

Renata Kurschner, P.Eng.

Director, Generation Resource Management

BCHydro

E09: 6911 Southpoint Drive

Burnaby BC V3N 4X8

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DELIVERED

Bonneville Power Administration &
U.S. Army Corps of Engineers,
North Pacific Division,
as the United States Entity
Columbia River Treaty

Attention: Stephen Oliver & David Ponganis

Dear Sirs:

Canadian Entity Response to USACE White Paper on Columbia River Post-2024 Flood Risk Management Procedure

The Canadian Entity has received the White Paper on Columbia River Post-2024 Flood Risk Management Procedure (White Paper) dated September, 2011 prepared by the U.S. Army Corps of Engineers (USACE). As you know, the Canadian Entity had no input into the White Paper and was not consulted prior to the public release of this document. Now that we have had an opportunity to review the document, and have also had the opportunity to discuss some of our concerns with you, we wish to make you and other interested parties aware that the Canadian Entity is not in agreement with certain interpretations of the Columbia River Treaty and its Protocol (Treaty) as assumed in the White Paper.

The Canadian Entity is concerned that stakeholders, and other interested parties, may develop expectations based on the White Paper, without understanding that there are important differences in Treaty interpretation. The Canadian Entity further believes that appropriate flood control procedures cannot be developed until these differences are addressed.

While we have a number of concerns, the key areas we have identified to date are:

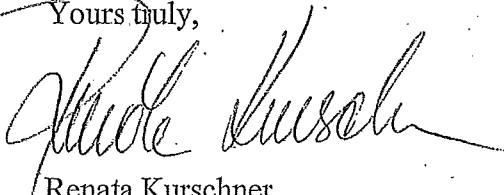
1. The White Paper assumes that, post-2024, the USACE is entitled to call upon Canadian flood control that is equivalent to the primary flood control available under the Treaty up to 2024, without showing full use of U.S. storage. The Canadian Entity does not believe that this interpretation is supported by the Treaty and/or other historical interpretive documents; and
2. The White Paper assumes that only U.S. dams with licensed and authorized storage capacity for system flood control fall within the definition of "related storage" for purposes of Section 1(2) of the Protocol. The Canadian Entity does not believe there is any such limitation contemplated by the Treaty.

In addition, the White Paper does not reflect the significant difference in Arrow reservoir operations that could be expected post 2024, and which we believe would render the flood control procedures outlined in the White Paper impractical for the U.S. to implement.

Last, but not least, the White Paper appears to imply in section 2.0 (5) that Canadian flood control interests are subordinate to U.S. flood control interests. The Canadian Entity does not accept this position, but understands from discussions with the U.S. Entity that this was not the intent of the wording and that the USACE is planning on issuing an erratum.

The Canadian Entity is prepared to continue discussions on Treaty interpretations for post 2024 flood control with the US Entity as necessary to address the issues noted above.

Yours truly,



Renata Kurschner

Coordinator, Canadian Entity, Columbia River Treaty

cc:

Les MacLaren, Assistant Deputy Minister, Ministry of Energy and Mines

Kathy Eichenberger, Executive Director of Columbia River Treaty Review, Ministry of Energy and Mines