

Canada – Pacific Northwest – Northern California Transmission Project

*Avista Corp.
British Columbia Transmission Corporation
PacifiCorp
Pacific Gas and Electric Company*

January 30, 2009

Planning Coordination Committee
Technical Studies Subcommittee

Subject: Canada-Pacific Northwest-Northern California Transmission Project

The purpose of this letter is to announce the initiation of the WECC Phase 1 process to establish a south-to-north rating for the Canada-Pacific Northwest-Northern California Transmission Project (CNC Project). This Project is sponsored by Avista Corp, British Columbia Transmission Corporation, PacifiCorp, and Pacific Gas and Electric Company (PG&E).

On December 19, 2008 the Project Sponsors submitted for a 60-day review a Comprehensive Progress Report describing the Preliminary Plan of Service (POS) and the proposed north-to-south rating for the CNC Project. The Preliminary POS includes (a) 500 kV HVAC facilities from Selkirk in southeast British Columbia to the proposed Northeast Oregon (NEO) Station with an intermediate interconnection at Devils Gap Substation in Spokane (AC Segment), (b) 500 kV HVDC facilities from NEO Station to Collinsville Substation in the San Francisco Bay Area with a possible third terminal at Cottonwood Area Substation in northern California (DC Segment), (c) voltage support at the interconnecting substations, and (d) remedial actions for project outages. The proposed north-to-south rating for the two Project segments is 3000 MW. The target operating date for the Project is December 2015.

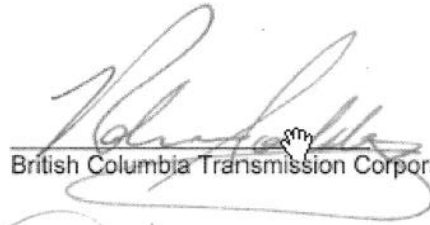
The south-to-north rating studies will be initiated with the same POS as described in (a), (b) and (c) above, but with a different set of remedial actions for project outages. The target south-to-north rating for the two Project segments is 3000 MW. The studies will (1) identify any necessary changes to the POS to support the target rating of 3000 MW, or (2) propose a lower south-to-north rating that can be supported with the initial POS. A Comprehensive Progress Report will be prepared presenting the Plan of Service and a proposed south-to-north rating for the two Project segments.


The Project Sponsors will continue to coordinate Northwest study activities through the Transmission Coordination Work Group (TCWG). The TCWG has served as a forum for coordination of this Project as well as ten other projects with terminations in the Pacific Northwest. Such projects may interconnect at the same substations as the CNC Project or at nearby substations.

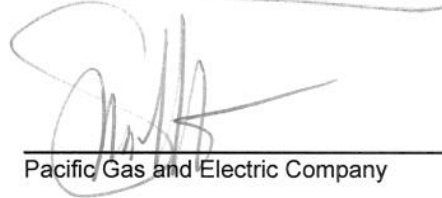
If you would like to participate on the TCWG as a meeting attendee or a correspondent, please provide your contact information to Marina Kantor or Dana Reedy as provided at www.nwpp.org/tcwg/.

Thank you,


Avista Corporation


British Columbia Transmission Corporation


PacifiCorp


Pacific Gas and Electric Company

Copy: TCWG Members
CNC Stakeholder Group