



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)  
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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").

As you know, Pacific Northwest Generating Cooperative ("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 a large Bonneville Power Administration customer, procuring a significant amount of power from the agency to meet its Members' needs.

PNGC Power supports the comments on the Draft Recommendation filed today 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, PNGC Power supports 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. PNGC Power appreciates 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.

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Second, I would remind you of a point that I have made in prior comments. In addition to opening up negotiations with Canada on the Treaty, there are at least two other reasonable options available for going forward 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.

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



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John Prescott  
President and CEO  
PNGC Power

CC: Elliot Mainzer, Acting Administrator, Bonneville Power Administration  
Columbia River Treaty Power Group