External Affairs Supplementary Paper distable sol eldslisvs ed bluow sewog sint British Columbia at substantially less than present costs of protest of the storage recommended coulous in that area. Over half of the storage recommended coulous (PIPTedotoOithin five years. Preliminary and conservative estimates place the cost of this power to Canada at somewhat below 4 mills. It is estimated that the amount of power returned to Canad THEMESISARIEM ATERMINOSISTICS of bentuted the United States would satisfy approximately one-third of the estimated total power requirements in Southern British Columbia The Prime Minister, the Right Honourable John G. Diefenbaker, announced today that agreement has been reached with the United States on the basis for a treaty for the co-operative development of the Columbia River Basin. siderable value to Canada in encouraging employment and pro The recommendations in the joint Progress Report submitted on September 28 by the Columbia River Negotiators will accordingly be taken as the basis for the drafting of the necessary Treaty with the United States. The Chairman of the

Canadian negotiating group is the Honourable E. D. Fulton.

Confirmation that the recommendations have been accepted as the basis for the drafting of a Treaty is embodied in an Exchange of Notes dated October 19, 1960, between the United States Secretary of State and the Canadian Ambassador in Washington. Provincial Government has already been informed

The Prime Minister stated that a term of at least 60 years had been recommended for the Treaty in order to provide for a sufficient period of certainty.

Mr. Diefenbaker explained that the Report recommends the construction of dams at or near Mica Creek on the Columbia River and at the outlet of Arrow Lakes and the outlet of Duncan Lake in the West Kootenay. These dams would create reservoirs in Canada which would provide storage of fifteen and one-half million acre feet of water. The water would be released under an agreed plan of operation designed to regulate the flow of the Columbia River for the purpose of improving hydro-electric production and flood control protection downhydro-electric production and flood control protection down-stream. In its natural state the flow of the Columbia River at the border can vary as much as 40 to 1 because of seasonal fluctuations. Control reservoirs can, as a result, very greatly increase the amount of power that can be produced to meet industrial and domestic needs.

In return for this regulated storage Canada would receive, in kind, one-half of the increase in hydro-electric power downstream in the United States attributable to the Operation of the Canadian storages during the period of the Treaty. In addition, the United States would pay to Canada an amount of money equivalent to one-half of the estimated savings from flood damage downstream in the United States attributable to Canadian storage during the same period.

The total of flood control payments to Canada under the recommendations have been tentatively estimated at about 65 million dollars with the annual investment value of these payments being some \$3,800,000.

It is estimated that, when construction of the Canadian storage is completed, about 1970, Canada's share of the downstream power benefits would be approximately one and one-quarter million kilowatts of firm capacity and over six billion kilowatt hours of annual usable hydro-electric energy.

This power would be available for distribution in Southern British Columbia at substantially less than present costs of power in that area. Over half of the storage recommended could be completed within five years. Preliminary and conservative estimates place the cost of this power to Canada at somewhat below 4 mills. It is estimated that the amount of power returned to Canada as its share of the downstream benefits in the United States would satisfy approximately one-third of the estimated total power requirements in Southern British Columbia by the year 1972.

Mr. Diefenbaker also emphasized that even during the construction period the proposed programme would be of considerable value to Canada in encouraging employment and promoting economic activity.

The capital cost to Canada for the construction of storage reservoirs and transmission facilities required to produce the downstream power benefits and deliver them to the market areas is expected to be approximately 450 million dollars. "Now that we know what might be involved the way is clear for detailed discussion of how the financing of these costs might be shared by the Provincial and Federal Governments," Mr. Diefenbaker explained. "I would not want to anticipate the outcome of these talks", the Prime Minister stated, "but the Provincial Government has already been informed that the Federal Government is prepared to make available funds for financing half the cost of the storage projects in Canada which are available by the Federal Government should be and are expected to be recoverable since the plan of development and its to earn a return on investment before all construction is completed".

Mr. Diefenbaker noted that the Government of British Columbia would be primarily responsible for the construction and operation of the facilities in Canada while the Federal Close co-operation between the two governments would aspects continue and it was expected that consultations between tederal and provincial ministers would take place shortly on recommendations.

The Prime Minister emphasized that the power benefits referred to represented only Canada's share of downstream power benefits in the United States. The capital investment involved will also make possible substantial quantities of hydroelectric power to be produced in Canada - as and when the demand warrants - by the installation of generating facilities in other sites. These substantial additional benefits can be achieved without interference with Canada's international commitment under the proposed Treaty.

Mr. Diefenbaker noted also that under the terms of five years to create a trans-boundary reservoir on the Kootenay Montana. If this project is proceeded with, Canada would duction at existing and potential future power plants on the Kootenay River in Canada and by way of flood control. All the benefits would be retained by Canada, and in return Canada

would provide and prepare the area required in Canada for the reservoir.

The recommendations also provide for the diversion of 1.5 million acre feet of water from the Kootenay River to the headwaters of the Columbia by Canada about 1980 when this additional flow will be useful for the generation of power in Canada. It is not expected that any significant flooding will be involved by this diversion.

The Prime Minister explained that public hearings would be held in accordance with the British Columbia Water Act before the recommendations for the construction of reservoirs in Canada were implemented. These hearings will provide an opportunity for discussion of details concerning the precise location of the storages and other related matters.

The Prime Minister emphasized that the essential goal of the negotiators had been reached - that is the preparation of a mutually beneficial arrangement which would stand the test of time. "The recommended development of the Columbia River system would", Mr. Diefenbaker continued, "be further evidence of the good sense of the United States and Canada in developing their respective resources. Further the method recommended by the negotiators which provides for the payment by each country of all costs for facilities in their respective countries would permit each country to retain full control of its resources and of the construction costs".

"It is my belief", the Prime Minister concluded,
"that implementation of the recommended plan of development
for this great natural resource will not only be a fine example
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REPORT TO THE GOVERNMENTS OF THE UNITED STATES AND CANADA

On January 25, 1960 the Governments of Canada and the United States announced the appointment of Delegations to represent their respective Government in negotiations looking toward the formulation of an agreement covering cooperative development of the water resources of the Columbia River Basin for the mutual benefit of both countries. The undersigned, members of the Delegations, now submit this Progress Report to the two Governments.

The Delegations have held 7 formal meetings. A series of discussions between technical advisers has facilitated the work of the Delegations.

Throughout the discussions the Delegations have been greatly assisted by the work of the International Joint Commission culminating in its Report on "Principles for Determining and Apportioning Benefits from Cooperative Use of Storage of Waters and Electrical Inter-connection within the Columbia River System" dated December 29, 1959.

The United States and Canadian Delegations report that agreement has been reached between them on the basic terms which in their opinion should be included in an agreement for the co-operative development of the water resources of the Columbia River Basin that will operate to the mutual advantage of both countries.

The Delegations have been conscious of the fact that in arriving at terms which will be acceptable to both countries in a development of such far-reaching significance, it was not possible for either of them to adopt a position that took no account of the interests and aims of the other. The recommendations contained in this Report accordingly represent, in a number of cases, accommodations which, in our opinion, have the result that, while there may be areas in which particular objectives on both sides have been modified, yet the interests of both countries will be advanced if these joint recommendations are accepted.

The Delegations recommend that the agreement should be in the form of a Treaty with appropriate Annexes. It is further recommended that the Governments accept and confirm that the drafting of such Treaty should proceed on the basis of the following proposals:

- (1) Canada, at its expense, to provide and operate in Canada 15.5 million acre feet of storage usable for increasing hydroelectric power generation and improving flood control in the United States in accordance with the assured plan of operation referred to in paragraph 17.
- (2) To provide this quantity of storage, dams to be constructed at or near Mica Creek on the Columbia River, the outlet of Arrow Lakes and the outlet of Duncan Lake, construction thereof to begin as soon as possible after the date of exchange of ratifications of the Treaty.
- (3) The operation of 8.5 million acre feet of the storage referred to above to commence within five years from the date of exchange of ratifications of the Treaty and the operation of the balance of the storage within nine years of that date.

REPORT TO THE GOVERNMENTS OF THE UNITED STATES AND CANADA

- The Government of the United States, subject to constitutional and other limitations, to use its best endeavours to accomplish the development and operation of a hydroelectric system in the Columbia River Basin in the United States designed to make the most effective use of the improvement in stream-flow conditions brought about by the Canadian storage.
- 3. For the purpose of measuring the downstream benefits resulting in the United States from the operation of the Canadian storage, such storage to be considered as next added to the storage included in the United States base system set out in Annex A hereto.
 - During the term of the Treaty additional storage constructed by Canada to be operated so as not to reduce these benefits.
- The power benefits resulting downstream in the United States from the operation of the Canadian storage to be measured by determining the increase in dependable hydroelectric capacity in kilowatts and the increase in average annual usable hydroelectric energy output in kilowatt hours, on the basis of an agreed upon period of stream-flow record, at the base system plants (including any generating capacity that is added at such plants) and at any additional plants which may be constructed on the main stem of the Columbia River in the United States. The principles and procedures to be followed in making such determination and measurement to be those set forth in Annex A.
 - for in Annex A to be based upon the stream-flows for the twenty year period beginning with the 1928-29 water year as reported in "Modified Flows at Selected Power Sites Columbia River Basin", June 1957, by the Columbia Basin Inter-Agency Committee Water Management Sub-Committee.
 - 7. Subject to paragraph 9, Canada to receive from the United States one-half of the power benefits referred to
 - With respect to each storage provided by Canada, to begin under the assured plan of operation of that storage paragraph 17.
 - 9. (1) If it be determined by the United States with respect to any project to be located between Priest Rapids and McNary dams that the sharing of benefits in accordance justify the United States in incurring the costs of construction and operation, the two Governments, at the of a change in apportionment of benefits resulting at that project from the operation of Canadian storage.
 - (2) If any change in apportionment is agreed upon, such change to be put into effect through an exchange of notes between the United States and Canada.

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- 10. sere in The improvement in stream-flows brought about under bleiv the provisions of the Treaty not to be used by any person bor entity in either country for hydroelectric power else enpurposes except sidemmi diagn entity and its interest to entity in either to entity and its interest to entity and its interest to entity in entity in either to entity ent
 - bedin(a) din the United States, with the approval of that are Government's operating entity designated under the guiprovisions of paragraph 18, did to yet deal and more to dingle-eno deeren end of bleiv laurae eganeva dous
- (b) in Canada, with the approval of whatever authority has or may be given jurisdiction in that regard by law in englanding restriction and the standard restriction in the regard by law in englanding restriction and restriction in the regard by law in englanding restriction and restriction in the regard by law in englanding restriction and restriction in the regard by law in englanding restriction restriction in the regard by law in englanding restriction rest

the approval in either case to be under such conditions of sas each shall determine to be consistent with the Treaty.

- ll. seru By agreement of the operating entities referred to zien paragraph 18, subject to the authorization of the United cimo States and Canada: vorq now yd benoissoo abanso of yd gniogenol edf of eldstydintis yltoerib abanso of saol
- vd gniogeno edt of eldstudints vlicerib abana of secl (a) rocapacity benefits may be exchanged for energy abanbenefits; and fur need evan estweet of the distribution of the contract of the
 - entitled under the Treaty may be disposed of within the United States as years and to another little or analysis and the entitle of the states are the state
- The United States, at its expense, to provide to Canada at a point on the Canada-United States boundary near Oliver, British Columbia, in accordance with the schedules of delivery made as contemplated by paragraph 18, the entitlement of Canada described in paragraph 7, less transmission loss.
- (1) The United States, at its expense, to make available the Bonneville Power Administration's transmission grid to provide Canada with east-west standby transmission service to safeguard the transmission of Canada's share of power benefits from Oliver, British Columbia, to Vancouver, British Columbia, and to permit Canada to make use of such facilities for system stability.
- (2) Subject to sub-paragraph (3) Canada to pay the United States in consideration of the service made available by the United States pursuant to sub-paragraph (1) a standby charge of 1.50 United States dollars per annum for each kilowatt of dependable capacity of Canada's entitlement described in paragraph 7.

under this parag

- (3) In the event that an electrical interconnection and coordination arrangement is made in accordance with paragraph 18, the obligation of Canada to make the payment referred to above to cease when such arrangement becomes operative.
- (1) The United States to pay to Canada upon the commencement of operation, under the assured plan of operation, of each storage provided by Canada pursuant to paragraph 1 an amount equal to one-half the flood control benefit attributed to that storage, calculated in accordance with Annex B, capitalized at the interest rate described in sub-paragraph (2) over a period equal to sixty years less the time elapsed between the date of exchange of ratifications of the Treaty and the date of commencement of such operation.

- (2) For the purpose of sub-paragraph (1) the interest of rate shall be determined by calculating the average yield to maturity on the basis of daily closing market bid quotations during the month immediately preceding the date of exchange of ratifications of the Treaty, on all interest bearing marketable public debt obligations of the United States bearing a maturity date of fifteen or more years from the first day of the said month, and by adjusting such average annual yield to the nearest one-eighth of one per cent.
- (3) After the expiration of the sixty year period referred to in paragraph 19, to the extent that the flows of the Columbia River in Canada continue to contribute to potential flood hazards in the United States, Canada to continue to provide flood control if requested by the United States for the useful life of the structures. If the United States to pay to Canada the operating costs to Canada occasioned by such provision plus the economic loss to Canada directly attributable to the foregoing by Canada of the alternative uses to which the storage involved might otherwise have been put; provided Canada to have the option to require such payment, in so far as loss of power is concerned, either in cash or in kind.
 - 15. (1) The United States, for five years from the date of exchange of ratifications of the Treaty, to have the option to commence construction, at its expense, of a dam on the Kootenay River at or near Libby, Montana, to meet flood control and other purposes of the United States, the storage reservoir of which dam would not raise the level of the Kootenay River at the boundary between Canada and the United States above an elevation consistent with a normal full pool at an elevation at the dam of 2459 feet United States Coast and Geodetic Survey datum.
 - (2) Canada and the United States each to retain all at-site and downstream power and flood control benefits which occur in their respective countries and which are attributable to the project which may be constructed pursuant to subparagraph (1).
 - (3) In consideration of the retention of all benefits which may accrue in Canada as referred to in sub-paragraph (2) if the United States exercises its option, Canada, at its expense, to make available and prepare the area in Canada to be flooded by such dam.
 - (4) All obligations of Canada under this paragraph to cease if within five years from the date of exchange of ratifications of the Treaty the United States has not commenced construction of the dam herein mentioned.
 - 16. (1) Subject to sub-paragraph (2), Canada and the United States to refrain during the term of the Treaty from
 - (a) diverting from the Columbia River Basin any of the flow of the Columbia River above the point at which it crosses the boundary between Canada and the United States;
 - of the flow of any tributary which has its confluence with the Columbia River in Canada; and

- c) I diverting water from any drainage basin within belief the Columbia River Basin intersected by the of the boundary between Canada and the United States to any other drainage basin.
- answer (2) Canada to have the right at any time after the .01 to be expiration of twenty years from the date of exchange of emiratifications of the Treaty to divert not more than 1.5 tendie million acre feet of water per annum from the Kootenay are River in the vicinity of Canal Flats to the headwaters hous of the Columbia River a reduce of a colon netting of the columbia colon of the columbia River and the colon netting colon serior and the columbia colon of the columbia River.
 - (3) The diversion described in sub-paragraph (2) not to:
- via vibomdownstream from the point of diversion to less than 2001 to v200 cubic feet per second or the natural flow, whichever is the lesser, to be calculated from measurements taken behalout edat the nearest suitable stream-gaging station.
- 17. m to san assured plan of operation to be included in an Annex to the Treaty setting out the criteria and principles governing the accumulation, release and general operation of the Canadian storages referred to in paragraph 1.
- 18. (1) The United States and Canada each to designate an operating entity or entities which would be authorized, subject to exchange of inter-governmental notes where appropriate, to develop and carry out detailed operating arrangements to implement the terms of the Treaty and of the assured plan of operation.
 - (2) The authority and responsibility of the operating entities to include:
 - (a) the assembling of agreed data;
 - (b) the negotiation and conclusion of an electrical interconnection and coordination arrangement if and when it appears mutually desirable;
 - (c) the detailed calculation, initially and at agreed intervals, of the amount and kind of the downstream power benefits in the United States to be shared with Canada in accordance with the principles and procedures set out in paragraph 5 and Annex A:
 - (d) the making of appropriate arrangements with respect to delivery of the power benefits to be made available to Canada, including such matters as load factors and times and points of delivery;
 - (e) the periodic settlement of accounts;
 - (f) consultation on the operations of the Libby Project and the Kootenay Diversion as described in paragraphs 15 and 16;
 - (g) such other matters as are considered necessary to

enable them to discharge their responsibilities under the Treaty and any matters which the United at States and Canada may from time to time commit to them.

- 19. The Treaty to enter into force on the date of exchange of ratifications and to continue in force for a period of not less than sixty years from said date. At any time after the Treaty has been in force for fifty years, either party to have the right to terminate it upon ten years written notice to the other party. In the event no such notice is given, the Treaty to continue in force automatically.
- 20. Destricted the provide for the international legal as ituation which would arise upon termination or expiration of the Treaty. Such provision to include a term to the effect that nothing in this Treaty and nothing done thereunder pursuant to this Treaty shall operate after its termination or expiration, to abrogate or modify any of the provisions of the Boundary Waters Treaty of 1909.

in the Treaty, e.g. provisions would of course be included in the Treaty, e.g. provision for the settlement of disputes. However, we consider that the points of major selection importance are adequately covered by the foregoing noits proposals. The session and telements and addresses and the session a

- (1) The United States and Canada each to designate an operating entity or entities which would be authorized, subject to exchange of inter-governmental notes where appropriate, to develop and carry out detailed operating arrangements to implement the terms of the Treaty and of the assured plan of operation.
 - (2) The authority and responsibility of the operating entities to include:
 - (a) the assembling of agreed data;

and Annex A:

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- b) the negotiation and conclusion of an electrical interconnection and coordination arrangement if and when it appears mutually desirable;
 - (c) the detailed calculation, initially and at agreed intervals, of the amount and kind of the downstream power benefits in the United States to be shared with Canada in accordance with the principles and procedures set out in paragraph 5
- (d) the making of appropriate arrangements with respect to delivery of the power benefits to be made available to Canada, including such matters as load factors and times and points of delivery;
 - (e) the periodic settlement of accounts;
- (f) consultation on the operations of the Libby Project and the Kootenay Diversion as described in paragraphs 15 and 16;
 - c) such other matters as are considered necessary to

Signed at Ottawa this 28th day of September, 1960

E. F. Bennett, Chairman, United States Delegation

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E. D. Fulton, M.P., P.C., Q.C. Chairman, Canadian Delegation

I. B. White, Member, United States Delegation

R. G. Robertson, Member, Canadian Delegation

E. C. Itschner, Member, United States Delegation

E. W. Bassett, Member, Canadian Delegation

A. E. Ritchie, Member, Canadian Delegation Signed at Ottawa this 28th day of September, 1960

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A. E. Ritchie, Member, Canadian Delegation

DETERMINATION OF POWER BENEFITS ATTRIBUTABLE TO CANADIAN STORAGE

Step 2

A similar determination of firm load carrying The amount of power benefits determined to result in the United States from regulation of flow by storage provided by Canada under the Treaty will be expressed as the increase in dependable hydroelectric capacity in kilowatts under agreed upon critical stream-flow conditions, and the increase in lau average annual usable hydroelectric energy output in kilowatthours on the basis of an agreed upon period of stream-flows record. The capacity to be credited to the effects of Canadian storage will be the difference between the average rates of generation in kilowatts during the appropriate critical streamflow periods for the United States base system of projects (a) before and (b) after the addition of the Canadian storage, divided by the estimated average critical period load factor for the period under consideration. This capacity credit shall not exceed the difference between the capability of the base system without Canadian storage and the maximum feasible capability of the base system to supply firm load during the critical stream-flow period. In the case of the average annual usable energy measurement, the operating entities will agree upon the quantity of energy which is to be regarded as marketable, (a) with, and (b) without Canadian storage. The difference in the respective quantities thus agreed shall be the increase in average annual usable energy.

An initial determination of the estimated power benefits to the United States from Canadian storage added to a United States base system consisting of the projects listed in the attached table will be made before the first Canadian storage becomes operative. This determination will include year-by-year estimates of the power benefits during the period of construction until the 15.5 million acre feet of Canadian storage becomes operative.

Subsequent determinations of estimated power benefits will be made at intervals of 5 years or more often as agreed, commencing from the date on which the full 15.5 million acre feet of Canadian storage becomes operative. Each determination will be for the ensuing five years of operation. A detailed plan of operation implementing the assured plan of operation, and the critical period and period of stream-flow record will be agreed at each determination. No retroactive adjustment in power benefits will be made at any time during the period of the Treaty. No reduction in the benefits credited to Canadian storage will be made as a result of a lower load estimate in the United States for the subsequent period than for the current period.

the increase in average annual usable energy, the procedure shall be in accordance with the three steps described below.

Step 1

In any determination of power benefits, the system Canadian storage and the United States base system plus new hydro and thermal projects expected to be in operation at the of this combined system to supply the estimated firm load determined on the basis that the system will be operated in accordance with established operating procedures.

A similar determination of firm load carrying capability will be made using the same thermal component as in Step 1 but with the hydraulic resources reduced by any United States head plants on tributaries of the Columbia River added subsequently to Canadian storage, and by any United States storage added subsequently to the Canadian storage and by the Canadian storage. The difference between the system loadcarrying capability determined by Step 3 and that determined in Step 2 will be the benefit credited to the Canadian storage.

eritical stream-flow period. In the case of the average annual usable energy measurement, the operating entities will agree upon the quantity of energy which is to be regarded as marketable, (a) with, and (b) without Canadian storage. The difference in the respective quantities thus agreed shall be the increase in average annual usable energy.

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In computing the increase in dependable capacity and the increase in average annual usable energy, the procedure shall be in accordance with the three steps described below.

In any determination of power benefits, the system To any determination of power bonsist of the control the period covered by the estimate will consist of the canadian storage and the United States base system plus new by the and thermal projects expected to be in operation at the control and thermal projects expected to be maximum capability and thermal projects extinuite. The maximum capability mid-point of the period of estimate. The maximum capability of the period of estimated firm load this combined system to supply the estimated firm load include combined system to supply the downstream benefits will be this combined system to supply the complete will be determined in constant canada's share of the downstream will be operated in secondance with established operating procedures.

SYSTEM HYDRO PROJECTS BASE

		Stream	Usable	Normal	Elevation	Gross	Initial	Installation	Ultimate No. of	Estimated Ultimate Installation No. of Plant
	Stream	above mouth	Acre-Feet	Feet	Feet	Feet	Units	Kilowatts	Units	Kilowatts
Hungry Horse Kerr Thompson Falls Noxon Rapids, Cabinet Gorge	S.Fk. Flathead Flathead Clark Fork Clark Fork Clark Fork	195 195 170 150	2, 982,000 1,219,000 Fondage Fondage	2893 2893 2396 2331 2175	3083 2706 2336 2179 2078	187 187 60 152	e for the redited with a modal and a modal	285,000 168,000 30,000 336,000 200,000	4 20 00	285,000 168,000 150,000 420,000
Albeni Fells Box Cenyon Grend Coulee Chief Joseph	Pend Oreille Pend Oreille Columbia Columbia	98 797 597 516 516	1,155,000 Pondage 5,072,000 Pondage	2062 2031 1288 946 775	2034 1989 947 775	288 42 341 171 171	th flood	h2,600 60,000 1,944,000 1,024,000 400,000	na まいい	42,600 60,000 3,672,000 1,728,000
Rocky Reach Rock Island Wanapum Priest Rapids	Columbia Columbia Columbia	474 453 415 397	Pondage Pondage Pondage	707 606 570 490	614 570 490 106	886 84 84	ontrol b	711,550 212,100 831,250 788,500	Divisi	1,118,150 265,700 1,330,000 1,261,600
	Snake Snake Snake	273	984,500 Pondage Pondage	2077 1805 1440	1805 1683 340	272 122 100	enefits ##M t great	360,400 190,000 270,000	in the	540,600 237,500 540,000
	Columbia Columbia Columbia Columbia	292 216 192 145	Pondage Pondage Pondage	340 265 160 14	265 161 74 15	10t 86 59	14 262 10	980,000 1,080,000 1,119,000 518,400	8 2 4 3 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9	1,400,000 3,105,000 1,743,000 890,400
Kootenay Lake Chelan Coeur d'Alene L.	Kootenay Chelan . Coeur d'Alene	15	673,000 676,000 225,000	1745 1100 2128	691	60t 60	deter tary.	η8,000	States 1ted S 0, 195	54,000
24 PROJECTS	12,986,500		12,986,500	CHA	an T	3143	991	11,598,800	263	10 078 250

2/ Includes two 13,500 kilowatt units for fish attraction water.

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ANNEX B

DETERMINATION OF FLOOD CONTROL BENEFITS ATTRIBUTABLE TO CANADIAN STORAGE

The basic analysis of flood control requirements and benefits for the Columbia River Basin in the United States is contained in the report of the Division Engineer, United States Army, Engineer Division, North Pacific, dated June 20, 1958, entitled "Water Resources Development of the Columbia River Basin".

The requirements for flood control storage will be determined for both the Kootenay River and the Columbia River in Canada. The distribution of total basin requirements will conform to the average ratio of the contribution of each tributary during the floods of 1894, 1948 and 1956 for the control period at The Dalles, Oregon, to the total runoff at The Dalles for the same period. The total amount of Canadian storage credited with flood control benefits will be determined by the requirements for controlling a flood equivalent to the 1894 flood up to an amount 22 per cent greater than the distribution of total storage requirements to each tributary.

The Canadian storage so determined will be evaluated as to its effectiveness to control a flood equivalent to the 1894 flood to 800,000 cubic feet per second (cfs) and 600,000 cfs respectively at The Dalles. This will be done by multiplying the Canadian storage in acre feet used for this purpose under an assured plan of operation for flood control by an "effectiveness factor" which is determined for each Canadian storage project by flood routing studies which have been agreed upon. The resultant figures will be the effective storage in acre feet and will be evaluated for benefits at United States \$1.38 per acre foot, per annum for control to 800,000 cfs at The Dalles. Additional effective storage credited for control down to 600,000 cfs will be evaluated at United States \$0.114 per acre foot.



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