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November 17, 2000

By Federal Express

David P. Boergers, Secretary
Federal Energy Regulatory Commission
Room 1A East
888 First Street N.E.
Washington, D.C. 20426

Re: U.S. Department of Energy, Bonneville Power Administration
FERC Docket No. RT01-35-000

Dear Mr. Boergers:

Enclosed are the original and 14 copies of the Petition to Intervene of Pacific Northwest Generating Cooperative in the above-referenced docket. We also enclose an extra copy of the Motion, which we will appreciate your file-stamping and returning to our offices in the envelope provided.

Thank you for your assistance in this matter.

Very truly yours,

R. Erick Johnson

REJ:gf
Enclosures

cc: Service List

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Avista Corporation,)
)
U. S. Department of Energy,)
Bonneville Power Administration,)
)
Idaho Power Company,)
)
Montana Power Company,)
)
Nevada Power Company,)
)
PacifiCorp,)
)
Portland General Electric Company,)
)
Puget Sound Energy, Inc., <i>and</i>)
)
Sierra Pacific Power Company,)
)
<i>Petitioners</i>)

Docket No. RT01-35-000

**PETITION TO INTERVENE, COMMENTS AND PROTEST
OF
PACIFIC NORTHWEST GENERATING COOPERATIVE
AND ITS MEMBERS**

Pursuant to Rules 211 and 214 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.211 and 385.214 (2000), and the Commission's Notice of Filing dated October 24, 2000, Pacific Northwest Generating Cooperative ("PNGC Power") and its member cooperatives ("Members," identified *infra*) (collectively, "PNGC Group") hereby move to intervene in this proceeding and submit their initial comments on this filing and their protest to it. In support of this petition, the PNGC Group states as follows:

INTERVENORS

1. PNGC Power is a cooperative corporation organized under the law of the State of Oregon. As a cooperative, PNGC has Members that are rural electric cooperative utilities engaged in retail service to their members. PNGC Power operates as a power marketer in wholesale power markets pursuant to an Order of the Commission dated March 13, 1997. *Pacific Northwest Generating Cooperative*, 78 F.E.R.C. ¶ 61,275 (1997). PNGC sells power at wholesale to its Members and to third parties. PNGC is a joint operating entity within the meaning of 16 U.S.C. § 839c(b)(7), Pub. L. 106-273 (Sep. 22, 2000), and a surplus power customer of the Bonneville Power Administration (“BPA”). PNGC Power purchases transmission services from BPA and other transmitting utilities for its own wholesale power transactions and on behalf of its Members as their designated agent. PNGC Power also acts as the transmission and power manager for its Members. PNGC Power owns no transmission and is dependent upon transmission service taken from Petitioners.

2. PNGC Power’s Members are:

Blachly-Lane County Cooperative Electric Association (Oregon)
Central Electric Cooperative, Inc. (Oregon)
Clearwater Power Company (Idaho)
Consumers Power, Inc. (Oregon)
Coos-Curry Electric Coop., Inc. (Oregon)
Douglas Electric Cooperative (Oregon)
Fall River Rural Electric Cooperative, Inc. (Idaho)
Lane Electric Cooperative (Oregon)
Lost River Rural Electric Cooperative (Idaho)
Northern Lights, Inc. (Idaho)
Okanogan County Electric Cooperative, Inc. (Washington)
Oregon Trail Electric Cooperative, Inc. (Oregon)
Raft River Rural Electric Cooperative (Idaho)
Salmon River Electric Cooperative, Inc. (Idaho)

Umatilla Electric Cooperative Association (Oregon)
West Oregon Electric Cooperative, Inc. (Oregon)

Each of PNGC Power's Members purchases electric power, capacity, and energy from BPA and/or others. No Member owns substantial transmission facilities¹ and most own none. Each Member is dependent upon transmission service provided by Petitioners.

THE FILING

3. On or about October 23, 2000, Petitioners filed with the Commission their Supplemental Compliance Filing and Request for Declaratory Order Pursuant to Order No. 2000, *Regional Transmission Organizations*, Order No. 2000, III F.E.R.C. Stats. & Regs. ¶ 31,089 (2000), *order on reh'g*. Order No. 2000-A, III F.E.R.C. Stats. & Regs. ¶ 31,092 (2000) ("RTO West Filing"). Petitioners request that the Commission find that the proposed governance structure of RTO West satisfies the independence characteristic of an RTO and that Petitioners' proposed Articles of Incorporation and Bylaws otherwise meet the Commission's RTO policy. The Petitioners also request an expedited declaratory order concerning the proposed scope and configuration of RTO West and their proposed liability and insurance structure. Three Petitioners seek a declaration that the concepts embodied in the Transmission Operating Agreement and the Agreement to Suspend Provisions of Pre-Existing Transmission Agreements are consistent with the requirements of Order No. 2000.

¹ On October 16, 2000, PNGC Power Member Fall River Rural Electric Cooperative, Inc. made an Alternative Regional Transmission Organization Filing pursuant to Order No. 2000. See, *Fall River Rural Electric Cooperative, Inc.*, Docket No. RT01-20-000.

INTERVENTION

4. As set forth in paragraphs 1 and 2 above and herein, PNGC Power and its Members (collectively, “PNGC Group”) participated actively in a process defined by Petitioners, including as members of the “Regional Representatives Group” and various committees and workgroups of technical staff, preceding development by Petitioners of their RTO West proposal. PNGC Power is a competitor of Petitioners in wholesale power markets but owns no transmission. PNGC Power is dependent upon transmission service taken from Petitioners. PNGC Power’s Members own no substantial transmission facilities and most own none at all. The Members are also dependent upon transmission service taken from Petitioners. The PNGC Group will be substantially affected by the outcome of this proceeding. No other party to this proceeding represents the interests of the PNGC Group. Therefore, the PNGC Group’s intervention is in the public interest.

POSITION, COMMENTS AND PROTEST

5. a. The Position, Comments and Protest of the PNGC Group are set forth in the *Protest and Comment of Idaho Consumer-Owned Utilities Association, Idaho Energy Authority, Northwest Requirements Utilities, Pacific Northwest Generating Cooperative, Power Resources Managers , LLP, Public Utility District No. 1 of Snohomish County, Washington, Utah Associated Municipal Systems, and Western Public Agencies Group (“Joint Protest and Comment”)* filed contemporaneously herewith by counsel for Northwest Requirements Utilities on

behalf of the PNGC Group and others. The *Joint Protest and Comment* is incorporated herein by this reference.

b. As the *Joint Protest and Comment* details, the Petitioners request an expedited declaratory order pursuant to 18 C.F.R. § 35.34(c)(3) that “[t]he proposed governance structure of RTO West as set forth in its Articles of Incorporation and Bylaws satisfies the independence characteristic of a regional transmission organization as set forth in 18 C.F.R. § 35.34(j)(1) and that the proposed Articles of Incorporation and Bylaws of RTO West otherwise meet the Commission’s regional transmission organization policy.” RTO West Filing at 93. The PNGC Group’s position on this issue is set forth in detail in its *Joint Protest and Comment*; in summary, the proposed governance structure of RTO West fails to meet the Commission’s regional transmission organization policy or its independence criteria. For this reason and others set forth in the *Joint Protest and Comment*, the PNGC Group opposes the Petitioners’ request for declaratory order just described.

The Petitioners request an expedited declaratory order pursuant to 18 C.F.R. § 35.34(c)(3) that “[t]he proposed scope and configuration of RTO West as set forth in this application would satisfy the scope and regional configuration characteristic of a regional transmission organization as set forth in 18 C.F.R. § 35.34(j)(2).” RTO West Filing at 93. As described in the accompanying *Joint Protest and Comment*, the proposed geographic scope of RTO West is appropriate and should be approved. For the reasons detailed in the *Joint Protest and Comment*, the Commission should withhold judgment on whether RTO West as proposed fully satisfies all aspects of Order No. 2000’s required scope characteristic.

Three of the Petitioners – Bonneville Power Administration, Idaho Power Company and PacifiCorp – request a Commission determination that:

“[t]he concepts as a package embodied in the Transmission Operating Agreement and the Agreement to Suspend Provisions of Pre-Existing Transmission Agreements (along with any amendments as may be submitted and in accordance with the agreed procedures described above) are appropriate as part of arrangements otherwise acceptable to the Commission for creating RTO West and are consistent with the requirements of Order 2000.” RTO West Filing at 95.

The *Joint Protest and Comment* demonstrates that the Transmission Operating Agreement and the Agreement to Suspend Provisions of Pre-Existing Transmission Agreements are substantially incomplete, and thus are not ripe for the Commission’s declaratory order at this time. As such, the requested declaration should be denied at this time and the subject materials treated as if filed with the Commission for informational purposes only. In the alternative, if the Commission acts upon this declaratory request, it should be denied for the reasons articulated in the *Joint Protest and Comment*.

c. *In addition*, the PNGC Group states that the “Exception to Facilities Criteria” described in the RTO West Filing at 43-45 seems to fly in the face of the Filing Utilities’ facilities inclusion criteria and definitions. If RTO West needs certain facilities to:

- (1) plan the main grid,
- (2) “determine upgrades to such excluded facilities as are necessary to support or improve bulk transfer capability or for regional reliability,”
- (3) provide real time visibility of these facilities for determination of transmission transfer capability, and
- (4) perform main grid outage coordination,

and if such facilities are necessary for transmission of wholesale power to distribution utilities, then these facilities should be included in RTO West. To exclude such facilities limits the scope and facilities of RTO West. The Commission should reject the Exceptions to Facility Criteria concept.

6. The PNGC Group respectfully requests that the Commission grant it leave to participate as a party in all further proceedings in this docket and to submit additional evidence, argument, comment and protest as appropriate.

COMMUNICATIONS

7. All correspondence, communications, and pleadings in these proceedings should be served upon the following persons, both of whom should be placed on the Commission's official service list in this proceeding:

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WHEREFORE, the PNGC Group respectfully requests that its Petition to Intervene in these proceedings as a party be granted, that the Commission consider its

comments and protest, and that the aforementioned persons be added to the official service list.

DATED this 17th day of November, 2000.

BULLIVANT HOUSER BAILEY PC

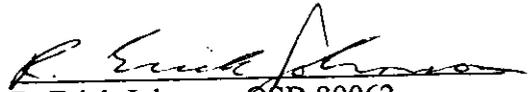
By 
R. Erick Johnson, OSB 80062
300 Pioneer Tower
888 S.W. Fifth Avenue
Portland, Oregon 97204-2089
(503) 228-6351

Attorneys for PNGC Group

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Petition to Intervene of Pacific Northwest Generating Cooperative upon each person designated on the official service list for Docket RT01-35 as of November 16, 2000, as compiled by the Secretary in this proceeding.

DATED at Portland, Oregon, this 17th day of November, 2000.



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