

REG-070



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October 23, 2006

Salmon River Electric Cooperative, Inc.
P.O. Box 384
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Steve Wright, Administrator
Bonneville Power Administration
PO Box 14428
Portland, Oregon 97293-4428

Re: Salmon River Electric Cooperative's Comments on Regional Dialogue

Dear Mr. Wright:

Thank you for the opportunity to comment on BPA's Long Term Regional Dialogue Policy Proposal. I am writing today to underscore some very important issues to my utility, Salmon River Electric Cooperative. As you know Salmon River Electric Cooperative serves approximately two thousand consumers in Idaho. As a slice customer of Bonneville we are vitally interested in the proposed allocation methodology.

Salmon River Electric Cooperative is participating with other entities in drafting comprehensive comments which are being filed separately. However, the issue of transfer service for non-Federal power is so compelling to our future viability that it is necessary for me to write separately in order to emphasize its importance

Salmon River Electric Cooperative is one of only six BPA customers who take service from Bonneville via an exchange agreement between BPA and PacifiCorp. The Southern Idaho Exchange (SIE) is a unique arrangement that is replicated nowhere else on BPA's system. Historically, one of the guiding principals for transfer service such as the SIE has always been that such service be comparable to the service provided by BPA to its directly connected customers. If it is BPA's policy to remain faithful to that concept, it is critical that BPA assume the obligation to wheel Tier 2 non-Federal power either through the SIE or via a separate transmission agreement with PacifiCorp. Unfortunately, the Proposal, as currently written, will not accommodate our access to regional power markets other than through BPA. This is contrary to the policy guideline in the Regional Dialogue which provides that "BPA should not use transfer service as a leverage to induce customers to buy Tier 2 power from BPA".

Thank you again for this opportunity to comment.

Sincerely,

Ken Dizes
Ken Dizes
Manager