

Exhibit No. 1.07 copy
of 29.04

EXHIBIT NO. 29.04

Rick Aramburu

From: "Matthews,Chuck - TPP-OPP-3" <cematthews@bpa.gov>
To: "Rick Aramburu" <rick@aramburu-eustis.com>
Cc: "DeClerck,Angela - TSE-TPP-2" <ardeclerck@bpa.gov>; "Chong Tim,Marcus H - LT-7" <mhchongtim@bpa.gov>
Sent: Thursday, October 28, 2010 11:42 AM
Subject: RE: Use of BPA Disclosure

Dear Mr. Aramburu,

Thanks for your inquiry. Regarding your questions of October 11, 2010. BPA is neutral on the issue of using the attached Transmission System Impact Study (SIS) related to AREF 71618267, dated April 3, 2008, in the subject EFSEC hearing. The information in the report describing the transmission queue is out of date, but there are no updated reports or studies done since the April 3, 2008 report regarding the connection of the Whistling Ridge project. If you have any further questions you could contact the BPA account executive, Angela DeClerk at (360) 619-6007.

Thanks, Chuck

Charles E. Matthews, P.E.
Process Manager, Transmission Planning
Bonneville Power Administration
Ph. (360) 619-6833

-----Original Message-----

From: Rick Aramburu [mailto:rick@aramburu-eustis.com]
Sent: Sunday, October 24, 2010 1:35 PM
To: Matthews,Chuck - TPP-OPP-3
Subject: Re: Use of BPA Disclosure

Dear Mr. Matthews:

I have not received the courtesy of a response to my inquiry made on October 11 regarding the Whistling Ridge site. The deadline for testimony and exhibits is November 1 and thus I need to know the answers to my questions as soon as possible.

Please expedite your response to me. If you have questions, please give me a call at the number listed below.

J. RICHARD ARAMBURU
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----- Original Message -----

From: "Rick Aramburu" <rick@aramburu-eustis.com>
To: <cematthews@bpa.gov>
Sent: Monday, October 11, 2010 1:01 PM
Subject: Use of BPA Disclosure

> Dear Mr. Matthews:
>
> In October, 2008 BPA allowed confidential disclosure to me of its
> Transmission System Impact Study dated April 3, 2008 as attached hereto.
> As
> this
> information about transfer capacity is important to siting processes, it
> is
> our intention to present it in evidence at the Energy Facilities Site
> Evaluation Council hearing on the Whistling Ridge Energy proposal. We
> would like to confirm that the BPA has no objection to using this
> information in the EFSEC hearing.
>
> Toward that end, please confirm that this information is still current
> and/or provide any updated reports or studies regarding the connection of
> the Whistling Ridge project to the BPA system.
>
> Thank you. If you have any questions, please let me know.
>
>
> J. RICHARD ARAMBURU
> Aramburu & Eustis
> Attorneys at Law
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> Seattle WA 98104-1860
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>



OFFICE OF ARAMBURU & EUSTIS LLP

(Your Company Name above)

U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER ADMINISTRATION
NON-DISCLOSURE AGREEMENT
Study Request Only



BPA

Bonneville Power Administration, (Bonneville) is designated by the U.S. Department of Homeland Security and the U.S. Department of Energy as an integral part of the Nation's Critical Infrastructure. Information associated with critical infrastructure is designated as critical and sensitive information. Documents containing such sensitive information are clearly identifiable by the OFFICIAL USE ONLY marking located on the bottom of each page and or a Critical Infrastructure Information watermark. Documents and information with this type of marking are inappropriate for public disclosure; therefore, there are specific handling requirements for this type of information. Due to legitimate business need, Bonneville is sharing this information with you, provided you agree and understand the protective requirements noted below.

Bonneville is providing sensitive government information to the Recipient identified below. The sensitive information being provided to the Recipient is not to be used for any purpose other than stated below. Information concerning the physical and technical infrastructure of Bonneville's existing transmission systems or future plans, which may be represented in computer simulation models, drawings, maps, note, or oral presentations, is deemed information critical to maintaining national security. This information shall not be exported tangibly or intangibly under any circumstances to any Non-U.S. citizen or foreign country and specifically not to those on the U.S. Department of State's Sensitive Countries List. The information being shared is considered Bonneville's property and as such, any intended export of this information must have the prior written approval of Bonneville and be in accordance with all laws of the United States. Breach of this section shall be reported immediately to the appropriate authorities.

The Recipient, by signing this agreement, is responsible and shall take all reasonable steps to ensure that this information is protected from loss, misuse, compromise, unauthorized access, or modification, and that the information will not be distributed, shared, or otherwise made accessible to others that do not have a 'need-to-know'. The Recipient shall be responsible for ensuring that persons with whom it shares this information do not distribute it further or use it for unauthorized purposes. This obligation is a lifetime obligation. The Recipient agrees to permanently dispose of this sensitive information when it is no longer needed or the information has been superseded or obsolete.

The Recipient shall take reasonable precautions in its handling of Bonneville's critical infrastructure information, specifically information that would note the precise location of critical facilities, survey coordinates, the nature of or vulnerabilities of Bonneville's critical infrastructure (e.g., substations, transmission lines, control and communication facilities, and any information technology systems, including software applications, networks, operating platforms, and hardware configurations). Information covered under this agreement includes, but is not limited to, technical study data, technical reports, contract documents, conversations, meetings, faxes, e-mails, electronic media, etc. If the Recipient is requested to disclose any of the information pursuant to a judicial or administrative process, the Recipient shall immediately notify Bonneville so that appropriate measures against the disclosure can be addressed. The Recipient shall attempt to prevent disclosure of the information pursuant to such processes.

Bonneville has made a good faith effort to provide accurate System Information and shall have no liability for any faults, defects, errors, or deficiencies in the 'System Information'. The Recipient should conduct its own analysis of the System Information and independently develop conclusions based on Recipient's own analysis.

Bonneville acknowledges that the Recipient may be working with members of the Western Electricity Coordinating Council (WECC). This information may be shared with those individuals who are members of WECC who normally review and prepare similar information.

The following is a list of the purpose and the **OFFICIAL USE ONLY** sensitive information being shared:

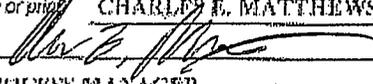
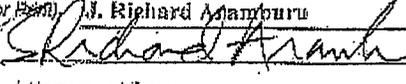
Purpose: Supply a justification or need for requesting each study report.
 Review transmission information regarding feasibility of Puget Sound Energy wind energy projects in the Columbia River Gorge and Skamania County on behalf of Save Our Scenic Area, a local public citizens' organization.

Requested Data: from http://www.transmission.bpa.gov/PlanProj/netplanning.cfm#study_requests
 BPA-TS TPP-2008-016 Puget Sound Energy -- TSR SIS Report.

J. Richard Aramburu, Aramburu & Eustis LLP, who is in the business of legal representation (Person/Company Name) acknowledges the information provided under this agreement is the property of Bonneville, and that the compromise of such information to persons that do not have a business need for the information could place Bonneville infrastructure and its mission in harms way.

J. Richard Aramburu by signing below, indicates that he (he/she/they) Understands the agreements as stated above and will take reasonable actions to prevent the unauthorized disclosure of this sensitive critical infrastructure information.

SIGNATURES:

BONNEVILLE POWER ADMINISTRATION		RECIPIENT	
Name (Type or print)	CHARLES E. MATTHEWS	Name (Type or Print)	J. Richard Aramburu
Signature		Signature	
Title	PROCESS MANAGER	Title	Attorney at Law
ORG	TRANSMISSION PLANNING	Company	Aramburo & Eustis LLP
Date	10-6-08	Date	September 11, 2008
Contact Info.		Contact Info.	
Street	5411 NE HIGHWAY 99	Street	720 Third Avenue, Suite 2112
City	YANCOUVER	City	Seattle
State, ZIP	WA 98663	State, ZIP	WA
Telephone	360-418-8453	Telephone	(206) 625-9515
Fax	360-418-2258	Fax	(206) 682-1376
Email (Electronic Form)	dharman@bpa.gov / cemathews@bpa.gov	email	rick@aramburo-eustis.com (alt: carol@aramburo-eustis.com)

File Code: EX-13-12; Retention: Display after 2 yrs.

B O N N E V I L L E
P O W E R A D M I N I S T R A T I O N



Bonneville Power Administration

BPA Critical Infrastructure Information
Transmission System Impact Study (SIS)
Puget Sound Energy, Inc.
Agreement 08TX-12957
AREF: 71618267

April 3, 2008

Report: BPA-TS TPP-2008-016

BPA Critical Infrastructure Information

Report Prepared by:
Dennis Stevens - TPP

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This report contains Bonneville Power Administration Critical Infrastructure Information (CII).
Distribution of this report must be limited to parties that have a need to know and have fulfilled
non-disclosure requirements with the Bonneville Power Administration.

Purpose – The purpose of this System Impact Study (SIS) is to identify any system constraints, any redispatch options, and any Direct Assignment or Network Upgrades required to grant the requested transmission service. The Bonneville Power Administration – Transmission Services (BPA-TS) is an open access transmission provider operating under its FERC-approved Open Access Transmission Tariff (OATT). This is in compliance with Paragraph 19.3 and Attachment D of BPA-TS's OATT. This SIS report is in satisfaction of Agreement 08TX-12957.

TSR Evaluation Process – BPA-TS receives Transmission Service Requests (TSR) for Long-Term Firm transmission service. These TSRs are evaluated to see if there is sufficient Available Transfer Capability (ATC) to grant the requested service. The methodology to determine ATC can be found at the BPA-TS website as referenced below.

This SIS addresses the approximate scope of system expansion necessary on any monitored flow gate with a *non de minimis* impact and inadequate ATC. The SIS will also identify any other system expansions necessary to grant the requested service.

References – The following references are applicable to this SIS

- OATT Open Access Transmission Tariff Bonneville Power Administration, Transmission Business Line Reference, http://www.transmission.bpa.gov/Business/Rates_and_Tariff/oatt.cfm
- ATC Methodology Methodology to determine Available Transmission Capacity Reference, http://www.transmission.bpa.gov/Business/Customer_Forums_and_Feedback/ATC_Methodology/
- 08TX-12957 System Impact Study Agreement with Puget Sound Energy, Inc., executed January 10, 2008.

Abbreviations

ATC	Available Transfer Capability
BPA-TS	Bonneville Power Administration – Transmission Services
OATT	Open Access Transmission Tariff
POD	Point of Delivery
POR	Point of Receipt
SIS	System Impact Study
SFS	Facilities Study
TSR	Transmission Service Request
TTC	Total Transfer Capability

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Table 1 – TSRs for Puget Sound Energy, Inc.

AREF No.	Quantity	Term	Point of Receipt (POR)	Point of Delivery (POD)
71618267	60 MW	September 1, 2009 – September 1, 2039	Saddleback 230 kV	PSEI Central Contiguous
71618279	5 MW	September 1, 2009 – September 1, 2039	Saddleback 230 kV	PSEI Central Contiguous
71618281	5 MW	September 1, 2009 – September 1, 2039	Saddleback 230 kV	PSEI Central Contiguous
71618283	5 MW	September 1, 2009 – September 1, 2039	Saddleback 230 kV	PSEI Central Contiguous

Table 2 is to be interpreted as follows,

- If the impact of the TSR(s) is positive on a monitored flowgate and the impact of the TSR(s) is not De Minimis, then the ATC Impact column says Yes and the De Minimis Impact column says No.
- If the impact of the TSR(s) is positive on a monitored flowgate and the impact of the TSR(s) is De Minimis, the ATC Impact column says No and the De Minimis Impact column says Yes.
- If the impact of the TSR(s) is negative, both the ATC Impact and De Minimis Impact columns say No.
- If there is a Yes in the ATC Impact column, the ATC Available column will say Yes or No. If there is a No in the ATC Impact column, then the ATC Available column will say N/A.

Table 2 – Impact to Monitored Flowgates for TSR's 71618279, 81, 83

Flowgate	ATC Impact	De Minimis Impact	ATC Available
South of Allston	No	No	NA
Cross Cascades North	Yes	No	No
Cross Cascades South ¹	Yes	No	No
Monroe-Echo Lake	No	No	N/A
North of Hanford	No	No	N/A
North of John Day	No	No	N/A
Paul-Allston	No	No	N/A
Raver-Paul	No	No	N/A
West of McNary	No	No	N/A
West of Slatt	No	No	N/A

System Constraints –It was determined that BPA-TS was unable to grant the original TSR requests because of *non de minimis* impacts and inadequate ATC on the monitored flow gates listed below. (Note 1: There is sufficient ATC to grant TSR 71618267 on the Cross Cascades South

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constrained path, but constraints on the Cross Cascades North path still constrains all the TSRs. This is based on the Pending Queue, dated March 17, 2008.

- Cross Cascades North
- Cross Cascades South

Redispatch Options – Based on the impacts of these TSRs and impacts from similarly situated TSRs in BPA-TS's Long Term Firm Transmission Queue, BPA Transmission Planning has concluded that there are not suitable resources available for redispatch to provide the requested TSRs service on a firm basis.

Required System Expansion– The following sections identify the scope of system expansions for each monitored flow gate necessary to grant the requested transmission service.

1. Cross Cascades South (east-to-west)

The West of McNary Generation Integration Project described in this report for the West of McNary flow gate described below will increase the TTC across this path. The TTC increase for this constrained Cross Cascades South path will need to be recalculated with the West of McNary Generation Integration Project. For purposes of this System Impact Study, the West of McNary Generation Integration Project is considered sufficient to grant the requested transmission across this constrained path until further studies are performed.

2. Cross Cascades North (east-to-west)

To mitigate east-to-west flows across this flow gate would require the following system expansions:

- a. *New Series Capacitors on Schultz - Raver #3 500kV Transmission Line* – Construct a new 500kV series capacitor group at BPA's Schultz substation on the Schultz – Raver #3 500kV transmission line.
- b. *New Series Capacitors on Schultz - Raver #4 500kV Transmission Line* – Construct a new 500kV series capacitor group at BPA's Schultz substation on the Schultz – Raver #4 500kV transmission line.
- c. *Series Capacitors on Schultz - Raver #1 500kV Transmission Line* - Upgrade the existing series capacitors on Schultz – Raver #1 500kV from 19.0 ohms to 25.3 ohms.
- d. *Series Capacitors on Schultz - Echo Lake #1 500kV Transmission Line* - Upgrade the existing series capacitors on Schultz – Echo Lake #1 500kV from 19.0 ohms to 25.3 ohms.
- e. *New Series Capacitors on Chief Joseph - Monroe #1 500kV Transmission Line* - Construct a new 500kV series capacitor group at BPA's Chief Joseph substation on the Chief Joseph – Monroe #1 500kV transmission line.
- f. *Control & Communications Additions* – Add the necessary control (e.g. Remedial Action Schemes), protection, and communications.

This option would allow the path Total Transfer Capacity (TTC) to be increased moderately. In order for larger increases in TTC, a major network upgrade may be required, such as a new 500kV line from Central Washington to Western Washington. Several alternatives would need to be studied, including whether to upgrade lower voltage circuits to 500kV or

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whether to build an entirely new line. For purposes of this SIS report, the above identified system additions are considered sufficient to grant the requested transmission until further studies are performed.

All the system upgrades described above are considered Network Upgrades.

3. West of McNary (east-to-west)

Although the TRSs did not impact this monitored flowgate, the fix of the Cross Cascades South required these system expansions:

- a. *Expansion of McNary Substation* – Addition of one or two new 500kV circuit breakers at McNary Substation to create a new 500kV bay position. This will be determined in the detailed studies.
- b. *Expansion of John Day Substation* – Addition of one or two new 500kV circuit breakers at John Day Substation to create a new 500kV bay position. This will be determined in the detailed studies.
- c. *Expansion of Big Eddy Substation* – Addition of one or two new 500kV circuit breakers at Big Eddy Substation to create a new 500kV bay position. This will be determined in the detailed studies.
- d. *New 500kV Switching Station on the Wautoma-Ostrander 500kV Line* - Construct a new 500kV station with breaker and half configuration using five breakers at approximately tower 73/1 of the Wautoma-Ostrander 500kV line. This would create three bay positions. Two of the bay positions would be used to loop in the Wautoma-Ostrander 500kV line. The third bay position would be used to terminate a new 500kV line to Big Eddy Substation. This station has initially been identified as Station Z.
- e. *New 500kV McNary - John Day 500kV Transmission Line* - Construct approximately 79 miles of new 500kV line between McNary Substation and John Day Substation.
- f. *New 500kV Big Eddy - Station Z 500kV Transmission Line* - Construct approximately 28 miles of new 500kV line between Big Eddy Substation and Station Z.
- g. *Line Upgrades* – Line upgrades will be required on several lines, including but not limited to, the McNary – Ross 345 kV Line.
- h. *Control & Communications Additions* – Add the necessary control (e.g. Remedial Action Schemes), protection and communications.

This project will be referenced as “West of McNary Generation Integration Project”.

All system upgrades described above are considered Network Upgrades.

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