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From: jsaven@pacifier.com
Sent: Monday, June 14, 2004 9:14 AM
To: BPA Public Involvement
Subject: Comment on Summer Spill Proposal

Comment on **Summer Spill Proposal**

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Please verify receipt of the attached comments. Thank you.

This comment includes an attachment!

Summer Spill Comments

I am the CEO of Northwest Requirements Utilities. NRU is a trade association of 47 public and consumer owned utilities. Our members take 12.8 M MWh of power from BPA and account for over 20% of the public power loads served by BPA. We represent over 455,000 end use utility customers.

We support the June 8th Amended Federal Proposal for four reasons:

1. While not cost effective, this is a step in the right direction.
2. The Agencies have provided full mitigation for changes in the summer spill program.
3. Economically the region needs the savings.
4. Alternatives to this energy generation have their own set of adverse environmental consequences.

Based on the June 8th proposal, in Table 2, there is a potential ESA listed Fall Chinook juvenile impact of up to 943 smolts out of an estimated 1,000,000, or basically less than 0.1%. Adult returns of Wild Fall Chinook range up to 5,000.

So with this proposal, we are talking about impacting maybe 5 returning adults, prior to mitigation. The direct mitigation measures of \$9.7 are nothing short of staggering!

The proposal has a net benefit mid range of \$25 M. For NRU members alone, this is worth over \$5 M. This is significant in the context of BPA's wholesale power costs.

Our BPA Priority Firm Power rates are currently at 32.45 mills/kWh. By this action alone they would drop to 31.85 mills or 1.9%. Current rates are 46% higher than in 2001.

I could provide many examples of how high electricity prices damage our shaky Northwest economy. Our economy is increasingly matched against global competition, and from other regions of the United States. NRU members have seen timber mills, aluminum plants, high tech manufacturing, food processing plants, mining facilities and small farms shuttering their doors. And in turn we are losing family supporting jobs, while people struggle to make ends meet.

From the utility perspective, a good example of our overall economic health is service disconnections. This is the measure of last resort when people simply can't pay for electricity.

An Oregon NRU cooperative reports service disconnections in 2003 that are 43% higher than in the previous rate period. How would you like to be the manager of a mid size consumer owned cooperative of about 17,000 customers and have to disconnect over 650 services in 2003? Similarly, an Oregon PUD reports a 45% increase in cut offs for non-payment in 2003 compared to 2000.

What is the financial consequence to our region of foregoing up to \$48 M of additional generation capability by modifying summer spill? Think of it as the equivalent of having about 2,350 families of 4 people making no money whatsoever, rather than at least earning the Federal poverty level of just under \$19,000 per year.

We need economic stimulation, and we need the dollars to recycle through our local communities. We need the financial capital in region to invest in alternative forms of energy. We need to be good environmental stewards, while applying principles of cost effectiveness and common sense.

I regret that the Federal Agencies only proposed to reduce summer spill by 39% rather than the 55% in the March proposal. However, your efforts are a step in the right direction.

The broadly based NRU membership in 7 states looks forward to working with you in all forums that may be required to achieve these changes.