



1AT-009

STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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June 29, 2006

Mr. Steven G. Hickok  
Bonneville Power Administration  
Public Affairs Office – DKC-7  
P.O. Box 14428  
Portland, Oregon 97293-4428

Dear Mr. Hickok:

RE: Section 4(c)(10)(B) Interpretation

Thank you for the opportunity to comment on the Bonneville Power Administration's (BPA's) proposed interpretation of §4(c)(10)(B) of the Pacific Northwest Electric Power and Conservation Act (Act). This section of the Act provides that the BPA Administrator may include funding in the agency's budget to support the work of the Northwest Power and Conservation Council ("Council") in an amount not to exceed ".10 mill multiplied by the kilowatthours of firm power forecast to be sold by the Administrator."

BPA proposes to interpret "firm power forecast" to include the power sales it is both authorized and obligated to make to utilities under the residential sales and exchange program established by Section 5(c) of the Act. BPA also proposes to include this eligible residential exchange program load as firm sales regardless of whether eligible utilities' rights under this section have been settled through financial or other means as an alternative to firm power sales.

The Washington Utilities and Transportation Commission supports this interpretation. BPA recognizes correctly that the intent of the Northwest Power Act is to provide adequate funding for the Council to fulfill its role to plan comprehensively for BPA to meet all of its affirmative power sale obligations. BPA has an obligation to serve the residential exchange loads. Its decision to meet this obligation through alternatives to firm power sales agreed to by the utilities that hold the right to impose this BPA obligation does not diminish the importance or scope of the Council's responsibility to develop power and fish management plans. BPA must be prepared to meet these loads in the absence of alternative arrangements.



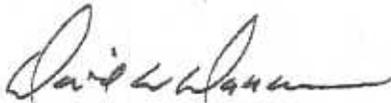
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The work of the Council – particularly in developing regional power plans – is of growing importance to the Pacific Northwest as new power resources, including conservation and renewable resources, are needed to meet the growing needs of the region's population and economy. The Council's plans are a uniquely valuable resource to the Pacific Northwest, informing crucial BPA and utility investment decisions as well as regulatory decisions made by state agencies.

We therefore support BPA's proposed interpretation of §4(c)(10)(B) to include the eligible residential exchange loads obligated under section 5(c) as firm power sales in calculation of the amount included in the Administrator budget for the Council's critically important functions.

Again, thank you for the opportunity to share our views.

Sincerely,



David W. Danner  
Executive Director