

March 17, 2000

RTO FILING UTILITIES'
CONSENSUS CONCERNING RTO FORM AND STRUCTURE

The RTO Filing Utilities¹ affirm the following consensus concerning the RTO form and structure.

1. Geographic Scope: The RTO shall cover the transmission systems of all transmission owners willing to participate and located within the United States portion of the Northwest Power Pool. In addition, the RTO shall include the Nevada Power transmission facilities of Sierra Pacific Resources and shall be designed so as to reasonably accommodate the addition of other transmission owners within the Western Systems Coordinating Council area, including those located in the Canadian portion of the Northwest Power Pool, should those entities desire to join the RTO.
2. Legal Structure: The RTO initially shall be an independent system operator in the form of a state-chartered non-profit corporation ("ISO"). Initially, as an ISO, the RTO shall be prohibited from owning transmission wires and poles.
3. Governance: The RTO shall be governed by an independent board of directors or board of trustees. A stakeholder advisory board shall be created to provide recommendations to the RTO governing board.
4. Transmission Facilities Included: The facilities placed under the control of the RTO shall at a minimum include all of the transmission facilities needed for bulk power transfers.
5. Power Exchange Not Included: The RTO shall not operate a Power Exchange. It shall use market mechanisms run by third parties wherever possible to facilitate competition for the provision, purchase or sale of power products and services. However, the RTO may implement market mechanisms to run real time markets to meet its ancillary service and balancing energy needs.

¹ Avista, the Bonneville Power Administration, Idaho Power Company, Montana Power Company, Nevada Power Company, PacifiCorp, Portland General Electric Company, Puget Sound Energy, Inc., and Sierra Pacific Power Company