



IDAHO CONSUMER-OWNED UTILITIES ASSOCIATION

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BPA TRANSMISSION BUSINESS POLICY EIS

Comments of the Idaho Consumer-Owned Utilities Association
Ronald L. Williams, Executive Director

A principal purpose of the BPA transmission system has always been to provide Federal power to its 130 + Preference Customers.

These deliveries to Preference Customers occur at over 600 points of delivery around the region. Of these 600 points of delivery, 256 (over 40%) are served by General Transfer Agreements.

General Transfer Agreements are a contractual arrangement whereby BPA arranges with 3rd party transmission owners to use a specific portion of their transmission system to deliver power to preference customer points of delivery.

These arrangements are used when studies show that the cost of a particular General Transfer Agreement would be less costly than if BPA constructed its own line to serve the point of delivery.

BPA began using these arrangements in the early 1940's and their use continues to this day.

A recent study commissioned by ICUA determined that by using General Transfer Agreements BPA has avoided more than \$900 million in capital costs -- enough to pay for 1,360 miles of 500 KV single circuit line. GTAs save Bonneville more than \$30 million per year in annual operating costs. That is significant. Bonneville's decision to utilize General Transfer Agreements may be one of the best business policy decisions BPA ever made.

It is clear that the Bonneville customers who have been willing to accept power deliveries from General Transfer Agreements rather than being directly connected to the BPA transmission system have provided the region and the region's other customers a great service. A significant cost savings.

BPA should acknowledge that service and cost savings, and in return, make it a bedrock business policy to guarantee that customers receiving delivery from General Transfer Agreements are always treated equally, in all ways, with directly connected customers. If that cannot occur, then BPA should agree to construct the transmission to directly connect those customers.

Furthermore, BPA should insure that if a regional ^{transmission organization (RTO)} RTO is formed, that customers served by General Transfer Agreements will not be disadvantaged in any way in comparison to customers served by direct connection to the BPA transmission system. To that end, BPA should insist that such transmission service parity be part of any RTO.