

<b>Description of Meeting:</b>	<b>Cost Allocation Committee Meeting</b>
<b>Meeting Date:</b>	<b>January 28, 2010</b>
	<b>5pm – 7pm</b>
	<b>Salt Lake City, UT</b>
<b>Meeting Minutes Prepared By:</b>	<b>Lyndee Restad</b>
<b>Edits by:</b>	<b>Sharon Helms/Curt Winterfeld</b>
<b>Approved to post:</b>	<b>February 19, 2010</b>

**Attendee List:** Brian DeKiep, Marshall Empey, Sharon Helms, Sam Liu, Marcy Norby, Larry Nordell, Lyndee Restad, Lou Ann Westerfield, Curt Winterfeld, Joni Zenger

**Committee Members Not in Attendance:** Bryce Freeman, Marc Hellman, Jim Logan, Matt Muldoon, Darrell Zlomke

## 1. Agenda:

- Review of CAC Charter
- Did/can/should we comply with the charter (from the viewpoint of independent, third-party)?
  - Routine Analysis
    - Preliminary and iterative analyses of the allocation of costs and benefits –
    - Written recommendations on cost/benefit allocations as part of Annual/Biennial reports –
    - Similar analyses for projects submitted to NTTG currently underway --
  - Major Tasks (Same Questions)
    - Document present cost allocations methods in footprint and western states
    - Review new pricing, cost recovery and joint tariff proposals
    - Represent NTTG in regional/national forums
    - Review proposed cost allocations for proposed NTTG planning projects (Same as item a.(i) above.)
    - Make recommendations on cost allocations for annual/biennial plans to Steering Committee (Same as item a.(ii) above.)
- What analyses, recommendations, and products should the CAC provide that are not included in the existing charter?
- What will the changes in analyses, recommendations, and products require with respect to –
  - Data sources and data?
  - Internal and external staffing?
  - Budget?
  - Timelines?
- Next steps / develop action plan
- Scheduling of future meetings
  - Teleconference
  - Face-to-face

## 2. Decisions / Discussions:

### Discussion: Review of CAC Charter

- Curt Winterfeld initiated the discussion by setting the expectation that the meeting is intended to stimulate discussion, and it is not anticipated that issues will be resolved in one session. The objective is to initiate discussion and consider the Committee's output for the next cycle.
- Members discussed the current Cost Allocation Committee Charter. Curt Winterfeld walked through a review of each section, the action items the Committee has taken in the past and the items that will need to commence in the future. Members were asked to consider from the perspective of an independent third-party:
  - Is the NTTG CAC providing benefit, or just another forum?
  - What steps should or could be implemented that would be of value to its members and stakeholders?
- The CAC Charter is posted on the NTTG website under Charters & Agreements
  - The Cost Allocation Principles document is included in the Charter via web link (page 9)

### Discussion: Did/can/should we comply with the charter (from the viewpoint of independent, third-party)?

- The Charter states that the Cost Allocation Committee is responsible for the following:
  - Provide preliminary and iterative analyses of the allocation of costs and benefits
    - To date, the Committee has not provided a cost/benefit analysis; however, given the type projects during Cycle 1, preparing a cost/benefit analysis was unnecessary. It was discussed that such may not be the case in Cycle 2.
  - Documenting cost allocation methods in the NTTG footprint and Western States
    - To date, no action has been taken to document cost allocation methodologies in the NTTG footprint or other regions. The Committee agrees that this documentation would be valuable and that the Committee is capable of such documentation.
  - Review Pricing, Cost Recovery and Joint Tariff Proposals
    - In Cycle 1, the Committee reviewed numerous proposals to "roll-in" project costs and the MSTI proposal for an allocation based on an "open-season" subscription.
  - Representing NTTG at regional forums
    - Currently the CAC has a broad number of members that are involved in a variety of activities outside of NTTG. The Committee feels that the current representation portrays NTTG in a positive manner.
  - Review proposed cost allocations for proposed NTTG Planning
    - Committee members determined that the CAC did not prepare any cost allocation analyses; however, it appeared during Cycle 1 that cost allocation was not a significant issue for projects included in the Plan.
      - There is concern that the Project Sponsors are not capable of assisting with a traditional cost/benefit analysis and this in turn creates difficulties for the CAC.
      - The CAC acknowledged the need to discuss the project scope with the sponsors prior to beginning work on the project.
  - Make recommendations on cost allocations for annual/biennial plans to Steering Committee

- Members indicated that benefits were not considered to the degree that state regulators would require. Open questions included:
  - What is the CAC's responsibility if the benefits are outside the footprint?
  - If the sponsor proposes rolled in rates, should the CAC take the same hands off approach as last cycle?
  - If the project sponsor is a single provider, should it be exempt from cost allocation analysis?
- Committee members agreed that the current analysis structure outlined in the Charter is feasible and will meet the needs of the Study Requests that are submitted to NTTG; however, the Basic Information Requirements identified in Section V.1 should be reviewed with an eye towards expanding and delineating the data requirements to ensure that the information required by the Cost Allocation Committee is clearly defined.
  - Curt Winterfeld stressed that the Committee has the ability to modify the Charter if the need arises to do so

**Discussion: What analyses, recommendations, and products should the CAC provide that are not included in the existing charter?**

- Consider the individual regulatory guidelines of each state while developing a cost/benefit analysis
  - The current guidelines vary from state-to-state, which can affect numerous projects
    - Creating cost/benefit analysis procedures that adhere to the guidelines of the individual states within the NTTG footprint would help with consistency

**Discussion: What will the changes in analyses, recommendations, and products require with respect to: data sources and data, internal and external staffing, budget and timelines?**

- A process to ensure better communications between the Cost Allocation Committee and the Planning Committee should be developed.
  - The Planning Committee has knowledge of certain processes that could assist the CAC's analyses; and data coordination between the Planning and Cost Allocation Committees would result in a better understanding of the tasks at hand
  - Consider utilization of the TUC data reports available on the NTTG website.

**Discussion: Next Steps/Develop action plan**

- Curt Winterfeld and Sharon Helms will develop a list of the current Cost Allocation Committee activities as well as a rough draft work plan for future activities. The work plan will be discussed with the committee during a 3 ½ hour CAC Webinar meeting. Committee members will have the opportunity to comment on the work plan and assist with any needed modifications. Additional sessions will be scheduled, as needed.

**Discussion: Scheduling of future meetings**

- The Committee determined that unless a crucial action item is in progress and additional meetings are required for completion, meeting on a bi-weekly, or less frequent, basis is feasible. The meeting schedule will be discussed further once a project plan has been developed and approved by the Committee.
- Future face-to-face meetings may be scheduled in conjunction with the Public Stakeholder meetings or any other meetings that the majority of the CAC members will already be attending.
  - The Committee discussed the possibility of holding a face-to-face meeting the evening of the July Stakeholder meeting.

**3. Assignments:**

Item #	Assignment	Owner	Target Date	Status
1.	Schedule additional 3 ½ hour CAC meeting with Webinar access	L. Restad		
2.	Develop a list of CAC activities and a rough draft Work Plan	S. Helms C. Winterfeld		
3.	Circulate documents that may help with documenting cost allocation methods in the NTTG footprint and other regions <ul style="list-style-type: none"> <li>• Memo outlining different allocation methodologies</li> <li>• Electricity Journal; NRI and NARUC summaries</li> </ul>	B. DeKiep J. Zenger		

**Adjournment:** Lyndee Restad will poll the CAC members to identify availability for a 3-1/2 hour conference call. The meeting adjourned at 7:00 p.m. (MPT).