



Description of Meeting:	Cost Allocation Committee Meeting
Meeting Date:	June 21, 2010
Meeting Minutes Prepared By:	Lyndee Restad
Approved for Posting:	June 28, 2010

Attendee List: Rich Bayless, Bryce Freeman, Matt Muldoon, Marcy Norby, Lyndee Restad, Lou Ann Westerfield, Curt Winterfeld, Joni Zenger

Committee Members Not in Attendance: Brian DeKiep, Marshall Empey, Marc Hellman, Sharon Helms, Sam Liu, Jim Logan, Larry Nordell, Darrell Zlomke

1. Agenda:

- Review draft notes from the June 14, 2010 Cost Allocation Committee meeting; modify as required and approve to post
- Section by section review of FERC NOPR, with emphasis on Section V, Cost Allocation
- Discussion of possible implications of changes in planning requirements on cost allocation
- Discussion of what changes the FERC intends through Section V of the NOPR for cost allocation
- Preliminary thoughts as to submission of comments by NTTG members
- Roundtable/Next Steps

2. Decisions / Discussions:

Discussion: Review draft notes from the June 14, 2010 Cost Allocation Committee meeting

- The notes were approved to post on the NTTG website

Discussion: Section by section review of FERC NOPR, with emphasis on Section V, Cost Allocation

- The FERC NOPR was released on June 17, 2010
- Committee members participated in a brief review of the NOPR; particularly the areas that pertain to Cost Allocation
 - Paragraph 159 contains the details of the new ruling as for Cost Allocation
 - Paragraph 161 discusses the Interregional Cost Allocation
 - Paragraph 162 outlines FERC's assessment of the methods based on what they are looking to achieve
- Three groups were referenced throughout the NOPR:
 - Maintaining reliability and sharing reserves
 - Production cost savings and congestion relief
 - Projects that are needed to meet the public policy requirements
- The Benefit to cost threshold is 1.25, anything over has to go through the benefits and cost allocation process

Discussion: Possible implications of changes in planning requirements on cost allocation

- Page 86, item 153 of the NOPR states that FERC finds exclusive reliance on participant funding is insufficient to insure rates are just and reasonable as well as not unduly discriminatory or preferential key part about willing participant funding. This could cause issues for NTTG.



- Planning and Cost Allocation are intertwined in the NOPR. In regards to nondiscrimination against merchant projects, the methodology is unclear. Committee members noted that it has to allow for a merchant project to have access to regional funding.
 - Depending on the project, this could raise concerns. The mechanism will need to be fair for all projects
- Potential questions to ask the FERC staff:
 - Will NTTG have to plan for the transmission requirements in CA? If so, how does it relate to Cost Allocation?
 - What are the Implications of having to meet the state requirements of each of the States?
 - Are there any limitations could potentially create issues in the West?
 - How much flexibility is the discount rate for the 1.25 threshold? Is FERC going to set the discount rates?

Discussion: Changes the FERC intends through Section V of the NOPR for cost allocation

- The FERC Staff was extremely flexible and corporative. They indicated that the intent of the NOPR is not to impede any States authority. It was clear that FERC is open to all comments.
- Willingness to work with the States on an ongoing basis
- There are still a large amount of unanswered questions, the NOPR details will hopefully become more clear over the next weeks

Decision: Committee members will develop a list of questions for FERC and will submit the questions to Lyndee Restad by end of day on Friday, June 25th. Lyndee will consolidate the questions and distribute to the Committee on Monday, June 28th.

Discussion: Preliminary thoughts as to submission of comments by NTTG members

- The general agreement of the Committee is to move forward and comment as NTTG Transmission Providers. Individual entities are welcome to comment on their own as well.
- The NTTG Steering Committee and Legal Workgroup will be involved in reviewing and approving the comments

• **Discussion: Roundtable / Next Steps**

- The Cost Allocation Committee will hold regular weekly meetings for the next 5 weeks
- Committee members will continue to document and circulate known issues with the NOPR

3. Assignments:

Item #	Assignment	Owner	Target Date	Status
1.	Submit FERC Questions to L. Restad by June 25 th	Committee		

Next Meeting: The next Northern Tier Cost Allocation Committee meeting is scheduled for Monday, June 28th at 1pm Pacific.

Voice Conference Mtg. **503-813-5600** (toll free #800-503-3360)

Meeting ID **688444** and password **123456**