other documents or agreements referred to herein do not purport to be complete statements of the provisions of such documents or agreements, and reference should be made to such documents or agreements for a full and complete statement of all matters relating to the 2005-C Bonds, the basic agreements securing the 2005-C Bonds and the rights and obligations of the holders and beneficial owners thereof. Copies of the forms of the Columbia Prior Lien Resolution, Columbia Electric Revenue Bond Resolution, Columbia Net Billing Agreements, the Columbia Project Agreement, Columbia Assignment Agreements and other reports, documents, agreements and studies referred to herein and in the Exhibits hereto are available upon request at the office of Energy Northwest in Richland, Washington.

The authorizations, agreements and covenants of Energy Northwest are set forth in the Columbia Prior Lien Resolution and Columbia Electric Revenue Bond Resolution, and neither this Official Statement nor any advertisement of the 2005-C Bonds is to be construed as a contract with the holders or the beneficial owners of such 2005-C Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so identified, are intended merely as such and not as representations of fact.

Bonneville has furnished the information herein relating to it.

ENERGY NORTHWEST

By: /s/ Edward E. Coates
Chairman, Executive Board

By: /s/ Richard A. Bresnahan
Authorized Officer

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EXHIBIT A

PROPOSED FORM OF OPINION OF BOND COUNSEL

Preston|Gates|Ellis LLP

Energy Northwest

Citigroup Global Markets Inc.

Goldman, Sachs & Co.

J.P. Morgan Securities Inc.

Prager, Sealy & Co., LLC

Seattle-Northwest Securities Corporation

UBS Financial Services Inc.

Ladies and Gentlemen:

We have acted as bond counsel to Energy Northwest, a municipal corporation and joint operating agency of the State of Washington (the "State"), created and existing under and pursuant to Chapter 43.52 of the Revised Code of Washington, as amended (the "Act"), in connection with the issuance of its \$91,890,000 Columbia Generating Station Electric Revenue Bonds, Series 2005-C (the "2005-C Bonds"). The 2005-C Bonds are authorized to be issued pursuant to (i) the Act, (ii) Resolution No. 1042 (the "Bond Resolution"), adopted by the Executive Board of Energy Northwest (the "Executive Board") on October 23, 1997, as amended by resolutions adopted on March 21, 2001, May 21, 2004 and May 19, 2005, and (iii) a Supplemental Resolution adopted by the Executive Board on June 16, 2005 (the "Supplemental Resolution"). The Bond Resolution and the Supplemental Resolution are hereinafter collectively referred to as the "Bond Resolutions." All capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the Bond Resolutions.

The 2005-C Bonds are not subject to redemption prior to their stated maturities. The 2005-C Bonds rank junior as to security and payment to bonds issued and outstanding under the Prior Lien Resolution. The 2005-C Bonds rank equally as to security and payment with all other Parity Debt.

In connection with the issuance of the 2005-C Bonds, we have examined a certified transcript of all of the proceedings taken in the matter of the issuance of the 2005-C Bonds. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

From such examination it is our opinion, as of this date and under existing law, that:

1. Energy Northwest is a municipal corporation and joint operating agency, duly created and existing under the laws of the State, including particularly the Act, having the right and power under the Act to acquire, construct, own and operate Columbia, adopt the Bond Resolutions, issue the 2005-C Bonds and apply the proceeds of the 2005-C Bonds in accordance with the Supplemental Resolution.

2. The Bond Resolutions have been duly and lawfully adopted by Energy Northwest, are in full force and effect, are valid and binding upon Energy Northwest and are enforceable in accordance with their terms. Energy Northwest's covenants in the Prior Lien Resolution to deposit all revenue derived from the Project into the Revenue Fund and to pay principal of and interest on the Columbia Prior Lien Bonds prior to paying the principal of and interest on the 2005-C Bonds and other Parity Debt are valid and binding upon Energy Northwest and are enforceable in accordance with their terms.

3. The 2005-C Bonds have been duly and validly authorized and issued under the Act and the Bond Resolutions and constitute valid and binding special revenue obligations of Energy Northwest, enforceable in accordance with their terms and the terms of the Bond Resolutions. The 2005-C Bonds are payable solely from the revenues and other amounts pledged to such payment under the Bond Resolutions. The 2005-C Bonds are not a debt of the State or any political subdivision thereof (other than Energy Northwest), and neither the State nor any other political subdivision of the State is liable thereon.

The opinions above are qualified to the extent that the enforcement of the rights and remedies of the owners of the 2005-C Bonds may be limited by laws relating to bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion, and we express no opinion regarding the enforceability of provisions in the Bond Resolutions that provide for rights of indemnification.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PRESTON GATES & ELLIS LLP

By
Nancy M. Neraas

EXHIBIT B

PROPOSED FORM OF OPINION OF SPECIAL TAX COUNSEL

Energy Northwest
P.O. Box 968
Richland, Washington 99352

Energy Northwest
\$91,890,000 Columbia Generating Station Electric Revenue Bonds
Series 2005-C (Taxable)

Ladies and Gentlemen:

We have acted as Special Tax Counsel in connection with the issuance by Energy Northwest (formerly known as the Washington Public Power Supply System), a municipal corporation and joint operating agency of the State of Washington, of \$91,890,000 aggregate principal amount of Columbia Generating Station Electric Revenue Bonds, Series 2005-C (Taxable) (the "Bonds"). The Bonds are being issued pursuant to Chapter 43.52 of the Revised Code of Washington, as amended (the "Act"), and Resolution No. 1042, adopted by Energy Northwest on October 23, 1997, as amended and supplemented, and a supplemental resolution adopted on June 16, 2005 (the "Resolutions"). The Bonds are being issued to provide funds for the purchase of fuel for the Columbia Generating Station and to pay costs of issuing the Bonds.

In such connection, we have reviewed certified copies of the Resolutions, the Tax Matters Certificate executed and delivered by Energy Northwest on the date hereof (the "Tax Certificate"); the opinion of Preston Gates & Ellis LLP, as Bond Counsel; additional certificates of Energy Northwest, Bonneville Power Administration and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinion set forth herein.

The opinion expressed herein is based upon an analysis of existing laws, regulations, rulings and court decisions. Such opinion may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions and the Tax Certificate. We call attention to the fact that the rights and obligations under the Bonds, the Resolutions and the Tax Certificate and their enforceability may be subject to the bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against bodies politic and corporate of the State of Washington and against Bonneville Power Administration. Finally, as Special Tax Counsel we undertake no responsibility for the accuracy, completeness or fairness of any portion of the Official Statement of Energy Northwest, dated June 16, 2005, relating to the Bonds or other offering material relating to those Bonds and express no opinion with respect thereto.

We have relied with your consent on the opinion of Preston Gates & Ellis LLP, Bond Counsel, with respect to the validity of the Bonds and with respect to the due authorization and issuance of the Bonds.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that (i) interest on the Bonds is not excluded from gross income for federal income tax purposes under Title XIII of the Tax Reform Act of 1986, as amended (the "1986 Act"), and under Section 103 of the Internal Revenue Code of 1986, as amended, and (ii) interest on the Bonds is not excluded from gross income for federal income tax purposes under Title XIII of the 1986 Act and Section 103 of the Internal Revenue Code of 1954, as amended.

Except as expressly stated herein, we express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP