



**Portland General Electric Company**  
121 SW Salmon Street • Portland, Oregon 97204

VIA ELECTRONIC AND US MAIL

October 28, 2003

Dennis Oster  
Transmission Account Executive  
Bonneville Power Administration  
Transmission Marketing and Sales – TM-OPP-2  
P.O. Box 61409  
Vancouver, WA 98555-1409

Re: Contract Lock - Available Transmission Capacity Methodology

Dear Dennis:

PGE has been participating in Bonneville's process to calculate Available Transmission Capacity on lines internal to Bonneville's system. I would like to take this opportunity to commend you for taking on this difficult task. You and your team are making a pioneering effort to address a very difficult but necessary task, and are providing leadership to the region by offering new thinking to this challenging problem. You should know that PGE supports your efforts and agrees with the need to conclude this process.

Like many similarly situated utilities, PGE has three concerns in the outcome of this process. First, we believe that Bonneville must ensure that transmission service for existing contracts that has been provided in the past will continue to be provided. The risk of providing new service over paths that are already constrained is that preexisting service will see more curtailments as the new contracts are completed. PGE understands that BPA wishes to protect existing service, and takes further comfort from statements made at the Sept. 18 meeting by Dennis Metcalf and Brian Silverstein that the ATC calculations are "not intended to limit anyone's scheduling rights", and that Bonneville is "not planning on changing the level of service" of existing contracts. PGE would like to see such instructions passed to the operational staff at TBL to guide them in daily and hourly scheduling of service.

PGE's second concern deals with obtaining additional service contracts. Three years ago, PGE submitted a request to Bonneville for service from Rocky Reach. We are troubled with statements made by Bonneville representatives that IOUs have not purchased sufficient transmission to meet their peak needs when, PGE has in fact attempted to purchase more. PGE is particularly concerned that the capacity that now seems to be available does not appear to be sufficient to meet PGE's request. PGE would encourage Bonneville to continue to address PGE's need for service as it relates to the Bonneville power flow analyses.

Thirdly, PGE is concerned that Bonneville's determination of ATC may adversely affect PGE's transmission system. It is increasingly important that transmission providers in the Pacific Northwest view transmission as an integrated, interconnected system. The assumptions that

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Bonneville has made in determining ATC must consider neighboring systems. The South of Allston cutplane is one area in particular that demands a collaborative effort to determine and allocate ATC. PGE and Bonneville representatives have met to discuss this issue. PGE asks that Bonneville continue to engage in such a process as part of its determination of ATC.

We look forward to further discussions on these issues and thank you again for taking the leadership to focus on a matter that is timely and critical to the future health of our industry.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. J. Goddard".

Richard J. Goddard  
RTO Project Manager

Cc: Jim Lobdell, PGE  
Steve Hawke, PGE  
Cliff Perigo, BPA  
Brian Silverstein, BPA