

**A RESOLUTION OPPOSING PROPOSED CHANGES
TO THE NORTHWEST ELECTRICITY SYSTEM**

WHEREAS, the Federal Energy Regulatory Commission (FERC) is calling for changes in the Northwest electricity system, including creation of a regional transmission organization (RTO) and imposition of standard market design; and

WHEREAS, the Bonneville Power Administration has joined with the region's investor-owned utilities to organize a regional transmission organization called RTO West; and

WHEREAS, while RTOs may be necessary in some parts of the country, RTO West is unnecessary in the Pacific Northwest because BPA owns more than 75 percent of the transmission grid and provides reliable transmission service on an open-access basis; and

WHEREAS, RTO West would diminish public control over the Northwest electricity system by shifting authority from Northwest regional forums and elected public officials to an appointed RTO West board; and

WHEREAS, there is no evidence that RTO West would bring about reduced energy prices while it is clear that RTO West would cause Northwest electricity-system costs to increase as a result of substantial start-up and operating costs, new tax liability, and changes in transmission system operation policies; and

WHEREAS, standard market design would replace current structures for providing electricity to the public on an at-cost basis with a system seeking to rely on market rates, and would force utilities into the short-term, price-volatile market and away from the predictable and low-cost long-term contracts that have been the norm in the Northwest; and

WHEREAS, the proposed changes would make the Northwest vulnerable to the same kind of market manipulation practiced by Enron and other power traders on the West Coast in 2000 and 2001; and

WHEREAS, the increased costs and vulnerability to market abuse would lead to higher electricity rates for Northwest consumers, who already have suffered from 40 to 60 percent rate increases over the past year; and

WHEREAS, there are more effective, less expensive ways than forming RTO West and imposing standard market design to strengthen the Northwest power system.

NOW, THEREFORE, BE IT RESOLVED that Mason County emphatically urges the Bonneville Power Administration not to participate in RTO West.

BE IT FURTHER RESOLVED that Mason County calls on the Federal Energy Regulatory Commission not to impose an RTO and standard market design on the Northwest, and to allow our region to develop an alternative approach to strengthening the transmission system that addresses our unique needs and does not expose Northwest citizens to increased risks and costs.

DATED this 9th day of July, 2002.

ATTEST:



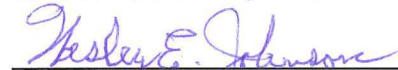
Rebecca S. Rogers, Clerk of the Board

APPROVED AS TO FORM:



Chief Deputy Prosecuting Attorney
Michael Cliff

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