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November 3, 2005

MEMORANDUM

TO: Council Members

FROM: Wally Gibson

SUBJECT: Transmission Issues Update

The Regional Representatives Group (RRG) met last Friday to evaluate Bonneville's proposal for integrating Grid West development with the near-term (and potentially long-term) activities of TIG. The proposal did not receive much support. Of the Grid West filing utilities, it was rejected by Pacific, Idaho, Northwestern, BC Transmission, Portland General and Sierra Pacific. It was supported only by Puget and Avista. Three of the four utility commissions (or their staffs), Oregon, Idaho and Montana, did not support it. It received some support from public power entities such as Northwest Requirements Utilities, Grant PUD and Montana G&T Cooperative (and apparently, though they were not present, Seattle). It was rejected by Tacoma and the Public Power Council.

The Grid West filing utilities met Tuesday and exercised the option under the bylaws to reorganize Grid West as a non-profit non-member organization, with the intent of reconstituting a new (and presumably similar) member organization to implement the Grid West proposal presented early this summer. The new organization will have somewhat different bylaws, but the differences are not known at this time. At this point, Bonneville is not participating in the new organization. It is not clear how the situation might evolve in the future. The Grid West press release is attached.

I will present whatever new information is available at the Council meeting.

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