



EMERALD PEOPLE'S UTILITY DISTRICT

33733 Seavey Loop Road

Eugene, OR 97405-9614

Phone (541) 746-1583

FAX (541) 746-0211

www.epud.org

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PENNY JORDAN  
BRUCE PILLING  
KATHERINE SCHACHT  
PATTI CHAPPEL  
BILL TANNER

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FRANK LAMBE

September 6, 2005

Bonneville Power Administration  
PO Box 14428  
Portland, OR 97293-4428

Subject: OPEN COMMENT PERIOD- Decision Point 2

As requested in Steve Wright's letter dated August 4, 2005, Emerald People's Utility District (Emerald) is pleased to provide comments regarding Decision Point 2 and the "one-utility" vision for operating and managing the regions high-voltage transmission system.

First, Emerald appreciates BPA's continued involvement in the efforts currently underway to develop a strategy to better manage and operate the transmission system in the Northwest. Although the system has worked well for the past several decades, industry restructuring and the continued growth in the region has stressed the system to a point that requires improvements be made. In that effort, Emerald agrees with the "one-utility" vision for coordinating regional transmission operation and management. We believe that it is only in this manner that required changes would be made equitably, efficiently, and cost effectively.

In looking at the proposals presented recently by Grid West and TIG, each do an excellent job meeting the "one-utility" vision. Each provides for ways to achieve transmission planning and expansion, system reliability, simplifies purchasing and sale of transmission rights, utilizes a "flow-based" calculation method for determining available capacity, and avoids pancaking rates. In addition, the establishment of an Electric Reliability Organization (ERO), as authorized by the new Energy Policy Act of 2005, will have similar effects on either proposal. Emerald, however, believes that the TIG approach accomplishes this in a manner better suited for the region.

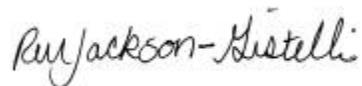
Some of the primary reasons for our support of the TIG proposal are:

- Maintains Regional Control
  - TIG's governance structure allows for broad participation and builds on our history of working together cooperatively through the participation in multilateral contracts between existing institutions.
- Lowers Risk & Lowers Cost
  - The TIG approach is to take incremental steps using a decision-making process that will reduce risk and cost.
- No New FERC-Jurisdictional Entity
  - The TIG approach avoids new, FERC-jurisdictional control and maintains the ability of the local and federal utilities to adapt to what works best for the region.

Finally, and most importantly, we want to reiterate that Emerald believes in the “one-utility” vision for the future of the Northwest transmission system. Although our preference is towards TIG, we feel that in order for either proposal, Grid West or TIG, to have success, all of the transmission owners and users must agree on the path chosen. Without this agreement, the owners and users will continue to operate the system separately, which will eventually cost everyone in the long run.

Thanks for the opportunity to comment on this critical decision regarding the future of the Northwest transmission system.

Sincerely,

A handwritten signature in cursive script that reads "Richard M. Jackson-Gistelli".

Richard M. Jackson-Gistelli, PE  
Power Resources/Key Accounts  
Emerald People’s Utility District  
541.744.7435  
richard@epud.org