



IDAHO CONSUMER-OWNED UTILITIES ASSOCIATION

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April 22, 2004

Steve Wright
Administrator
Bonneville Power Administration
P.O. Box 3621
Portland OR 97208-3621

Subject: RRG Process and Grid West

Dear Steve:

The ICUA Board recently discussed the regional transmission proposal developed by the Regional Representatives' Group (RRG). I have been asked to share with you the Board's position concerning this new "Grid West" proposal and how we believe it impacts BPA's Idaho customers.

As you are aware, it is impossible for ICUA to discuss transmission issues without first noting that ICUA members are almost exclusively served via GTAs over third party transmission facilities. ICUA originally said there was no point in moving forward in the RRG process until a GTA solution was found. Bonneville is currently meeting that challenge and the ICUA board asked me to thank you for Bonneville's efforts in that regard. ICUA remains optimistic and its members look forward to executing long term agreements with BPA that assure delivery of federal power over third party facilities with costs paid on a rolled-in basis.

Many of the problems identified in our separate GTA meetings with Allen Burns and his staff are the same or similar transmission problems that appear to dominate the "Beginning State" of the RRG proposal: lack of transmission investment, reliability, service quality, etc. If these and other similar long-term transmission issues [most notably, full facilities inclusion] can be addressed in the context of RRG process, then ICUA supports moving forward with that process.

Although ICUA is not an active participant in the RRG process, most ICUA members are well served by other regional groups – such as NRU and PNGC Power -- who are effective advocates for utilities served primarily by GTAs or their equivalents. ICUA is in agreement with the recent letters of John Saven and Pat Reiten expressing

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their support for Bonneville remaining fully engaged in the development of the RRG Beginning State.

The current GTA negotiations are addressing a limited set of issues for a finite group of GTA dependent utilities. The RRG process is broader in scope and is expected to address other important long-term concerns of transmission dependent utilities. It needs to continue through at least the Beginning State for there to be a rational and comprehensive solution to the current inequitable transmission service provided to or for ICUA member utilities.

Please call if we can be of further assistance or if you have any questions.

Sincerely,

Ron Williams

Ronald L. Williams
ICUA Executive Director

RW/pk

w/enclosure

c: ICUA Board
Senator Larry Craig
C. Clark "Jerry" Leone, PPC
Jim Kempton and Judi Danielson, NWPPC
Pat Reiten, PNGC
John Saven, NRU
Bill Drummond, WMG&T
Allen Burns, BPA