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U.S. Entity Coordinators, Columbia River Treaty:

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I am writing on behalf of Columbia River PUD (PUD) regarding your June 27, 2013
“Columbia River Treaty Review Working Draft of a Regional Recommendation”.

The PUD is a customer-owned utility providing electric service to over 18,000 customers in Columbia County and northern Multnomah County, Oregon. We are a public preference customer of BPA that relies upon the generation assets of the Federal Columbia River Power System (FCRPS) on behalf of some of the 6.4 million Pacific Northwest customers who depend upon power produced by the FCRPS.

The PUD is also a member of the trade association Northwest Requirement Utilities (NRU). The PUD supports the more detailed comments submitted by NRU, as well as, the comments of the broader based Power Group that represents the interests of a diverse group of customers that have a stake in the Treaty related FCRPS operations. Given the impact the Treaty could have on the value of our future power supply and related local economic health, we wanted to share our concerns.

- First, maintaining the current Treaty protocols longer than necessary does not make economic sense and is at cross purposes with BPA’s responsibility to operate using sound business practices. The Canadian 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.
- Second, any payments for Columbia River flood control should be the responsibility of the taxpayers of the United States. This is consistent with the flood control funding approach employed throughout the United States.

- Third, an equitable correction to the Canadian Entitlement should not lead to an increased ecosystem mitigation requirement.

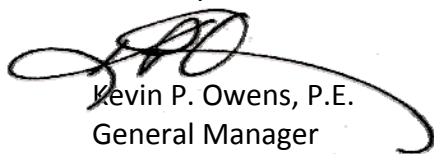
The draft recommendation fails to recognize the substantial investments in ecosystem functions this region has already made for decades outside the Treaty. Regional electric customers have invested billions in fish protection efforts, and each of the entities providing the Canadian Entitlement already have robust environmental mitigation plans embedded in their project authorizations. Along with the cost of the Entitlement return, this mitigation is funded by utilities and their customers.

Public power is very concerned about jobs in their communities. In order to participate in economic recovery and to create more jobs, we need to maintain or improve upon our competitive edge for jobs. The draft recommendation potentially moves the region in the wrong direction by increasing the cost of power from what it would otherwise need to be. The price of electrical power in the Northwest is one of the reasons we have been able to attract and retain businesses when power supply is a major component of the cost of production.

At this point, Columbia River PUD does not support and would like to oppose the draft recommendation because it is far too nebulous. The recommendation should be revised to provide a better balance for issues regarding power supply and flood control. BPA and the Corps should not focus on the details of the June 27th recommendation, but rather on a process that has the likelihood of achieving regional consensus.

Thank you for considering our views. We look forward to a final recommendation for the State Department that represents all of our region's interest in the Columbia River Treaty.

Sincerely,



Kevin P. Owens, P.E.
General Manager

cc: Elliot Mainzer, Bonneville Power Administration
Colonel John Kem, U.S. Army Corps of Engineers, NW Division
Matthew Rooney, U.S. Department of State
Bill Bradbury, NWPPC
John Saven, Northwest Requirements Utilities
Senator Jeff Merkley
Senator Ron Wyden
Congresswoman Suzanne Bonamici
Congressman Earl Blumenauer
Scott Corwin, Public Power Council