

Gastineau,Betty J - T-DITT2

From: Bill Drummond [wmgt@montana.com]
Sent: Tuesday, January 22, 2008 2:14 PM
To: VanZandt,Vickie - T-DITT2
Cc: Altman,Brian D - TSE-TPP-2
Subject: WMG&T Letter on the NOS
Attachments: WMG&T NOS Letter January 22 2008.doc

Vickie:

Attached is a letter from Western Montana G&T supporting Bonneville's Network Open Season (NOS) proposal. While we need to see the completed proposal before we can offer our unconditional support, we believe the NOS is the correct approach and are optimistic the final version will meet our needs.

Please feel free to contact me if you have any questions.

Regards,
Bill

1/22/2008

**WESTERN MONTANA ELECTRIC
GENERATING & TRANSMISSION COOPERATIVE, INC.**

1001 SW Higgins, Panorama Park, Suite 206, Missoula, MT 59803-1340

January 22, 2008

Vickie Van Zandt
Bonneville Power Administration
Post Office Box 491
Vancouver, WA 98666-0491

BY ELECTRONIC MAIL

RE: Network Open Season Proposal

Dear Vickie:

On behalf of the members of Western Montana Electric Generating and Transmission Cooperative, Inc. (WMTG&T) and the over 100,000 consumers they serve in western Montana, I am writing in support of Bonneville's proposed Network Open Season (NOS) policy. We believe the NOS will help to relieve Bonneville's crowded transmission queues by utilizing a technique that has had good success in other applications, particularly for natural gas pipelines.

As the members of WMTG&T look to 2011 and the expiration of their existing power sales contracts with Bonneville, we have been exploring resource alternatives from non-federal sources, especially wind resources in central Montana. When we have closely examined the transmission paths necessary to get that wind generation to our loads, we have found the transmission queue clogged with existing requests, some of which have been sitting there for years. Worse, some requests are for generating projects that are no longer viable. For example, the long-term available transmission capacity on the Bonneville transmission path from Garrison to Hot Springs is more than filled by requests from two proposed coal generating facilities. The sponsors of both of these projects have stated publicly, however, that neither of them will be constructed on the timelines originally proposed, if at all. These projects need to be removed from the queue quickly so as to allow other facilities to use that currently-idle long-term transmission capacity.

We believe the NOS proposal is a fair and equitable way to allow entities that truly desire long-term transmission capacity to obtain it. We support Bonneville's NOS proposal, including the periodic application of it across the region. Not all the details of the NOS

proposal have been completed and thus we cannot offer our wholehearted support until we see the completed package. At present, however, we believe that that the NOS will be a useful tool to fully utilize existing transmission capacity and to encourage the development of new facilities where necessary.

Sincerely,



William K. Drummond
Manager