

**From:** on behalf of BPA Public Involvement

**Subject:** FW: Comment on BPA's Service to Port Townsend Paper, a non -aluminum DSI

**Attachments:** ICNU Comments on Port Townsend.doc

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**From:** mail@dvclaw.com [mailto:mail@dvclaw.com]

**Sent:** Tuesday, January 31, 2006 2:29 PM

**To:** BPA Public Involvement

**Subject:** Comment on BPA's Service to Port Townsend Paper, a non -aluminum DSI

Comment on **BPA's Service to Port Townsend Paper, a non -aluminum DSI**

View open comment periods on <http://www.bpa.gov/comment>

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**This comment includes an attachment!**

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January 31, 2006

## *Via Electronic Mail*

Paul E. Norman  
Senior Vice President  
Bonneville Power Administration  
P.O. Box 14428  
Portland, OR 97293-4428

Re: Comments on Port Townsend Prototype Contract

Dear Mr. Norman:

The Industrial Customers of Northwest Utilities (“ICNU”) submits the following comments in response to Bonneville Power Administration’s (“BPA”) announcement requesting comment on the draft prototype contracts for BPA’s service to Port Townsend Paper (“Port Townsend”). ICNU is not addressing the merits of the prototype contracts because the Port Townsend contract process appears to have been delayed and is being considered along with all the Direct Service Industry contract issues as part of the Power Function Review II.

ICNU, however, is taking this opportunity to formally comment on whether BPA should reconsider its decision to provide benefits to Port Townsend and the other DSIs in light of the potential additional salmon mitigation costs. The costs to BPA of offering Port Townsend 17 MW at or about the PF rate are unknown, and may significantly increase depending on the outcome of the litigation regarding salmon mitigation. ICNU strongly believes that BPA should not make any commitments to the DSIs, including Port Townsend, given the potential increase in BPA’s costs. The decision to offer this preferential rate to Port Townsend is discretionary on the part of BPA. It is highly inappropriate and an abuse of BPA’s discretion to offer Port Townsend this rate, which may be lower than the rate charged to any of ICNU’s members, since some of them are competitors of Port Townsend. BPA should not offer any contracts to the DSIs, including Port Townsend, and reconsider the issue of service to the DSIs after the costs associated with salmon mitigation have been firmly established.

Sincerely yours,

/s/ Melinda J. Davison  
Melinda J. Davison