



CENTRAL ELECTRIC COOPERATIVE, INC.

August 9, 2013

Stephen R. Oliver
Bonneville Power Administration

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

U.S. Entity Coordinators, Columbia River Treaty
CRT Review (DKE)
P.O. Box 14428
Portland, OR 97293
Delivered via e-mail to: treatyreview@bpa.gov

Dear Mr. Oliver and Mr. Ponganis:

The Columbia River Treaty (“CRT”) and the CRT review process are of significant interest to Central Electric Cooperative and to all Northwest utilities. I write today to urge you reject the approach to the CRT in the June 27th “Columbia River Treaty Review Working Draft of a Regional Recommendation” (Working Draft Recommendation) and instead to refocus CRT review efforts on what should be the region’s top priorities: rebalancing the Canadian Entitlement (“CE”),¹ ensuring that electricity ratepayers do not bear the burden of future flood control costs, and recognizing that the region already invests substantially in largely successful ecosystem management efforts in the Columbia River Basin.

I. Central Electric Cooperative, Inc.

A member-owned, not-for-profit electric cooperative, Central Electric Cooperative (CEC) has provided electric utility services to its members in central Oregon since 1941. At the close of 2012, CEC’s 80 employees served 31,685 accounts held by 25,042 members in its 5,300 square-mile service territory in Deschutes, Crook, Jefferson, and parts of Lake, Linn, Wasco, and Grant counties. CEC’s electrical system includes 24 substations and 3,808 miles of energized power lines, including 183 miles of transmission line, 2,256 miles of overhead distribution line and 1,369 miles of underground distribution line.

¹ The CE is the amount of energy and capacity that the United States provides to Canada each year pursuant the CRT. The CE is based on a formula in the CRT originally meant to represent one half of the downstream power benefits resulting from the treaty.

II. The Working Draft Recommendation

I was extremely disappointed with the Working Draft Recommendation. Quite simply, it needs to be rewritten. The current draft does not put the United States in a strong position to advocate for our regional and national interests in discussions with Canada. It does not come close to representing a regional consensus on this important issue before the U.S. Entity. I appreciate your request for edits to this document, but, rather, than editing the document, you must simply delete much of it and the U.S. Entity should start over with an effort to provide a draft recommendation to the Department of State.

III. Treaty Review Process

The CRT review process as it has unfolded so far will not get us to a regional consensus on a recommendation to the Department of State. Regional utilities have not had a significant voice in discussions, and this needs to change. It is time refocus your private conversations with the “Sovereign Review Team” and engage in open dialogue with BPA customers and others so that we can have an open, transparent exchange of ideas.

IV. Regional Priorities

Going forward, the U.S. Entity and regional stakeholders must refocus efforts on what are truly our regional priorities and our national interest when considering the future to the CRT. Specifically, we must focus on the following:

1. The Canadian Entitlement is too high. It needs to be rebalanced to reflect modern realities and to reduce costs to ratepayers.
2. Any flood control costs to the United States after 2024 should be a general taxpayer expense, not a ratepayer expense.
3. Any ecosystem management discussions that are part of CRT negotiations need to reflect the existing, robust, and incredibly expensive fish and wildlife efforts already underway in the Columbia River Basin.

V. Conclusion

Again, Central Electric has a strong interest in the CRT. We look forward to continuing to work with you as the U.S. Entity crafts a final recommendation to the Department of State on the future of the Treaty.

Sincerely,



Dave Markham, President/CEO

CC: Elliot Mainzer, Acting Administrator, Bonneville Power Administration
Oregon Congressional Delegation
Governor of Oregon