

January 18, 2008

Mr. Steven Wright
Administrator
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

Re: Network Open Season Policy Proposal

Dear Administrator:

The purpose of this letter is to express Northwest Requirements Utilities' ("NRU") support for Bonneville Power Administration's ("BPA") transmission planning and expansion initiative, the Network Open Season ("NOS") process.

NRU represents the interests of 53 of BPA's smaller public preference utility customers, who are both power and transmission customers of BPA. These utilities are evaluating resource options (including alternatives to BPA) to serve retail load growth in the near future. Their resource planning and evaluation is greatly complicated by perceived and actual transmission constraints that exist on BPA's network transmission system. BPA's long term firm transmission queue has become clogged with multiple unserved requests for available transmission capacity. These requests, currently totaling 11,000 megawatts, encumber existing and new transmission requests and make the prospect of achieving timely transmission service unlikely for NRU's utilities. We have concluded that BPA's current process of evaluating and responding to transmission requests needs to be reformed.

The proposed NOS appears to NRU to be a much needed and positive step towards reforming how BPA evaluates and responds to transmission requests. The NOS will likely cause outdated or speculative requests to be removed from the queue, while continuing to honor those requests that have merit. The NOS will permit simultaneous study of all remaining requests, and potentially will lead to the construction of facilities that satisfy real transmission needs at the lowest practical cost. The fact that BPA intends to conduct periodic NOS processes is particularly important to NRU, as some utilities are only now undertaking their resource planning processes and will need the predictability and timeliness of future transmission acquisition processes to aid their resource planning. Absent the NOS process, we are concerned that BPA's Load Following Customers will have significantly diminished opportunities to meaningfully consider non-federal power supply options to cover their future load growth.

NRU is not endorsing all aspects of the NOS at this time, as details remain to be worked out. We are particularly interested in how assumptions regarding network load growth used in analyzing

the current queue will translate into increased availability of transmission service for the agency's Network (NT) customers in the future.

We appreciate both BPA's creativity in proposing the NOS idea and its extensive discussions with affected customers to develop the process satisfactorily. We support an approach to transmission development where BPA and all customers and other transmission providers are working together to achieve the best regional result. Please feel free to circulate these comments to any other parties that may be involved in reviewing BPA's Network Open Seasonal proposal.

Very truly yours,

A handwritten signature in black ink, appearing to read "John D. Saven". The signature is written in a cursive, flowing style.

John D. Saven, CEO
Northwest Requirements Utilities

CC: Members of Northwest Requirements Utilities