



March 11, 2002

To: RTO West Filing Utilities

From: Tabors Caramanis and Associates - Ellen Wolfe, Assef Zobian and Tom Johnson

Re: Revised RTO West Benefit/Cost Study

As you are aware, Tabors Caramanis and Associates (TCA) has revised the RTO West Benefit/Cost Study final report originally produced on March 5, 2002 as a result of a bug in the GE MAPS model used to complete the Energy Impact Analysis portion of the report. The revised report, Version March 11, 2002 is transmitted herewith.

In general, results and conclusions reported in the March 5, 2002 version of the report continue to hold. Section 3, reporting on the Energy Impact Analysis, has been revised from the March 5, 2002 version to reflect the revised results. Changes have also been reflected in the Executive Summary. Impacts on the Market Concentration Analysis were deemed to be minimal; Section 6, Market Concentration Analysis, and other sections are unchanged from the March 5, 2002 version.

The overall net benefit for the RTO West region is \$305 million, and \$410 million for all of the WSCC. Of these amounts, \$239 million for the WSCC are savings in generation production costs, with the balance in savings in decreased congestion costs. This is slightly less than the results published in the March 5, 2002 report, but is consistent with the nature of the error in the GE MAPS model. The MAPS model was incorrectly attributing a portion of the load from Alberta, the California ISO and southwest (WestConnect) regions to the RTO West region, which resulted in higher energy costs and congestion costs for the northwest. Once TCA had identified the problem and re-run the model to correctly account for all loads, the revised results show slightly higher energy prices in the Alberta, California ISO and WestConnect regions, slightly lower energy prices in the Northwest, and lower overall congestion cost.

As always, please do not hesitate to contact us with any questions or comments you may have.

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