



Public Power Council

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April 26, 2004
Via email and U.S. Mail

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

RE: The Council's Recommendations for the Future Role of BPA
in Power Supply

Dear Mark:

Thank you for the opportunity to comment on the Council's recommendations.

We support the BPA Customer Comments, and will not repeat them. We present, below, a short discussion of two areas important to us.

DSI Credit Support

The Council suggests that BPA could "potentially provide credit support for development of a resource by the DSIs to firm up the non-firm available to them". BPA has already lost millions of dollars due to the DSIs' default on their obligations to BPA. BPA ought not extend its credit risk in this area, for doing so could lead to defaults dwarfing the losses that BPA has already incurred on their account. If an allocation scheme is adopted, many consumer-owned utilities must develop resources of their own. We see no reason why DSIs should receive preferential access to BPA's credit for resource development.

Tiered Rates

We appreciate the fact that the Council does not intend to press for near-term implementation of tiered rates under current contracts. To solve BPA's systemic long-term problems will require a comprehensive package of measures, including, above all, meaningful cost controls. Merely manipulating BPA's rates

won't solve the problems that BPA is facing, and it is important to avoid the illusion that rate modifications will cure those problems.

Thank you for the opportunity to provide these comments.

Sincerely, CCL

A handwritten signature in black ink, appearing to read "C. Clark Leone", is centered on a light gray, textured rectangular background.

C. Clark Leone
Manager