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Director
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Mr. Stephen Oliver
U.S. Entity Coordinator
Bonneville Power Administration
United States Entity
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Mr. David Ponganis
U.S. Entity
U.S. Army Corps of Engineer
United States Entity
P.O. Box 3621
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Dear Mr. Oliver and Mr. Ponganisi

Fall River Rural Electric Co-op appreciates the opportunity to provide comments on the U.S. Entity's September 20, 2013 Draft Recommendation for the future of the Columbia River Treaty. Fall River Rural Electric Co-op has a 20 year power contract with Bonneville Power Administration for power to serve 12,000 members and irrigators in eastern Idaho. We at Fall River appreciate the U.S Entity's efforts since issuing the June 27, 2013 working draft recommendation to better understand the concerns and interest of Northwest Electric customers, water supplies for irrigation and navigation related to it. However, Fall Rivers principal concerns are not adequately addressed in the draft recommendation: (1) prioritizing the Canadian Entitlements as the most important issue to address in any renegotiated Treaty and (2) fully for significant ongoing efforts in the Treaty to include the ecosystem function. Fall River urges the U.S. Entity's to closely examine and fully address these issues when developing it's final recommendation to the State Department.

Canadian Entitlements

The Canadian Entitlement was negotiated a half-century ago. The methodology for calculating this Entitlement no longer reflects current conditions, and it leads to a significantly inequitable result detrimentally affecting Fall River and Northwest electric customers. Accordingly, Fall River strongly believes that rebalancing the Canadian Entitlement must be the single most important objective int the U.S. Entity's final recommendation to the State Department. Properly rebalancing the Entitlements in a manner that does not exceed one-half of the actual incremental power benefit achieved through a coordinated U.S./ Canada operation will reduce burdens on Northwest electric customers and expand the availability of clean hydroelectric power in the region. The Entitlements are an inherently issue and it can resolved only between the U.S. and Canada. It is also a very important economic issue for this region.

Unfortunately, the Draft Recommendation seems to lose sight of the singular importance of the Canadian Entitlement by promoting Treaty expansion to include ecosystem function. Fall River is troubled by the U.S. Entity's proposed shift in Treaty priority. While Fall River is proud of its environmental stewardship, fish and wildlife resources are protected and managed through robust Federal and State regulatory programs. By contrast, resolution of the Canadian Entitlements is an international issue that must be resolved between the US and Canada. As such the U.S. Entity instead of exerting significant resources on domestic ecosystem issues should be focusing intently on analyzing the problems in the current Entitlement methodology, identifying possible solutions for correcting these problems, and developing recommendations for resolution with Canada at the earliest possible time.

Ecosystem Function

Fall River is concerned that the ecosystem function described in the Draft Recommendation is vague and does not adequately account for the substantial investments of time and resources which Fall River and others have undertaken for the protection and management of wildlife and fish resources. The uncertainties associated with ecosystem function, as presented in the Draft Recommendation present significant risk to these important programs and corresponding investments incurred by electric customers in the Northwest.

Substantial programs have been implemented in the Columbia River and its tributaries to protect and manage fish and wildlife resources-at a significant cost to the Northwest electric. Fall River with BPA has spent money and spilled water to aid fish recovery. Fall River is concerned that any proposal to inject ecosystems at the Treaty level could have unintended consequences, interfering with well established and ongoing efforts, and detrimentally affecting the very resources that a Treaty imposed ecosystem function would seek to protect.

For this reason any final recommendation to the State Department related to the ecosystem function should protect Northwest electric customers' substantial investments in fish and wildlife by carefully accounting for all ongoing efforts in the Basin and the U.S. Entity should ensure that its recommendation does not inadvertently conflict with, undermine or disrupt ongoing programs. The Columbia Basin Fish Accords, habitat conservation plans, and requirements of federal energy regulatory commission hydropower project licenses.

Fall River also believes the U.S. Entity should consider the following issues as well when developing its final recommendation to the State Department.

Non-Treaty Storage agreements and Ecosystem Action:

Fall River believes there may be benefits for both the U.S and Canada in bringing existing non-Treaty action such as storage agreements into a renegotiated framework: however this may trigger a more formal review and approval process.

Fish Passage:

Fall River believes the proposed construction and operation of fish passage facilities at Chief Joseph and Grand Coulee Dams is a domestic issue best addressed thru domestic laws and regulation. A reconnaissance study regarding fish passage to Canada would require congressional authorization and appropriations and should not be included in negotiations.

Fall River places high priority on public safety and we believe a modernized Treaty should maintain flood management similar to current levels. Funding should be consistent with national flood risk policy, with local cost sharing as appropriate .

Irrigation and Water Supply:

Fall River believes a modernized Treaty should not change flows to the detriment of existing water rights established under state or federal law. Additionally any future decisions pertaining to water supply must include holders of existing rights.

Domestic Matters:

Fall River believes that the Columbia River power producers should be represented in any domestic advisory form which the State Department creates. Our customers pay for the Canadian Entitlements each year and will be directly impacted in every subsequent year if the Entitlements is not rebalanced.

Conclusion:

The Draft Recommendations attempted to address several issues raised by Fall River and other stake holders in both written comments and in meetings with the U.S. Entity. We appreciate the work which has gone into the revision process. However Fall River believes the Canadian Entitlements must be the highest priority in the U.S. Entity's final recommendation, as this issue can be resolved only thru negotiations between the U.S. and Canada. Additionally ongoing fish and wildlife programs should be fully analyzed and protected in any final recommendation to the State Department related to the ecosystem function.

Fall River appreciates the opportunity to comment on this important matter, we encourage U.S.Entity and the State Department to continue to work with the Columbia River Treaty Power Group of which Fall River is a member. Fall River remains ready to discuss these issues in great depth and to work towards reaching a truly regional final recommendation. Please feel free to contact us at :

Boyd Bowles 1 208 313 2146. Email: boyd.bowles@fallriverelectric.com if you have any questions regarding this letter.

Sincerely

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Director