



**WESTERN MONTANA ELECTRIC
GENERATING & TRANSMISSION COOPERATIVE, INC.**

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RECEIVED BY BPA PUBLIC INVOLVEMENT LOG#: R0-0354 RECEIPT DATE: OCT 18 2002

October 18, 2002

Bonneville Power Administration
P.O. Box 12999
Portland, OR 97212

RE: Bonneville's Future Role

Gentlemen:

On behalf of the over 100,000 consumers served by the members of Western Montana Electric Generating and Transmission Cooperative (WMEG&T), we appreciate the opportunity to comment on the future role of Bonneville in resource acquisition. All of our members purchase some power and the majority of our members purchase all of their power from Bonneville, so we have a keen interest in the future of the agency. As such, we support the joint customer proposal that has been developed over the last year and recommend that it be used as the basis for further regional discussions.

It is clear to us that the benefits of the Federal Columbia River Power System (FCRPS) would be best preserved through long-term contracts between Bonneville and its customers. Long term contracts offer the best hope of providing certainty while avoiding the risks of legislation. Further, the joint customer proposal assigns responsibility for serving future load growth to the individual utilities rather than giving that obligation to Bonneville by default. The proposal also fixes the payments to investor-owned utilities according to a logical formula. Finally, the proposal also protects fish and wildlife expenditures, and guarantees acquisition of cost effective efficiency measures.

The joint customer proposal does need further refinement. In particular, the proposal does not have a well-defined mechanism for enforceable customer input regarding Bonneville cost control, including the ability of customers to reduce their load on Bonneville if the agency's costs exceed reasonable and mutually agreed-upon levels. This aspect of the proposal must be addressed before customers can be expected to sign long-term contracts to purchase power from Bonneville.

While there are still some details to be completed, we believe the joint customer proposal offers the best mechanism yet developed for preserving the benefits of the FCRPS for the region.

Thank you for the opportunity to comment. We would be happy to answer any questions you may have about our position.

Very truly yours,

A handwritten signature in cursive script that reads "William K. Drummond /cs".

William K. Drummond
Manager

cc: WMG&T Board of Trustees
Member System Managers
Montana Congressional Delegation
Steve Wright
Ed Bartlett
John Hines
Jerry Leone
John Saven