



**PUBLIC UTILITY DISTRICT NO. 1
OF MASON COUNTY**

N. 21971 Hwy. 101
Shelton, Washington 98584

BOARD OF COMMISSIONERS

JACK JANDA, Commissioner
RON GOLD, Commissioner
KARL DENISON, Commissioner

SEP 09 2005
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6W-08

September 7, 2005

Stephen J. Wright
Administrator
Bonneville Power Administration
905 N.E. 11th Avenue
Portland, OR 97232

Dear Steve:

Enclosed you will find a resolution approved by the Board of Commissioners of Mason County PUD No.1 expressing their desire to see BPA make the right decision on the selection of a transmission entity for the future of the Pacific Northwest.

We urge you to make the choice of a Transmission Improvements Group (TIG) for your upcoming "Decision Point 2" timeframe on September 9, 2005. The resolution offers all the positive reasons for your decision. Not least of which I believe is the loss of local control and the issue of governance (FERC Control) if you were to choose Grid West.

Thank you for your consideration on this very important issue.

With regards,

for
Richard F. Wilson
Manager
Mason County PUD No.1

PUBLIC UTILITY DISTRICT NO. 1 OF MASON COUNTY

RESOLUTION NO. 982

A RESOLUTION ENDORSING THE TRANSMISSION IMPROVEMENTS GROUP PROPOSAL AND RECOMMENDING ADOPTION OF THAT ALTERNATIVE BY THE BONNEVILLE POWER ADMINISTRATION

Recitals:

1. Mason County PUD No.1 has examined the materials available that describe the major elements of the Grid West and Transmission Improvements Group ("TIG") proposals; and
2. The Grid West proposal is based on the regional transmission organization ("RTO") that would be governed by an independent board and would be directly accountable only to the Federal Energy Regulatory Commission ("FERC"); and
3. Other regions that have implemented RTO-like organizations have experienced increases in the cost and price volatility of transmission capacity, and a decreases in control by transmission owner and users over transmission policy and decisions; and
4. The FERC has imposed policy directives on other RTOs regardless of their particular circumstances, and regardless of the detrimental impacts of such policy directives; and
5. The implementation of the Grid West proposal will create great uncertainty regarding the cost, availability and access to long term transmission, which will be disruptive of BPA's efforts to reduce its power supply role by shifting the responsibility for acquiring new resources to its power customers; and
6. The TIG proposal retains transmission decision-making in the regions, and retains decision making by those most directly impacted by those decisions, by using existing institutions to implement transmission system improvements; and
7. The TIG proposal will produce more immediate benefits at a lower cost to Mason County PUD No.1 customers by avoiding costly mistakes ordained by the FERC, and by taking an incremental approach to changes to the transmission system; and
8. The TIG proposal will minimize uncertainty regarding transmission costs, availability and access, in particular long term transmission access needed to support new resource acquisition, by retaining the

Regular Meeting - District Office/Potlatch

Adopt Resolution Endorsing the Transmission Improvements Group (TIG)

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existing rate and tariff structures, thereby easing BPA's effort to shift more resource responsibility to its power customers; and

9. Based on the foregoing, the TIG proposal will be more beneficial to Mason County PUD No.1 and its customers, and the region generally, than the Grid West proposal.

NOW, THEREFORE, BE IT RESOLVED by the governing body of Mason County PUD No.1 that the TIG proposal is hereby endorsed as the preferred solution to regional transmission issues, and it is recommended that BPA suspend further work on the Grid West proposal in order to complete development and implement the TIG proposal.

PASSED AND APPROVED by the Commission of Public Utility District No. 1 of Mason County, Washington, this 6th day of September, 2005.


Ron Gold, President


Jack Janda, Vice President

ATTEST:


Karl Denison, Secretary