



November 29, 2006

Stephen J. Wright
Administrator and CEO
Bonneville Power Administration
PO Box 3621
Portland, OR 97208-3621

Re: ColumbiaGrid Participation

Dear Steve:

We appreciate BPA's continuing efforts to develop an independent assessment of the region's transmission needs and a mechanism to get needed improvements built in a timely manner. While ColumbiaGrid is not the region-wide approach we have long advocated, it is a step in the right direction. BPA's effort, starting with IndeGo and continuing through ColumbiaGrid, have demonstrated BPA's commitment to one-utility planning and an enforceable expansion mechanism. The Planning and Expansion Functional Agreement (Functional Agreement) of ColumbiaGrid is a good first step in that direction. We encourage BPA to sign the Functional Agreement and to encourage others who own, operate, or propose to build physical transmission facilities in the Pacific Northwest to sign the agreement as well.

PNGC Power believes that the overall costs of transmission and delivered power in the region may be reduced as a result of the transmission planning suggested by ColumbiaGrid. Access to better information regarding the transmission system as a whole will be particularly useful as parties develop new generating resources. This is especially important as the Regional Dialogue process encourages customers to take responsibility for power resources to meet their load growth. For this reason, we strongly support the open and transparent process feature of the Functional Agreement.

We are encouraged that the ColumbiaGrid Functional Agreement contains a cost allocation mechanism for Existing Obligation Projects (EOPs) and we hope that BPA will work to clarify the enforceability aspects of offering Facilities Agreement to non-participants of ColumbiaGrid. Having an effective enforcement mechanism for transmission expansion associated with EOP's, including load growth, is critical to expanding the system in a timely manner.

As small cooperative utilities that depend on BPA for their transmission service, PNGC Power Members look to BPA to participate in the ColumbiaGrid Planning. As Network Integration agreement (NT) customers, we look to BPA to build transmission for our load growth. As the biggest transmission owner in the region, BPA's robust participation on its own behalf and on behalf of its transmission customers' is essential to the success of the ColumbiaGrid Planning and Expansion Functional Agreement.

Sincerely,

A handwritten signature in black ink, appearing to read 'JP', with a large, sweeping flourish extending to the right.

John Prescott
President and CEO

AS/TG

Cc: PNGC Power Board
NW Delegation