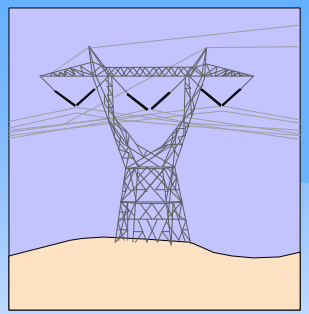
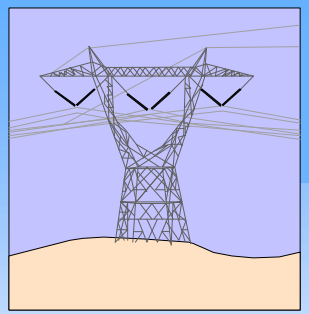
Independent Transmission Company (ITC)

Committee on Regional Electric Power Cooperation (CREPC)
September 8, 2000



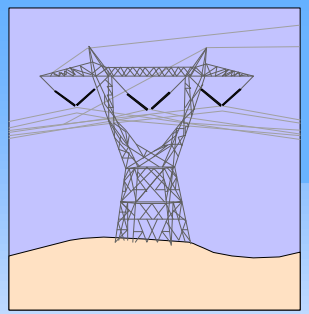
What is the ITC?

- **The ITC is a new company that will own transmission assets currently owned by:**
  - **Avista Utilities**
  - **Montana Power**
  - **Nevada Power**
  - **Portland General Electric**
  - **Puget Sound Energy**
  - **Sierra Pacific Power**



ITC Intentions

- **Focus on the transmission business**
- **Participate in RTO West**
- **Aggregate transmission assets to achieve economies of scale**
- **Develop a flexible business structure**
- **Meet Order 2000 independence criteria**



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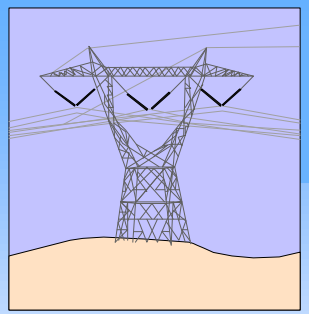
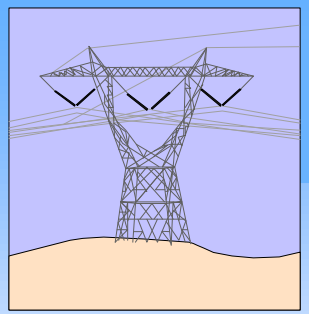
ITC Vision

Our vision is to operate a for-profit, independent transmission company that optimizes the reliability, performance, efficiency, service innovation, and profitability of our transmission assets.



ITC Mission

Our mission is to operate an independent, regional transmission business to deliver value to our customers, shareholders and communities. We are dedicated to exercising initiative, innovation, and market-driven management to deliver highly reliable and efficient transmission services. We recruit, develop, motivate, reward, and retain personnel of exceptional ability, character, and dedication.



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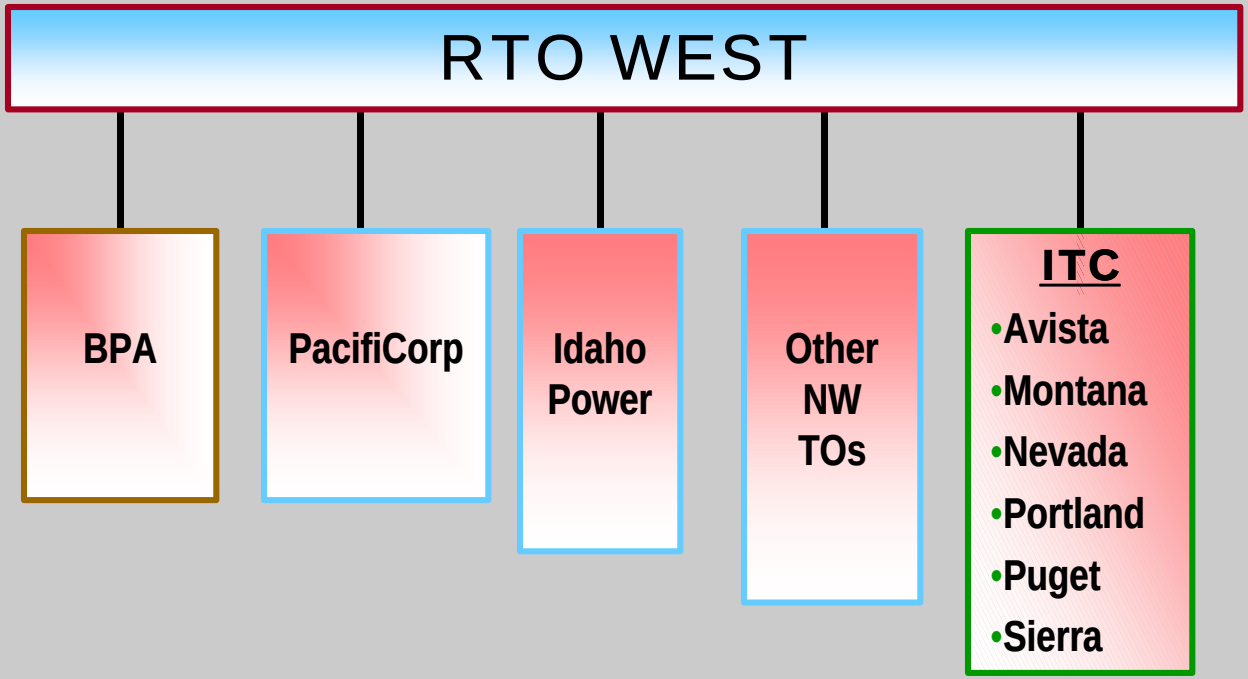
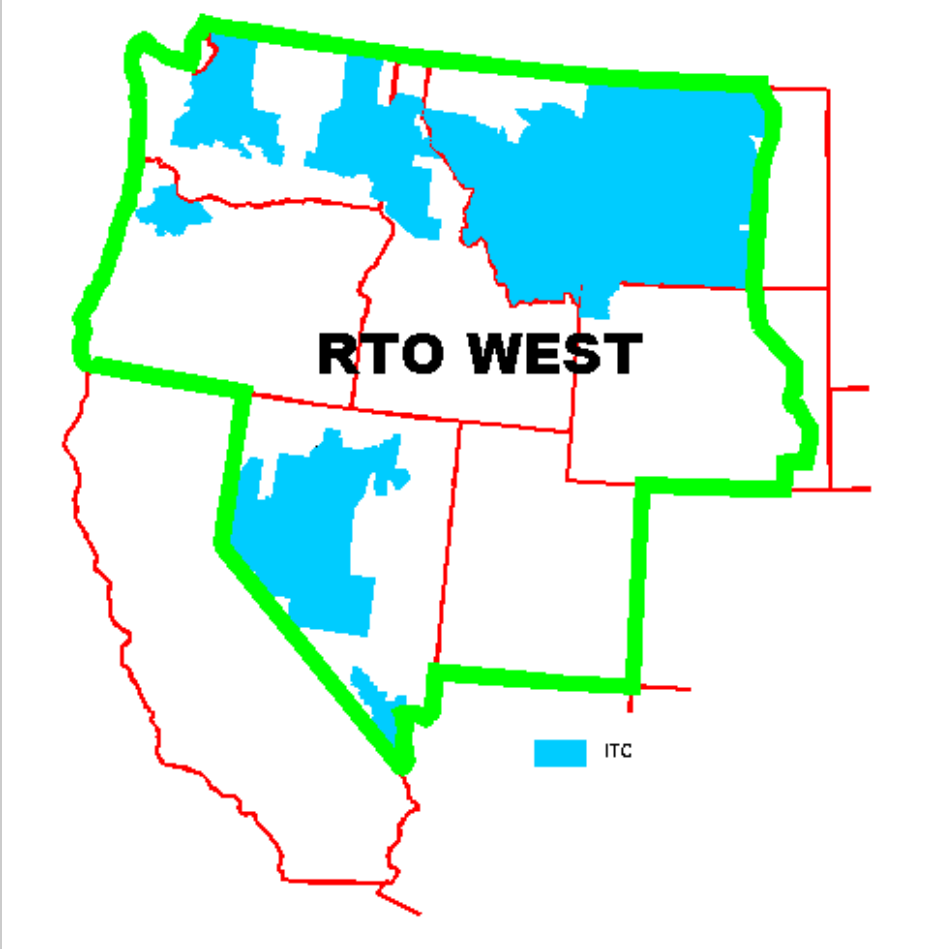
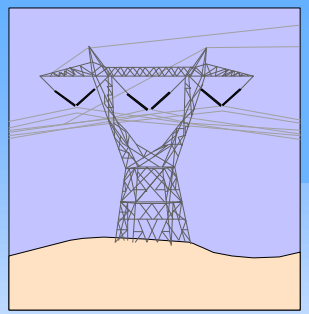
RTO West Participants



ITC Territory





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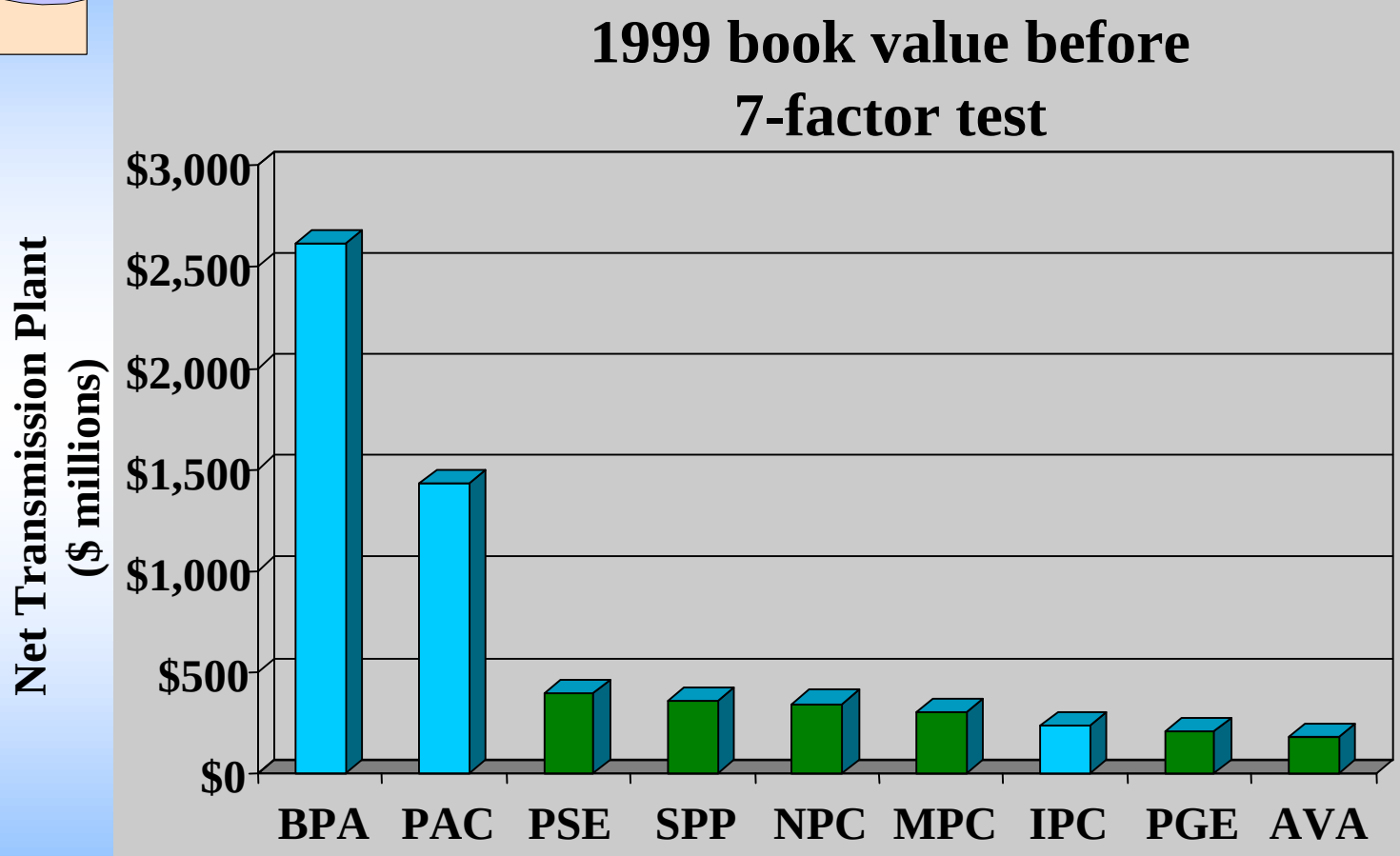
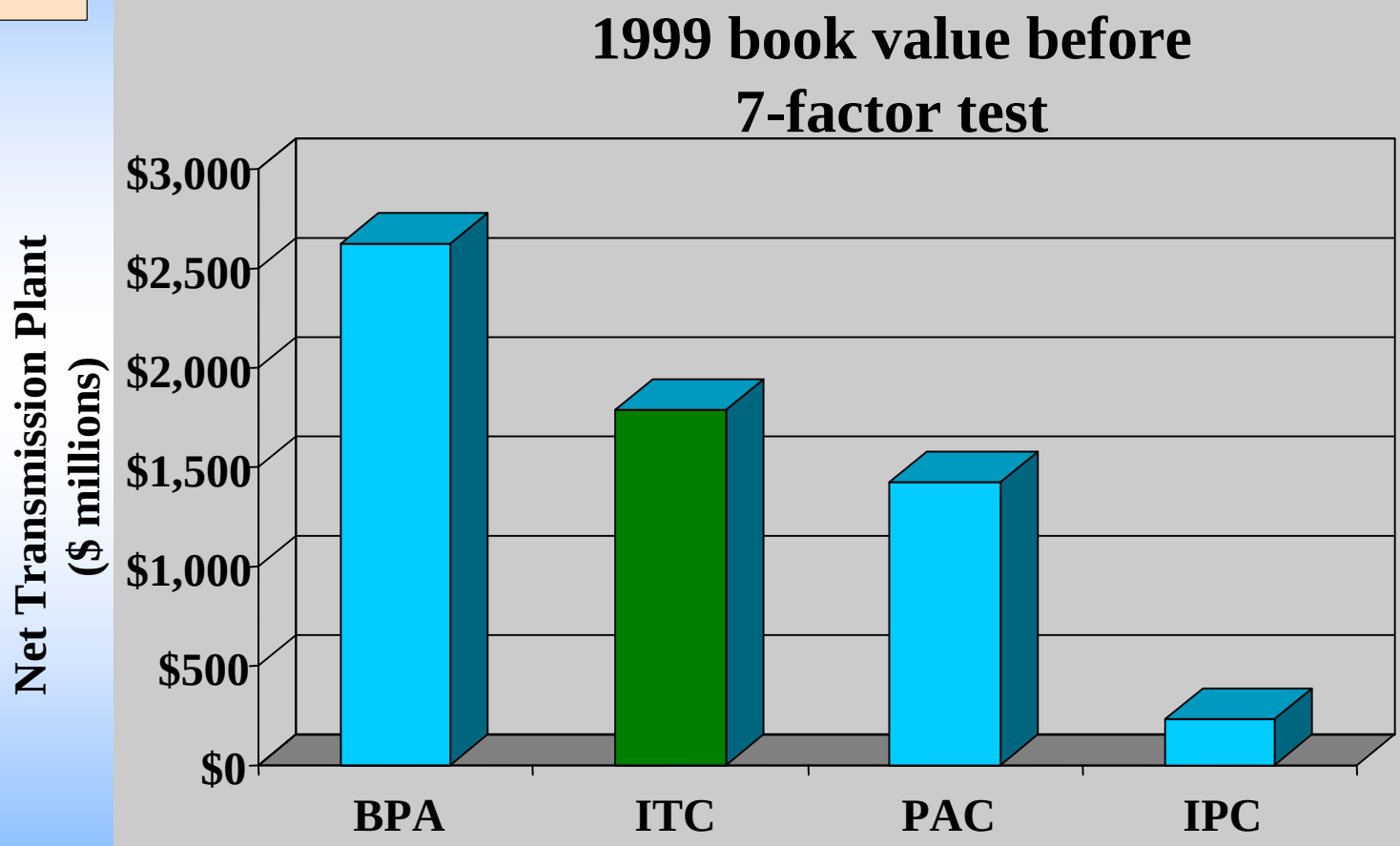
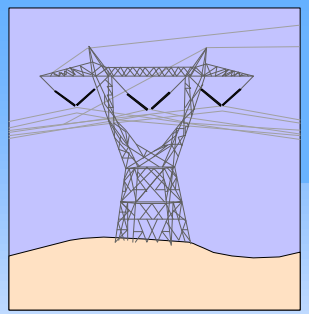
RTO West without ITC



RTO West with ITC



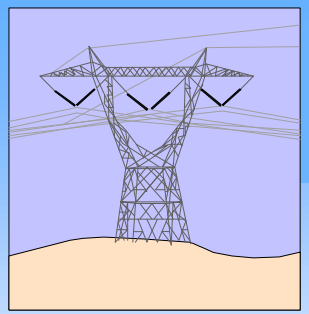


ITC Facilities

- **Transmission facilities that pass the Order 888 Seven Factor Test**

- **Estimated YE 2000 Net Plant**

– Nevada Power	$353 million
– Sierra Pacific	$271 million
– Montana Power	$217 million
– Puget	$204 million
– Portland General	$129 million
– Avista	$109 million
– Total	$1,282 million



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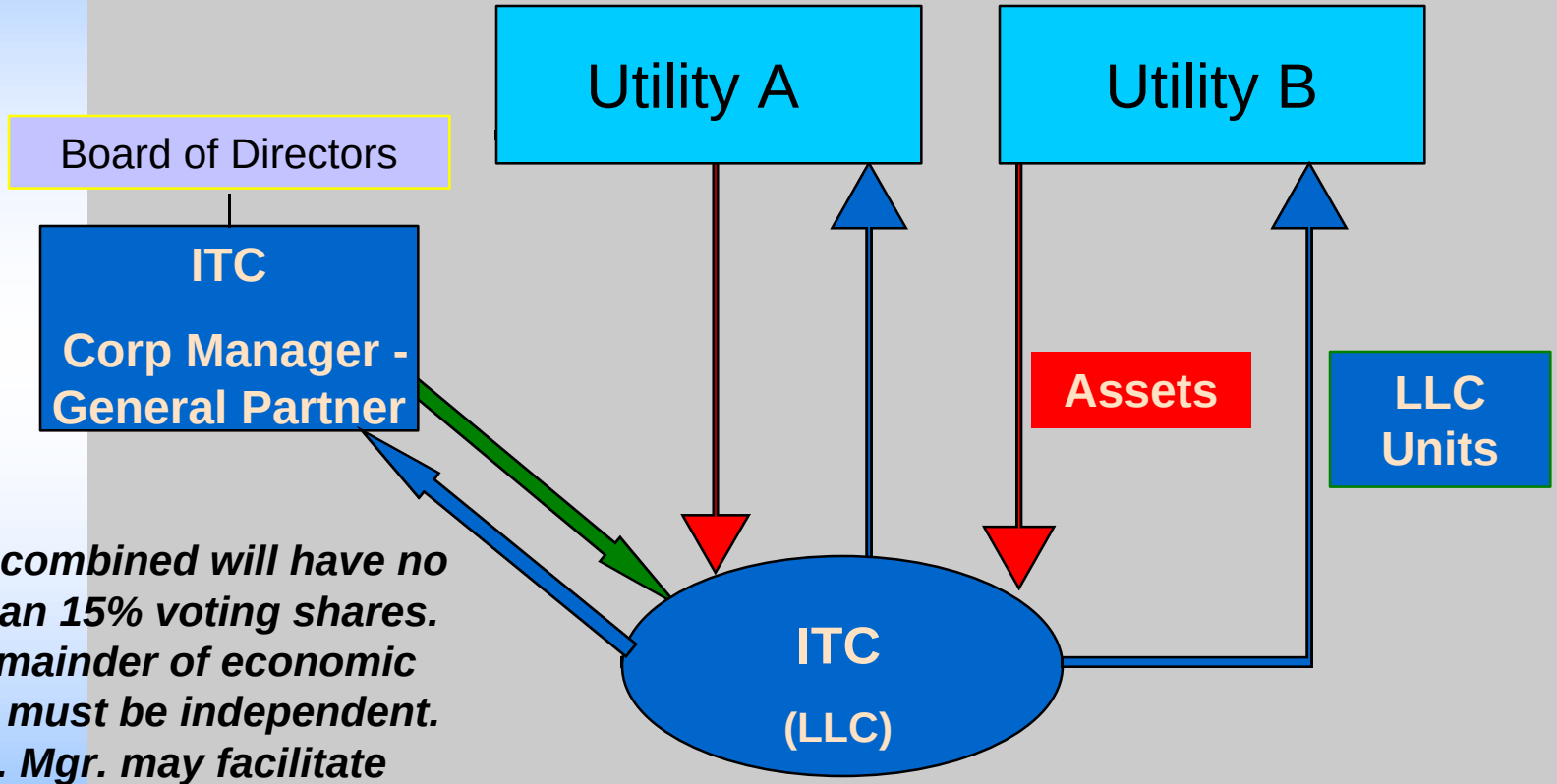
Preliminary ITC Business Structure

- **LLC structure to maintain business flexibility and minimize tax**
- **Companies can maintain investment in ITC or fully divest, depending on business strategy**
- **Provide for “independent” operation**

Formation of ITC

Preliminary View of Business Structure



Utilities combined will have no more than 15% voting shares. The remainder of economic interest must be independent. Corp. Mgr. may facilitate independence test and the raising of public capital

ITC Progress

- **Working with Arthur Andersen on structure and business issues**
- **Preparing October 15, 2000 regulatory filings**
- **Drafting definitive agreements**