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TACOMA PUBLIC UTILITIES

October 11, 2007

Mitchell E. Needham
NERC Reliability Readiness Evaluator
North American Electric Reliability Corporation
116-390 Village Blvd. Princeton, NJ 08540-5721

Dear Mr. Needham:

Tacoma Power staff has reviewed the draft *Balancing Authority / Transmission Operator Reliability Readiness Evaluation Report*. Tacoma Power takes seriously its responsibilities as a Balancing Authority / Transmission Operator (BA/TOP), and we take seriously the recommendations in the review. Tacoma Power is pleased with the overall finding that Tacoma Power has adequate facilities, processes, plans, procedures, tools and trained personnel to respond to maintain the reliable operation of the bulk power system.

Tacoma Power will work with the Western Electric Coordinating Council (WECC) and others to capture the reliability benefits of the NERC recommendations. However, Tacoma Power would like to place into the record responses and updates to some of the NERC recommendations.

- NERC recommendations 1 and 2 both recommend system operator training activities for items specific to the reliable operation of the Tacoma Power system, including system restoration and emergency operating procedures and use of backup control facilities at least annually to ensure a smooth transition during an emergency (Section 5.1).

Systems Power Dispatchers received emergency training as required by NERC. Tacoma Power recognizes the need for training specific to our own system and procedures, and has engaged a consultant to assist in preparing and presenting training on our emergency plans and processes. This training will also be available to Real-Time Energy Traders (RTETs). Tacoma Power is committed to adequately training System Power Dispatchers and RTETs.

- NERC recommendation 6 and associated text in Section 1.2.4 address expected future attrition and overall level of resources among the Systems Power Dispatchers.

Tacoma Power recognizes future retirements and training requirements pose challenges and is actively addressing the resource level in the systems operations group. Tacoma Power is currently creating a list of potential new personnel for this group and hopes to hire new candidates shortly. Tacoma Power is actively striving to address this key recommendation.

- NERC Potential Example of Excellence 2: During the exit interview NERC evaluators expressed uncertainty over the exact number of frequency monitoring locations and asked for input. Tacoma Power has five such locations.

As a final note, I have attached a red-line version of the report. This red-line cleans up a few spelling and grammatical errors. It also suggests adding one possibly substantive statement at the end of section 10: "An after-hours call-out process is in place and working effectively."

To conclude, Tacoma Power is committed to reliable service and will work with the WECC to address the issues raised in the NERC Readiness Evaluation.

Sincerely,



William A. Gaines
Power Superintendent / COO