

NTTG Order 1000 Stakeholder Comment and Input Form			NTTG Response			
Your input on Northern Tier's processes are important to us. Please submit comments to info@nttg.biz			All responses are dynamic and based upon assumptions that may be adjusted as options are fleshed out and alternatives considered; Unless otherwise indicated, responses are subject to change.			
Received via info @ nttg on June 29, 2012						
July 9, 2012: Assigned to the CostAllocation Compliance Workgroup			NTTG Tracking Info			
Commentor Contact Information			Date Received: June 29, 2012 @ 11:59 AM Committee Assignment: NTTG Cost Allocation Compliance Workgroup Date Assigned: July 9, 2012			
Date: June 29, 2012						
Name: Vicki M. Baldwin						
Organization: UIEC						
Comments			DRAFT RESPONSE			
Source Document	Page / ¶	Comment	ID#	Title	Response Date	Draft Response
NA		In response to a comment made by UIEC on May 15, 2012, NTTG responded, in part: "Retail cost recovery mechanisms approved for use by the respective state commissions of PacifiCorp are not subject to the requirements of Order 1000." This is not really accurate and is why we have an interest in what happens with respect to Order 1000. There are two situations under which cost allocation under Order 1000 would have a direct impact on what state regulators are able to do with respect to cost recovery. First is the situation where costs should be allocated to more than one transmission provider. Under Federal law, states may not alter FERC-ordered allocations by substituting their own determinations of what would be just and fair. FERC-mandated allocations are binding on the states and states must treat those allocations as fair and reasonable when determining retail rates. See <i>Mississippi Power & Light v. Mississippi ex rel. Moore</i> , 487 U.S. 354 (1988). While this decision concerned the allocation of power between companies, it is likely it also applies to the allocation between companies of the costs for transmission benefits. Similarly, this premise is likely to apply when certain states or control areas are responsible for the public policy need for transmission for which other states without RPS requirements should not be allocated costs. This then will be considered in state regulatory proceedings when cost recovery decisions are made.	#63	UIEC #25	7.23.12	Comment acknowledged.