



July 19, 2007

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The Honorable Mike Thompson
United States House of Representatives
231 Cannon House Office Building
Washington, DC 20515

Dear Congressman Thompson:

Thank you for the leadership you have demonstrated in introducing the Trinity River Restoration Fund Act of 2007, H.R. 2733. The Northern California Power Agency (NCPA) supports the environmental restoration of the Trinity River, and we believe that legislation clarifying the federal authorization for the restoration program is beneficial.

In light of our continuing commitment to restoring the Trinity River, NCPA was pleased to participate in the stakeholder meeting in Eureka, California that facilitated the development of this legislation. We are also actively engaged in the ongoing efforts of the Trinity Adaptive Management Working Group (TAMWG) to ensure that the Trinity River Restoration Program (TRRP) continues to increase its emphasis on programs that result in real, on-the-ground restoration work. H.R. 2733 would resolve current confusion regarding the authorization for the TRRP, and would clarify its funding source, both of which are vitally important steps in ensuring that effective restoration work is undertaken expeditiously.

We are also pleased that funding under this authorization would not impose additional expenses for the consumers our members serve. The Trinity River Restoration Fund (TRRF), created by HR 2733, would be derived from the capital component of payments made by water and power contractors (including our members) under long-term contracts, and those costs would be treated as nonreimbursable under Federal reclamation law. This would help to keep our cost of power generated from the Trinity River Division economical, and it would better balance Trinity River Division reimbursable cost allocations to the water and power customers in response to the substantially reduced Trinity River diversions to the Central Valley Project (CVP). Those reductions have diminished the value of the CVP to our member communities, but the costs allocated to water and power have not been accordingly adjusted. The nonreimbursable provisions of H.R. 2733 would help mitigate that lost value. In a companion provision, Section 8 would require that the capital repayment obligation of CVP water and power contractors would still be credited against their CVP repayment obligation. These two provisions are critical to NCPA's support for the bill.

We would also like to bring to your attention one technical issue that needs to be addressed: the bill makes reference to "long-term contracts with the Bureau of Reclamation by Central Valley Project water and power contractors...." In fact, power contracts are made with the Western Area Power

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Administration, not Reclamation, and the language of the bill should be changed accordingly in Section 3(1)(A), Section 5, and Section 8.

As this legislation is considered, we would encourage the committee to exercise diligent oversight over the amounts allocated to the Trinity River Restoration Fund and over the administration of those funds in order to ensure that federal dollars are spent effectively on actual restoration work. It is vitally important that the Restoration Funds are effectively spent in accomplishing the Trinity River restoration activities. And it is not entirely clear that the funding levels stipulated in H.R. 2733 are needed if the restoration program is properly managed. We believe that the funding levels and program administration should be reviewed periodically by Congress.

Thank you again for your efforts on behalf of restoration of the Trinity River, and continued leadership on issues of critical importance to Northern California.

Sincerely,



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General Manager

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cc: Congressman George Miller

Congresswoman Nick Rahall, Chairman, Natural Resources

Congressman Don Young, Ranking Minority Member, Natural Resources

Congresswoman Grace Flores Napolitano, Chairwoman, Subcommittee on Water & Power

Congresswoman Cathy McMorris Rogers, Ranking Minority Member, Subcommittee on Water & Power