



NTTG Order 1000 Stakeholder Comment and Input Form					
Comments			NTTG Response		
Source Document	Page /	Comment	ID#	Title	Response Date
NA		<p>We do not support the effort to determine losers and to determine a way to compensate losers in a particular scenario. Compensation would appear to be more appropriate with cost recovery. Also, as FERC states in para. 556 of Order 1000-A, "Planning of new transmission facilities in a regional transmission planning process involves assessing how such facilities will affect the existing transmission grid and how they will benefit users of the grid within the relevant region." Nothing is said about evaluating anything outside the relevant region. The examples in the meeting talked about losers in other regions, which appears to be outside the scope of the Order 1000 mandate. FERC continues: "Cost allocation for new transmission facilities that are selected in a regional transmission plan for purposes of cost allocation similarly involves assigning the costs of those facilities in a manner that accounts for the identified benefits." Identifying losers and trying to compensate losers sounds like cost recovery, which FERC has stated is not the same as cost allocation. Costs being commensurate with benefits means that costs are allocated to those who benefit. If someone doesn't benefit, they should not be allocated any costs. Whether costs are zero or negative, they do not get allocated costs. It seems that cost recovery would be where a losing entity, if any, would try to get compensation for any negatives. Finally, in paragraph 584, the Commission states: "Order No. 1000 does not deal with operating problems on existing transmission facilities but rather solely with benefits to be derived from new transmission facilities that regional participants themselves select as having broad regional benefits, and it deals with cost allocation for such new facilities as integral to transmission planning."</p>	59	UIEC #21	6.13.12
NA		<p>UIEC would also like to point out that the Commission has clarified that while the consideration of non-transmission alternatives to transmission facilities may affect whether certain transmission facilities are in a regional transmission plan, cost allocation of such alternatives is beyond the scope of Order 1000 because it is only concerned with the allocation of costs for new transmission facilities. See paragraphs 738 & 745. In addition, contrary to what was suggested at the meeting on 5/24 and is stated on page 45 of the Cost Allocation presentation from that day, it would seem that what has been termed "Conditional Cost Allocation" does not require acceptance by the "Type B party." It is our understanding that the requirement that cost allocation be accepted by a party is only if that party is outside the region.</p>	60	UIEC #22	6.13.12

Comments			DRAFT RESPONSE			
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NA		<p>We were glad to see the proposal to have more granularity in the cost allocation methodology. We believe that Order 1000 clearly requires this and that this is made even more clear in Order 1000-A. In paragraph 574 of Order 1000-A, FERC notes that benefits are anything "in connection with" transmission of electric energy. Throughout the Order, FERC refers to entities and never indicates that beneficiaries have to be jurisdictional entities. In paragraph 576, FERC identifies free riders as entities who do not bear cost responsibility for benefits that they receive in their use of the transmission grid. This would appear to include almost any kind of entity. In paragraph 592, the Commission discusses the reality that "any entity connected to the transmission grid may benefit from a transmission facility whether or not it is connected to, or specifically requests service from a particular transmission facility for which costs have been allocated." Order 1000 is "intended to ensure that all of these beneficiaries are allocated costs roughly commensurate with the benefits they receive in their use of the transmission grid." Importantly, in paragraph 620, the Commission states: "we disagree with Northern Tier Transmission Group that the Commission is impermissibly imposing recovery of transmission construction costs on non-jurisdictional entities, as Order No. 1000 did not address matters of cost recovery." Finally, in paragraph 680 the Commission states that stakeholders may consider allocating costs directly to generators as beneficiaries, and refers to interconnection customers being allocated costs.</p>	61	UIEC #23	6.13.12	Comment acknowledged. NTTG continues to explore options for compliance with the referenced sections.
NA		UIEC believes that "roughly commensurate" should be interpreted to mean commensurate with actual outcomes.	62	UIEC #24	6.13.12	Comment acknowledged. NTTG is pursuing options for ensuring costs are allocated roughly commensurate with benefits.