



August 6, 2013

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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:

As you know, the Columbia River Treaty (“CRT”) and the CRT review process are of significant interest to Pacific Northwest Generating Cooperative (“PNGC Power”) and its 14 rural electric cooperative members. I write today to urge you reject the approach to the CRT in the June 27<sup>th</sup> “Columbia River Treaty Review Working Draft of a Regional Recommendation” (Working Draft Recommendation) and instead to refocus CRT review efforts on what should be the region’s top priorities: rebalancing the Canadian Entitlement (“CE”),<sup>1</sup> ensuring that electricity ratepayers do not bear the burden of future flood control costs, and recognizing that the region already invests substantially in largely successful ecosystem management efforts in the Columbia River Basin.

## **I. PNGC Power**

PNGC Power is a wholesale electricity cooperative that provides electricity and management services to its 14 retail cooperative Members. PNGC Power’s Members are based in Oregon, Washington, Idaho, and Montana and serve mostly rural communities in seven western states. PNGC Power is the Bonneville Power Administration’s (“BPA’s”) third largest customer, procuring a significant amount of power from the agency to meet its Members’ needs. We therefore have a strong interest in the management and of the Federal Columbia River Power System (“FCRPS”), the Columbia River, and the CRT. Through the Columbia River Treaty

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<sup>1</sup> The CE is the amount of energy and capacity that the United States provides to Canada each year pursuant the CRT. The CE is based on a formula in the CRT originally meant to represent one half of the downstream power benefits resulting from the treaty.

Power Group<sup>2</sup> and independently, PNGC Power has been actively engaging in CRT discussions over the last few years; and we will continue to be active during upcoming decision making processes.

## **II. The Working Draft Recommendation**

I was extremely disappointed with the Working Draft Recommendation. Quite simply, it needs to be rewritten. The current draft does not put the United States in a strong position to advocate for our regional and national interests in discussions with Canada. It does not come close to representing a regional consensus on this important issue before the U.S. Entity. I appreciate your request for edits to this document, but, rather, than editing the document, you must simply delete much of it and the U.S. Entity should start over with an effort to provide a draft recommendation to the Department of State. Instead of edits, I will be providing formal comments prior to August 16 as a follow-up to this letter on what a recommendation to the Department of State should look like.

## **III. Treaty Review Process**

The CRT review process as it has unfolded so far will not get us to a regional consensus on a recommendation to the Department of State. Regional utilities have not had a significant voice in discussions, and this needs to change. It is time refocus your private conversations with the “Sovereign Review Team” and engage in open dialogue with BPA customers and others so that we can have an open, transparent exchange of ideas.

## **IV. Regional Priorities**

Going forward, the U.S. Entity and regional stakeholders must refocus efforts on what are truly our regional priorities and our national interest when considering the future to the CRT. Specifically, we must focus on the following:

1. The Canadian Entitlement is too high. It needs to be rebalanced to reflect modern realities and to reduce costs to ratepayers.
2. Any flood control costs to the United States after 2024 should be a general taxpayer expense, not a ratepayer expense.
3. Any ecosystem management discussions that are part of CRT negotiations need to reflect the existing, robust, and incredibly expensive fish and wildlife efforts already underway in the Columbia River Basin.

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<sup>2</sup> The Columbia River Power Group is an ad hoc collection of utilities, other river users, and trade associations that work together to represent utility interests related to the CRT. Members of the group collectively represent all 6.4 million electricity ratepayers in the Northwest.

## V. Conclusion

Again, PNGC Power has a strong interest in the CRT. We look forward to continuing to work with you as the U.S. Entity crafts a final recommendation to the Department of State on the future of the Treaty.



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John Prescott  
President and CEO  
PNGC Power

CC: Elliot Mainzer, Acting Administrator, Bonneville Power Administration  
Northwest Congressional Delegation  
Northwest Governors