



FERC Order 1000
NTTG Transmission Members' Key Principles¹

Revision History

Version	Date	Comment	Author
0.1	10/31/2011	Initial draft	Dave Angell
0.2	11/02/2011	Editing and formatting revisions	Sharon Helms
0.3	11/02/2011	Edits to incorporate add'l TP requirements	Sharon Helms
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¹ These concepts reflect the initial positions of the NTTG TPs, and may be adjusted, as necessary, over time.



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This document summarizes the transmission member's key principles when creating the FERC Order 1000 Compliance Filing. They are summarized into four categories: Process, Transmission Plan, Inter-Regional Coordination, and Cost Allocation.

Process

Northern Tier's regional and inter-regional planning and cost allocation process must satisfy the principles and guidelines outlined in Order 1000; specifically, the process must be:

- Clear – clearly defined and documented so that any stakeholder can understand how to participate,
- Open – ample opportunity for stakeholder involvement with meaningful and thoughtful response by Northern Tier,
- Transparent – all inputs, meetings, decisions, and documentation are accessible,
- Objective - outcomes are not predetermined
- Independent – not overly influenced by one stakeholder or provider,
- Repeatable - , and
- Auditable – well defined and documented providing for auditability by any stakeholder.

Transmission Plan

- The purpose of the Region's transmission planning process is to generate ideas and come up with the best solution. Therefore, anyone can propose a project and any project may, through the analysis, be selected into the plan and be available, if requested, for cost allocation.
- The projects that may be submitted into the planning process should be: 1) projects rolled up from the local plan, 2) merchant projects, 3) projects submitted for cost allocation, 4) projects identified during the planning process, 5) inter-regional projects, 6) public policy projects, or 7) non-transmission alternatives.
- Planning criteria is critical as it is the gateway for cost allocation
- The planning process must support the needs and expectations of state regulatory processes and policies.

Inter-Regional Coordination

- Similarity between both regional and inter-regional processes.

Cost Allocation

- The purpose of the cost allocation process is to develop methodology to ensure that benefits and the costs of projects selected for cost allocation are distributed equitably among benefitting parties.
- The process need not be so restrictive or limited that only a participant-funded result is possible.
- Projects selected into the plan for cost allocation need to meet the needs of the footprint more efficiently and/or cost effectively than the alternatives.

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- Opportunity to seek FERC acknowledgment or approval of any agreement upon cost allocation determination.
- Cost allocation should not leave a regulatory gap when it comes to cost recovery.
- Benefits need to meet the needs of the footprint, be clearly stated and quantifiable. Costs should not be allocated to those that do not benefit.
- The derivation of benefits should be repeatable by others having the same data and assumptions.
- Public Policy requirements should utilize resource plans and assumptions consistent with Load Serving Entities' plans.
- Cost allocation should apply at the entity level, and not dictate the allocation of costs within an entity's retail service area.
- Benefits should have enough granularity to differentiate benefits between classes (wholesale and retail).
- Public Policy projects should have a cost allocation methodology specific to public policy requirements.

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