

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Peter DeFazio
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman DeFazio:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

You further state that, while there is not yet consensus on the entire substance of the RTO West filing among all stakeholders, including the Congressional delegation, you believe that there are several critical "must-haves" for an RTO to be viable in the Northwest: up to three separate RTOs with appropriate seams agreements to resolve operational concerns; legally enforceable protection for existing transmission rights; a substantial company rate period of eight to ten years from RTO West start-up to minimize cost shifts among current users and to provide time for the congested transmission system in the Northwest to be upgraded; and, a pricing plan that also limits cost shifts, protects existing users of the system, and requires new users to bear the burden of paying for the costs they impose on the system.

You also state that there should be no impact on Bonneville Power Administration's cost-based power rates and that you would like to see a completed, independent, credible regional cost-benefit study that shows sustainable net benefits to end-use customers in each affected state. You also request that the Commission extend the due date for interventions and protests regarding RTO West's stage 2 filing for 60 days.

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The Commission also participated in the meeting of the Committee on Regional Electric Power Cooperation on April 29-30, 2002 in San Diego, and on April 30, there was a state-federal regional panel to discuss standard market design and the cost and benefits of western regional transmission organizations. Finally, the Commission will hold a conference on May 22, 2002 in Washington, DC concerning data and software needs in connection with its standard market design rule. We appreciated hearing from all interested parties at these conferences and look forward to the May 22 event.

Your letter will be placed in the public files in the RTO West proceeding, Docket No. RT01-35-005, which serves to alert the Commission to the concerns of interested individuals and groups. I hope this information is helpful to you. If I can be of further assistance, please do not hesitate to contact me.

Best regards,

Paul Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Patty Murray
United States Senate
Washington, D.C. 20510

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Senator Murray:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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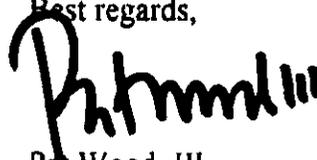
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Norm Dicks
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Dicks:

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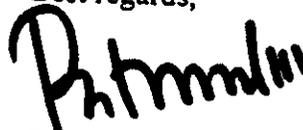
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Chairman

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Max Baucus
United States Senate
Washington, D.C. 20510

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Senator Baucus:

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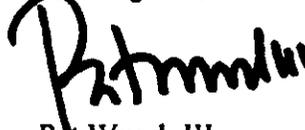
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Jim McDermott
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman McDermott:

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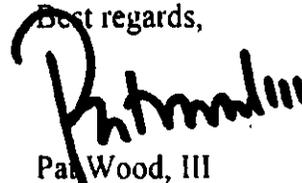
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Maria Cantwell
United States Senate
Washington, D.C. 20510

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Senator Cantwell:

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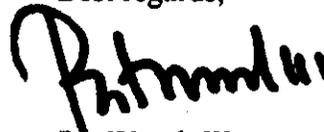
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable George Nethercutt
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Nethercutt:

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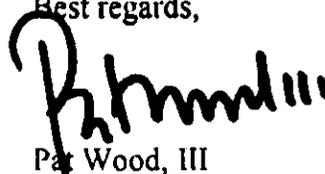
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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Richard "DOC" Hastings
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Hastings:

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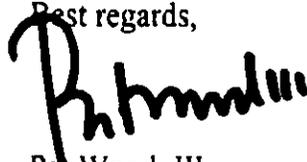
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FEDERAL ENERGY REGULATORY COMMISSION
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May 7, 2002

The Honorable Earl Blumenauer
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Blumenauer:

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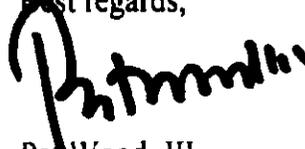
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Best regards,

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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Darlene Hooley
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congresswoman Hooley:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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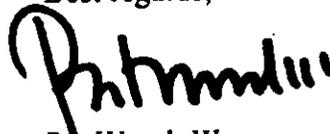
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Adam Smith
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Smith:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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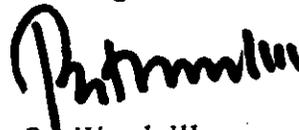
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Greg Walden
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Walden:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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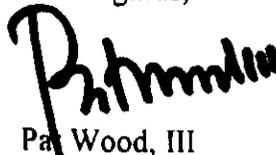
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Best regards,


Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Jennifer Dunn
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congresswoman Dunn:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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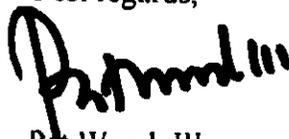
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Best regards,

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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Brian Baird
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Baird:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable David Wu
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Wu:

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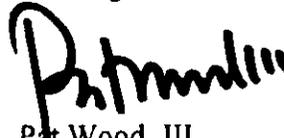
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable C. L. "Butch" Otter
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Otter:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Rick Larsen
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Larsen:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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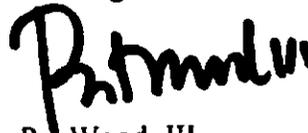
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Paul Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Jay Inslee
U.S. House of Representatives
Washington, D.C. 20515

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Congressman Inslee:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

You further state that, while there is not yet consensus on the entire substance of the RTO West filing among all stakeholders, including the Congressional delegation, you believe that there are several critical "must-haves" for an RTO to be viable in the Northwest: up to three separate RTOs with appropriate seams agreements to resolve operational concerns; legally enforceable protection for existing transmission rights; a substantial company rate period of eight to ten years from RTO West start-up to minimize cost shifts among current users and to provide time for the congested transmission system in the Northwest to be upgraded; and, a pricing plan that also limits cost shifts, protects existing users of the system, and requires new users to bear the burden of paying for the costs they impose on the system.

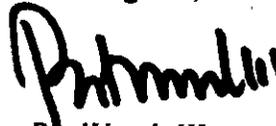
You also state that there should be no impact on Bonneville Power Administration's cost-based power rates and that you would like to see a completed, independent, credible regional cost-benefit study that shows sustainable net benefits to end-use customers in each affected state. You also request that the Commission extend the due date for interventions and protests regarding RTO West's stage 2 filing for 60 days.

I am happy to report that the Commission has extended the due date for interventions and protests to the stage 2 filing to May 29, 2002, and has taken a number of other actions to obtain public comments on RTO and standard market design issues. The Commission recognizes the concerns you have expressed in your letter and previously about RTO formation in the Northwest. While I cannot comment further on this pending case at this time, I would note the various ways in which the Commission is eliciting comments on such issues from all interested persons. For example, the Commission has received numerous comments on its Working Paper on standardized transmission service and wholesale electric market design in Electricity Market Design and Structure, Docket No. RM01-12-000. On April 10, 2002, the Commission distributed an Options Paper for resolving rate and transition issues raised by the Working Paper to stimulate public discussion that can guide the development of a proposed rulemaking on these issues; comments on the Options Paper were due on May 1, 2002.

The Commission also participated in the meeting of the Committee on Regional Electric Power Cooperation on April 29-30, 2002 in San Diego, and on April 30, there was a state-federal regional panel to discuss standard market design and the cost and benefits of western regional transmission organizations. Finally, the Commission will hold a conference on May 22, 2002 in Washington, DC concerning data and software needs in connection with its standard market design rule. We appreciated hearing from all interested parties at these conferences and look forward to the May 22 event.

Your letter will be placed in the public files in the RTO West proceeding, Docket No. RT01-35-005, which serves to alert the Commission to the concerns of interested individuals and groups. I hope this information is helpful to you. If I can be of further assistance, please do not hesitate to contact me.

Best regards,

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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Gordon Smith
United States Senate
Washington, D.C. 20510

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Senator Smith:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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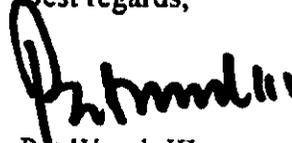
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Larry E. Craig
United States Senate
Washington, D.C. 20510

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Senator Craig:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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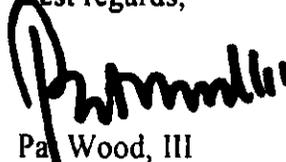
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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Conrad Burns
United States Senate
Washington, D.C. 20510

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Senator Burns:

Thank you for your April 10, 2002 letter regarding the stage 2 filing by the RTO West filing utilities (Avista Corporation, et al., Docket No. RT01-35-005). The filing includes additional provisions concerning an implementation plan for RTO West and a request for a declaratory order that the RTO West proposal satisfies the conditions of Order No. 2000, Regional Transmission Organizations. You emphasize that the Northwest needs the flexibility to set ground rules appropriate for the unique characteristics of its electricity grid.

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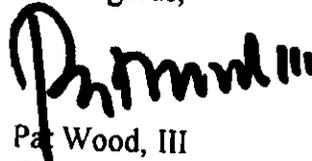
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Pat Wood, III
Chairman

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

May 7, 2002

The Honorable Michael D. Crapo
United States Senate
Washington, D.C. 20510

Re: Stage 2 Filing by the RTO West Filing Utilities (Avista Corporation, et al.), FERC
Docket No. RT01-35-005

Dear Senator Crapo:

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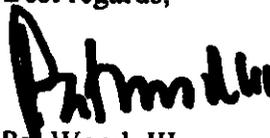
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