



*Providing quality water, power and service at a competitive price that our customers value*

November 3, 2004

To: Henwood Grid West Report Recipients, Regional Stakeholders, and Interested Parties

From: Ed Hansen, General Manager

Subject: Henwood Grid West Report Comment Period

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Snohomish PUD and a dozen other public utilities recently commissioned Henwood Energy Services to conduct a Study of Costs, Benefits and Alternatives to Grid West. On October 15, Henwood released its final report to the region, along with a cover letter urging BPA to delay the proposed November 4 vote on the Grid West by-laws until the region has answered fully the questions on costs, benefits, legal authority, the risks of FERC jurisdiction, and whether there are less costly alternatives.

In an October 22 letter, Allen Burns, BPA's Executive VP of Industry Restructuring, wrote to the Henwood Study participating utilities that BPA believes "a modest extension in the schedule for calling Decision Point 1 to sometime in early December is warranted." Our understanding is that BPA has postponed a vote on the by-laws until December 9.

Although we firmly believe that a one month delay is insufficient to allow the region to address the concerns highlighted in the Henwood report, Snohomish would nevertheless like to capitalize on this extension and open a dialogue with the region regarding the conclusions and questions contained in the Henwood report.

To that end, we have created a separate web page on [www.snopud.com](http://www.snopud.com), where comments, questions, critiques, responses, and related report material can be posted and shared with the region. We encourage interested parties to review the material on this website and contribute your views so the region can be better informed on the issues surrounding Grid West. Questions and comments can also be directed to Karin Bulova at [kabulova@snopud.com](mailto:kabulova@snopud.com) or (425) 783-8465.

Thank you for your participation in this important regional matter.