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August 29, 2003

VIA FACSIMILE: 360-619-6940

Mr. Dennis Oster
Customer Account Executive
Bonneville Power Administration
Transmission Business Line
P.O. Box 61409
Vancouver, WA 98666-1409

**Re: Comments On Proposed Methodology For Determining Available
Transmission Capacity**

Dear Dennis:

BP West Coast Products, LLC ("BP") submits these comments on the new methodology under development by BPA/TBL for the determination of Available Transmission Capacity ("ATC"). BP has Request Nos. 366 and 367 pending in the TBL OASIS queue, regarding firm, long-term PTP service for our proposed Cherry Point cogeneration project.

BP is supportive of your process to reconcile the ATC methodologies used by TBL's marketing and network-planning staffs. We believe that it is in everyone's interest to avoid a situation in which the development of needed resources is frustrated due to understatement of ATC. In this regard, the interests of BP are aligned with those of TBL's existing customers who will require new resources to meet growing regional loads.

As of your last public meeting on July 29, the new methodology remained a work in progress. Thus, we cannot determine for sure whether BP's interests are being

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satisfactorily addressed. We do note, however, that your proposal currently rests on several very conservative assumptions that could have the effect of understating ATC.

Redundantly Conservative Assumptions

As we understand the proposed ATC methodology, it is grounded on a joint PBL/TBL proposal for determining NT contract rights, dated February 24, 2003, and posted on the TBL website. The methodology begins with a determination of existing firm uses of the transmission system – focusing on Flowgates. Monthly NT customer peak loads will be matched against major federal hydro resources using either the H/K pattern, the 90% H/K pattern, or the Modified 90% H/K pattern.

NT-customer load growth would be factored in, using non-coincident-peak (“NCP”) forecasts reflecting each customer’s historic growth trends. TBL appears willing to make do with NCP forecasts because coincident-peak (“CP”) forecasts are not presently available for all NT customers. However, TBL should acknowledge that NCP forecasts will overstate expected future usage of the transmission system and correspondingly understate ATC by at least 5%.

Proceeding in queue order, TBL would analyze each transmission service request to determine whether ATC was available to accommodate that request across each Flowgate on the system. In analyzing the power flows associated with each request, “PUF Factors” would be used. If TBL decided to “cut-case PUF Factors, which ignore flows on interconnected transmission systems, this would also understate ATC.

As a final element of conservatism, TBL would apply a Transmission Reserve Margin (“TRM”) to reduce Baseline ATC for each Flowgate. TBL has yet to develop TRM numbers, so we have no basis on which to comment except to note that TRM appears to be redundant of the other conservative assumptions noted above.

BP’s Recommendations

We encourage TBL to recognize the redundancy of these many conservative assumptions, all of which have the tendency to unduly reduce Baseline ATC. In particular, TBL should recognize the ultimate redundancy of TRM. TRM should be assumed to be zero across all Flowgates as the ATC methodology is implemented for the first time. In subsequent years, when CP-forecast data become available for all customers, the application of TRM factors can be reconsidered.

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Finally, we note again that TBL's analyses show that most power from the Cherry Point project would flow over the unconstrained Cascades North path. Only a small fraction of the 400 MW of transmission requested to Northwest Hub (as little as 32 MW) and the 200 MW requested to John Day (42 MW according to p. 16 of the July 16 handout) would flow down the I-5 corridor. We believe that impacts of such small magnitude on constrained paths can be accommodated with some ease, given the thorough-going conservatism of the methodology. A "De Minimis Flow Exception" should be adopted as part of the new ATC methodology to accommodate transmission requests for service that flow predominantly over unconstrained paths.

Thank you for providing this opportunity to comment on the proposed methodology.

Very truly yours,

Davis Wright Tremaine LLP

A handwritten signature in black ink, appearing to read 'John A. Cameron', written over a horizontal line.

John A. Cameron

JAC:smp/as
cc: Tom Noguchi, BPA
Cliff Perigo, BPA
Mark Moore, BP
Craig Martin, TransCanada
Terri Steeves, TransCanada