

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

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

Docket No. RT01-35-005

**SUPPLEMENTAL INFORMATIONAL FILING RELATED TO  
STAGE 2 FILING AND REQUEST FOR DECLARATORY ORDER  
PURSUANT TO ORDER 2000**

On March 29, 2002, Avista Corporation, the Bonneville Power Administration, Idaho Power Company, Nevada Power Company, NorthWestern Energy, L.L.C. (formerly the Montana Power Company), PacifiCorp, Portland General Electric Company, Puget Sound Energy, Inc., and Sierra Pacific Power Company, joined by British Columbia Hydro and Power Authority, a nonjurisdictional Canadian utility, (collectively, the “filing utilities”) filed with the Federal Energy Regulatory Commission (the “Commission”) a Stage 2 Filing and Request for Declaratory Order Pursuant to Order 2000, in accordance with Rule 207(a)(2) of the Commission’s Rules of Practice

and Procedure, 18 C.F.R. § 385.207(a)(2) (2000) (the “Stage 2 Filing”). The Stage 2 Filing included, as Attachment L, an Illustrative Implementation Plan Summary. The Stage 2 Filing explained that the Illustrative Implementation Plan Summary was included “to demonstrate the set of activities that must be undertaken by RTO West to become operational and [to] describe[] the interrelationship of the major components and relative duration,”<sup>1</sup> but did not necessarily reflect the actual timing or sequence of events to establish RTO West. The Stage 2 Filing further explained that the filing utilities were working to develop a detailed plan with proper activity sequencing and that they expected to file this plan within 60 days following the Stage 2 Filing.<sup>2</sup>

On May 28, 2002, the filing utilities submitted to the Commission an Informational Filing Related to Stage 2 Filing and Request for Declaratory Order Pursuant to Order 2000, explaining that more time was needed to complete the detailed implementation plan for RTO West and to allow for stakeholder input. The filing utilities have now completed their work on the detailed plan (and certain related materials), and have also held a meeting with interested stakeholders to receive their comments.

Accordingly, the filing utilities now submit to the Commission, for its information, the following documents:

1. Attachment A – Detailed Implementation Plan for the 12 Months Following Stage 2 Filing (the “12-Month Plan”);
2. Attachment B – Request for Qualifications/Proposal for RTO West Implementation Services (the “Implementation RFP”); and

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<sup>1</sup> Stage 2 Filing at 62.

<sup>2</sup> *Id.*

3. Attachment C – RTO West Program Implementation Plan Major Milestones.

The 12-Month Plan is organized into three general areas of activity. It represents the filing utilities' current expectations and priorities as they anticipate the Commission's response to the Stage 2 Filing and prepare to retain a qualified implementation program manager (the "Program Manager") through the Implementation RPF. The 12-Month Plan has been informed by the substantial efforts previously undertaken by a national firm the filing utilities hired to develop a comprehensive analysis of the tasks necessary to implement the RTO West proposal.<sup>3</sup> The filing utilities may revisit and modify the 12-Month Plan if warranted by Commission action in response to the Stage 2 Filing or other subsequent developments, or if they identify changes that would enhance the Program Manager's effectiveness.

The first major area covered by the 12-Month Plan focuses on follow-up work related to the Stage 2 filing. This effort will include consultation with interested stakeholders and will address, among other things, further analysis of how best to approach interconnection and integration of generation and load; completion of a draft Scheduling Coordinator Agreement; on-going work to refine, flesh out, and test and validate the RTO West market design; and development of a proposed tariff for RTO West. The filing utilities have already dedicated significant time and resources to critical groundwork in these areas. They expect to increase their efforts as the work progresses, while incorporating stakeholder participation and feedback.

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<sup>3</sup> See Stage 2 Filing at 62 and Attachment L.

The second major area of work in the 12-Month Plan centers on the Western Market Vision<sup>4</sup> to create seamless energy markets and transmission services in the West. As explained in the Stage 2 Filing, the filing utilities are working with representatives of the California ISO and WestConnect on such areas as market monitoring, West-wide coordination of system expansion planning, potential approaches to pricing reciprocity, and investigation of shared market access interfaces, compatible and complementary communications and computer systems, and back-up control centers.

The third major area of work covered by the 12-Month Plan is formal program implementation, to be directed by the Program Manager selected through the Implementation RFP. The Program Manager's responsibilities will include business plan development, strategic and foundational work to secure capital funding for start-up and initial operations, and development and testing of the communications, software, and hardware infrastructure necessary to support RTO West's business. The Program Manager will also oversee and support RTO West's transition to governance by an independent Board of Trustees.<sup>5</sup>

The Implementation RFP included as Attachment B reflects the filing utilities' commitment to take concrete, decisive steps to move forward with RTO West implementation. The Implementation RFP process is scheduled to be completed by the

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<sup>4</sup> The Western Market Vision, developed and supported by representatives working on the proposals for RTO West and WestConnect, as well as representatives of the California ISO, was first filed with the Commission as Exhibit A to the Status Report Concerning RTO West Development, filed December 1, 2001 by Avista Corporation, Bonneville Power Administration, British Columbia Hydro and Power Authority, Idaho Power Company, the Montana Power Company (now NorthWestern Energy, L.L.C.), PacifiCorp, and Puget Sound Energy, Inc.

end of August 2002. Once selected, the Program Manager will be dedicated full time to moving RTO West from the design stage to commercial operations. The overarching goal will be to prepare the foundation for successful, efficient operations to begin as soon as critical regulatory, contractual, and financial prerequisites have been satisfied, while minimizing start-up and ongoing costs.

Attachment C provides an overview of major milestones in RTO West's progress to commercial operations. They are the filing utilities' intended targets, based on the filing utilities' current estimates of necessary work and probable regulatory response time associated with each milestone. The filing utilities believe that, unless they encounter significant externally imposed delays, these targets are aggressive, but realistic.

As the Stage 2 Filing noted, there are a number of factors what could affect the ability and willingness of one or more filing utilities to move ahead with the RTO West proposal, assuming the Commission grants the declaratory relief requested in the Stage 2 Filing.<sup>6</sup> The materials submitted with this filing present a pathway to enable RTO West to reach operational start-up through a well-planned, cost-effective implementation process.

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<sup>5</sup> The independent Board of Trustees will be elected by RTO West members in accordance with the RTO West Bylaws submitted in the Stage 2 Filing. *See* Attachment C to the Stage 2 Filing.

<sup>6</sup> *See, e.g.*, Stage 2 Filing at 12-16.

Respectfully submitted this \_\_\_\_ day of June, 2002.

## **SIGNATURES**

### **AVISTA CORPORATION**

\_\_\_\_\_  
By: Randall O. Cloward  
Director, Transmission Operations

### **BONNEVILLE POWER ADMINISTRATION**

\_\_\_\_\_  
By: Mark W. Maher  
Senior Vice President  
Transmission Business Line

### **BRITISH COLUMBIA HYDRO AND POWER AUTHORITY**

\_\_\_\_\_  
By: Yakout Mansour  
Vice President, Grid Operations  
And Interutility Affairs

### **IDAHO POWER COMPANY**

\_\_\_\_\_  
By: James L. Baggs  
General Manager, Grid Operations  
and Planning

### **NORTHWESTERN ENERGY, L.L.C.**

\_\_\_\_\_  
By: Ted D. Williams  
Director, Transmission Marketing

### **PACIFICORP**

\_\_\_\_\_  
By: John Carr  
Managing Director, Major Projects

### **PORTLAND GENERAL ELECTRIC**

\_\_\_\_\_  
By: Stephen R. Hawke  
Vice President, Delivery System  
Planning and Engineering

### **PUGET SOUND ENERGY, INC.**

\_\_\_\_\_  
By: Kimberly Harris  
Vice President, Regulatory Affairs

### **NEVADA POWER COMPANY and SIERRA PACIFIC POWER COMPANY**

\_\_\_\_\_  
By: Carolyn Cowan  
Executive Director of Transmission









**Attachment B**

[COPY OF  
REQUEST FOR QUALIFICATIONS/PROPOSAL  
FOR  
RTO WEST IMPLEMENTATION SERVICES  
TO BE INCLUDED HERE]

**RTO West  
Program Implementation Plan  
Major Milestones**

- ❖ September 2002      Interim Legal Operating Agreement
  
- ❖ May 2003              FERC Approval of Market Design
  
- ❖ October 2003        State Regulatory Approval
  
- ❖ November 2003     “Independence Day” – Independent Board Seated
  
- ❖ December 2003     Transmission Operating Agreement Signed
  
- ❖ January 2004        FERC Approval of Seams Agreement
  
- ❖ February 2004      Approval of Major Financing
  
- ❖ January 2006        RTO West Starts Operations