





PUD Deactivates as TOP, Saves Money and Improves Customer Service

NEWPORT, WA – The Pend Oreille County Public Utility District is no longer a registered Transmission Operator with the North American Electric Reliability Corporation (NERC). The move comes after a multi-year effort by the PUD to more effectively manage risk on behalf of the general service customers. Under the Federal Energy Power Act of 2005, Congress gave the Federal Energy Regulatory Commission (FERC) the power to regulate reliability on the bulk power system. All users, owners and operators of the bulk power systems were required to register with the NERC for compliance monitoring by 2007. The PUD has contracted with the Bonneville Power Administration (BPA) to assume the responsibilities of monitoring transmission operations of the PUD's 58 miles of interconnected transmission lines. The change in the registration will greatly reduce administrative costs resulting from storing and maintaining documentation for compliance audits. "The PUD's limited amount of high voltage transmission put us in a category of heightened regulation," said Colin Willenbrock, PUD General Manager. "We have successfully managed that risk by implementing a comprehensive reliability compliance program. BPA's offer to assume some of that responsibility only helps us manage that risk." In the past, the PUD was responsible to meet 398 individual NERC requirements, with the change in registration the obligation lowers to 242 requirements. The frequency of NERC required compliance audits change from one every three years to once every six years. The change in the audit frequency results in significant cost savings and staff preparation time. "In my time with the industry, I have seen the regulatory landscape change tremendously," said Dan Peterson, PUD Board President. "We are always looking for ways to creatively manage risk in a cost effective way."