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October 25, 2013

Stephen R. Oliver
Bonneville Power Administration

David Ponganis
U.S. Army Corps of Engineers, Northwestern Division

U.S. Entity Coordinators, Columbia River Treaty
CRT Review (DKE)
P.O. Box 14428
Portland, OR 97293
Delivered via e-mail to: treatyreview@bpa.gov

Dear Mr. Oliver and Mr. Ponganis:

Thank you for the opportunity to comment on the U.S. Entity's September 20, 2013 draft recommendation for the future of the Columbia River Treaty with Canada ("Draft Recommendation").

Clearwater Power Company (Clearwater) serves over 10,300 rural customers (91% Residential and 8% Small Commercial) in north central Idaho, eastern Washington, and northeastern Oregon.

Clearwater supports the comments on the Draft Recommendation filed by the Columbia River Treaty Power Group ("Power Group"). Those comments provide a detailed analysis of the flaws in the Draft Recommendation and contain constructive input on how to correct those flaws. In particular, we support properly prioritizing the fundamental need to reestablish an equitable distribution of power benefits between the United States and Canada by adjusting the Canadian Entitlement.

I write separately to emphasize two important points. First, it is time to bring the Sovereign Review Team to a close. We appreciate the U.S. Entity's recent efforts to reach out to members of the Power Group to discuss ways to improve the Draft Recommendation. It is vital that Power Group members, along with tribes and other regional stakeholders, continue to be involved in discussions on the future of the Treaty. Moving forward, Power Group representatives should be equal participants in any future treaty program implementation process.

Second, there are many available options on how to address the Treaty going forward. In addition to opening up negotiations with Canada, there are at least two other reasonable options available that should be considered. One option is to take no action and continue the sharing of downstream benefits as is being done today. Another option is to issue a notice to end the sharing of power benefits in 2024 without establishing a new treaty. Both of these options remain viable. The option selected should be the one that best protects regional interests, especially the interests of electricity ratepayers that are currently paying for the overvalued Canadian Entitlement.

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Again, thank you for the opportunity to comment. I look forward to continuing to work with you on this important issue.

Sincerely,

CLEARWATER POWER COMPANY

A handwritten signature in black ink, appearing to read "K. David Hagen", is centered on a light gray rectangular background. The signature is written in a cursive style with a long horizontal flourish extending to the left and right.

K. David Hagen
General Manager