NORTHERN TIER TRANSMISSION GROUP

The following letter, attachment 2 and 2010-2011 NTTG Biennial Transmission Plan Summary was broadly distributed to federal, state and other regulatory and planning entities.

January 6, 2012

Recipient
Title
Company
Street Address
City, State Zip

[Recipient]:

The Northern Tier Transmission Group (NTTG) was formed voluntarily in January 2007 to promote effective planning and use of the multi-state electric transmission system within the five-state footprint of Idaho, Montana, Oregon, Utah, and Wyoming. Its members include the five state regulatory commissions, as well as the Montana Consumer Counsel. Its six participating utility members[1] collectively serve more than 2,673,500 customers and own and operate more than 27,500 miles of high-voltage transmission lines spanning the Pacific Northwest and Rocky Mountain regions.

Since issuance of our last biennial report in December 2009, NTTG has undertaken an open, transparent, public process to develop a plan to meet the potential need for new transmission capability within its sub-regional footprint. This process has included numerous public stakeholder meetings to solicit input needed to project the most effective and efficient ways to expand the electrical transmission system to accommodate existing and future needs. In addition, this planning process has included coordination with neighboring sub-regional transmission planning groups and support of West interconnection wide planning efforts through the Western Electricity Coordinating Council (WECC).

On November 29, 2011, the NTTG Steering Committee adopted the following reports (collectively, the NTTG Biennial Plan):

- The 2010-2011 Biennial Transmission Plan Final Report;
- The companion 2010-2011 Biennial Transmission Plan Summary[2]; and
- The 2010-2011 Biennial Plan Cost Allocation Committee Final Report.

Copies of these reports can be found on the NTTG website at www.nttg.biz[3].

If you are familiar with our 2008-2009 report, you will notice some differences. The objective of the 2010-2011 NTTG Transmission Plan is to determine what a reliable transmission system could look like in 2020. Using a limited number of forecast and assumed load and resource portfolios, the plan is based on a conceptual study

[1] Deseret Generation & Transmission Co-operative, Idaho Power Company, NorthWestern Corporation, PacifiCorp, Portland General Electric Company, and the Utah Associated Municipal Power Systems.
PacifiCorp also provides service to customers in Washington and California.

[2] Attachment 1 "2010-2011 Biennial Transmission Plan Summary" to this letter

[3] See folder "NTTG Biennial Reports."

identifying generic transmission additions that would provide feasible system operation at times and conditions likely to stress power system operations 10 years in the future. In addition to being a physically larger report, you will note that the use of multi-season WECC base cases for reliability testing was replaced with a two-step study process. The first step identified critical hours of transmission congestion and peak load production for the year 2020; the second step conducted reliability testing for those hours. These two studies identified the effects of load growth on the existing transmission infrastructure and the effects of adding significant amounts of new renewable generation in the high wind areas of Wyoming and Montana.

Key findings in this biennial study confirm what many of you already suspect: that the existing NTTG transmission system (as it exists today) is not adequate to serve the projected NTTG system load in the year 2020; that the WECC Foundation List Projects[4] increase the system capability to reliably integrate planned energy resources and serve the 2020 forecast NTTG system load; and that the development of large amounts of Montana or Wyoming wind generation will exceed the capability of the NTTG transmission system and its Foundation List Projects. Therefore, additional AC and/or DC transmission[5] from the NTTG system to forecast Renewable Portfolio Standard-driven loads outside NTTG would be required under these resource expansion scenarios. The attached summary table[6] lists those projects that submitted information to the Planning Committee. The Cost Allocation Committee solicited additional project data regarding cost and status, or updates to information provided in the prior biennial cycle, from each of these project sponsors. For projects with responses, the new or updated information is set forth in the Cost Allocation Committee Final Report. For those projects that were also part of the 2008-09 Biennial Reports, the Cost Allocation Committee has already provided recommendations regarding cost allocation and did not re-consider those recommendations in the current Report. The total cost for these projects, if all constructed, is estimated in excess of $7 billion.

We are hopeful that the Biennial Plan documents will be useful in any process states may use to consider any of these projects. Should you need any further information on the NTTG Biennial Plan, please contact Sharon Helms, NTTG Project Manager at sharon.helms@comprehensivepower.org or (503) 644-6262.

Sincerely,

Ric Campbell
Co-Chair, NTTG Steering Committee
Commissioner
Utah Public Service Commission

John Cupparo
Co-Chair, NTTG Steering Committee
Senior Vice President, Transmission
PacifiCorp

[4] WECC published a 10-year Western-Interconnection-wide transmission plan (the Regional Transmission Expansion Plan) developed by its Transmission Expansion Planning Policy Committee (TEPPC) and numerous other WECC committees and working groups. The NTTG Foundation List of projects includes Gateway South Phase 1, Gateway Central Phase 1, Gateway West Phase 1, Hemmingway-Boardman and Cascade Crossing.

[5] Example projects include the Chinook project, High Plains Express Transmission Project, Mountain States Transmission Intertie project, SWIP North project, SWIP South project, TransWest Express Project and the Zephyr project.

[6] Attachment 2 “Project Sponsors and Projects” to this letter

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Attachment 2: Project Sponsors and Projects

Project Sponsor	Project(s)
Grasslands Renewable Energy LLC	• Multiple Montana projects in NTTG footprint
Idaho Power Company	• Gateway West (Populus-Hemingway)[7] • Boardman-Hemingway[7]
Northwestern Energy	• Mountain States Transmission Intertie (MSTI) • MSTI Collector System • Existing Path 18 Upgrade • Existing 500-kV Upgrade
PacifiCorp	• Gateway Central (Mona-Oquirrh, Sigurd-Red Butte)[8] • Gateway South (Aeolus-Mona) • Gateway West (Windstar-Populus, Populus-Hemingway)[7] • Hemingway-Captain Jack • Walla Walla-McNary
Portland General	• Cascade Crossing (Coyote Springs-Hemingway, Boardman-Bethel)
TransCanada	• Chinook • Zephyr
TransWest Express LLC	• TransWest Express[7]

[7] These projects were as part of seven pilot projects for application of the Interagency Rapid Response Team for Transmission (RRTT). The purpose of the RRTT is to closely coordinate the review of transmission projects by nine Federal agencies. The seven projects were selected for the pilot based on their potential to "help increase electric reliability, integrate new renewable energy into the grid, and save consumers money."

[8] The Sigurd-Red Butte 345-kV segment is also identified on certain PacifiCorp documents as part of Gateway South. Consistent with PacifiCorp's data response to this Committee, this Report will identify this segment as part of Gateway Central. To be clear, PacifiCorp uses both the "Gateway South" and "Gateway Central" to describe the same 345-kV project.