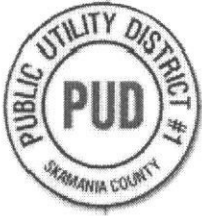


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Public Utility District No. 1 Of Skamania County

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May 7th, 2008

Ms. Tina Ko, PSW-6
Bonneville Power Administration
P. O. Box 3621
Portland, OR 97208

Dear Tina:

I write today to offer comments on the draft Load-Following Regional Dialogue contract template released for review on April 7th, 2008. Having now read the draft contract and the draft TRM, Skamania PUD offers the following comment.

What does this contract secure ? For over two years BPA Administrator Steve Wright has traveled around the region speaking to various meetings about the need to 'secure the benefits of the FBS for the region'. So my question is: what does this contract secure? YES, it appears to secure Skamania PUD's contractual right to purchase a portion (Contract High Water Mark) of the output of the FBS. But at what price? I submit that the benefit we are trying to secure is the low-cost output of the FBS. If the price becomes a high-cost output, the value is much less.

Many people and politicians have been pushing for many years to restructure and de-regulate the electric power industry, suggesting that competition in the wholesale, and even the retail markets, will make us a better nation. This movement has brought forth the push for establishing Regional Transmission Organizations (RTOs) and a Standard Market Design (SMD). And, some folks in this movement would like to see BPA sell power from the FBS at the highest price the market will bear. Do these Regional Dialogue contracts lock in the concept of cost-based rates?

As I compare the language in the existing 10-year contract between BPA and Skamania to the language in Section 20, No Warranty, of the proposed contract, I am concerned that we not only have not improved the region's hold on low-cost power, but have weakened our hold. This is the primary issue I would like BPA to address. Further, if Skamania PUD can help BPA it addressing this issue at the national level, please tell us and let us help you.

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We do have many other concerns with both the contract and the TRM, but we defer to our representatives at PPC, NRU, WPAG, etc., to deal with these in more detail.

Thank you for the opportunity to comment.

Robert Wittenberg Jr.
Manager for the District