



ColumbiaGrid Board of Directors
September 19, 2007 Meeting

Pursuant to due notice, a meeting of the Board of Directors of ColumbiaGrid, a Washington nonprofit corporation, was held at ColumbiaGrid offices, Portland, Oregon on September 19, 2007 at 9:30 a.m.

Attendance and Quorum:

Board of Directors: Lloyd Meyers, Shelly Richardson and Ed Sienkiewicz.

Officers: Judy Embler and Jon Kaake.

Participants, ColumbiaGrid Staff and Consultants, and Interested Parties:

Steve Anderly (Consultant); Rich Bayless (Northern Tier); Syd Berwager (BPA); Dick Byers (WUTC); Chuck Combs (BPA); Robert Cromwell (Seattle City Light); Patrick Damiano (ColumbiaGrid Consultant); Linda Finley (Snohomish PUD); Jeff Hemminger (Douglas PUD); Amy Johnson (ColumbiaGrid); Eric King (BPA); Marv Landauer (ColumbiaGrid); Cathy Leone-Woods (Tacoma Power); Rod Noteboom (Grant PUD); Hugh Owen (Chelan County PUD); Dana Reedy (NWPP); Tim Smith (BPA); Jim Thornton (Ecology & Environmental, Inc.); Darrel VanCoeving (ColumbiaGrid Consultant); Kristi Wallis (ColumbiaGrid Coordinator); John White (ColumbiaGrid Consultant); and Sharon Whitlow (ColumbiaGrid).

Notice and Agenda: Attached.

Proceedings:

- *Call to Order:* Ed Sienkiewicz, Board Chair, called the meeting to Order at 9:30 a.m. and Sharon Whitlow recorded the minutes. A quorum of directors was present, and the meeting, having been duly convened, was ready to proceed with business.
- *Provision of Notice:* No concerns or objections were raised as to sufficiency of notice.
- *Welcome:* All attendees introduced themselves. Ed reviewed the agenda. No changes or additions were made.
- *Adoption of Minutes:* Minutes from the August 15, 2007 Board Meeting were approved.
- *Financial Report:* Judy Embler reviewed the financial reports for the Second Funding Agreement, the PEFA and the DSRFA. Attendees received copies of the reports and were invited to contact her with any questions. No noteworthy expenses or new line items were in the reports.

Order 890 Activities:

- Kristi Wallis reported that the Legal Drafting Team and Planning Subgroup had completed, posted, and distributed ColumbiaGrid's Attachment K template, which Avista, Puget, BPA, and Tacoma will use as the foundation of their Attachment Ks.

ColumbiaGrid Board and Staff representatives will participate in the upcoming FERC Transmission Planning Draft Attachment K Technical Conference in Denver scheduled for October 23-24. The purpose

is to review and discuss transmission providers' OATT Attachment Ks. All interested persons, transmission providers, regional representatives, and transmission customers are invited to attend. Those wishing to participate as a panelist must submit a request form to FERC by October 5, 2007.

Kristi noted the need to coordinate among PEFA parties and non-PEFA transmission providers for the October 23rd FERC Technical Conference. It was determined that Jon Kaake and Kristi Wallis would organize a strategy call with interested parties during the week of September 24th, and would report back that group's recommendation at the Board's October 2 call.

Planning Activities Report:

- Marv Landauer presented a summary of progress on WECC Regional Planning activities for the I-5 Corridor and West of McNary projects.
- Marv also provided an overview and schedule for the process to develop the ColumbiaGrid Biennial Plan.

Reliability Activities Report:

- Darrel VanCoeving presented a summary to the Board on BPA Redispatch Pilot and the NWPP ADI Task Force.
- Jon Kaake reviewed the progress made to date by Norm Stanley on Outage Coordination and the West-wide Area System Model

Development Process Report:

- *Third Funding Agreement:* Kristi Wallis reported that the Members and ColumbiaGrid intend to enter into a Third Funding Agreement through which the Members will continue to provide ColumbiaGrid separate funding for corporate expenses through August 2010. The Agreement will maintain the current level of funding for corporate expenses (\$5,000,000) and added \$1,000,000 for purposes of establishing a permanent working capital account. The Agreement will be drafted in the near term, and it is anticipated that it will be executed by the end of the year. The working capital account would be created in January of 2008 and other funds under the Agreement would be available in August of 2008.

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- *Draft OASIS Functional Agreement:* Kristi Wallis reviewed the final draft OASIS Functional Agreement and, based upon the input of the Integration Small Group and Legal Drafting Team, recommended that the Board release the draft agreement for public review, following the same review process as the PEFA (45-day written comment period, public workshops, final work session of policy, legal and technical representatives of interested parties). Shelly Richardson moved that the Board adopt Kristi's recommendation and the Board unanimously adopted the motion. The Board anticipates finalizing the OASIS Functional Agreement and offering it for signature at its November Board Meeting.
- *Reliability Functional Agreement:* A workshop was scheduled for October 1st, 10 am – 5 pm at ColumbiaGrid offices.

Financial Activities Report:

- *Proposed 2008 and 2009 Budgets:* Judy Embler presented the proposed budgets for 2008 and 2009 and the correlating Budget Assumptions and Defined Budget Terminology.
- *Proposed Annual Audit:* ColumbiaGrid will have an audit performed for 2007, which will include a review of cost allocation among functions. Kristi Wallis noted that ColumbiaGrid and the Members have agreed that after the 2007 audit is completed, they will discuss further the relationship between auditing requirements and the level of detail presented in ColumbiaGrid's invoices. In the meantime, Judy Embler will contact Kim Justice of Grant County to discuss this year's audit to confirm it meets Grant County's needs.

Staff Reports:

- *Website:* New site is close to roll-out.

Other:

- *Board Announcements:* Shelly Richardson represented ColumbiaGrid, speaking at the Northwest & Intermountain Power Producers Coalition (NIPPC) Annual Meeting held September 17-18 in Union, Washington. Shelly joined Phil Moeller, FERC Commissioner, Louise McCarren from WECC and other CEOs from various West Coast companies including: Pat Reiten, Pacific Power; Steve Reynolds, Puget Sound Energy; Michael Skelly, Horizon Wind Energy; John Shelk, Electrical Power Supply Association; and Al Pak, Sempra Generation.

Next Meetings:

- The Board will hold its next scheduled conference call on October 2. Call-in information is posted on the website. Proposed items include review of the Redispatch draft 'final' report, a report on the Reliability workshop/Joint meeting scheduled for October 1 and a report on preparations for the upcoming October 23rd FERC Technical Conference in Lakewood, CO.
- Agenda items were discussed for the next Board Meeting to be held October 17, at ColumbiaGrid offices. Proposed items include: Initial Biennial Plan Compilation, Redispatch Project, feedback on the proposed budget, preparations for the FERC Technical Conference and plans for a public workshop on draft OASIS Functional Agreement. The Board meeting is scheduled from 9:30 to noon to accommodate the public OASIS workshop scheduled to follow, 1 – 5 pm, also at CG offices.
- The Board agreed to move the scheduled Board Meeting in November up by one week to November 14. Proposed items include OASIS Funding Agreement and the Third Funding Agreement.
- The December Board meeting will include approval of the budget.

There being no further business to come before the meeting, it was adjourned at 3:14 pm.

Respectfully submitted,
Sharon Whitlow
October 2, 2007

Approved on October 2, 2007
Ed Sienkiewicz, Chairman