



CITY OF REDDING

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May 25, 2007

Ms. Sonja A. Anderson
Acting Power Marketing Manager
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630-4710

Re: Proposed Final Resource Adequacy Plan for Transactions in the California Independent System Operator Corporation's Balancing Authority Area

Dear Ms. Anderson:

Redding Electric Utility (REU) appreciates this opportunity to provide comments on Western's Proposed Final Resource Adequacy Plan (RA Plan).

REU has reviewed the RA Plan along with the questions/comments of other Western customers, Western's response to those questions, and comments provided to Western at the public comment forum held on May 9, 2007.

It is our understanding that Western, through the RA Plan, intends to meet RA Capacity requirements for Western customers residing in the CAISO control area. Under the Plan, Western will make specific capacity purchases that, for the most part, exist within the CAISO control area. Such an approach appears to provide adequate separation of resources that are to provide: 1) base resource and ancillary services to all Western customers, and 2) resources that are procured for RA Capacity requirements for those Western customers residing in the CAISO control area. It is REU's expectation that future purchases by Western to meet RA Capacity requirements for certain Western customers within the CAISO control area will be given the same treatment.

Please note that REU does not view capacity purchases for planning reserve capacity requirements to be the same as purchases made for CAISO RA Capacity. Planning reserve capacity provides supply coverage to all Western customers, regardless of whether that customer resides in the CAISO control area or the SMUD/Western control area.

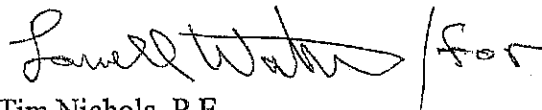
With regards to the use of the California-Oregon Transmission Project and/or the Pacific AC Intertie in support of RA Capacity requirements, REU also expects that current (and in the future) use of these assets will first be applied to meeting Western's obligations under the Post 2004 (PO4) Marketing

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Plan before utilization for RA Capacity requirements for those customers located in the CAISO control area. Finally, REU would be interested in understanding Western's process for allocating its intertie capacity to other Western customers that may have future RA issues that are not necessarily tied to the CAISO RA process.

Thank you for the opportunity to comment on Western's RA Plan.

Sincerely,



Tim Nichols, P.E.
Assistant Electric Director - Resources