



3628 South 35th Street  
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

May 12, 2006

Vickie VanZandt  
Senior Vice President  
Transmission Business Line

Dear Ms. VanZandt,

Tacoma Power wishes to extend our appreciation of Bonneville Power Administration (BPA) involving the region in the development of a future transmission congestion management strategy. Tacoma Power would like to provide the following comments in reply to BPA's April 2006 *White Paper* titled *Challenge for the Northwest: Protecting and managing an increasingly congested transmission system*. Tacoma Power is in agreement with BPA that transmission congestion is a growing concern for the regional transmission system. Your analysis highlights the qualitative extent of the problem and why it needs to be addressed in a timely and thoughtful manner.

First, from what you have shared in the White Paper and in recent regional meetings, there appears to be a number of influences that play an important role in determining when a specific transmission path begins to reach its operating transfer capability (OTC) limit. To help us better understand those influences, Tacoma Power suggests that BPA develop a clearer definition and quantitative description of both the economic and physical magnitude of BPA's transmission congestion problems. Without clarity, BPA and the region may be toiling toward ineffective solutions. In our view, a well documented analysis and presentation of the congestion problems the region faces will better focus and prioritize future analysis and discussion for finding timely and equitable solutions.

Second, with regard to equity, Tacoma Power asks BPA to seriously consider a principle that would ensure that the transmission system is adequately serving Northwest native load in each potential solution to congestion problems. The principles addressed within the *White Paper* are a good start. However, a principle that addresses transmission system adequacy for serving northwest native load over all time frames, from real time to the long-term needs to be developed. The first and foremost purpose for the northwest regional transmission grid should be to serve load within our own region. After that purpose has been met, the residual transmission capacity of the system can be used to serve load outside of the Northwest. Tacoma Power is particularly concerned that in some cases, necessary curtailment actions to relieve congestion based upon an incomplete

Assistant Power Manager  
Theodore C. Coates

Sincerely,



congestion management.

Lastly, Tacoma Power is in agreement with BPA that it is important to begin working on long-term solutions to congestion management now and not deliberate the process more than is required to arrive at an effective and efficient solution. Tacoma Power does not support the application of the additional curtailment calculators as an acceptable long-term solution. BPA and the region need to take action to develop a strategic long-term solution that will endure. The region has barely begun to start the necessary work that needs to be done but Tacoma Power is committed to working with BPA in the coming months to develop efficient and effective solutions to the problem of transmission

placed at risk of curtailments.

Tacoma Power is concerned that the addition and use of tools such as the curtailment calculator for the Paul-Alton and South of Allison transmission paths may subject times when these paths are expected to near their maximum usage. Further, when planned maintenance outages cannot be revised, BPA should consider ways to equitably reduce the number or amount of non-native load schedules when the system may be placed at risk of curtailments.

View, BPA could revise plans for scheduled maintenance to avoid such outages during curtailment of this sort should be considered and implemented as a last resort. In our view, BPA could revise the economic trade-offs for a particular congestion management solution. While reliability is an unassailable perspective to developing solutions to the complex topic of transmission congestion.

Third, Tacoma Power agrees that BPA should have the best tools available to deal with transmission congestion events that arise in real time. However, that does not mean that these tools should ignore the economic trade-offs for a particular congestion management solution. While reliability is not an acceptable perspective to developing solutions to the reliable system every hour of every day, Tacoma Power is of the belief that transmission reliability at any cost is not an acceptable perspective to developing solutions to the complex topic of transmission congestion.

Power outside of the region.

While allowing out of region sales, A policy of dropping and/or cutting Northwest retail analysis and flawed policy could compromise our ability to serve our customer-owners while avoiding a system collapse and thus reflected appropriately in the principles guiding regional solutions. In our view, BPA customers using BPA transmission to serve native load should not experience the same level of curtailment as those using the system to export loads as a means of relieving congestion should be considered only as a last resort to avoid a system collapse and thus reflected appropriately in the principles guiding regional solutions. In our view, BPA customers using BPA transmission to serve native load should not experience the same level of curtailment as those using the system to export power outside of the region.