



**Vol. 7**  
**Sept. 6, 2005**

### **Sept. 9 is drawing close**

This is just a reminder. Sept. 9 is the deadline for comments to BPA on Decision Point #2. Please consider carefully the questions in the public comment instructions attached to Steve Wright's letter of Aug. 4. The letter is on BPA's Industry Restructuring Web site at: <http://www.bpa.gov/corporate/business/restructuring/>

If you have any questions or would like to meet with BPA staff to discuss the issues before the close of the comment period, please call me at 503-230-3833.

### **Seeking Grid West, TIG convergence**

Grid West and the Transmission Improvements Group have so much in common that the two could converge, creating a unified Northwest approach. As each side has explored what it takes to run the grid for the common good, Grid West and TIG have come to share more and more common characteristics. A major difference now is how each would be governed. Both sides are exploring ways to bridge that gap while meeting each party's needs.

### **Watch for a TIG MOI**

BPA is developing a Memorandum of Intent to gauge the level of support for the TIG proposal. The MOI would become effective if BPA chooses the TIG path at the end of September. By signing, parties will indicate their intent to sign a TIG Participation and Funding Agreement by Oct. 28. Parties will also indicate their intent regarding participation in the TIG consolidated control area (RABA).

We expect we will send the MOI out to regional parties by the second week of September. Parties should sign and return the MOI by Sept. 23. The response to the MOI will help inform BPA's decision at the end of September on whether to further pursue TIG or Grid West.

### **Proposed contract lock agreement out for view**

If Grid West is implemented, BPA has committed that its current customers could maintain certain important contract rights. Proposed Contract Lock Agreements are now posted that lay out precisely how this would work. They're available now so customers can take the proposed Contract Lock terms into consideration as they weigh their views on Decision Point #2. Look for them at:

[http://www.transmission.bpa.gov/Business/Customer\\_Forums\\_and\\_Feedback/Business\\_Practices\\_Technical\\_Forum/contractlock.cfm](http://www.transmission.bpa.gov/Business/Customer_Forums_and_Feedback/Business_Practices_Technical_Forum/contractlock.cfm)

If BPA chooses the Grid West at Decision Point #2, the agency would seek public comment about the contract lock proposal. Offers could be made to qualified transmission customers by winter 2006. In the event that Grid West does not operate within five years of its effective date, the contract lock would terminate.

**TIG costs appear proportionate to services**

The first calculation of Transmission Improvements Group proposal costs has come in at roughly two-thirds the cost of the Grid West proposal – corresponding to TIG’s more limited functions.

**ESTIMATE OF TIG COSTS**

Based on comparison of Grid West cost estimates  
8/22/2005

	<b>TIG</b>	<b>GW</b>	
Start up	\$82.24	\$132.64	62.0%
Operating	\$38.12	\$65.56	58.1%
w/ financing	\$50.47	\$85.46	59.1%
FTE	165.95	305	54.4%

That’s the report the TIG steering committee heard Aug. 26 from consultant Barney Speckman of Nexant, Inc. Costs would be about one-third lower absent RABA (Reliability and Balancing Authority), the voluntary control area consolidation proposed by TIG, but the key reliability benefits associated with RABA would be lost. BPA sees significant benefits in control area consolidation. The TIG cost information is posted at:

<http://www.tig-nw.kristiwallis.com/wp-content/TIGCost9.1.05FinalReport.pdf>.

TIG is continuing to work on an initial benefits calculation.