

Steve Wright
September 9, 2005

IDAHO ENERGY AUTHORITY



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Steve Wright
Bonneville Power Administration
PO Box 3621
Portland, Oregon 97212

Re: Grid West / TIG Comments

Dear Steve:

I am writing on behalf of the Idaho Energy Authority, Inc. (IDEA), in response to your August 4, 2005 letter requesting comments on the decision point facing Bonneville Power Administration (BPA) relative to whether it should align itself with one or the other of the Grid West/TIG options or opt to maintain the status quo. By way of introduction, IDEA is a joint action agency with over twenty publicly-owned utility members in Idaho, Wyoming, Montana, Washington and Nevada. We represent one of Bonneville's largest single transmission customers as IDEA serves as the agent for transmission services for fourteen of our 22 members.¹

The primary driving force for IDEA's policy outlook on transmission issues is outlined in the GTA agreement you signed earlier this year. Our members support the concept embodied in that GTA agreement such that our systems, although physically isolated from BPA's load control area, are entitled to service that is equivalent to service BPA's preference customers are afforded who happen to be located in your load control area.

You were quoted in the August 1, 2005 issue of *Restructuring Today* to the effect that "Whether it ends up being Grid West or TIG, stakeholders need to come together and get something done." We agree. Whichever choice you make, it must be with the goal of providing the benefits of such a decision to the entire region. To that end, it is imperative that the geographic scope of Grid West or TIG be region-wide. To be more specific, if Idaho Power, Pac-East, Avista and Northwestern are not ALL included in whatever organization is finally created, we will view the end result as unacceptable. [If these entities are not included, we are left with nothing more than the status quo.]

As transmission dependent utilities, we offer these specific comments that suggest TIG may not offer the protections we need to be comfortable as we remain in the shadow of investor-owned utility transmission systems. For example, much of the decision making responsibility under TIG remains with the existing transmission owners. On the other

¹ City of Burley, City of Declo, East End Mutual Electric, Farmers Electric Co., City of Heyburn, Idaho County Light & Power, Idaho Falls Power, Lower Valley Energy, Inc., City of Minidoka, Riverside Electric Co. Ltd., City of Rupert, City of Soda Springs, South Side Electric and United Electric Co-op.

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hand, it appears that stakeholders have more substantive input under the Grid West proposal. Also, TIG provides stakeholders with only an advisory role in planning issues while allowing for full participation by the transmission owners. Grid West, by way of contrast, provides for an "extensive stakeholder" process and participation. TIG could also be subject to grid lock in that it requires unanimous approval by all of the participants in order to respond to evolving situations, whereas Grid West's representative Board of Directors is permitted to operate on a less than unanimous basis.

IDEA has not formally endorsed either Grid West or TIG. Like you, however, we believe the status quo is no longer tenable. IDEA's members, unlike your preference customers on the West-Side, are islands in an IOU sea. If a region-wide transmission entity is formed, we need assurance that all of our members are able to enjoy its benefits equally. We have formally taken a position, therefore, that participation must be region-wide and that the interests of transmission dependent utilities be fully addressed including pancaked rates, lower-voltage transmission facilities necessary to transmit wholesale power, quality of service, non-federal power deliveries, to provide us with equivalent service as is provided to all of your preference customers.

These comments relative to the governance and proposed operation of Grid West and TIG are offered to assist you in making this important decision.

James R. Webb
President
Idaho Energy Authority, Inc.