

RTO Car Talk – November 30, 2000 Edition

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RTO West is entering Stage 2 and there will be some changes in who is running things. Bud Krogh & Assoc. will be in charge of the whole enchilada rather than both Bud and KEMA. Also, hirings are happening but we haven't been able to determine if new hires are full-time permanent employees of RTO West, part-time temporary employees of Bud, or something in-between.

The number of entities that have filed at FERC on RTO West is pushing 100 as of today. Some combined their RTO West comments with their comments on TransConnect. Most documents are fewer than 10 pages long, but some are much longer. The listing of who commented and the full text of each can be found on the RTO West website, [www.rto west.org](http://www.rto west.org) (Sue Furst has begun a summarization of the comments, and if she feels it is worthwhile, we'll send it around, especially to those of you who reply to this e-mail and say you want it).

The filing utilities are indeed expecting to have their refiling materials done on 12/1 as planned. Have heard rumors that there will be a few modifications. Will keep you posted.

Of significant interest is a posting on the RTO West website of the "Comments Clarifying Conditions of Sierra Pacific Power Company and Nevada Power Company." Although Sierra and Nevada Power claim they really want to join RTO West, there are two key conditions that must be addressed.

FIRST -- although these two utilities claim that they support RTO West and intend to participate, they believe modifications are necessary to the pricing proposal to prevent cost shift that might burden them with unrecoverable costs. Recall that the RTO West pricing proposal does not include export charges or transfer payments to make up for the lost revenue associated with exports, and Sierra and Nevada were two of the utilities concerned about the pricing proposal. They propose four alternatives for mitigating these cost shifts, one of which is the establishment of an export charge or wheeling rate.

SECOND -- there currently is a requirement that any utility withdrawing from RTO West must continue making transfer payments. Sierra and Nevada don't want that. They feel that if they leave RTO West (maybe to join Desert STAR), they should not have to make transfer payments once they leave.

CONCLUSION -- "Sierra and Nevada Power believe that the Commission should approve the RTO West proposal. However the aspects of that proposal described above need to be addressed and modified."