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Mr. Stephen Oliver
U.S. Entity Coordinator
Bonneville Power Administration
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Mr. David Ponganis
U.S. Entity Coordinator
U.S. Army Corps of
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P.O. Box 3621
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Dear Mr. Oliver and Mr. Ponganis:

Franklin PUD is a preference customer of BPA and is associated with several regional entities and groups who have provided comments to the U.S. Entity's June 27, 2013 working draft of a regional recommendation for the future of the Columbia River Treaty (Treaty) with Canada. While we endorse the comments of those entities and groups, this letter is intended to emphasize issues that are of particular interest and significance to Franklin PUD and our customers.

In short, Franklin PUD is disappointed in the draft recommendation and concerned about a significant flaw in the process to date. Much of the disappointment likely comes from a lack of specificity in the draft recommendation and the flaw in the process. The significant flaw is that the stakeholders financially impacted the most by the future of the Treaty, utilities and their customers, have been excluded from a "key" part of the current process. That key part of the process is described in the draft as "monthly collaboration" meetings with the Sovereign Review Team (SRT) and is addressed further in paragraph 3 below.

Our specific points of emphasis are:

- 1) Power benefits need to be rebalanced by eliminating the "substantially greater value" currently accruing to Canada and providing for the equitable sharing of benefits that was envisioned when the Treaty was first negotiated. Equal sharing of benefits should be the highest priority short and long term goal and the renegotiated treaty should provide for periodic recalibration of the benefits to assure equity is maintained over the long term.
- 2) The addition of an ecosystem function as a primary purpose of the Treaty is inappropriate and not necessary. Environmental stewardship has been, is, and will continue to be of paramount importance to utilities and system operators.

Primarily a domestic issue, there is no apparent purpose or benefit to incorporate a new ecosystem-based function in the Treaty. Further a proper balancing of science-based flow regimes, ecosystem improvements and system reliability and flexibility is best left to the system operators and best addressed in transparent domestic forums.

- 3) Closed door meetings with a select group of stakeholders with a particular point of view or agenda to the exclusion of others should be stopped. Seeking “agreement” on a draft document with a select group of stakeholders prior to a draft being released for comment, as indicated in the first paragraph of the draft, is inappropriate. Doing so behind closed doors leads to distrust, misinformation and ultimately wasted time and effort. A truly open and transparent process is more likely to lead to a broad regional acceptance and support of the final recommendation. The CRT Power Group and others should be invited to participate with the SRT and U.S. Entity in an open and meaningful way as work continues toward a final recommendation.
- 4) The ten year notice period for termination should be an important consideration in the final recommendation. Failure to reach agreement with Canada on a set of principles and a schedule for Treaty negotiations by mid 2014 should be cause for serious consideration of including issuance of a December 2014 notice of termination in the final recommendation.

Thank you for the opportunity to comment and your efforts to date in working toward renegotiation and continuation of this important Treaty.

Sincerely,



Edward J. Brost
General Manager

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