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August 14, 2013

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U.S. Entity Columbia River Treaty P.O. Box 3621 Portland, OR 97208-3621 e-mail to: treatyreview@bpa.gov

We are an interested party in the Columbia River Treaty. As elected Commissioners of Public Utility District #1 of Grays Harbor County (Grays Harbor PUD), we represent approximately 42,000 of the 6.4 million Pacific Northwest electric customers who depend upon power produced by the Federal Columbia River Power System.

Grays Harbor PUD serves the majority of Grays Harbor County and parts of Jefferson, Lewis, Pacific, and Thurston Counties on the central coast of Washington, a predominantly rural area with an economy based primarily on the timber and fishing industries. We have one of the highest unemployment rates in the state, and our few large employers are in a constant struggle to remain viable. An affordable supply of electricity is crucial to the future of the communities we serve.

We are extremely disappointed in the June 27th working draft of a regional recommendation concerning the future of the Columbia River Treaty with Canada. The working draft does not adequately address issues of great importance to power customers of the region. Moreover, it focuses too much attention on ecosystem issues that are more properly addressed outside the treaty. We believe the working draft should not serve as the basis for a final recommendation to the Department of State.

We support the principles for the treaty outlined by the Columbia River Treaty Power Group. First, 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.

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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.

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,

Board of Commissioners Public Utility District #1 of Grays Harbor County

Russ Skolrood

President

Dave Timmons

Arie Callaghan

Secretary

Vice President

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