

To: The Bonneville Power Administration

To Whom It May Concern:

I would like to take this opportunity to make comments about three areas that will have a direct impact on our utility in the post 2011 era. The uncertainty of future power rates and availability has many guessing as to how they will meet their customer's needs and with no clear solution from Bonneville it only exacerbates the confusion. While I understand that Bonneville is working very hard to solve the very complex problem of dividing up the FBS, I worry about the political pressures that you must be feeling. Our utility is very small and does not have much political clout and if Bonneville does not look out for our needs then we are truly at a major disadvantage. The three areas are the following:

- 1) Residential Exchange – While the IOU community believes that they have a right to a portion of the FBS, the amount should be kept to a minimum. Their demand of 300 to 350 million is much too high. I believe that a figure of 150 to 200 million is a much more realistic number. I have a disagreement with the idea that the federal government should subsidize an Investor Owned Utility that pays dividends to its shareholders.
- 2) DSI's – If Bonneville decides that it should divide a portion of its Tier 1 to Direct Service Industries then that portion should be as low as possible and for the shortest time possible. A buy back of power contracts should not even be an option. If they are not using their allotted power then Bonneville should be able to sell the unused power for the best price possible for the benefit of the entire FBS.
- 3) Slice – I believe that the Slice product should be offered close to its present form. I understand that Bonneville would like to limit the appeal of slice by cutting back on its benefits. If a utility takes on the risk of being a slice purchaser then they should also receive the all of the benefits of selling the surplus without Bonneville trying to constantly reduce the overall percentage of the FBS that Slice represents.

Thank you for allowing me to comment and for taking the time to listen to your customers.

Sincerely,
Ray Ellis
General Manager
Okanogan County Electric Cooperative