



## IDAHO CONSUMER-OWNED UTILITIES ASSOCIATION

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### PRESS RELEASE

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Ron Williams, Executive Director of the Idaho Consumer Owned Utilities Association announced publication of the **Final Report on the Regional Cost – Benefit Study of General Transfer Agreements** commissioned by ICUA. The study was prepared by Patrick McRae Consulting Services.

BPA uses General Transfer Agreements to deliver federal power to some public power entities over facilities owned by third parties. All ICUA members receive BPA power over transmission systems owned by Idaho Power, PacifiCorp or Avista. While it has generally been believed that GTA service has saved money for the region and BPA, the full extent of the GTA savings has never been quantified, until now.

In his cost-benefit study Pat McRae found that BPA's use of GTAs has saved Bonneville from constructing in excess of \$1.7 billion dollars in transmission facilities (in 2004 dollars). "Had there been no GTAs, BPA's borrowing authority would have been used up long ago" concludes McRae in his study. "By utilizing GTAs rather than constructing transmission to serve the 256 GTA points of delivery, BPA saves from \$87 million to \$107 million per year. Clearly GTAs have been a very good business decision by BPA and the Region."

ICUA commissioned the report from McRae because of recent questions raised concerning treatment of GTA costs in Bonneville rates, and because of quality of service problems associated with GTA service. "The region needs to recognize the sacrifice GTA customers have made in accepting a transmission service from BPA that many times is second-class" Williams said. "In return, Bonneville need to provide GTA customers with the guarantee that GTA service will always be treated comparably with directly connected customers in quality of service, rates, and in other matters."

Pat McRae was hired to conduct the study because of his expertise and prior history at BPA working with GTA customers and negotiating GTA contracts.

The full report can be viewed at <http://www.icua.coop/>