



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 @ ntg.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.			
<u>Received via info @ ntg on August 2, 2012</u>							
<u>August 6, 2012: Assigned to the CostAllocation Compliance Workgroup</u>				NTTG Tracking Info			
Commentor Contact Information				Date Received: August 2, 2012 @ 12:10 PM			
Date: August 2, 2012				Committee Assignment: NTTG Cost Allocation Compliance Workgroup			
Name: Vicki M. Baldwin				Date Assigned: August 6, 2012			
Organization: UIEC							
Comments				DRAFT RESPONSE			
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Response to UIEC #27		In response to UIEC #27, NTTG has stated: "NTTG may consider a conditional cost allocation, conditioned on that [non-jurisdictional] entity's willingness to accept its allocated costs." This is contrary to the plain language and the intent of the Commission's principles for cost allocation. <u>Principle 1 states</u> : "The cost of transmission facilities must be allocated to those within the transmission planning region that benefit from those facilities in a manner that is at least roughly commensurate with estimated benefits. In determining the beneficiaries of transmission facilities, a regional transmission planning process may consider benefits including, but not limited to, the extent to which transmission facilities, individually or in the aggregate provide for maintaining reliability and sharing reserves, production cost savings and congestion relief, and/or meeting Public Policy Requirements." <u>Principle 2 states</u> : " Those that receive no benefit from transmission facilities, either at present or in a likely future scenario, must not be involuntarily allocated any of the costs of those transmission facilities." This only says that those that receive NO benefit cannot be involuntarily allocated any of the costs. It does not state and does not imply that those who DO receive benefits cannot and should not be involuntarily allocated any of the costs. Therefore, NTTG's statement to the contrary is unfounded. Finally, <u>Principle 4 states</u> : "The allocation method for the cost of a transmission facility selected in a regional transmission plan must allocate costs solely		#66	UIEC #28	8.27.12	Comment noted. The language referenced relating to "conditional cost allocation" has been removed from NTTG's Planning and Cost Allocation Practices document. The Practices document will be posted in advance of the next NTTG Order 1000 stakeholder meeting; please refer the Cost Allocation Methodology section for conditions and parameters relating to cost allocation.

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		<p><i>within that transmission planning region unless another entity outside</i> the regions or another transmission planning region <i>voluntarily</i> agrees to assume a portion of those costs. . ." Clearly, the voluntary agreement to allocation of costs is ONLY applicable in a situation in which NTTG might want to allocate costs to an entity in an entirely different transmission planning region. Therefore, NTTG not only has no support for its position, but it is in conflict with the mandate that it MUST allocate costs to all those who benefit within its region.</p>				