



**PUBLIC UTILITY DISTRICT NO. 1 of CHELAN COUNTY**

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Columbia River Treaty Review  
P.O. Box 14428  
Portland, OR 97293

Transmitted Electronically:  
[treatyreview@bpa.gov](mailto:treatyreview@bpa.gov)

To: U.S. Entity Coordinators, Columbia River Treaty:

Steve Oliver  
Bonneville Power Administration

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

Gentlemen,

On behalf of Chelan County Public Utility District No. 1 (Chelan PUD), I am pleased to submit our perspective on disposition of the Columbia River Treaty. Thank you for the opportunity to provide comments. As owner/operator of two hydroelectric projects on the Columbia River, we have a vested interest in the Treaty's future.

Chelan PUD has worked closely with Douglas and Grant PUDs (mid-C's) to facilitate the work of the Columbia River Treaty Power Group for more than two years, which has provided us a well informed view of the various issues. Based on our understanding of the available information, the remaining benefit for downstream power generation is minimal, while the cost imposed under the Treaty protocols is high. The value of the current Canadian Entitlement is \$250-\$350 million annually, of which the mid-Cs' share is 27.5%. Based upon an extensive analysis of downstream power benefits by BPA, the remaining benefit of coordinated operations is minimal, while the costs imposed under the existing Treaty protocols is high. BPA has forecasted the Canadian Entitlement payment in 2025 using existing methodologies to be 450 aMW with about 1,300 MW of capacity. Yet, BPA estimates the actual benefits to be 90 aMW and 0 (zero) MW of capacity. This equates to a Canadian Entitlement payment of 45 aMW or a ten-fold decrease in actual value.

We therefore offer the following principles for you to consider as you continue to work to develop your recommendation to the U.S. Department of State. As requested in your letter, these principles are in priority order.

### Downstream Power Benefits

- Any payment made to Canada for downstream power benefits should not exceed one-half of the actual incremental power benefit achieved through a coordinated U.S./Canada operation as compared to a non-coordinated operation.

### Non-Power Benefits

- Consistent with the flood control funding approach employed throughout the United States, any payments for Columbia River flood control should be the responsibility of the taxpayers of the United States.
- Each of the entities providing the Canadian Entitlement return already have robust environmental mitigation plans embedded in their project authorizations and developed in legal forums. Along with the cost of the Entitlement return, this mitigation is funded by utility customers. Therefore, an equitable correction to the Entitlement should not lead to an increased mitigation requirement.

If these principles cannot be met, then it's Chelan PUD's position that the United States has no other option but to provide notification of termination by 2014.

Again, we appreciate the opportunity to provide comments on the development of this important recommendation and look forward to future involvement opportunities.

Sincerely,



John Janney  
General Manager, Chelan PUD