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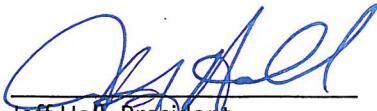
Dear Sirs:


As a member of the Public Power Council (PPC), the PNUCC, and the Columbia River Treaty Power Group (Power Group), Benton PUD shares the concerns expressed by these organizations in separate letters sent to the U.S. Entity regarding the June 2013 Working Draft of a Regional Recommendation for the future of the Columbia River Treaty (Treaty). We wish to express our concerns in this letter to ensure that the U.S. entity hears how deeply Benton PUD feels about the shortcomings of both the process and substance of the draft recommendation. We summarize our concerns below:


- First and foremost, we are disappointed at the apparent lack of representation of the interests of Pacific Northwest electric utilities and the millions of customers we serve. The Sovereign Review Team process established by the U.S. Entity to evaluate the future of the treaty has excluded the direct representation and input of those utilities and customers.
- As written, the draft recommendation fails to properly prioritize the need to reestablish the equitable distribution of power benefits between the U.S. and Canada. Currently, the methodology for calculating the Canadian Entitlement represents a significant mismatch between payments to Canada and diminishing ongoing downstream power benefits in the U.S. In concert with the Power Group, PPC, and PNUCC, Benton PUD strongly believes that any post-2024 payments to Canada for downstream power benefits should not exceed one-half of the actual incremental power benefit achieved through a coordinated U.S./Canadian operation as compared to a non-coordinated operation.
- The initial Treaty's focus was on flood control and power. The draft recommendation improperly expands the scope of the Treaty to include ecosystem benefits as a "third primary purpose" of the Treaty. In doing so, the draft recommendation fails to recognize that Northwest electric customers have invested, and continue to invest, billions of dollars in non-Treaty-related fish and wildlife programs since the Treaty was ratified in 1964.

We appreciate the U.S. Entity's ongoing efforts in keeping Northwest utilities updated on your analysis and engagement with the Sovereign Review Team. We hope that you stop and reflect on the significant input that you are receiving from Northwest utilities, related associations, and customers regarding the process and substance of the draft recommendation and work diligently on making a significant mid-course correction in the best interest of the electric customers who are directly affected by the Treaty.

Sincerely,



Jeff Hall, President
Commissioner

Lori Sanders, Vice President
Commissioner

Barry Bush, Secretary
Commissioner

cc:
Northwest Delegation
Washington State Legislators
Governor Jay Inslee