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August 15, 2013

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Bonneville Power Administration

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U.S. Army Corps of Engineers

U.S. Entity
Columbia River Treaty
PO Box 3621
Portland, OR

treatyreview@bpa.gov

Gentlemen,

Mason County PUD 3 is an interested party in the Columbia River Treaty. The utility serves over 33,000 public power customers on the SE Olympic Peninsula in Washington State who depend on electricity generated by hydroelectric dams in the Columbia River Basin.

PUD 3 staff has reviewed the "Columbia River Treaty Review: Working Draft of a Regional Recommendation." Due to the aspirational nature of its objectives, it is difficult to make substantive conclusions based on its content.

However, there are several conclusions that can be drawn, based on the prevalent tone of the document.

The proposed inclusion and promotion of the ecosystem function does not appear to take into account the spring and summer spill program and habitat enhancement efforts already underway in the Columbia River Basin. The spill regime has reduced the capacity for energy generation in river management. Moreover, the annual fish and wildlife expenditures by the Bonneville Power Administration are over \$600 million, which represents up to 20 percent of a PUD 3 customer's retail utility bill.

The annual financial impact to Pacific Northwest public power customers due to the existing Columbia River Treaty Canadian Entitlement is between \$250 and \$300 million. Based on Mason County PUD 3's share of the output of the federal energy generating system, the cost to PUD 3 customers is estimated to be between \$2 million and \$2.8 million (Washington State PUD Association calculations).

Regarding the Canadian Entitlement, PUD 3 supports the principals for the treaty outlined by the Columbia River Power Group. The entitlement payment made to Canada for downstream power benefits should not exceed one-half of the power benefits achieved through a coordinated United States/Canada operation as compared to a non-coordinated operation.

Any payments for flood control should be borne by the taxpayers of the United States. This is consistent with the flood control funding approach employed throughout the United States.

Finally, since any changes to the treaty will impact public power customers in the U.S., Mason County PUD 3 agrees with the Washington PUD Association that the process must be more open and inclusive so that those actually paying the costs incurred by the treaty are more appropriately represented.

Thank you for your consideration of this input. PUD 3's customers eagerly hope for a final recommendation from the U.S. State Department that fittingly represents our region's interests in the Columbia River Treaty.

Sincerely,

A handwritten signature in cursive script that reads "Annette Creekpaum".

Annette Creekpaum
Manager
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