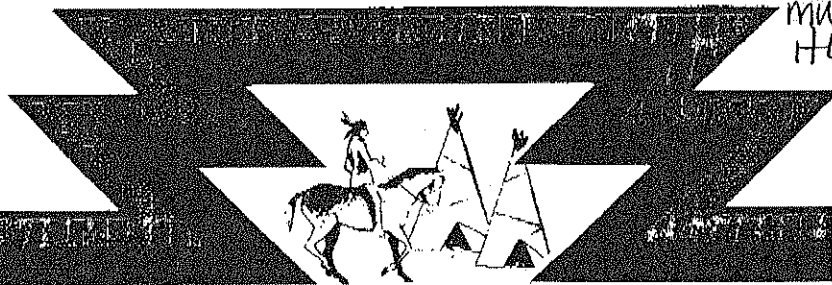


# NESPELEM VALLEY ELECTRIC



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Mark Walker, Director of Public Affairs  
Northwest Power & Conservation Council  
851 SW 6th Avenue, Suite 1100  
Portland, OR 97204-1348

April 20, 2004

Via facsimile: 503-820-2370

Dear Mr. Walker,

200404 023

Thank you for the opportunity to submit comments regarding the future role of the Bonneville Power Administration (BPA). Quite simply, Nespelem Valley Electric Cooperative (NVEC) believes that BPA needs to focus on its core mission of providing affordable power and transmission services to non-profit utilities and their consumers, honoring "preference" rights.

There is still a need for a Federal Power Program. NVEC provides non-profit electric service to approximately 1,600 meters in southeast Okanogan County. Half of our members belong to the Colville Confederate Tribes. Unemployment is close to 40% on the reservation, and 14% countywide. Affordable electric service at historic preference wholesale pricing is critical to provide economic opportunities for rural residents.

Wholesale power costs have nearly doubled for NVEC members in the past four years because of market manipulation, and the payments to the for-profit investor-owned utilities through the residential exchange program. Fish and wildlife costs continue to climb with little flexibility to consider other more cost-effective alternatives, such as the current debate over summer spill. Finally, the federal government – including BPA – is looking at radical changes to the regional transmission system, which would increase costs for ratepayers there as well. We vehemently oppose any effort to form a Regional Transmission Organization.

NVEC does support 20-year contracts for wholesale power supply and wants transmission contracts of equal length to provide some kind of predictability for the region and lessen the infighting among BPA customer groups. BPA is supposed to give preference to non-profit utilities, and that tenant – although substantially weakened over the years – should still hold true and be strengthened taking into account the load growth of full requirements, preference utilities.

Thank you for this opportunity to provide comment. Please feel free to contact me at (509) 634-4571 with any questions or concerns.

Sincerely,

BILL MILLER  
General Manager

APR 21 2004