



Commissioners

Nancy E. Barnes
Carol J. Curtis
Byron H. Hanke

*Chief Executive Officer/
General Manager*

Wayne W. Nelson

September 6, 2005

Mr. Steve Wright
Administrator
Bonneville Power Administration
Attn: Communications - DM-7
P.O. Box 14428
Portland, OR 97293-4428

RE: Open Comment Period - Decision Point 2

Dear Mr. Wright:

Clark Public Utilities welcomes the opportunity to respond to your request for comments on the choice between TIG and Grid West as you prepare for "Decision Point 2". Clark staff has been actively involved in TIG and its work groups. This involvement has given us, a transmission dependent utility, useful insight into regional transmission problems and their possible solutions.

Many aspects of the two proposals accomplish similar improvements with similar processes. But the differences between the proposals are items of importance to our utility and they lead us to favor the TIG approach over the Grid West approach. The differences that swayed us are in the areas of governance, cost, and flexibility.

We have two main concerns about governance under the Grid West Proposal – the decision-makers and FERC jurisdiction. Independent decision makers who have no stake in whether activities undertaken are cost effective, successful, or workable could be responsible for costly and irreparable errors. In the worst case they may not be competent to make any of the necessary decisions. Concerning FERC jurisdiction, publics have never been subject to FERC's rulings on rates and Clark would like to keep it that way. According to public utilities involved in RTOs around the country, FERC has taken an active role in influencing, guiding, and dictating design of existing RTOs. Unfortunately, FERC has demonstrated repeatedly that consumer protection is less important than other interests, so we believe that consumers will be better protected under

TIG. The TIG approach is designed to avoid FERC involvement as much as possible. The TIG proposal puts decisions in the hands of those who are most suitable to make the decisions. Each of the functional areas is fairly independent of the others and each has a different method of making decisions. As a result the decisions are made by those who are best informed and most intensely impacted. For these reasons Clark prefers the TIG approach to governance.

Our second concern is with costs. Grid West is estimated to cost significantly more than TIG. Grid West's scope may be focused on building a giant organization that can have complete control over transmission rather than making transmission improvements swiftly and cost effectively. One of the biggest complaints against existing RTOs is that they cost too much for the level of benefits received. Costs should be easier to control with participants and decision-makers who are financially impacted by the transmission system. Therefore, TIG gets our vote on handling of costs too.

Finally, TIG is designed to be flexible. Since the important decisions are made within the individual task groups, functions can easily be modified, added or dropped over time as conditions change. TIG will be able to start providing benefits in 2006 using existing institutions and an incremental approach. Grid West takes a more "top-down" approach, so changes will take longer and are less likely to occur. Once again, we prefer the TIG approach.

In summary, Clark Public Utilities urges you to choose the TIG approach because it will maintain more local control and will cost less than the alternative.

Sincerely,



Commissioner Byron H. Hanke
Board President
Clark Public Utilities



Wayne W. Nelson
CEO/General Manager
Clark Public Utilities