

NEW ISSUE — BOOK-ENTRY ONLY

Columbia 2006-C Bonds: In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel, based on an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Columbia 2006-C Bonds is 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 Section 103 of the Internal Revenue Code of 1986, as amended (the "1986 Code"). In the further opinion of Special Tax Counsel, interest on the Columbia 2006-C Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Tax Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. See "TAX MATTERS" herein.

Columbia 2006-D (Taxable) Bonds: In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel, interest on the Columbia 2006-D (Taxable) Bonds is not excluded from gross income for federal income tax purposes pursuant to Title XIII of the 1986 Act or Section 103 of the 1986 Code. See "TAX MATTERS" herein.

\$65,625,000

Energy Northwest

\$62,200,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-C

\$3,425,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-D (Taxable)

Dated: Date of delivery

Due: July 1, as shown on the inside cover

The Energy Northwest Columbia Generating Station Electric Revenue Bonds, Series 2006-C and 2006-D (Taxable) (together, the "2006-C and 2006-D Bonds") are being issued to finance a portion of the costs of certain capital improvements at the Columbia Generating Station, as more fully described herein. See "PURPOSE OF ISSUANCE" herein.

This Official Statement incorporates by reference portions of the Official Statement dated March 23, 2006 (the "2006-A/B Official Statement"), for the Energy Northwest Project 1 Electric Revenue Refunding Bonds, Series 2006-A, Columbia Generating Station Electric Revenue Refunding Bonds, Series 2006-A, Project 3 Electric Revenue Refunding Bonds, Series 2006-A, Project 1 Electric Revenue Refunding Bonds, Series 2006-B (Taxable), Columbia Generating Station Electric Revenue Refunding Bonds, Series 2006-B (Taxable) and Project 3 Electric Revenue Refunding Bonds, Series 2006-B (Taxable). See "INTRODUCTION—INCLUSION BY REFERENCE" herein.

The 2006-C and 2006-D 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 2006-C and 2006-D 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 2006-C and 2006-D 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 2006-C and 2006-D Bonds. Principal of the 2006-C and 2006-D Bonds is payable at the principal office of The Bank of New York Trust Company, N.A., Seattle, Washington, as Trustee for the 2006-C and 2006-D Bonds. Interest on the 2006-C and 2006-D Bonds is payable semiannually on January 1 and July 1 of each year, commencing July 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 2006-C and 2006-D 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 2006-C AND 2006-D BONDS – GENERAL" herein and Appendix I - "BOOK-ENTRY SYSTEM" in the 2006-A/B Official Statement.

Certain of the 2006-C and 2006-D Bonds are subject to redemption prior to maturity as set forth herein. See "DESCRIPTION OF THE 2006-C AND 2006-D BONDS - REDEMPTION" herein.

The 2006-C and 2006-D 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

("Bonneville") 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 2006-C and 2006-D 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 2006-C and 2006-D 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 2006-A/B Official Statement.

MATURITY SCHEDULE — See Inside Cover

The 2006-C and 2006-D 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 to Bonneville. 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 2006-C and 2006-D Bonds will be available for delivery through the facilities of DTC on or about April 20, 2006.

Goldman, Sachs & Co.

JPMorgan

Seattle-Northwest Securities Corporation

Citigroup

Prager, Sealy & Co., LLC

UBS Investment Bank

April 12, 2006

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

THE SERIES 2006-C BONDS

\$62,200,000 Columbia Generating Station Electric Revenue Bonds

Year (July 1)	Amount	Interest Rate	Yield	CUSIP*
2020	\$ 11,870,000	5.00%	4.44%**	29270CNP6
2021	12,465,000	5.00	4.47**	29270CNQ4
2022	13,090,000	5.00	4.49**	29270CNR2
2023	10,320,000	5.00	4.51**	29270CNS0
2024	14,455,000	5.00	4.53**	29270CNT8

THE SERIES 2006-D (TAXABLE) BONDS

\$3,425,000 Columbia Generating Station Electric Revenue Bonds

Year (July 1)	Amount	Interest Rate	Price	CUSIP*
2023	\$ 3,425,000	5.803%	100%	29270CNU5

* Copyright 2006, 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 2006-C and 2006-D 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 2006-C and 2006-D 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 2006-C and 2006-D Bonds.

** Priced to the July 1, 2016 par call date.

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Dan G. Gunkel, Vice Chairman
Roger C. Sparks, Secretary
Tim Sheldon, Assistant Secretary
Tom Casey
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Jack Janda
Lawrence Kenney
Sid W. Morrison
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Vice President, Nuclear Generation
Vice President, Technical Services
Vice President, Energy/Business Services/Public Information Officer
Vice President, Corporate Services/General Counsel/Chief Financial Officer
Vice President, Organizational Performance and Staffing/Chief Knowledge Officer

Joseph V. Parrish
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W. Scott Oxenford
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Cheryl M. Whitcomb

Financial Advisor
Public Financial Management, Inc.

Bond Counsel
Preston Gates & Ellis LLP

*Trustee for the 2006-C and
2006-D (Taxable) Bonds*
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Administrator and Chief Executive Officer
Deputy Administrator and Deputy Chief Executive Officer
Chief Operating Officer
General Counsel
Chief Financial Officer

Stephen J. Wright
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Ruth B. Bennett
Randy A. Roach
David J. Armstrong

Special Counsel and Special Tax 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 by, nor shall there be any sale of the 2006-C and 2006-D Bonds to, 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 which 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.

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 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 2006-C AND 2006-D BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 2006-C AND 2006-D 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

\$65,625,000

ENERGY NORTHWEST

\$62,200,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-C

\$3,425,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-D (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 \$62,200,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-C (the "Columbia 2006-C Bonds") and \$3,425,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-D (Taxable) (the "Columbia 2006-D (Taxable) Bonds"). The Columbia 2006-C Bonds and Columbia 2006-D (Taxable) Bonds are together referred to herein as the "2006-C and 2006-D Bonds." In connection with the sale of the 2006-C and 2006-D 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 March 23, 2006 (the "2006-A/B Official Statement"), for the Energy Northwest Project 1 Electric Revenue Refunding Bonds, Series 2006-A, Columbia Generating Station Electric Revenue Refunding Bonds, Series 2006-A, Project 3 Electric Revenue Refunding Bonds, Series 2006-A, Project 1 Electric Revenue Refunding Bonds, Series 2006-B (Taxable), Columbia Generating Station Electric Revenue Refunding Bonds, Series 2006-B (Taxable) and Project 3 Electric Revenue Refunding Bonds, Series 2006-B (Taxable) (collectively, the "2006-A and 2006-B Bonds"). See "INCLUSION BY REFERENCE" below. The 2006-C and 2006-D Bonds are being issued pursuant to the Act and Resolution No. 1042, adopted on October 23, 1997, and a Supplemental Resolution adopted April 12, 2006 (as amended and supplemented, the "Columbia Electric Revenue Bond Resolution"), to provide funds for a portion of the costs incurred or planned to be incurred during fiscal years 2006 and 2007 for certain capital improvements at the Columbia Generating Station.

INCLUSION BY REFERENCE

Subject to information contained elsewhere herein, information under the following captions in the 2006-A/B Official Statement is incorporated herein by reference:

INTRODUCTION—NET BILLING AGREEMENTS

DESCRIPTION OF THE 2006 BONDS—GENERAL

SECURITY FOR THE NET BILLED BONDS

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, 2005 AND 2004

APPENDIX B-2—FEDERAL SYSTEM UNAUDITED REPORT FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

APPENDIX C—AUDITED FINANCIAL STATEMENTS OF ENERGY NORTHWEST PROJECTS FOR THE YEAR ENDED JUNE 30, 2005

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APPENDIX F—ENERGY NORTHWEST PARTICIPANT UTILITY SHARE FISCAL YEAR 2006 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

Any reference to the 2006 Bonds in the information from the 2006-A/B Official Statement incorporated herein by reference shall be read to include the 2006-C and 2006-D Bonds unless the context thereof clearly indicates that such information is only applicable to the 2006-A and 2006-B Bonds. The 2006-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 2006-A/B Official Statement is also available at the following web address:

<https://delivery.i-dealprospectus.com/?id=%3b66%3b9%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 net design electric 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 which have been terminated: Energy Northwest Nuclear Project No. 1 (“Project 1”), Energy Northwest Nuclear Project No. 3 (“Project 3”) and Energy Northwest Nuclear Projects Nos. 4 and 5 (“Projects 4 and 5”). Projects 1 and 3 were terminated in 1994 and Projects 4 and 5 were terminated in 1982. For discussions concerning the termination of Projects Nos. 1, 3, 4 and 5, see “ENERGY NORTHWEST - PROJECT 1,” “- PROJECT 3,” and “- PROJECTS 4 and 5” in the 2006-A/B Official Statement. 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 2006-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 2006-A/B Official Statement, Bonneville pays Energy Northwest for such capability pursuant to Columbia Net Billing Agreements (as defined in the 2006-A/B Official Statement), with payments being made through a combination of credits against customer bills and cash payments from the Bonneville Fund (as defined in the 2006-A/B Official Statement). 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 2006-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 31 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 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 eleven million people. Electric power sold by Bonneville accounts for about 40% 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 2006-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 2006 Developments—Year End Financial Forecast for Fiscal Year 2006”:

Current analyses prepared outside of Bonneville but relied on by Bonneville indicate a water supply forecast for the Columbia River basin of 135 million acre-feet (98 percent of the 30-year average) for fiscal year 2006.

Appendix A — “BONNEVILLE POWER ADMINISTRATION—BONNEVILLE LITIGATION—Northwest Environmental Defense Center Litigation”:

In a related case, on March 15, 2006, six employees of the Fish Passage Center filed a complaint in the United States District Court for the District of Oregon with respect to the proposal to cease using the Fish Passage Center for data gathering and analysis. The employees assert, among other things, that Bonneville and the Administrator, acting in his individual capacity, retaliated against them and conspired with a United States Senator to violate their constitutional rights by depriving them of their rights to free speech, assembly, and employment. The employees are seeking monetary damages. The United States Department of Justice is representing both Bonneville and the Administrator in his individual capacity.

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

On April 4, 2006, the Ninth Circuit Court issued a decision affirming Bonneville’s establishment of the SN-CRAC.

THE 2006-C AND 2006-D BONDS

The 2006-C and 2006-D 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 2006-C and 2006-D Bonds, and any bonds or notes issued pursuant to any Columbia Separate Subordinated Resolution are collectively referred to herein as the “Columbia Net Billed Bonds.” The 2006-C and 2006-D 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 2006-C and 2006-D Bonds are secured on a 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 described under “SECURITY FOR THE NET BILLED BONDS - ADDITIONAL INDEBTEDNESS” in the 2006-A/B Official Statement.

There are no restrictions under the Columbia Electric Revenue Bond Resolution on the issuance of debt pursuant to the above mentioned Columbia Separate Subordinated Resolution, 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 2006-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 2006-C and 2006-D 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 2006-C and 2006-D Bonds. Accordingly, the owners of the 2006-C and 2006-D Bonds issued for Columbia will have no claim on the receipts, income and revenues securing any other Energy Northwest Project. For further information, see “SECURITY FOR THE NET BILLED BONDS” in the 2006-A/B Official Statement.

For further information, see “INTRODUCTION - NET BILLING AGREEMENTS” and “SECURITY FOR THE NET BILLED BONDS” in the 2006-A/B Official Statement. For further information on the Columbia Net Billed Bonds outstanding as of March 1, 2006, see “ENERGY NORTHWEST - ENERGY NORTHWEST INDEBTEDNESS” in the 2006-A/B Official Statement.

DESCRIPTION OF THE 2006-C AND 2006-D BONDS

GENERAL

The 2006-C and 2006-D Bonds will initially be dated the date of delivery and will mature on July 1 in the years and bear interest, payable on January 1 and July 1 of each year, commencing July 1, 2006, at the rates shown on the inside cover of this Official Statement. Interest on the 2006-C and 2006-D 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 2006-C and 2006-D Bonds (collectively, the "Trustee"). For so long as the 2006-C and 2006-D 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 2006-C and 2006-D Bonds are no longer registered in the name of Cede & Co., interest on the 2006-C and 2006-D 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, provided, however, that upon the written request of a Registered Owner of at least \$1,000,000 in aggregate principal amount of the 2006-C and 2006-D Bonds outstanding, interest will be paid by wire transfer on the date due to an account with a bank located in the United States. Principal of the 2006-C and 2006-D Bonds is payable at the office of the Trustee in Seattle, Washington.

The 2006-C and 2006-D 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 2006-C and 2006-D Bonds, see "DESCRIPTION OF THE 2006 BONDS – GENERAL – Book-Entry System; Transferability and Registration" and "— Discontinuation of Book-Entry Transfer System" in the 2006-A/B Official Statement.

REDEMPTION

Optional Redemption

The Columbia 2006-C Bonds will be subject to redemption prior to maturity at the option of Energy Northwest on and after July 1, 2016, in whole or in part at any time (in such order of maturity as is selected by Energy Northwest and within a maturity in such manner as DTC or the Trustee, as appropriate, shall determine) at a redemption price equal to the principal amount of such Bonds to be redeemed, together with accrued interest to the redemption date.

The Columbia 2006-D (Taxable) Bonds are subject to redemption, in whole or in part, on any date, at a Redemption Price equal to the greater of (i) the principal amount thereof plus accrued interest to the redemption date on the Columbia 2006-D (Taxable) Bonds to be redeemed, or (ii) the present value of all principal and interest payments on the Columbia 2006-D (Taxable) Bonds to be redeemed scheduled to become due after the date of such redemption, discounted to the redemption date on a semi-annual basis at the "Treasury Rate" plus 12.5 basis points.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the U.S. Treasury security selected by a Reference Dealer as having a maturity comparable to the remaining term of the Columbia 2006-D (Taxable) Bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Columbia 2006-D (Taxable) Bonds.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. quotations for U.S. Government Securities" or, (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee is unable to obtain four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Dealer" means (i) both Goldman, Sachs & Co. or Citigroup Global Markets Inc. or their respective successors; provided, however, that if any of the foregoing Reference Dealers shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), Bonneville (with the approval of Energy Northwest and the Trustee) shall substitute therefore another Primary Treasury Dealer, and (ii) two other Primary Treasury Dealers selected by Bonneville (with the approval of Energy Northwest and the Trustee).

"Reference Treasury Dealer Quotations" means, with respect to each Reference Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to Energy Northwest and Bonneville by such Reference Dealer at 5:00 p.m. (New York time) on the third business day preceding such redemption date.

The 2006-C and 2006-D Bonds will be subject to redemption as outlined above. For further information on the redemption provisions of the 2006-C and 2006-D Bonds, see “DESCRIPTION OF THE 2006 BONDS – GENERAL – Partial Redemption” and “ — Notice of Redemption” in the 2006-A/B Official Statement.

Open Market Purchases

Energy Northwest has reserved the right to purchase any 2006-C and 2006-D 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 RESOLUTIONS AND SUPPLEMENTAL ELECTRIC REVENUE BOND RESOLUTIONS — Defeasance (Article XI)” in the 2006-A/B Official Statement), the Columbia 2006-D (Taxable) 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 Columbia 2006-D (Taxable) Bonds will not recognize income, gain or loss for federal income tax purposes as a result of Energy Northwest’s defeasance of such Columbia 2006-D (Taxable) 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 2006-C and 2006-D Bonds are being issued to finance a portion of the costs incurred or planned to be incurred during fiscal years 2006 and 2007 for certain capital improvements at Columbia and to pay costs of issuance relating to such bonds. The capital improvements at Columbia include upgrading the Digital Electro Hydraulic Control System, replacing feedwater heaters, purchasing and loading spent fuel casks, replacing process radwaste monitors, procuring control rod blades and local power range monitors, replacement of the service water and reactor recirculation motors and pumps, replacement of numerous other pumps and motors, and replacement of various pieces of equipment.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES OF FUNDS:

Principal of Columbia 2006-C Bonds.....	\$ 62,200,000
Principal of Columbia 2006-D (Taxable) Bonds	3,425,000
Net Original Issue Premium	<u>2,573,306</u>
Total	\$ 68,198,306

USES OF FUNDS:

Capital Improvements	\$ 67,700,000
Costs of Issuance*	<u>498,306</u>
Total	\$ 68,198,306

* Includes underwriters’ compensation.

LEGAL MATTERS

The approving opinion of Preston Gates & Ellis LLP, Bond Counsel to Energy Northwest, as to the legality of the 2006-C and 2006-D Bonds will be in substantially the form appended hereto in Exhibit A - “PROPOSED FORM OF OPINION OF BOND COUNSEL.” The opinion of Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel, as to the exclusion of the interest on the Columbia 2006-C Bonds from the gross income of the owners 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 Columbia Net Billing Agreements and the Columbia Assignment Agreement. As to the due authorization, execution and delivery of such Columbia Net Billing Agreements and the Columbia Assignment Agreement 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 Columbia 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 Columbia Net Billing Agreements to which such Participant is a party and that all assignments of any Participants' obligations under the Columbia Net Billing Agreements were properly done, and (3) with respect to the Participants' obligations under the Columbia Net Billing Agreements, no conflict or violations under applicable law. In rendering its opinion as to the enforceability of the Columbia Net Billing Agreements against the Participants, Bond Counsel has assumed the continued obligations of Bonneville, and performance by Bonneville of its obligations under, the Columbia Net Billing Agreements and Columbia Assignment Agreement, and such opinion does not address the effect on the enforceability against the Participants if Bonneville is no longer obligated under the Columbia Net Billing Agreements and Columbia Assignment Agreement 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 Columbia Net Billing Agreements and Columbia Assignment Agreement against Bonneville. In the event a Participant's obligations under the Columbia Net Billing Agreements are no longer enforceable against such Participant, it is the opinion of Bond Counsel that Bonneville is obligated under the Columbia Net Billing Agreements, the Columbia Assignment Agreement and the 1989 Letter Agreement to pay to Energy Northwest the amounts required to be paid by such Participant under the Columbia 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 2006-A/B Official Statement.

See "SECURITY FOR THE NET BILLED BONDS - NET BILLING AND RELATED AGREEMENTS - Assignment Agreements" in the 2006-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 Columbia Assignment Agreement.

Certain legal matters, including the enforceability against Bonneville of the Net Billing Agreements and the Assignment Agreement 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

COLUMBIA 2006-C BONDS

In the opinion of Special Tax Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Columbia 2006-C Bonds is 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 Section 103 of the Internal Revenue Code of 1986, as amended (the "1986 Code"). Special Tax Counsel is of the further opinion that interest on the Columbia 2006-C Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Tax Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. In rendering its opinion, Special Tax Counsel has relied on the opinion of Bond Counsel as to the validity of the Columbia 2006-C Bonds and the due authorization and issuance of the Columbia 2006-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."

To the extent the issue price of any maturity of the Columbia 2006-C Bond is less than the amount to be paid at maturity of such Columbia 2006-C Bond (excluding amounts stated to be interest and payable at least annually over the term of such Columbia 2006-C Bond), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Columbia 2006-C Bond which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Columbia 2006-C Bonds is the first price at which a substantial amount of such maturity of the Columbia 2006-C Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Columbia 2006-C Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Columbia 2006-C Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Columbia 2006-C Bonds. Beneficial Owners of the Columbia 2006-C Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Columbia 2006-C Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Columbia 2006-C Bonds in the original offering to the public at the first price at which a substantial amount of such Columbia 2006-C Bonds is sold to the public.

Columbia 2006-C Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a purchaser's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly

allocable to such purchaser. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Title XIII of the 1986 Act and the 1986 Code impose various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Columbia 2006-C Bonds. Energy Northwest and Bonneville have made certain representations and have covenanted to comply with certain restrictions designed to ensure that interest on the Columbia 2006-C Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Columbia 2006-C Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of these Bonds. The opinion of Special Tax Counsel assumes the accuracy of these representations and compliance with these covenants. Special Tax Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Columbia 2006-C Bonds may adversely affect the value of, or the tax status of, interest on these Bonds.

Certain agreements, requirements and procedures contained or referred to in the Net Billed Resolutions, as applicable, the Tax Matters Certificates to be executed and delivered by Energy Northwest and by Bonneville simultaneously with the issuance of the Columbia 2006-C Bonds, and other relevant documents may be changed and certain actions (including without limitation defeasance of the Columbia 2006-C Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Special Tax Counsel expresses no opinion as to any Columbia 2006-C Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Orrick, Herrington & Sutcliffe LLP.

Although Special Tax Counsel is of the opinion that interest on the Columbia 2006-C Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, these Bonds may otherwise affect a Beneficial Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Special Tax Counsel expresses no opinion regarding any such other tax consequences.

The opinion of Special Tax Counsel is based on current legal authority and represents Special Tax Counsel's judgment as to the proper treatment of the Columbia 2006-C Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Special Tax Counsel cannot give and has not given any opinion or assurance about the future activities of Energy Northwest or Bonneville, or about the effect of future changes in the 1986 Act, the 1986 Code or the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. Energy Northwest and Bonneville have covenanted, however, to comply with applicable requirements of the 1986 Act or the 1986 Code.

Future legislation, if enacted into law, or clarification of the 1986 Code or the 1986 Act may cause interest on the Columbia 2006-C Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the 1986 Code or the 1986 Act may also affect the market price for, or marketability of, the Columbia 2006-C Bonds. Prospective purchasers of these Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation, as to which Special Tax Counsel expresses no opinion.

Special Tax Counsel's engagement with respect to the Columbia 2006-C Bonds ends with the issuance of the Columbia 2006-C Bonds, and, unless separately engaged, Special Tax Counsel is not obligated to defend Energy Northwest, Bonneville or the Beneficial Owners regarding the tax-exempt status of the Columbia 2006-C Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than Energy Northwest, Bonneville and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which Energy Northwest or Bonneville legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Columbia 2006-C Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Columbia 2006-C Bonds, and may cause Energy Northwest, Bonneville or the Beneficial Owners to incur significant expense.

COLUMBIA 2006-D (TAXABLE) BONDS

In the opinion of Special Tax Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Columbia 2006-D (Taxable) Bonds is not excluded from gross income for federal income tax purposes under Title XIII of the 1986 Act, Section 103 of the 1954 Code or Section 103 of the 1986 Code. Special Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Columbia 2006-D (Taxable) Bonds.

CIRCULAR 230 DISCLAIMER

Investors are urged to obtain independent tax advice regarding the Columbia 2006-D (Taxable) Bonds based upon their particular circumstances. The tax discussion above regarding the Columbia 2006-D (Taxable) Bonds was not intended or written

to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. The advice was written to support the promotion or marketing of the Columbia 2006-D (Taxable) Bonds.

RATINGS

Moody's Investors Service ("Moody's"), Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and Fitch, Inc. ("Fitch") have assigned the 2006-C and 2006-D Bonds the ratings of Aaa, AA- and AA-, respectively. 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 2006-C and 2006-D 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 2006-C and 2006-D Bonds.

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the 2006-C and 2006-D 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. Aggregate underwriters' compensation under the bond purchase contract for the 2006-C and 2006-D Bonds is \$343,952. The Underwriters' obligations are subject to certain conditions precedent contained in the bond purchase contract and they will be obligated to purchase all of such 2006-C and 2006-D Bonds if any such 2006-C and 2006-D Bonds are purchased. The 2006-C and 2006-D Bonds may be offered and sold to certain dealers, banks and others (including underwriters and other dealers depositing such 2006-C and 2006-D 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 2006-C and 2006-D 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 2006-C and 2006-D Bonds, for the benefit of the owners and beneficial owners of the 2006-C and 2006-D 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 2006-C and 2006-D Bonds, if material. Energy Northwest Annual Information is to be provided not later than December 31 of each year, commencing December 31, 2006. The Bonneville Annual Information is to be provided not later than March 31 of each year, commencing March 31, 2007. The Annual Information will be filed with each Nationally Recognized Municipal Securities Information Repository (the "NRMSIRs") (or provided to a transmitting entity approved by the SEC) and with the State Depository for the State of Washington, if such State Depository exists (the "State Depository"). At this time, there is no State Depository for the State of Washington. 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 2006-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 Agreement 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 2006-C and 2006-D Bonds, the basic agreements securing the 2006-C and 2006-D Bonds and the rights and obligations of the holders 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 Agreement 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 2006-C and 2006-D Bonds is to be construed as a contract with the holders of such 2006-C and 2006-D 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.

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PROPOSED FORM OF OPINIONS OF BOND COUNSEL

Preston|Gates|Ellis LLP

Energy Northwest

Goldman, Sachs & Co.

Citigroup Global Markets Inc.

J.P. Morgan Securities Inc.

Prager, Sealy & Co., LLC

Seattle-Northwest Securities Corporation

UBS Securities LLC

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 \$62,200,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-C and \$3,425,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-D (Taxable) (collectively, the "2006 Bonds"). The 2006 Bonds are authorized to be issued pursuant to (i) the Act, (ii) Resolution No. 1042 (the "Electric Revenue Bond Resolution"), adopted by the Executive Board of Energy Northwest (the "Executive Board") on October 23, 1997, as amended by a resolution adopted on March 21, 2001, and (iii) a Supplemental Resolution adopted by the Executive Board on April 12, 2006 (the "Supplemental Resolution"). The Electric Revenue 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 2006 Bonds are subject to redemption in the manner and upon the terms and conditions set forth in the Bond Resolutions. The 2006 Bonds rank junior as to security and payment to bonds issued and outstanding under the Prior Lien Resolution. The 2006 Bonds rank equally as to security and payment with all other Parity Debt.

In connection with the issuance of the 2006 Bonds, we have examined a certified transcript of all of the proceedings taken in the matter of the issuance of the 2006 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 the Project, adopt the Bond Resolutions, issue the 2006 Bonds and apply the proceeds of the 2006 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 Prior Lien Bonds prior to paying the principal of and interest on the 2006 Bonds and other Parity Debt are valid and binding upon Energy Northwest and are enforceable in accordance with their terms.

3. The 2006 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 2006 Bonds are payable solely from the revenues and other amounts pledged to such payment under the Bond Resolutions. The 2006 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 2006 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

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

Energy Northwest
\$62,200,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-C
\$3,425,000 Columbia Generating Station Electric Revenue Bonds, Series 2006-D (Taxable)

Ladies and Gentlemen:

We have acted as Special Tax Counsel to the Bonneville Power Administration 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 \$62,200,000 aggregate principal amount of Columbia Generating Station Electric Revenue Bonds, Series 2006-C (the "Columbia 2006-C Bonds") and \$3,425,000 aggregate principal amount of Columbia Generating Station Electric Revenue Bonds, Series 2006-D (Taxable) (the "Columbia 2006-D (Taxable) Bonds"). The Columbia 2006-C Bonds and the Columbia 2006-D (Taxable) Bonds are being issued pursuant to the Act and Resolution No. 1042, adopted by Energy Northwest on October 23, 1997, as amended and supplemented, and a supplemental resolution adopted on April 12, 2006 (the "Columbia Resolution"). The Columbia 2006-C Bonds and Columbia 2006-D (Taxable) Bonds are being issued for the purpose of financing a portion of the costs of certain capital improvements at the Columbia Generating Station and paying certain costs of issuance of the Columbia 2006-C Bonds and the Columbia 2006-D (Taxable) 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 and the Tax Matters Certificate executed and delivered on the date hereof by the Bonneville Power Administration (collectively, the "Tax Certificates"); the opinion of Preston Gates & Ellis LLP, as Bond Counsel; additional certificates of Energy Northwest, the Bonneville Power Administration and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

Certain agreements, requirements and procedures contained or referred to in the Resolutions, the Tax Certificates and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Columbia 2006-C Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice of counsel other than ourselves.

The opinions expressed herein are based upon an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions 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 Columbia 2006-C Bonds and Columbia 2006-D (Taxable) 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 Certificates, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Columbia 2006-C Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights under the Columbia 2006-C Bonds, the Resolutions and the Tax Certificates 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 case and to the limitations on legal remedies against bodies politic and corporate of the State of Washington and against the 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 April 12, 2006 relating to the Columbia 2006-C Bonds and Columbia 2006-D (Taxable) 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 Columbia 2006-C Bonds and Columbia 2006-D (Taxable) Bonds and with respect to the due authorization and issuance of the Columbia 2006-C Bonds and Columbia 2006-D (Taxable) Bonds.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that interest on the Columbia 2006-C Bonds is 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 1986, as amended (the "1986 Code"). We also are of the opinion that interest on the Columbia 2006-D (Taxable) Bonds is not excluded from gross income for federal income tax purposes under Title XIII of the 1986 Act, Section 103 of the Internal Revenue Code of 1954, as amended, or Section 103 of the 1986 Code. Interest on the Columbia 2006-C Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income.

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 Columbia 2006-C Bonds or the Columbia 2006-D (Taxable) Bonds.

Columbia 2006-D (Taxable) Bonds Circular 230 Disclaimer:

Investors are urged to obtain independent tax advice regarding the Columbia 2006-D (Taxable) Bonds based upon their particular circumstances. The tax discussion above regarding the Columbia 2006-D (Taxable) Bonds was not intended or written to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. The advice was written to support the promotion or marketing of the Columbia 2006-D (Taxable) Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP