



Description of Meeting:	Cost Allocation Committee Meeting
Meeting Date:	June 1, 2011
Meeting Minutes Prepared By:	A. Lynn Jesus-Olhausen
Approved for Posting:	June 20, 2011

Attendee List: Brian DeKiep, Bryce Freeman, Sharon Helms, A. Lynn Jesus-Olhausen, Sam Liu, Marci Norby, Larry Nordell, Lou Ann Westerfield, Curt Winterfeld, Laura Yetter

Committee Members Not in Attendance: Rich Bayless, Marshall Empey, Marc Hellman, Jim Logan, Joni Zenger, Darrell Zlomke

1. Agenda:

- Review and revise/adopt agenda and meeting objectives (5 min)
- 2008-2009 Cost Allocation Biennial Cycle - Lessons learned (30 min)
 - Review last cycle's process
 - Discuss gaps/inconsistencies in the first CAC Report
- Agree on process/approach for 2010-11 Cycle (35 min)
- March 31 data request update
- Brainstorm: How to improve the process?
- High level milestones and schedule for delivering final report to Steering (10 min)
- Next Steps (5 minutes)
- Round Table/Other Business (5 minutes)

2. Decisions / Discussions:

Discussion: Review and revise/adopt agenda and meeting objectives

- Approval of the February 14, 2011 meeting minutes was added to the agenda. Committee members will submit any revisions by 12noon Pacific on Thursday, June 2nd. If no revisions are received, the meeting notes will be considered approved as-is by the committee.

Discussion: 2008-2009 Cost Allocation Biennial Cycle - Lessons learned

- Review last cycle's process
 - Due to lack of response to initial data requests, templates were created collecting the critical data elements needed for the biennial report. Transmission providers were again requested to provide the necessary information on the template. Each project sponsor had a Cost Allocation Committee member as a liaison to drive the template completion.
 - Collecting information proved difficult. Many project sponsors were not proactively forthcoming with data to analyze for the biennial report. Information was more in the form of declarations and/or statements, rather than actual data.
 - Projects contained in the report fell into one of two categories – either transmission required to meet native load or merchant projects where those subscribing to the capacity absorb the cost and no additional allocation is requested. There were no projects falling outside of these areas.
- Discuss gaps/inconsistencies in the first CAC Report
 - There does not seem to be anything in this biennial cycle to suggest that projects contained within the biennial report will be outside the two areas of building to meet regulatory requirements or merchant projects. However, looking forward, if presented with a project that did not neatly fit into those two categories, the committee does not have a process/methodology outlined defining how it would complete its analysis/recommendation. The original expectation was that the committee would be reactive and respond to Project Sponsor's recommendations vs. being proactive and developing a methodology that project sponsors could utilize. As participation grows within NTTG, independent developers have stated that the NTTG

planning process was not particularly supportive of their efforts. The Cost Allocation Committee cannot provide certainty in cost allocation analysis for project sponsors, especially if the project is not developed enough to outline cost and benefits. While the committee would like to be as proactive as possible, a reactive stance is more prudent, as the committee cannot be in a position to suggest benefit for the project.

- The committee will look at possibly outlining a default methodology (e.g. in the absence of convincing evidence, assign costs to shippers who use the line and utilities who propose to purchase it) or a series of methodologies, allowing flexibility for projects as they develop. Lou Ann Westerfield and Larry Nordell will draft initial default language and how it would be applied and circulate to the committee via email for input and feedback. This is just an initial draft to seek feedback with no commitment to formally adopt by the committee.

Discussion: Agree on process/approach for 2010-11 Cycle

- Coordination with the Planning Committee must be aligned, especially since the study process this cycle differed from the 2008-2009 biennial cycle.
 - The Planning Committee took a different stance in regard to the study work this cycle in varying from studying specific projects, and studying a more generic bottom up analysis.
- Referencing between the Planning Committee report and Cost Allocation Committee report for the 2008-2009 cycle was useful. It would be beneficial to try and keep this symmetry.
- A report format will need to be defined prior to drafting report content.

Discussion: March 31 data request update

- Grasslands, NorthWestern and Idaho Power have submitted responses.
- No response to date has been received from Portland General (may need more time as the request was delayed), or PacifiCorp. Awaiting further response from NorthWestern.
- Initial feedback has response delays with citing decision options to fold into rates or waiting for line subscribers before submitting data.
- Upon review of the responses submitted to date, committee members will assess if further information is needed and send any follow up questions to Curt Winterfeld by June 15th.
- Per the Charter, the Cost Allocation Committee shall respond to the data submittals within 45 days of receipt.

Discussion: Brainstorm: How to improve the process?

- The committee recommends starting collection of further data from project sponsors via email. (e.g. underlying analytical justification to support identified benefits). If responses do not come back in a timely manner, the committee will look at establishing liaisons from the Cost Allocation Committee to drive responses.

Discussion: High level milestones and schedule for delivering final report to Steering

- Final approval of the report must be completed by end of Q8 of the biennial cycle. Time must be allowed for iterations in case the Steering Committee requests revisions to ensure final approval is achieved by the end of Q8. Having an initial draft in early October would allow time for any requested revisions.
 - June 15: Default Cost Allocation Language Methodology drafted
 - June 17: Respond to Project Sponsors requesting add'l data/justification
 - June 21: CAC Update to Steering Committee
 - Mid July: Deadline for 45 days to respond to Project Sponsors
 - July 28: NTTG Stakeholder Meeting
 - July/Aug: Data collection and reaction to default methodology
 - Sept: Report Outline and drafting process
 - Oct. Initial draft complete



- Nov: SC Review of CAC Biennial Report/Recommendation
- Dec: SC Final Approval

Discussion: Next Steps

- The next meeting will be June 20th, 2011 at 1:00PM Pacific/2:00PM Mountain.
 - John Leland will be invited to this meeting to give an update on the Planning Committee approach to their study work. If John is unavailable, Curt will have a discussion offline with John and report back to the committee on June 20th, 2011.
- July 28, 2011 Public Stakeholder Meeting – the committee will need to think about what information shall be presented that will help facilitate receiving the necessary data to complete the report.

Discussion: Round Table/Other Business

- The draft EIS for MSTI was requested under the freedom of information act and it was subsequently scanned and posted on the Internet. The report is trying to satisfy both state and federal requirements in terms of need and cost/benefit. There is some report content in this unofficial draft that may be concerning in satisfying both these requirements.
- PacifiCorp has filed its wholesale transmission rate case. The rate itself proposes very little change, but the way multipliers and the way the rate is applied may result in a substantial increase.

3. Assignments:

Item #	Assignment	Owner	Target Date	Status
1.	Send Lynn Jesus-Olhausen any needed revisions to the 02.14.11 meeting notes.	All	06.02.11 12Noon Pacific	
2.	CAC Update to Steering due to Sharon	C. Winterfeld	June 10	
3.	Send out meeting invite for June 20 th meeting.	S. Helms	06.10.11	
4.	Draft initial proposal for possibly outlining an NTTG cost allocation default methodology.	L. Westerfield, L. Nordell	06.15.11	
5.	Complete review of data submittals received, and send Curt Winterfeld any follow up questions deemed appropriate or necessary.	All	06.15.11	
6.	Respond to Project Sponsors with add'l information requirements	C. Winterfeld	06.17.11	

Next Meeting: The next Northern Tier Cost Allocation Committee meeting is scheduled for Monday, June 20th, 2011 at 1pm Pacific.

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