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| Description of Meeting: | Cost Allocation Committee Meeting |
| Meeting Date: | January 10, 2011 |
| Meeting Minutes Prepared By: | Lyndee Restad |
| Approved for Posting: | January 19, 2011 |

Attendee List: Marshall Empey, Matt Muldoon, Marcy Norby, Larry Nordell, Lyndee Restad, Lou Ann Westerfield, Curt Winterfeld

Committee Members Not in Attendance: Rich Bayless, Brian DeKiep, Bryce Freeman, Marc Hellman, Sharon Helms, Sam Liu, Jim Logan, Joni Zenger, Darrell Zlomke

1. Agenda:

- Review and approve the December 20, 2010 Meeting notes
- Report and discussion from the Ad Hoc Subcommittee
- Discussion of presentation at upcoming Stakeholder meeting
- Roundtable / Next Steps

2. Decisions / Discussions:

Discussion: Review and approve the December 20, 2010 meeting notes

- The December 20, 2010 notes were approved to post on the NTTG website

Discussion: Report and discussion from the Ad Hoc Subcommittee

- Lou Ann Westerfield developed a Cost Allocation outline; the document was distributed to Committee members prior to the meeting
- The outline document was broken down into three categories:
 - Current Status
 - Potential Change
 - Data Required to Implement Change
- The Ad Hoc Subcommittee has not had a meeting to discuss the outline; the group is planning on meeting later this week
- Larry Nordell noted that the deferral of a project in a plan, for use as a measure of a benefit, may not be accurate
 - Discussion ensued. The point was made that people tend to put more importance on a transmission plan than what is actually warranted. People put together plans but projects get deferred. The plan changes as Management makes changes and the initial plan is not accurate anymore. Larry made the point that when Management starts construction of a project may be the best indication of commitment to a project.
 - Lou Ann indicated that the mention of project deferrals in the outline is more of a substitution issue; that is, one project may substitute, at least for some period, for need for another project.
- Curt Winterfeld emphasized that we have to answer two questions: (1) What can we agree is sufficient evidence of the benefits that we should be assigning costs to? (2) How do we measure projects in a way that they are tangible and certain enough that we are willing to ascribe costs?



- The NTTG Planning Committee has taking great strides to develop a planning process. The modeling information created by the Planning Committee could be extremely useful to the Cost Allocation Committee
- It may be beneficial to setup a meeting with Steven Wallace and John Leland, both of the Planning Committee, to discuss their opinions on the deferral of transmission projects
- There was general agreement that a goal of the CAC is to encourage voluntary participation in projects. With that in mind, the potential affects of the process need to be considered. For example, if an entity negotiates participation and receives the 5% participation fee and NTTG turns around and changes it to a 10% fee. What happens? Do they only receive the 5% fee as they volunteered for it? Or will they have to step up to the full 10%?
- Another issue that has been raised is if the benefits were quantified to use as the basis to ascribe costs to entities that were not transmission customers on the system that is building the project, would they be paying costs and receiving anything in return? Or would they be paying costs and have any sort of transmission entitlement?
 - If you pay for 10% of the project, you have 10% of the project entitlement – that is one suggestion
- Some Committee members suggested that we continue gathering information, primarily developed by other regional entities, and consider it as we develop details in our analysis
- What would NTTG be bringing to the table? Is there anything we can do that a transmission sponsor can't do on its own?
 - Our work could be viewed as a tool for the project sponsor to use in discussions with other potential transmission uses (resource developers); that is, used as an independent review.
- Possibly compile a list of benefits that a project sponsor could address, that they may otherwise overlook
 - Matt Muldoon mentioned that Miller's Whitepaper could be used as a reference

Decision: Prior to the next Cost Allocation Committee meeting, the Ad Hoc Subcommittee will prepare a bullet list that outlines our standardized list of benefits. The Ad Hoc Subcommittee group will also hold a meeting on Friday, January 14th to further discuss Lou Ann's outline. Rich Bayless and Steven Wallace, of the NTTG Planning Committee, will be invited to the next CAC meeting.

Discussion: Presentation at the upcoming Stakeholder meeting

- This topic was deferred until the next Cost Allocation Committee meeting

Discussion: Roundtable / Next Steps

- The next CAC meeting will be on Wednesday, January 19, 2011 from 11am – 12:30pm (Pacific)



3. Assignments:

| Item # | Assignment | Owner | Target Date | Status |
|--------|---|-----------|-------------|----------|
| 1. | Distribute a meeting invitation for the Ad Hoc Subcommittee meeting on 1/14 | L. Restad | | Complete |
| 2. | Invite Steven Wallace to the 1/19 CAC Meeting | L. Restad | | Complete |

Next Meeting: The next Northern Tier Cost Allocation Committee meeting is scheduled for Wednesday, January 19th at 11am Pacific.

- Voice Conference Mtg. **503-813-5600** (toll free #800-503-3360)
- Meeting ID **688477** and password **123456**