

June 22, 2009

Allen Burns, Acting Deputy Administrator
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208

Submitted Via BPA Public Comment Website

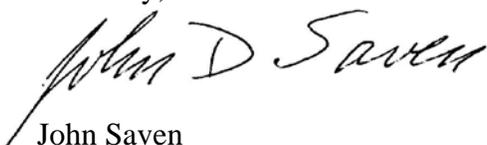
Dear Mr. Burns,

On December 22, 2008 Northwest Requirements Utilities (NRU) submitted extensive comments on a proposed power sales agreement between BPA and Alcoa, Inc. Our comments were clear as to defects we saw in the draft contract. We are now presented with that same contract and asked to comment on a set of questions that in our opinion do nothing to address these defects, but rather build on the underlying parameters of the draft contract. Since our December comments we have seen nothing materially different that would change our minds from the position taken in that letter. If anything, the downturn in the economy has amplified the difficulties being faced by the customers of publicly-owned utilities and the need to reduce rate increase pressures. Asking your customers to provide a subsidy so that the DSIs can continue to operate is inconsistent with sound business principles. In essence, these proposals may have the consequence of trading viable jobs in public utilities' service territories for DSI jobs that are more marginal in a global economy.

As we noted last year, "The Ninth Circuit opinion of December 17, 2008 has given BPA additional substantial guidance about its legal responsibilities and authorities regarding the DSIs and its preference customers. NRU strongly recommends that the agency reconsider its proposed contract in light of that decision. ... The Ninth Circuit has said that BPA has the authority, but not the obligation, to sell power to the DSIs, but the authority is not unbounded. BPA must still exercise its discretion consistent with the Northwest Power Act and "sound business principles." The Ninth Circuit recognized that BPA was not operating under sound business principles when it said: "By subsidizing the DSIs' smelter operations beyond what it is obligated to do, BPA is simply giving away money."

We see nothing in the questions being asked of us in the May 29th letter to merit a new response and therefore we simply reiterate our previous written comments.

Sincerely,



John Saven

Cc: members of NRU