

General Transfer Agreement

November 5, 2004

The attached comments reflect comment log number(s): GTA-040 through GTA-040.

Aho, Rod – PL-6
Allen Burns – R-3
Syd Berwager – R-3
Preston Michie – R-3
Tara Exe- R-3
Joe Rogers – R-3
Steve Larson – L-7

NOTE: If you have any changes to the above distribution list, please contact Ginny Kuehn, x4413. Thank you.

General Transfer Agreement

05-Nov-04

Specialist: Tara Exe

Program Office: Industry Rest.

Comment Close Date: 10/19/2004

Comment Log #

First Name

Last Name

Affiliation

Receipt Date

Notes

GTA-040

R. Patrick

Reiten

Pacific Northwest Generating Cooperative

11/5/2004



GTA-040
NOV 05 2004

September 29, 2004

Allen Burns
Executive Vice President for Industry Restructuring
Bonneville Power Administration
PO Box 14428 M/s Communications – DM – 7
Portland, OR 97293-4428

Dear Allen,

We are very pleased to see BPA formally acknowledge the critical role that GTAs and BPA's treatment of their costs have played in providing transmission service to the Northwest's public utilities. BPA's reliance on third party transmission systems to meet its obligations to deliver power to the region's public utilities has saved tens of millions of dollars each year compared to what it would have cost if BPA had built lines and substations itself. By avoiding construction of duplicative lines, BPA's use of GTAs has reduced environmental impacts to the region.

When BPA entered into these agreements, it assured its customers that GTA service would be indistinguishable from direct service from the Federal Columbia River Transmission System. The cost of the GTAs was rolled into the charges which customers paid BPA for power and transmission. BPA's offer of the "Agreement Regarding Transfer Service" (GTA Agreement) is a good first step in securing BPA's ongoing commitment to the GTA customers.

We urge BPA to offer this agreement to all GTA customers without delay. The agreement is a good foundational document on which the rest of the GTA policies can be built. BPA's commitment to its GTA customers is critical to these customers' power supply decisions in the future.

We look forward to the offer of the GTA agreement and encourage BPA to promptly undertake the remaining policy forums detailed in Exhibit A to the agreement.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Patrick Reiten', written over a white background.

R. Patrick Reiten
President and CEO

Cc: John Saven - NRU
Bill Drummond – WMG&T
Ron Williams – ICUA
Peter Richardson - IDEA

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