

1 **NORTHWEST PUBLIC POWER ASSOCIATION**

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3 **26-06 Archived Resolution**

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5 **IN SUPPORT OF GTA CONTRACTS AND EQUALITY OF SERVICE**

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7 Northwest Public Power Association endorses as an important “first step”
8 the August 27, 2004 proposed *Agreement Regarding Transfer Service* between
9 the Bonneville Power Administration and General Transfer Agreement (GTA)
10 Customers. Bonneville is to be commended for finally making this long-term,
11 contractual commitment to GTA customers of BPA for the delivery of federal
12 power across transmission systems owned by third parties.

13 GTAs provide BPA a cost efficient way to utilizing the wheeling and
14 transfer services of existing (third party) utilities and has allowed Bonneville to
15 avoid spending approximately \$1.7 billion on transmission facilities
16 construction (2004 dollars). Use of GTAs saves BPA approximately \$100 million
17 every year in operating expenses that would otherwise have been required to
18 fund and maintain BPA owned facilities. Bonneville’s use of GTAs has provided
19 significant savings to all ratepayers in the Northwest, and has allowed BPA to
20 otherwise utilize its restricted borrowing authority in more cost efficient ways.

21 The proposed contract offered by BPA to GTA customers is a reasonable
22 “first step” towards providing GTA customers with transmission service
23 comparable to and otherwise made available to utilities directly connected to
24 the Bonneville system. Most noteworthy in this proposed contract is BPA’s
25 commitment to guarantee 20 years’ worth of delivery of “federal power” with a
26 “good faith, best effort” commitment on BPA’s part to see that such costs are
27 “rolled in” to BPA power or transmission rates.

28 The Northwest Public Power Association is concerned however about the
29 issues not addressed by the current GTA contract offer. Until resolved, GTA
30 customers will never have “comparable” transmission service and will continue
31 to be second class transmission customers of Bonneville. At the forefront of
32 these issues is the matter of having GTA served customers pay transmission
33 costs for non-federal deliveries equal to the cost that directly connected utilities
34 pay for similar service. Defining “comparability” and then resolving this
35 question is of paramount importance to the future of public power in the
36 Northwest.

37 For the Northwest Public Power Association, “comparability” means that
38 GTA customers should be permitted to wheel into their systems non-federal
39 power to meet system load at a net transmission cost similar to net
40 transmission costs of a utility directly connected to BPA’s system involved in a
41 similar transaction. We strongly urge Bonneville to timely work towards
42 resolution of these next GTA issues.

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