



November 8, 2006
Presentation at NTTG
Meeting



Footprint

- Northwest interconnected transmission system
 - Specific footprint for a given function defined by participation in that functional agreement
 - For example, separate functional agreements for near term services including planning and expansion; reliability; and ColumbiaGrid OASIS



Goal

Coordinate the use and expansion of participating transmission networks through transparent processes



Individual/Region-wide Benefits

- Secure needed cost-effective expansion of transmission facilities via transparent planning
- Maintain reliability in face of stresses on the interconnected systems
- Provide for more efficient use of existing systems
- Improve transmission customer access (one-stop shopping)



Means

- Creation of ColumbiaGrid, a nonprofit membership corporation, to provide integration and coordination services
- ColumbiaGrid not just facilitator, but has true substantive responsibilities as defined in functional agreements
- Funding in place (\$5,000,000 for first two years of corporate costs)



Board of Directors

- Operational independence
 - Directors elected to work on behalf of the collective membership, not individual members
 - ColumbiaGrid has autonomy/discretion as provided in bylaws and functional agreements
 - ColumbiaGrid is empowered to bring ideas to members and interested persons as possible subjects of functional agreements



Directors

- Lloyd Meyers, Chairman of the Board
- Shelly Richardson
- Ed Sienkiewicz



Staff

- President and CEO to be in place in near-term
- President will move forward quickly to staff organization, with early focus on planning staff



Members

- Avista
- Bonneville Power Administration
- Chelan County PUD
- Grant County PUD
- Puget Sound Energy
- Seattle City Light
- Tacoma Power
- Standing invitation to other Northwest control areas



Other Participants

- ColumbiaGrid services designed to work for broader area than just members' systems
- Qualified non-member parties are encouraged to enter into functional agreements



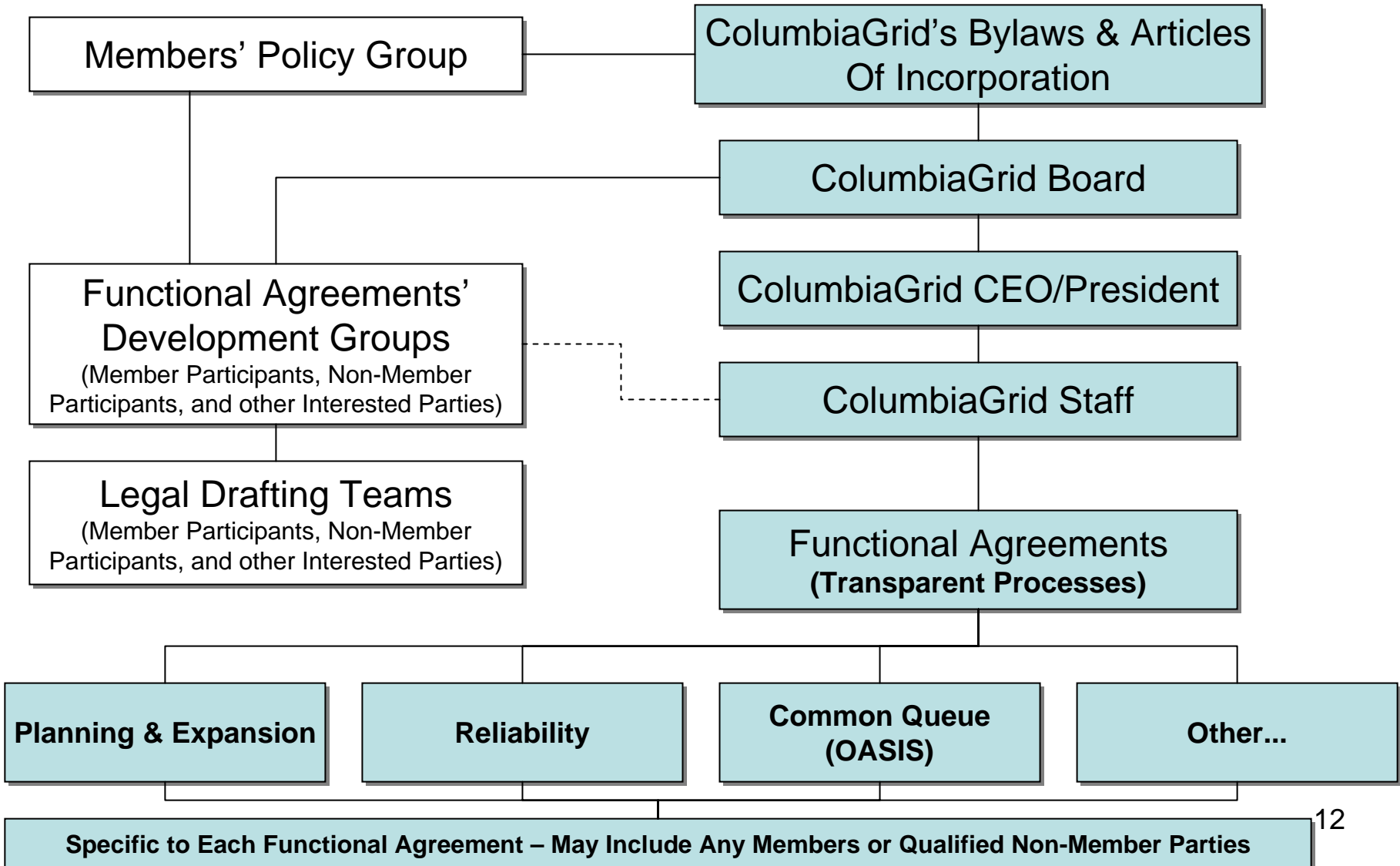
Nearer-Term Services

- Planning and Expansion
- Reliability
- ColumbiaGrid OASIS (common queue)



Organization Chart

(Subject to Change)





Planning Overview

- Scope – Identification of needs and long-term planning of multi-system transmission projects
- Benefits
 - Coordinated plan
 - Transparency
 - Independent facilitation and approval
 - Consistent with and supportive of traditional Northwest approach of cooperation and collaboration
 - Ability to integrate renewables resources across multiple systems
 - Means to comply with anticipated new OATT requirements
 - Mechanism to encourage FERC to take action should entities not voluntarily construct needed projects



Planning Overview

- Services
 - Biennial expansion plan
 - Multi-system projects to serve firm obligations
 - Consideration of other transmission projects affecting parties' systems
 - 10-year planning horizon
 - Single utility approach



Planning Overview

- Develop WECC base case submittals
- Implement common queue for interconnection requests and transmission service requests
- Supporting role in proceeding seeking FERC enforcement of ColumbiaGrid identified transmission project to meet firm load obligations
- Parties – Entities that operate or propose to operate electric systems or have a transmission planning obligation in the Northwest



Planning Overview

- Process
 - Coordinated, open, transparent
 - Annual system assessment and identification of needs
 - Study Teams develop solutions to needs
 - Open to interested parties and non-parties, including transmission dependent entities
 - Non-transmission alternatives sponsored by transmission-owning parties may eliminate or delay need for transmission project



Planning Overview

- Funding for planning activities
 - Allocated amongst parties based on three-part formula (fixed fee, transmission miles, firm load)
 - Initial funding for two-year period - \$4,200,000
- First product – compilation plan in first year



Planning and Expansion Coordination with Other Groups

- Non-parties may participate in ColumbiaGrid process
- ColumbiaGrid authorized to join and participate in other planning groups and processes
- ColumbiaGrid anticipates regional seams discussions



Planning and Expansion Functional Agreement

- Draft agreement out for public review and comment
 - November 9 Idaho Falls Workshop
 - November 14 Portland Workshop
- December 13 target date for offer of final agreement
- Effective 60 days after agreement offered



Seam Issues

- Many categories, or types, of seam issues
- Establishment of logical transmission regions, or footprints, may help to mitigate some seam issues and may better align interests