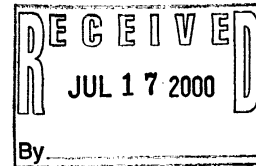


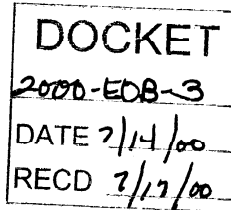
TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

P.O. Box 15129, Sacramento, CA 95851-0129 (916) 852-1673

July 14, 2000



Mr. Ben Arikawa
Electricity Oversight Board
770 "L" Street, Suite 1250
Sacramento, CA 95814



Dear Mr. Arikawa:

The Transmission Agency of Northern California (TANC) is pleased to provide the California Electricity Oversight Board (EOB) with the following information and responses to your July 6, 2000 letter.

For May 20, 2000 through May 24, 2000 and June 1, 2000 through June 30, 2000:

1. **Daily outage reports for generation resources under your control during the dates in question.**

TANC does not own or operate any generation resources.

2. **Daily outage reports for transmission resources (over 230 kV) under your control during the dates in question.**

The Daily Reports are provided as Attachment 1. The Western Area Power Administration (Western) is TANC's operating agent for the California-Oregon Transmission Project (COTP). The COTP is a 500-kV Intertie that is operated as part of the California-Oregon Intertie (COI). Western reported that there were no outages on the COTP line in the referenced time periods. There was an outage of a 500/230-kV transformer at Olinda Substation from 9:50 a.m., May 22, 2000, until 5:28 p.m. on May 24, 2000. This outage did not cause any transmission curtailments on the COI or the COTP.

3. **Requests from the CAISO or the participating transmission owner to provide either generation or transmission resources during the dates in question. The time and date of any such request(s).**

TANC's transmission facilities were already fully in service and available to transmit power during the dates in question. There were requests for voltage support made by the CAISO or PG&E during the dates in question. Please see the attached Western report for details.

A Public Entity whose Members include:
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

4. Your response(s) to any request(s) identified under item 3.

Voltage support was provided as requested.

5. The monetary cost, net of any revenues received, to respond to the request(s) identified under item 3.

TANC does not receive payment for voltage support; however, switching operations increase COTP maintenance costs.

6. Resources that could have been available to the CAISO or the participating transmission owner, but were not called upon by the CAISO or the participating transmission owner during stage 1 or stage 2 emergencies during the dates in question.

There was up to 300 MW of COI transfer capability that was not available to California due to the Alturas Transmission Project. The CAISO has not supported TANC and other California Parties on FERC litigation regarding the Alturas Intertie Project (Docket No. ER99-28-001 et seq.), which may continue to reduce the available Intertie transfer capability for California.

TANC believes that this position by the CAISO may cause California to lose up to 900 MW of Intertie transfer capability, depending upon FERC's decision in the Alturas case.

*

In addition, the California Energy Commission (CEC) has been approving various merchant power plants, which (depending upon their location and operational mitigation) may further degrade Intertie transfer capability. While TANC fully supports new projects that benefit California, both transmission and generation, TANC strongly believes that new projects should be designed and located to add capacity to the California grid, not supplant one resource for another.

7. Are you aware of any contractual, regulatory or physical impediments to your utility being able to supply ancillary services to the CAISO? Please explain to the extent possible.

TANC does not provide ancillary services; TANC is a non-profit transmission owner that provides electric transmission services to its Members.

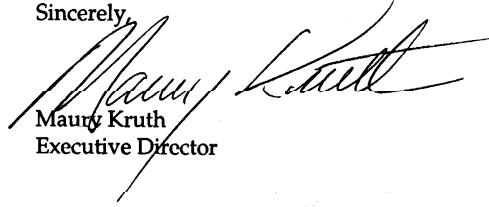
8. Have you made offers to contract with the CAISO or the participating transmission owner to supply ancillary services on an ongoing basis? Please explain.

N/A.

Mr. Ben Arikawa
July 14, 2000
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Please call if you would like further information on these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Maury Kruth", written in a cursive style. The signature is positioned above the printed name and title.

Maury Kruth
Executive Director

Attachment



Department of Energy
Western Area Power Administration
Sierra Nevada Customer Service Region
114 Parkshore Drive
Folsom, California 95630-4710

Mr. Maurice Kruth, Executive Director
Transmission Agency of Northern California
P.O. Box 15129
Sacramento, CA 95851-0129

Dear Mr. Kruth:

The following information is in response to your letter requesting data on the dates and times requested by the Electric Oversight Board (EOB). The California-Oregon Transmission Project (COTP) 500 kV line was in service at all times. There were California-Oregon Intertie (COI) limitations that restricted the scheduling capability. Enclosed is a report of the COI limits on the dates requested by the EOB.

The only outage that would be associated with the 500 kV system occurred on May 22, 2000, at 9:50 a.m. The Olinda KT1A tripped on a low oil alarm due to a broken sight glass on an oil filtration unit. Olinda KT1A returned to service on May 24, 2000, at 5:28 p.m. This outage did not cause a reduction of the COI.

If you need any other information, please contact Mr. Fred LeBlanc at (916) 353-4559 or Mr. Robert Miller at (916) 353-4559.

Sincerely,

A handwritten signature in black ink that reads "Robert E. Miller".

Robert E. Miller
Chief Dispatcher

Enclosure

