



Board of Commissioners
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General Manager
Brian L. Skeahan

Mr. Mark O. Gendron
Vice President, NW Requirements Marketing
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

July 15, 2008

Re: Comments on Draft Contract Templates

Dear Mr. Gendron:

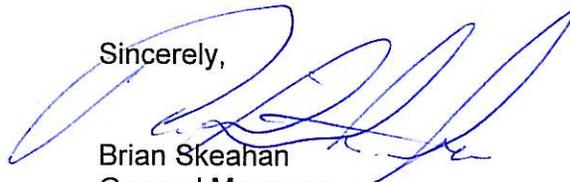
Cowlitz continues to convey our comments in the various BPA workshops, as well as through direct correspondence with our Account Executive. These comments are not exhaustive and do not represent all of the concerns we have already raised in these forums. Most, if not all of the comments seen here have already been brought up in both venues. However, a number of these concerns have yet to be resolved or adequately addressed in these forums. These comments specifically refer to the Draft Load Following Template, but as other templates contain many of the same elements, please consider these comments applicable, as appropriate, to those templates as well.

- 1) Section 3.3.1.3 states BPA will, through a public process after the Effective Date, develop a "peaking standard". It seems a little late to develop standards which will become key Customer contract obligations AFTER Customers make decisions on which product they will to purchase. We suggest that these "standards" be developed BEFORE Customers are expected to select which product to purchase.
- 2) Section 3.5.6 says Customers can remove a NLSL resource if "BPA determines" the NLSL is no longer an NLSL in our service area. We recognize there has been some progress made since the last round of comments we submitted on this topic, but this still falls far short of an acceptable, sufficiently detailed manner to handle New Large Single Loads. It is quite likely that Customers with a NLSL Consumer may see that NLSL consumer curtail production for short periods in response to power, or other product market conditions. Customers must have the ability to purchase or sell power as necessary to economically meet the power supply needs of New Large Single Loads and respond to unexpected changes in production brought on by product or power market conditions, or any other condition or circumstance that warrants changes in power usage by the Consumer. The draft contract still falls far short in this area.

- 3) Section 3.7.3 states "...If on any hour, power generated from a Consumer-Owned Resource exceeds Onsite Consumer Load, the amount of such excess power on that hour shall be treated as inadvertent flow for which <<Customer Name>> shall receive no compensation from BPA." Customers should be allowed to either SELL generation in excess of a Consumer's load, or use it to serve Tier 2 load. We suggest this be revised, along with other areas in Section 3.7 to allow for any generation in excess of a particular Consumer's load be sold or used by the Customer to serve "Tier 2" load, or above HWM load, to meet Renewable Portfolio Standards, if applicable, used to serve NLSL's, or be used for any other purpose so long as the Customer's Tier 1 purchase obligation is not reduced as a result.
- 4) Several places in the draft contract would have Customers sending schedule and metering data to BPA PS. Rather than duplicate data already submitted to, or accessible by BPA TS, we suggest as an alternative, there should be a blanket statement somewhere in the contract that allows Customers to sign a disclosure agreement between the Customer, BPA PS and BPA TS which would allow this information to be obtained directly from BPA TS rather than requiring Customers to duplicate efforts in data submission.
- 5) Section 8.2 refers to Exhibit D, and discusses New Large Single Loads, as well as the NR rate. Exhibit D seems to indicate there will be a table containing MW amounts of NR power to be purchased to serve a NLSL. We question how this will work in application. We cannot find in the Draft Template where there will be a mechanism to follow the ACTUAL NLSL load, whether a Customer elects an NR supply for a NLSL or purchases power from the market (or any other source, for that matter). Very seldom, if ever, are Consumers able to control their processes to the exact kiloWatt electrical load level. There needs to be a mechanism to allow for minor differences between what's scheduled to serve a NLSL and the actual load.

Once again, thank you and your staff for the opportunity to submit these comments.

Sincerely,



Brian Skeahan
General Manager
Cowlitz PUD