



UNITED ELECTRIC
CO-OP, INC.

"Owned By Those We Serve"

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August 15, 2013

*Transmitted Electronically
treatyreview@bpa.gov*

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Bonneville Power Administration

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Columbia River Treaty
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Please consider the following response from United Electric Co-op, Inc. (United Electric) regarding the June 27, 2013 "Columbia River Treaty Review Working Draft of a Regional Recommendation." United Electric is a public preference customer of Bonneville Power Administration that relies on the generation assets of the Federal Columbia River Power System (FCRPS) as the primary source of federal power supply and has a vested interest in the future of the Columbia River Treaty with Canada.

United Electric is headquartered in Heyburn, Idaho and provides service to portions of Cassia and Minidoka counties. Approximately 25% of our annual load is irrigation pumping. A significant amount of residential, commercial, and industrial loads are directly or indirectly tied to agriculture. Correspondingly, a significant portion of the jobs in the geographic area we serve is tied to agriculture. The price of electrical power in the Northwest is one of the reasons United Electric has been able to attract and retain businesses where power supply is a major component of the cost of production.

In this light, United Electric is extremely concerned about the draft recommendations. We believe the draft recommendations are vague and provide the opportunity for the US Entity to consider changes in system operations or assignment of additional power supply costs that would be very detrimental to the economic viability of irrigated agriculture in the Northwest and impede the ability to attract new business.

United Electric is a member of the trade associations Northwest Requirements Utilities and the Public Power Council and supports the more detailed comments submitted by both trade associations. Additionally, United Electric is a member of the Columbia River Treaty Power Group that represents the interests of a diverse group of customers that have a stake in Treaty related FCRPS operations and supports comments submitted by the broader based Power Group. Given the critical impact the Columbia River Treaty could have on the value of our future power supply and related local economic health, United Electric shares the following concerns and comments.

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The draft places a disproportionate emphasis on potential actions identified as ecosystem based enhancements. This shortcoming appears to be rooted in the fact that the Sovereign Review Team (SRT), which helped formulate the recommendation, did not have representation of power customers' interests. Too many parties in the SRT process fail to recognize that the mechanism the region and the courts have used to evaluate, fund, and implement ecosystem based fish and wildlife improvements is the FCRPS Biological Opinion. The FCRPS Bi-Op provides a plan for environmental mitigation for the FCRPS dams where the measures and evaluation criteria have been subject to close scrutiny using the best science available from NOAA Fisheries. The region has invested over \$13 billion between 1978 and 2012 for federal fish and wildlife measures pursuant to an adopted plan.

Moving forward, BPA and the Corps should consider a process that has a likelihood of achieving a regional consensus. The U.S. Entity should regroup and determine an open access path forward that involves meaningful customer participation. At this point, United Electric does not support and would likely actively oppose the draft recommendation because it is far too ambiguous. The draft recommendation must be materially revised to provide a better balance for issues regarding power supply and flood control, while de-emphasizing ecosystem where ecosystem issues are at cross purposes with these other priorities.

United Electric supports the following principles as the basis for a regional consensus:

- Any payment for downstream power benefits should not exceed one-half of the actual incremental power benefit achieved through a coordinated operation as compared to a non-coordinated operation.
- Consistent with the flood control funding approach employed throughout the United States, any payments for flood control should be the responsibility of the taxpayers of the United States.
- An equitable correction to the Entitlement should not lead to an increased ecosystem mitigation requirement.

Thank you for the opportunity to comment.

Sincerely,



Jo Elg
General Manager

cc: Elliot Mainzer, Bonneville Power Administration
Colonel John Kem, US Army Corps of Engineers, Northwestern Division
Matthew Rooney, US Department of State
Idaho Congressional Delegation Staff
Jim Yost, Idaho Representative, NW Power and Conservation Council
John Saven, Northwest Requirements Utilities
Scott Corwin, Public Power Council