December 21, 2007

Brian Silverstein (Chair) & Robert Kondziolka (Vice Chair), WECC PCC
Dave Areghini (Co-Chair) & Scott Cauchois (Co-Chair), WECC TEPPC
Tom Green (Chair) WECC TSS
Jerry Rust (President & Director), Northwest PowerPool
Jeff Miller (Vice President & Manager of Planning), ColumbiaGrid
John Cupparo (Co-Chair) & Marsha Smith (Co-Chair), Northern Tier Transmission Group
Armie Perez (Vice President), CAISO

Gentlemen:

Subject: WECC Coordinated Planning and Technical Studies

The undersigned utilities are sponsors of 7 significant new high voltage transmission projects in the Northwestern United States. We are pleased to announce that we are proposing to coordinate the transmission planning studies that are a critical first step in developing a reliable and integrated transmission grid for the 21st century.

You are invited to attend a meeting in Portland on January 24, 2008 when we will officially announce the coordination of studies for these projects which in total represent over 2,200 circuit miles of new high voltage (HV) transmission facilities. The meeting will be held at the Portland Airport Sheraton from 9 a.m. to 12 noon. If you are planning to attend, please confirm with Michelle Robinson at michell.robinson@pgn.com.

The sponsors of the following projects all contemplate completing the WECC Phase 1 Rating Studies no later than August 2008. The potential routing of the seven projects are shown on the attached map.

1. Gateway Project (PacifiCorp – 2010-2014)
   Northern route
   - 600-plus miles of line capable of delivering up to 3,000 megawatts of electricity from Wyoming to Idaho into Utah and up to 2,500 megawatts of new incremental capacity from Idaho west into Oregon
   - Combination of 500kV (single and double circuit) and 345kV AC lines.

   http://www.oasis.pacificorp.com/oasis/ppw/main.htmlx

2. West of McNary Generation Integration Project (WOMGIP) (BPA – 2010-2012)
   The objective of this project is to enable BPA to serve point-to-point transmission requests across multiple congested east-west transmission paths along the Washington – Oregon border. It would also enable BPA to integrate additional wind generation in Eastern Washington and Eastern Oregon. The first part of WOMGIP is a new McNary – John Day 500 kV transmission line, with an

expected energization date of 2010. The second part of WOMGIP has an expected energization date of 2012. It includes a new 500 kV substation ("Station Z") near Goldendale, WA, and a 500 kV line from Station Z to BPA's Big Eddy substation near The Dalles, OR. This project has undergone regional review through ColumbiaGrid in 2007. Information on the project can be found at http://www.columbiagrid.org/mcnary-overview.cfm

3. Idaho to Northwest (Hemingway Boardman) Project (IPC – 2012) Several electric utilities, including Idaho Power, have proposed development of a transmission station near Boardman Oregon which will serve as the Northwest terminal of the project. The Idaho terminal will be the proposed Hemingway Station located in the vicinity of Melba and Murphy on the south side of the Snake River. http://www.oatioasis.com/IPCO/IPCOdocs/Hemingway-Boardman_Fact_Sheet.pdf

4. I-5 Corridor Reinforcement Project (BPA – 2013) The objective of this project is to increase the available transfer capacity across multiple congested north-south transmission paths between Seattle, WA and Portland, OR. This would enable BPA to serve point-to-point transmission service requests, generation interconnection requests, and load growth in the Portland metro area. It would also improve transmission system reliability by reducing dependence on remedial action schemes. The primary components of the project are a new 500 kV substation ("Station X") near Castle Rock, WA, and a new 500 kV transmission line between Station X and BPA's Troutdale substation near Troutdale, OR. This project has undergone regional review through ColumbiaGrid in 2007. The target energization date is 2013. Information on the project can be found at http://www.columbiagrid.org/i-5-reinforcement-overview.cfm

5. Southern Crossing Project (PGE – 2013) The proposed Southern Crossing project will expand PGE's cross Cascades transmission system via the construction of a new 500kV transmission line. The project is designed for the integration of existing PGE generation resources (i.e. Boardman and Coyote Springs) and to integrate up to 750MW of proposed wind generation resources, as well as increasing transmission capacity to PGE's service territory.

6. Canada to Northern California Project (PG&E, PacifiCorp, Avista, TANC, BCTC – 2015) - This project is planned to connect the Selkirk Substation in British Columbia to the Tesla Substation in the San Francisco Bay Area. The project is likely to use 500 kV AC and DC technology. The project entered the WECC Phase 1 Rating Process on October 31, 2007. The target online date is 2015. The project website is http://www.pge.com/biz/transmission_services/canada/

7. Canada to Northern California – Avista Interconnection (Avista – 2015) – This project is planned to connect the Avista 230 kV transmission grid with the proposed PG&E Canada to Northern California Project (Number 6 above). The interconnection is planned to be a 500/230 kV interconnection at Devils Gap (an

upgrade of an existing Avista 115 kV station near Spokane, Washington) including 230 kV phase shifting transformers and two 230 kV lines into the Spokane area transmission system. The target energization date is 2015.

The projects' sponsors see many benefits in moving the projects forward in a coordinated fashion. The sponsors propose to create a common base case for all technical studies and propose to conduct those studies using consistent assumptions, outages, and switch files and have all of the study results reviewed by the same committee.

By using a common platform and a consistent approach for all of the technical studies during the Phase 1 Rating Process, all of the projects will be able to create optimal regional project plans of service and meaningful line ratings for the individual segments. This process will support development of the best possible combination of transmission expansion projects for the region.

On January 24th, we will provide an overview and update on each project and describe in more detail the study approach we are proposing. We will also propose how stakeholders can become directly involved in the study process. We would like your input and suggestions and look forward to meeting with you.

Sincerely,

Melvin Rodrigues*, Transmission Planning
Bonneville Power Administration

Steve Metague*
Pacific Gas & Electric Company
Project Manager, Transmission Line from Northern California to PNW/Canada

Frank Afranji*
Portland General Electric

Darrell Gerrard*, VP T&D Engineering and Asset Management
PacifiCorp

Kip Sikes*, Commercial Transmission Development Manager

Idaho Power

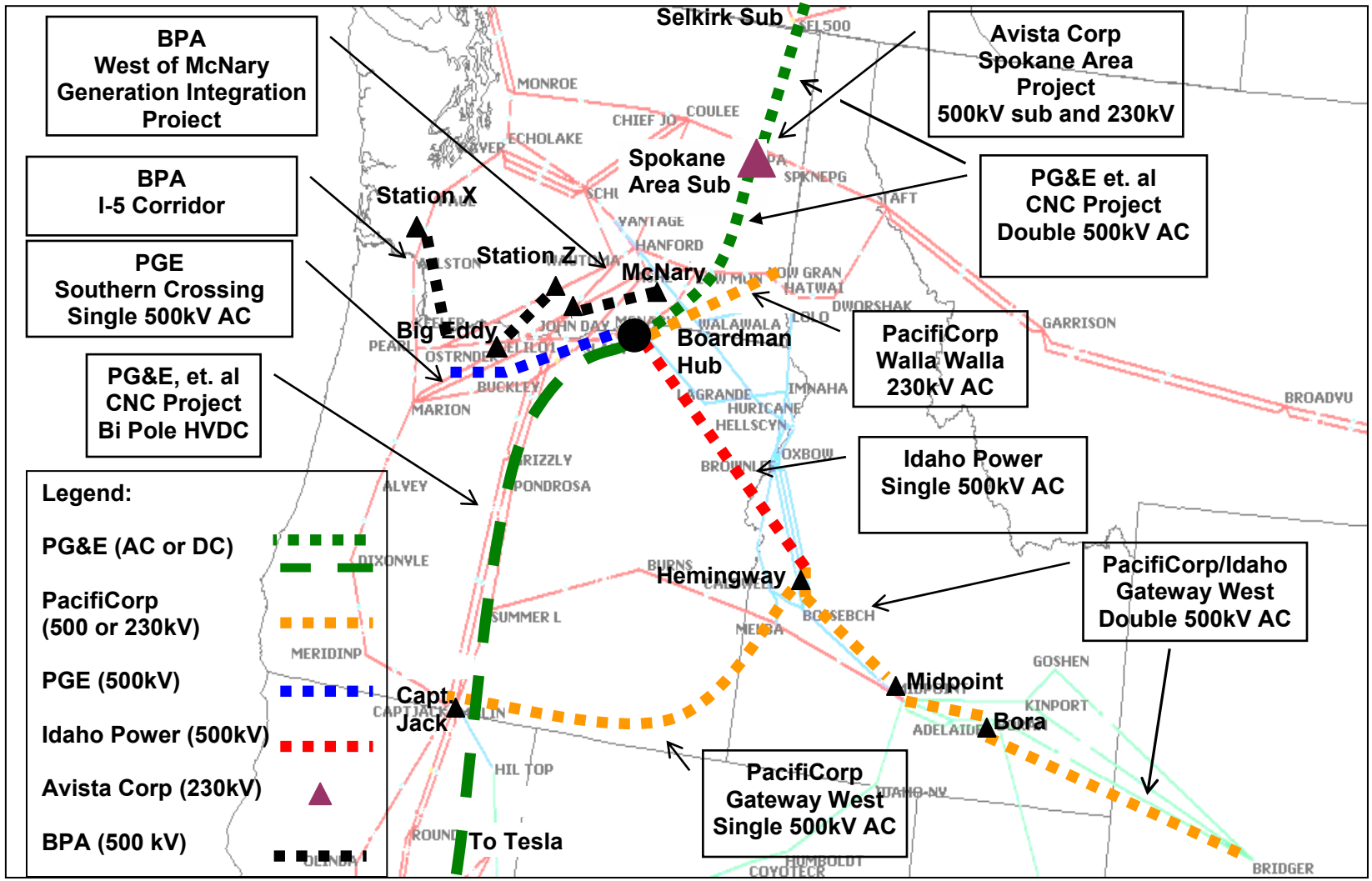
Don Kopczynski*, VP Operations
Avista

* Each signatory listed has individually signed this letter in counterpart. However, at the time of sending all of the signatures are not available on a single copy.

cc: Steering Team/Transmission Line from Northern CA to PNW/Canada
Stakeholder List/ Transmission Line from Northern CA to PNW/Canada
WECC PCC
WECC TEPPC
Jay Loock, WECC
Steve Rodgers, FERC
Jamie Simler, FERC

Attachment

New High Voltage Transmission to Be Coordinated in Phase 1 Studies
(projects planned for 2010 – 2016)



New High Voltage Transmission to Be Coordinated in Phase 1 Studies (projects planned for 2010 – 2016)

Projects Shown on the Map

Sponsor	Project Name	Online Date	Voltage	Capacity
PacifiCorp	Walla Walla to McNary	2010	Single-230kV AC	400 MW
BPA	West of McNary Generation Integration Project	2010 & 2012	Single 500kV AC and 500kV Sub/Single 500kV AC	1,500 MW each
Idaho Power	Idaho to Northwest (Hemingway Boardman)	2012	Single 500kV AC	1,500 MW
PGE	Southern Crossing	2012	Single 500kV AC	1,500 MW
BPA	I-5 Corridor Reinforcement Project	2013	500kV Sub/Single 500kV AC	1,500 MW
PacifiCorp	Idaho to Capt. Jack (part of Gateway West)	2014	Single 500kV AC	1,500 MW
PG&E, Avista, PacifiCorp, TANC, BCTC	Canada – Northwest - California (CNC)	2015	Double 500kV AC and HV DC	3,000 MW
Avista Corp	Spokane Area Upgrades	2015	500kV Sub and local 230kV upgrades	500 MW

Other New Projects

BPA	West of Slatt Generation Interconnection Project	2014	500kV Sub	600 MW
BPA	West of Cascades South Reinforcement Project	2014	500kV Sub and Series Caps	600 MW
PGE	Link to Boardman Power Plant	2015	Single-500kV	600 MW
PGE/Avista	Link to Coyote Springs Power Plant	2015	Single-500kV	600 MW