

July 22, 2016

VIA EMAIL

Ms. Sarah Edmonds
VP and General Counsel
PacifiCorp
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Re: PPC, PNGC, NRU, WPAG, and EWEB Comments regarding PacifiCorp's Proposed Treatment of Existing Transmission Contracts Were PacifiCorp to Become a CAISO Participating Transmission Owner

Dear Ms. Edmonds:

In June 2016 PacifiCorp published its proposal for the treatment of transmission contracts were PacifiCorp to become a participating transmission owner (PTO) of the California Independent System Operator (CAISO). Thank you for the opportunity to comment on the proposal. Public Power Council, Pacific Northwest Generating Cooperative, Northwest Requirements Utilities, Eugene Water and Electric Board and Western Public Agencies Group are or represent utilities whose loads are served using PacifiCorp's transmission system.

As set out in its June 2016 document, PacifiCorp proposes to abrogate all Open-Access Transmission Tariff (OATT) contracts regardless of the nature of the usage and length of time the transmission rights have been under contract. We have reviewed the proposal and believe it to be premature. More importantly, we believe that the proposal is not justified or lawful. We are also troubled by the lack of detail and definition regarding the protection of valuable attributes of non-OATT agreements.

Public power utilities hold or are served by long-term firm transmission rights on PacifiCorp's system. These are load-serving entities, or their designees, and commercial customers and generators. These rights have significant financial and physical-delivery value. The transmission rights also support long-term investment in generation and long-term firm power contracts. PacifiCorp would materially and irreparably damage this value were its proposal to be carried through. This value includes without limitation:

- the ability to schedule and physically deliver federal and non-federal power to load, including from behind-the-meter generation, without additional cost;
- use of the transmission system with a complete hedge against the costs associated with congestion charges assessed by the CAISO or the purchase of congestion revenue rights from the ISO or third-parties;
- ability to count 100% of imported power against any Regional Resource Adequacy requirement; and
- for BPA's preference customers, this additionally includes the ability to import energy to serve loads with federal power from the Bonneville Power Administration pursuant to the Northwest Power Act and other federal statutes.

In many cases, the structure of customers' businesses is built up around those rights and their investments. In addition in the case of BPA's public power customers, these physical rights provide a basis for a future ability to telemeter loads and generation out of the PacifiCorp balancing authority area if that becomes economically desirable.

PacifiCorp's proposal could greatly damage and diminish these rights, or extinguish them altogether. We believe that there are alternatives to the proposal that are equitable. We request that PacifiCorp should meet collectively with its OATT customers and the representatives of loads served by PacifiCorp contracts that would be affected by PacifiCorp's entry into the ISO, should that occur. We further request that this meeting occur at a mutually convenient date in the late summer.

Sincerely,



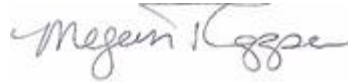
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