



Commissioners

Nancy E. Barnes
Byron H. Hanke
Jim Malinowski

*Chief Executive Officer/
General Manager*

Wayne W. Nelson

August 16, 2013

CRT Review (DKE)
P.O. Box 14428
Portland, OR 97293

Transmitted electronically:
treatyreview@bpa.gov

U.S. Entity Coordinators, Columbia River Treaty:

Mr. Stephen R. Oliver
Bonneville Power Administration

Mr. David Ponganis
U.S. Army Corps of Engineers, Northwestern Division

Gentlemen,

On behalf of Clark Public Utilities (Clark) I appreciate the opportunity to comment on the U.S. Entity's June 27, 2013 letter and the document entitled Columbia River Treaty Review Working Draft of a Regional Recommendation Improving the Columbia River Treaty Post-2024 (Working Draft). Clark is an interested party to the Columbia River Treaty as our ratepayers depend upon the Federal Columbia River Power System for power production, reliability and flood control. As a result Clark is directly impacted by changes to hydropower production and any modifications to flood control risks.

I am concerned by the draft recommendations set forth in the June 27 Working Draft and therefore take this opportunity to restate support for the comments submitted by the Columbia River Power Group (Power Group) and the Public Generating Pool. In addition I recommend that the U.S. Entity also:

- Redesign the recommendation process to include Public Power in developing a recommendation to the United States Department of State and continue to include Public Power once the recommendation is delivered, during Treaty negotiations, as well as post-2024.
- Not reduce or trade off hydropower production in order to provide increased ecosystem-based functions.
- Define and evaluate in a public process the "ecosystem" concept before including it as a recommendation to the U.S. Department of State.
- Prioritize flood control in the recommendation and ensure that any changes to the current level of flood risk be modified only by public process.

REDESIGN TREATY REVIEW PROCESS

Clark has been interested in the Treaty review process established by the Bonneville Power Administration and the U.S. Corps of Engineers (collectively the U.S. Entity) for the past 36 months. During that time the Sovereign Review Team (SRT) was created to assist the U.S. Entity in the analysis which resulted in the Working Draft. Utilities were excluded from the SRT and involvement in the Columbia River Treaty review process has been primarily through briefings delivered by the U.S. Entity to the Columbia River Treaty Power Group. As a result the utility perspective was not represented in the development of the Working Draft.

Clark asks that you redesign the current recommendation drafting process to include the representation of Bonneville preference customers and the Mid-Columbia utilities (Public Power). In addition, we ask that Public Power representatives be included in future discussions regarding the modernization of the Treaty both after the recommendation is issued to the State Department and in regard to a post-2024 treaty governance structure.

ECONOMIC BENEFITS

At the time the Treaty was drafted both the United States and Canada recognized that flood control and hydroelectric power generation were a means to achieve economic progress and strength for both countries. Economic progress and stability are time-honored objectives and therefore they should continue to be the guiding principle for any material changes to the Treaty.

I am concerned that the economics and the measurement of economic impacts to the 6.4 million ratepayers that rely on the Columbia River System received very little mention in the Working Draft. The Columbia River system provides low-cost, clean, reliable, renewable hydropower generation that protects our air quality and limits the need for coal-fired, gas-fired and nuclear-fired power plants. Clark's ratepayers have come to rely on the Columbia River System to keep their rates low and system reliability high. Any modifications to future treaty operations should not jeopardize the economic benefits and reliability hydropower provides for the region.

For these reasons I do not believe that it is appropriate to reduce or trade off hydropower production in order to provide increased ecosystem-based functions.

ECOSYSTEM

The Working Draft used the term "ecosystem" 21 times and yet the term is never defined. The use of the term throughout the document raises more questions than answers. In addition, the Working Draft lacks any biological justification or analysis of the costs and benefits associated with ecosystem-based objectives. It is Clark's view that any proposals for new investments should reflect the best available science. In addition, it should be considered in the context of the costs and benefits that may accrue, as well as the investments already in place through flood and hydropower operational parameters and programs already in place. Given this I ask that the Entity work with Public Power and other interested parties in an open public process to discuss the purpose and intent behind the ecosystem concept and develop an appropriate

recommendation that reflects best available science, existing programs, and the region's interests in low-cost reliable hydropower generation.

FLOOD CONTROL

I am concerned about the direction the Entity appears to be heading regarding flood control. The Working Draft seems to suggest that flood control protection could be modified in order to achieve certain ecosystem-based functions. Clark's service territory borders the Columbia River and residents of Clark County rely on flood control measures to protect people and property. I urge the U.S. Entity to reinforce the importance of flood control in its recommendation to the U.S. Department of State. In addition, I must object to a change in the current level of flood risk unless modified by a formal public process.

I appreciate the opportunity to comment on the June 27 Letter and Working Draft and look forward to participating with the U.S. Entity through this process.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne W. Nelson", with a long horizontal flourish extending to the right.

Wayne W. Nelson
CEO and General Manager