



June 13, 2014

**VIA ELECTRONIC FILING**

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**RE: OATT Order No. 1000 Third Regional Compliance Filing**

PacifiCorp	Docket Nos. ER13-64-001 ER14-253-000
Deseret Generation & Transmission Co-operative, Inc.	Docket Nos. ER13-65-001 ER14-250-000
NorthWestern Corporation	Docket Nos. ER13-67-001 ER14-251-000
Portland General Electric Company	Docket Nos. ER13-68-001 ER14-249-000
Idaho Power Company	Docket Nos. ER13-127-001 ER14-241-000

Dear Secretary Bose:

Pursuant to Section 206 of the Federal Power Act ("FPA"),<sup>1</sup> Order No. 1000 of the Federal Energy Regulatory Commission (the "Commission"),<sup>2</sup> and the Commission's April 17, 2014 "Order on Compliance Filings" ("April 17 Order"),<sup>3</sup> Deseret Generation & Transmission Co-operative, Inc. ("Deseret"), Idaho Power Company ("Idaho Power"), NorthWestern Corporation ("NorthWestern"), PacifiCorp, and Portland General Electric Company ("Portland General") (individually, a "Filing Party" or, collectively, the "Filing Parties") hereby submit their joint compliance filing in the above-captioned proceedings. The Filing Parties comprise all of the jurisdictional transmission owners of the Northern Tier Transmission Group ("NTTG").

The joint compliance filing consists of:

(a) This common transmittal letter;

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<sup>1</sup> 16 U.S.C. § 824e.

<sup>2</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012).

<sup>3</sup> *PacifiCorp, et al.*, 147 FERC ¶ 61,057 (April 17, 2014) (hereinafter, "April 17 Order").

- (b) A Revised Attachment K to each Filing Party's Open Access Transmission Tariff ("OATT"); and
- (c) A revised NTTG Funding Agreement 2014-2015 (the "Funding Agreement") and a revised NTTG Finance Agent Agreement 2014-2015 (the "Finance Agent Agreement"), which is an exhibit to the Funding Agreement, both of which were previously filed with and approved by the Commission.<sup>4</sup>

Each Filing Party is separately submitting its Attachment K through eTariff. With respect to the Funding Agreement and the Finance Agent Agreement, Portland General is serving as the "designated filer" under the Joint Tariff Filing procedures outlined in Order No. 714,<sup>5</sup> on behalf of the Filing Parties. Each of the other Filing Parties (Idaho Power, NorthWestern, PacifiCorp, and Deseret), in accordance with Order No. 714, have a certificate of concurrence and a tariff record on file with the Commission, which already covers the Funding Agreement and Finance Agent Agreement, as it may be revised from time to time.<sup>6</sup>

With the Commission's acceptance of the revisions set forth in Attachment K and the revised Funding Agreement and the Finance Agent Agreement, together with the further explanations provided in this transmittal letter, the Filing Parties submit, and request that the Commission find, that they are each in compliance with the April 17 Order and Order No 1000.

In support of this joint compliance filing, the Filing Parties state the following:

## **I. INTRODUCTION AND OVERVIEW OF FILING**

### **A. Structure of this Transmittal Letter**

Just as the Commission has previously addressed each Filing Party's Attachment K in a coordinated fashion, the Filing Parties seek to include in a single compliance filing *all* matters related to each of their compliance with the April 17 Order. It is important to the function of NTTG that the Attachment Ks, Funding Agreement, and Finance Agent Agreement submitted with this joint compliance filing are consistent with one another, and approved contemporaneously such that coordinated regional, inter-regional, and interconnection-wide efforts can be conducted in the most efficient manner. To accomplish this goal, this joint transmittal letter is structured as follows:

First, Section II.A addresses the Commission's directives regarding regional transmission planning, and explains the Filing Parties' modifications of Attachment K, along with the corresponding modifications required of the Funding Agreement and the Finance Agent Agreement.

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<sup>4</sup> 145 FERC ¶ 61,060 (2013).

<sup>5</sup> *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (Sept. 19, 2008), FERC Stats & Regs ¶ 31,276 (2008). *See also*, *Notice of Effectiveness of Regulations*, Docket No. RM01-5-000 (Oct. 28, 2008).

<sup>6</sup> *E.g.*, *Delegated Order, Duke Energy Kentucky, Inc.*, Docket No. ER10-2032-001 (November 23, 2010).

Second, Section II.B addresses the Commission's directives regarding nonincumbent transmission developer reforms, and explains the Filing Parties' modifications of Attachment K.

Third, Section II.C addresses the Commission's directives regarding cost allocation, and explains the Filing Parties' modifications of Attachment K.

Fourth, Section III specifies the requested effective date for the modifications set forth in this filing.

Fifth, Section IV requests a waiver of any of the Commission's filing requirements, to the extent necessary.

Sixth, Section V provides a list of the attachments to the filing.

Finally, Section VI identifies the representatives of each Filing Party to whom any communications should be directed.

## **II. COMPLIANCE FILING**

The following is in response to the directives of the Commission's April 17 Order and is supported and endorsed by the Steering Committee.<sup>7</sup>

### **A. Regional Transmission Planning Requirements**

#### **1. Transmission Planning Region**

In the April 17 Order, the Commission found that the Filing Parties' proposed Attachment K revisions relating to the NTTG enrollment process and description of transmission facilities subject to the requirements of Order No. 1000 partially complied with the requirements of Order No. 1000.<sup>8</sup> The Commission directed the Filing Parties to revise their respective OATTs to remove the requirement that non-public utility transmission providers must have a Commission-approved reciprocity OATT to enroll in the NTTG transmission planning region as a Full Funder.<sup>9</sup>

In response to the April 17 Order, the Filing Parties removed from their respective Attachment Ks the obligation of a non-public utility to adopt and file a reciprocity Open Access Transmission Tariff with the Commission, and replaced it with an obligation to adopt and post on its website "an Open Access Transmission Tariff or other agreement(s) providing for comparable transmission service" and that contains "regional, interregional and interconnection-wide planning provisions for its transmission facilities located within the Western Interconnection that are the same as those expressed in Attachment K of the other Full Funders

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<sup>7</sup> Note that any capitalized terms used herein, which are not otherwise defined, are given the same meaning as the Filing Parties' respective Attachment Ks.

<sup>8</sup> April 17 Order at P 24.

<sup>9</sup> April 17 Order at P 25.

that are public utilities. . .”<sup>10</sup> This obligation is referred to in the Filing Parties OATT as the “NJ Attachment K” requirement.

Additionally, the Filing Parties have revised their respective Attachment Ks to require that, in order to remain a Full Funder, a party must implement or modify its filed OATT or, in the case of a non-public utility, its unfiled OATT or other agreement(s) providing for comparable transmission service containing its NJ Attachment K, consistent with Commission orders applicable to the NTTG transmission providers. Also, the Filing Parties have revised their respective Attachment Ks to require that a non-public utility (a) not take any action within the Steering Committee or other committees of NTTG, or fail to take any action within the Steering Committee or other committees of NTTG, that prevents a public utility from complying with its OATT, and (b) not include a provision in its OATT or other agreement(s) providing for comparable transmission service that conflicts with a provision in the Attachment K of the respective NTTG public utilities.<sup>11</sup>

Finally, in light of the changes discussed above, the Filing Parties revised their respective Attachment Ks to clarify that an entity ceases being enrolled in NTTG as a funder on the date the Steering Committee determines that it has not satisfied the obligations of a funder, and upon such finding, obligates the entity to remove the NTTG Attachment K from its OATT or other agreement(s) providing for comparable transmission service.<sup>12</sup>

The Funding Agreement and the Finance Agent Agreement implement the enrollment obligations set forth in the Filing Parties’ respective Attachment Ks. Accordingly, to comply with the April 17 Order, it is necessary to carry forward the modifications described above into the Funding Agreement. Minor modifications are required to the Finance Agent Agreement, which is an attachment to the Funding Agreement. The changes to these agreements are limited to those necessary to implement the modifications set forth above.

## **2. Order No. 890 and other Regional Transmission Planning Process General Requirements—Openness**

In the April 17 Order, the Commission found that the Filing Parties’ proposed Attachment K revisions partially complied with the openness principle established in Order No. 890.<sup>13</sup> The Commission directed the Filing Parties to submit “further compliance filings that specify how far in advance of public meeting stakeholders will be notified of an upcoming meeting.”<sup>14</sup>

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<sup>10</sup> Deseret at § B.2.3.2; Idaho Power at § 13.3.2; NorthWestern at § 3.2.3.2; PacifiCorp at § 3.2.3.2; Portland General at § 13.3.2.

<sup>11</sup> Deseret at § B.2.3.3; Idaho Power at § 13.3.3; NorthWestern at § 3.2.3.3; PacifiCorp at § 3.2.3.3; Portland General at § 13.3.3. Similarly, Filing Parties made revisions to their respective Attachment Ks that require non-public utility entities to maintain effective versions of the Funding Agreement and Finance Agent Agreement.

<sup>12</sup> Deseret at § B.2.3.4; Idaho Power at § 13.3.4; NorthWestern at § 3.2.3.4; PacifiCorp at § 3.2.3.4; Portland General at § 13.3.4.

<sup>13</sup> April 17 Order at P 38.

<sup>14</sup> April 17 Order at P 39.

In response to the April 17 Order, the Filing Parties have added a provision to their respective Attachment Ks to address the Commission's concern. Specifically, the Filing Parties revised their respective Attachment Ks to provide that the date, time, and location of all public committee meetings will be posted on the NTTG website not less than seven (7) days prior to each meeting, in addition to posting the meeting materials prior to the meeting, which is consistent with the Steering Committee Charter, Planning Committee Charter, and Cost Allocation Committee Charter.<sup>15</sup>

### **3. Requirement to Plan on a Regional Basis to Identify More Efficient or Cost-Effective Transmission Solutions—Affirmative Obligation to Plan**

In the April 17 Order, the Commission found that the Filing Parties' proposed Attachment K revisions partially complied with the Order No. 1000 directives regarding the affirmative obligation to plan.<sup>16</sup> The Commission directed the Filing Parties to make further OATT revisions to explain "how and when the Planning Committee will perform the regional analysis through which it will identify any unsponsored transmission projects that it proposes during Quarter 1 of the regional transmission planning process."<sup>17</sup> The Commission directed the Filing Parties to submit further compliance filings that detail how the Planning Committee will:

(1) analyze on a regional basis, irrespective of whether any transmission projects have been proposed for possible selection in the regional transmission plan for purposes of cost allocation, whether there are more efficient or cost-effective transmission solutions that may be selected in the regional transmission plan for purposes of cost allocation, including the quarter in which the Planning Committee will perform that analysis, and (2) identify unsponsored transmission projects through the regional analysis.<sup>18</sup>

In response to the April 17 Order, the Filing Parties have made several revisions to the regional planning and cost allocation process contained in their respective Attachment Ks, in addition to providing the following clarifications. First, the Filing Parties clarify that Attachment K already provides that a stakeholder can submit an unsponsored project during Quarter 1 for consideration in the Regional Transmission Plan.<sup>19</sup> The Filing Parties note that the data gathering and review that occurs during Quarter 1 may also result in the Planning Committee

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<sup>15</sup> Deseret at § B.3.2; Idaho Power at § 14.2; NorthWestern at § 3.3.2; PacifiCorp at § 3.4.2; Portland General at § 14.2. *See also*, NorthWestern Exhibit B at § 4.2 (Steering Committee Charter); Exhibit C at § 4.2 (Planning Committee Charter).

<sup>16</sup> April 17 Order at P 52.

<sup>17</sup> April 17 Order at P 53.

<sup>18</sup> April 17 Order at P 54.

<sup>19</sup> Deseret at § B.7.2.2; Idaho Power at § 18.2.2; NorthWestern at § 3.7.2.2; PacifiCorp at § 3.7.2.2; Portland General at § 18.2.2 (where it states, "A stakeholder may submit an unsponsored project for consideration in the Regional Transmission Plan by submitting to the Planning Committee chair the information identified in the "unsponsored project" column of Table 2 below.").

identifying an unsponsored project for consideration in the Regional Transmission Plan, which may be based upon a stakeholder-submitted project with incomplete data.<sup>20</sup>

Second, the Filing Parties clarify that during Quarter 2, the Planning Committee develops a Biennial Study Plan, which includes preparation of the Initial Regional Plan.<sup>21</sup> Additionally, the Biennial Study Plan contains a description of “sponsored projects, projects submitted by stakeholders, projects submitted by Merchant Transmission Developers, and unsponsored projects identified by the Planning Committee,”<sup>22</sup> which are collectively defined as “Alternative Projects.”<sup>23</sup> In response to the April 17 Order, the Filing Parties also revised their respective Attachment Ks to clarify the process by which the Planning Committee will identify unsponsored transmission projects. Specifically, in Quarter 2, the Planning Committee includes in the Biennial Study Plan unsponsored projects included in the prior Regional Transmission Plan, unsponsored projects submitted by stakeholders, and unsponsored projects identified by the Planning Committee.<sup>24</sup> During Quarter 2, the Planning Committee will identify unsponsored projects using its “knowledge of the transmission systems and its professional judgment.”<sup>25</sup> At this point, the Planning Committee is not performing analysis. The Planning Committee will exercise its judgment based upon reviewing the data available at that time.

Third, the Filing Parties clarify that during the Planning Committee’s analysis conducted in Quarters 3 and 4, the Filing Parties’ respective Attachment Ks require that “the Planning Committee shall utilize each Alternative Project in one or more Change Cases and, using the criteria . . . , determine if a Change Case is a more efficient or cost-effective solution for the NTTG Footprint than the Initial Regional Plan based upon the methodology set forth below.”<sup>26</sup> As noted above, the definition of “Alternative Projects” includes unsponsored projects identified by the Planning Committee and projects submitted by stakeholders,<sup>27</sup> meaning that the Planning Committee’s analysis conducted during Quarters 3 and 4 by definition also includes an analysis of whether an unsponsored or stakeholder-submitted project is a “more efficient or cost-effective

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<sup>20</sup> Deseret at § B.7.2.6; Idaho Power at § 18.2.6; NorthWestern at § 3.7.2.6; PacifiCorp at § 3.7.2.6; Portland General at § 18.2.6.

<sup>21</sup> Deseret at § B.7.3.2; Idaho Power at § 18.3.2; NorthWestern at § 3.7.3.2; PacifiCorp at § 3.7.3.2; Portland General at § 18.3.2.

<sup>22</sup> Deseret at § B.7.3.2(i); Idaho Power at § 18.3.2(i); NorthWestern at § 3.7.3.2(i); PacifiCorp at § 3.7.3.2(i); Portland General at § 18.3.2(i).

<sup>23</sup> Deseret at § B.7.3.2; Idaho Power at § 18.3.2; NorthWestern at § 3.7.3.2; PacifiCorp at § 3.7.3.2; Portland General at § 18.3.2.

<sup>24</sup> Deseret at § B.7.3.2; Idaho Power at § 18.3.2; NorthWestern at § 3.7.3.2; PacifiCorp at § 3.7.3.2; Portland General at § 18.3.2.

<sup>25</sup> Deseret at § B.7.3.4; Idaho Power at § 18.3.3.5; NorthWestern at § 3.7.3.4; PacifiCorp at § 3.7.3.4; Portland General at § 18.3.3.5.

<sup>26</sup> Deseret at § B.7.4.1; Idaho Power at § 18.4.1; NorthWestern at § 3.7.4.1; PacifiCorp at § 3.7.4.1; Portland General at § 18.4.1.

<sup>27</sup> Deseret at § B.7.3.2; Idaho Power at § 18.3.2; NorthWestern at § 3.7.3.2; PacifiCorp at § 3.7.3.2; Portland General at § 18.3.2.

solution” for the NTTG footprint.<sup>28</sup> Further, the Filing Parties also revised their respective Attachment Ks to provide that, during the Planning Committee’s analysis conducted during Quarters 3 and 4, the Planning Committee will consider identified transmission needs vis-à-vis the projects identified in the Biennial Study Plan and may determine whether there are other alternatives, including unsponsored projects, that more efficiently or cost effectively meet the region’s transmission needs.<sup>29</sup>

Fourth, in response to the April 17 Order, the Filing Parties have revised their respective Attachment Ks to provide that stakeholders may submit comments during the Quarter 5 review of the Draft Regional Transmission Plan that include identification of a new unsponsored project.<sup>30</sup> The Planning Committee will consider the new unsponsored project, to the extent feasible, so long as consideration of the new unsponsored project will not delay the development of the Regional Transmission Plan.<sup>31</sup> If the Planning Committee determines that it is infeasible to consider the new unsponsored project without delaying the plan, then the project will be noted in the Regional Transmission Plan and carried forward for consideration in the following Regional Planning Cycle.<sup>32</sup>

Lastly, the Filing Parties revised their respective Attachment Ks to clarify that any unsponsored project in the Final Regional Transmission Plan may be resubmitted as a Sponsored Project by a pre-qualified Project Sponsor for consideration in the following Regional Planning Cycle for purposes of cost allocation.<sup>33</sup> Such projects resubmitted in the next Regional Planning Cycle shall be subject to reevaluation until the project is “Committed,” as defined in the Filing Parties’ respective Attachment Ks.

#### **4. Consideration of Transmission Needs Driven by Public Policy Requirements—Incorporating Consideration of Transmission Needs Driven by Public Policy Requirements in the Regional Transmission Planning Process**

In the April 17 Order, the Commission found that the Filing Parties’ proposed Attachment K revisions regarding the consideration of transmission needs driven by public policy requirements were fully compliant, subject to one conforming modification.<sup>34</sup> The

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<sup>28</sup> Deseret at § B.7.4.1; Idaho Power at § 18.4.1; NorthWestern at § 3.7.4.1; PacifiCorp at § 3.7.4.1; Portland General at § 18.4.1.

<sup>29</sup> Deseret at § B.7.4.3; Idaho Power at § 18.4.3; NorthWestern at § 3.7.4.3; PacifiCorp at § 3.7.4.3; Portland General at § 18.4.3.

<sup>30</sup> Deseret at § B.7.5.2; Idaho Power at § 18.5.2; NorthWestern at § 3.7.5.2; PacifiCorp at § 3.7.5.2; Portland General at § 18.5.2.

<sup>31</sup> Deseret at § B.7.5.2; Idaho Power at § 18.5.2; NorthWestern at § 3.7.5.2; PacifiCorp at § 3.7.5.2; Portland General at § 18.5.2.

<sup>32</sup> Deseret at § B.7.5.2; Idaho Power at § 18.5.2; NorthWestern at § 3.7.5.2; PacifiCorp at § 3.7.5.2; Portland General at § 18.5.2.

<sup>33</sup> Deseret at § B.7.8; Idaho Power at § 18.8; NorthWestern at § 3.7.8; PacifiCorp at § 3.7.8; Portland General at § 18.8.

<sup>34</sup> April 17 Order at P 82.

Commission specifically directed the Filing Parties to make one further modification to conform terminology used in the Filing Parties' OATTs to the terminology used in Order No. 1000.<sup>35</sup> The Commission directed the Filing Parties to submit revised tariff language that corrects references to *transmission needs* driven by public policy requirements and public policy considerations.<sup>36</sup>

In response to the Commission's directive in the April 17 Order, the Filing Parties have made the suggested revision. Specifically, the Filing Parties have revised their respective Attachment Ks to require the posting of "transmission needs driven by Public Policy Requirements and Public Policy Considerations that were and were not considered" by the Steering Committee, which information shall be in addition to the posting of Public Policy Requirements and Public Policy Considerations evaluated and considered by the Steering Committee.<sup>37</sup> All of this information will be posted on NTTG's website.<sup>38</sup>

## **B. Nonincumbent Transmission Developer Reforms**

### **1. Qualification Criteria**

In the April 17 Order, the Commission found that the Filing Parties' proposed Attachment K revisions partially complied with the Order No. 1000 qualification criteria for determining an entity's eligibility to propose a transmission project for selection in the Regional Transmission Plan for purposes of cost allocation.<sup>39</sup> Specifically, the Commission directed the Filing Parties to remove from Attachment K the requirement that a prospective transmission developer must have retained the third-party contractor(s), through executed contracts, to meet the qualification criteria to be eligible to submit a bid to develop a transmission facility selected in the Regional Transmission Plan for purposes of cost allocation.<sup>40</sup>

In response to the April 17 Order, the Filing Parties have made revisions to the qualification requirements identified in their respective Attachment Ks.<sup>41</sup> In particular, the Filing Parties revised the sponsor qualification data requirements such that the Project Sponsor must, instead, merely identify its third-party contractor(s), to the extent it plans to use any contractor(s).<sup>42</sup> Additionally, the Filing Parties have added language to their respective Attachment Ks indicating that, to the extent any third-party contractor is not yet under contract,

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<sup>35</sup> April 17 Order at P 83.

<sup>36</sup> April 17 Order at P 83.

<sup>37</sup> Deseret at § B.7.3.3.4; Idaho Power at § 18.3.3.4; NorthWestern at § 3.7.3.3.4; PacifiCorp at § 3.7.3.3.4; Portland General at § 18.3.3.4.

<sup>38</sup> Deseret at § B.7.3.3.4; Idaho Power at § 18.3.3.4; NorthWestern at § 3.7.3.3.4; PacifiCorp at § 3.7.3.3.4; Portland General at § 18.3.3.4.

<sup>39</sup> April 17 Order at P 109.

<sup>40</sup> April 17 Order at P 110.

<sup>41</sup> Deseret at § B.7.1.2 – Table 1; Idaho Power at § 18.1.2 Table 1; NorthWestern at Table 1; PacifiCorp at Table 1; Portland General at Table 1.

<sup>42</sup> Deseret at § B.7.1.2 – Table 1; Idaho Power at § 18.1.2 Table 1; NorthWestern at Table 1; PacifiCorp at Table 1; Portland General at Table 1.



then the Project Sponsor must also provide information regarding when the Project Sponsor plans to enter into such an agreement.<sup>43</sup> Further, the Filing Parties added a requirement to their respective Attachment Ks that any changes to third-party contractor information or changes to the timeline for entering into a definitive agreement with such third-party contractor are material changes, meaning such information must be updated during Quarter 5.<sup>44</sup> In conjunction with the revisions to the qualification requirements contained in the Filing Parties' respective Attachment Ks, the Commission's April 17 Order also necessitated that the Filing Parties revise the "Sponsor Qualification Data Form," which is posted on NTTG's website and is used by project sponsors or stakeholders to submit the Quarter 1 data identified in the Filing Parties' respective Attachment Ks. The updated form will be posted on NTTG's website concurrently with the submission of this compliance filing to the Commission.

The Commission also found in the April 17 Order that the Filing Parties failed to justify their proposed financial qualification criterion that requires a transmission developer to demonstrate, in lieu of showing that it has an investment grade credit rating, that it or its parent company has been in existence for five years and has had positive working capital for the past three years.<sup>45</sup> As a result, the Commission directed the Filing Parties to revise their respective Attachment Ks and remove these financial demonstration requirements.<sup>46</sup> In response to the April 17 Order, the Filing Parties removed the five-year existence and three-year positive working capital requirements from their respective Attachment Ks.<sup>47</sup>

## **2. Information Requirements**

In the April 17 Order, the Commission found that the Filing Parties' proposed Attachment K revisions partially complied with the Order No. 1000 requirements regarding information requirements.<sup>48</sup> The Commission directed the Filing Parties to make a clarifying edit to their procedures governing the proposal of transmission projects for consideration in the regional transmission planning process.<sup>49</sup> The Commission noted that this edit would "ensure that stakeholders may submit ideas into the regional transmission planning process without being required to provide the full scope of information that Filing Parties proposed to require for sponsored and unsponsored transmission project proposals."<sup>50</sup> Therefore, the Commission indicated that the Filing Parties must clarify:

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<sup>43</sup> Deseret at § B.7.1.2 – Table 1; Idaho Power at § 18.1.2 Table 1; NorthWestern at Table 1; PacifiCorp at Table 1; Portland General at Table 1.

<sup>44</sup> Deseret at § B.7.5.2; Idaho Power at § 18.5.2; NorthWestern at § 3.7.5.2; PacifiCorp at § 3.7.5.2; Portland General at § 18.5.2.

<sup>45</sup> April 17 Order at P 114.

<sup>46</sup> April 17 Order at P 114.

<sup>47</sup> Deseret at § B.7.1.2 – Table 1; Idaho Power at § 18.1.2 Table 1; NorthWestern at Table 1; PacifiCorp at Table 1; Portland General at Table 1.

<sup>48</sup> April 17 Order at P 124.

<sup>49</sup> April 17 Order at P 125.

<sup>50</sup> April 17 Order at P 125.

[that] the information requirements applicable to entities proposing unsponsored transmission projects apply to those transmission projects that may be considered for selection in the regional transmission plan for purposes of cost allocation, and not for those potential transmission solutions that stakeholders may suggest as part of providing input into the NTTG regional transmission planning process.<sup>51</sup>

In response to the April 17 Order, the Filing Parties provide the Commission with further clarification. The Filing Parties respective Attachment Ks already allow the Planning Committee to consider in the Regional Transmission Plan any unsponsored projects lacking the information identified in Table 2.<sup>52</sup> In particular, if an “Applicant”<sup>53</sup> does not provide any of the information identified in Table 2, then the Planning Committee “will attempt to remedy deficiencies in the submitted information, including through informal communications with the Applicant.”<sup>54</sup> Further, if those efforts are not successful by April 15<sup>th</sup> of Quarter 2, then the Applicant’s request is deemed withdrawn.<sup>55</sup> However, the Planning Committee may still consider the “incomplete data in its consideration of whether to include an unsponsored project that resembles a project set forth in a withdrawn submission.”<sup>56</sup> Therefore, the Planning Committee may, at its discretion, use the incomplete data from a stakeholder-submitted unsponsored project to propose an unsponsored project, which resembles the stakeholder-submitted project, for consideration in the Regional Transmission Plan. The Filing Parties also clarify that this language does not allow the Planning Committee to submit such a project for purposes of cost allocation. Given the fact that the tariff already contains the clarity sought by the Commission, the Filing Parties respectfully submit that further revisions to their respective Attachment Ks are not necessary.

### **3. Evaluation Process for Transmission Proposals for Selection in the Regional Transmission Plan for Purposes of Cost Allocation**

In the April 17 Order, the Commission found that the Filing Parties’ proposed Attachment K revisions partially complied with the evaluation process for transmission proposals for selection in the Regional Transmission Plan for purposes of cost allocation.<sup>57</sup> In particular, the Commission found that the Filing Parties’ proposed revisions complied, subject to

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<sup>51</sup> April 17 Order at P 125.

<sup>52</sup> Deseret at § B.7.2.6; Idaho Power at § 18.2.6; NorthWestern at § 3.7.2.6; PacifiCorp at § 3.7.2.6; Portland General at § 18.2.6.

<sup>53</sup> An “Applicant” is defined to include a sponsored project and an unsponsored project submitted by a stakeholder. *See*, Deseret at § B.7.2.2; Idaho Power at § 18.2.2; NorthWestern at § 3.7.2.2; PacifiCorp at § 3.7.2.2; Portland General at § 18.2.2.

<sup>54</sup> Deseret at § B.7.2.6; Idaho Power at § 18.2.6; NorthWestern at § 3.7.2.6; PacifiCorp at § 3.7.2.6; Portland General at § 18.2.6.

<sup>55</sup> Deseret at § B.7.2.6; Idaho Power at § 18.2.6; NorthWestern at § 3.7.2.6; PacifiCorp at § 3.7.2.6; Portland General at § 18.2.6.

<sup>56</sup> Deseret at § B.7.2.6; Idaho Power at § 18.2.6; NorthWestern at § 3.7.2.6; PacifiCorp at § 3.7.2.6; Portland General at § 18.2.6.

<sup>57</sup> April 17 Order at P 141.

one additional clarification.<sup>58</sup> The Commission directed the Filing Parties to revise their respective OATTs “to clarify the definition of monetized non-financial incremental costs.”<sup>59</sup>

In response to the April 17 Order, the Filing Parties revised their respective Attachment Ks to provide the required clarification.<sup>60</sup> Specifically, the Filing Parties’ respective Attachment Ks define “Monetized Non-Financial Incremental Costs” as “those incremental costs associated with an Alternative Project that are not directly evaluated and measured in dollars of changed revenues, expenses, or capital investment.”<sup>61</sup> The Filing Parties also clarified in their respective Attachment Ks that these incremental costs, considering that they are non-financial in nature, will be “monetized by applying an appropriate index or conversion factor to convert the units in which the incremental costs were directly evaluated and measured into a dollar value.”<sup>62</sup>

#### **4. Cost Allocation for Transmission Facilities Selected in the Regional Transmission Plan for Purposes of Cost Allocation**

In the April 17 Order, the Commission found that the Filing Parties’ proposed Attachment K revisions failed to comply with the Order No. 1000 obligation that the regional transmission planning process must have a fair and not unduly discriminatory mechanism to grant to an incumbent transmission provider or nonincumbent transmission developer the right to use the regional cost allocation method for transmission facilities selected in the Regional Transmission Plan for purposes of cost allocation.<sup>63</sup> Specifically, the Commission stated:

We find it remains unclear whether or how a transmission developer (whether incumbent or nonincumbent) would be granted the right to use the regional cost allocation method for an unsponsored transmission project that is selected as a more efficient or cost-effective transmission solution in the regional transmission plan for purposes of cost allocation.<sup>64</sup>

Therefore, the Commission directed the Filing Parties to submit revisions to their respective OATTs “to provide a fair and not unduly discriminatory mechanism that the NTTG regional transmission planning process will use to grant a transmission developer the right to use the regional cost allocation method for an unsponsored transmission facility.”<sup>65</sup>

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<sup>58</sup> April 17 Order at P 144.

<sup>59</sup> April 17 Order at P 144.

<sup>60</sup> Deseret at Definitions and § B.7.4.1; Idaho Power at §§ 1.29, 18.4.1; NorthWestern at §§ 1.29, 3.7.4.1; PacifiCorp at §§ 1.29, 3.7.4.1; Portland General at §§ 1.29, 18.4.1.

<sup>61</sup> Deseret at Definitions and § B.7.4.1; Idaho Power at §§ 1.29, 18.4.1; NorthWestern at §§ 1.29, 3.7.4.1; PacifiCorp at §§ 1.29, 3.7.4.1; Portland General at §§ 1.29, 18.4.1.

<sup>62</sup> Deseret at Definitions and § B.7.4.1; Idaho Power at §§ 1.29, 18.4.1; NorthWestern at §§ 1.29, 3.7.4.1; PacifiCorp at §§ 1.29, 3.7.4.1; Portland General at §§ 1.29, 18.4.1.

<sup>63</sup> April 17 Order at P 160.

<sup>64</sup> April 17 Order at P 160 (emphasis added).

<sup>65</sup> April 17 Order at P 161.

In response to the April 17 Order, the Filing Parties have made revisions to their respective Attachment Ks, in addition to providing the following additional clarification. First, the Filing Parties have revised their respective Attachment Ks to provide that an unsponsored project may be resubmitted in the next Regional Planning Cycle for purposes of cost allocation as a Sponsored Project, if a pre-qualified Project Sponsor elects to resubmit such a project.<sup>66</sup> Unless the unsponsored project qualifies as “Committed” under the Filing Parties’ respective Attachment Ks, the project will be subject to reevaluation for purposes of cost allocation in the subsequent Regional Planning Cycle, which is the same treatment as is given to any other project that is not “Committed.”<sup>67</sup>

Also in response to the Commission’s April 17 Order, the Filing Parties provide the following clarification. After pre-qualified entities submit their Sponsored Projects for purposes of cost allocation during Quarter 1,<sup>68</sup> the Sponsored Projects remained fixed for the remainder of the Regional Planning Cycle. That is, the NTTG regional planning process does not allow for an unsponsored project considered for purposes of cost allocation to become sponsored during the current Regional Planning Cycle. However, at any time any entity may begin development of an unsponsored project. Such activities are outside the scope of NTTG.

The Filing Parties have revised their respective Attachment Ks to clarify that any entity that pre-qualifies as a Project Sponsor may submit a previously unsponsored project as a Sponsored Project during the next cycle for purposes of cost allocation.<sup>69</sup> Once the project is resubmitted in the next Regional Planning Cycle, it will be evaluated as any other project would be evaluated, which includes reevaluation of cost allocation so long as the project is not “Committed.”<sup>70</sup> As noted in the Filing Parties’ respective Attachment Ks, in order to qualify as “Committed,” the project must have “all permits and rights of way required for construction” before the conclusion of Quarter 1.<sup>71</sup> Thus, development of an unsponsored project before the next Regional Planning Cycle is required for the unsponsored project to be considered “Committed” during the following Regional Planning Cycle.

### **C. Cost Allocation—Ownership Rights**

In the April 17 Order, the Commission found that the Filing Parties’ proposed Attachment K revisions partially complied with the cost allocation method and data requirements

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<sup>66</sup> Deseret at § B.7.8; Idaho Power at § 18.8; NorthWestern at § 3.7.8; PacifiCorp at § 3.7.8; Portland General at § 18.8.

<sup>67</sup> Deseret at §§ B.7.8 and B.9.1; Idaho Power at §§ 18.8, 20.1; NorthWestern at §§ 3.7.8; 3.9.1; PacifiCorp at §§ 3.7.8, 3.9.1; Portland General at §§ 18.8, 20.1.

<sup>68</sup> Deseret at §§ B.7.1 and B.7.2; Idaho Power at §§ 18.1, 18.2; NorthWestern at §§ 3.7.1; 3.7.2; PacifiCorp at §§ 3.7.1, 3.7.2; Portland General at §§ 18.1, 18.2.

<sup>69</sup> Deseret at § B.7.8; Idaho Power at § 18.8; NorthWestern at § 3.7.8; PacifiCorp at § 3.7.8; Portland General at § 18.8.

<sup>70</sup> Deseret at § B.9.1; Idaho Power at § 20.1; NorthWestern at § 3.9.1; PacifiCorp at § 3.9.1; Portland General at § 20.1.

<sup>71</sup> Deseret at § B.9.1; Idaho Power at § 20.1; NorthWestern at § 3.9.1; PacifiCorp at § 3.9.1; Portland General at § 20.1.

for determining benefits and identifying beneficiaries for a transmission facility.<sup>72</sup> The Commission directed the Filing Parties to revise their respective Attachment Ks to “explain what ‘ownership-like rights’ are and to provide additional detail regarding what ‘ownership-like rights’ may be assumed as part of the regional transmission planning process.”<sup>73</sup>

In response to the April 17 Order, the Filing Parties have revised their respective Attachment Ks to include the clarification directed by the Commission.<sup>74</sup> Particularly, “ownership-like rights” refers to “those arrangements where an entity has rights in certain transmission facilities or a transmission path owned by another entity (or entities), which are based upon a percentage of the facility or path’s rated capacity, and which rights remain through the in-service life of the facility or path.”<sup>75</sup> The Filing Parties also clarify that this definition is intended to capture the various ownership structures that have been previously approved by the Commission, which includes a certain level of flexibility in ownership structure that is intended to facilitate the construction, ownership, and maintenance of additional transmission facilities.

### **III. EFFECTIVE DATE**

The Filing Parties request an effective date for the modifications to their respective Attachment Ks, and the modified Funding Agreement and Finance Agent Agreement, equal to the date of this filing, rather than the October 1, 2013 effective date set forth in the April 17 Order. This request is supported by the clarification provided by the Commission with respect to the Filing Party’s September 16, 2013 filing:

[I]f the Commission directs any further revisions to the NTTG regional transmission planning process in response to the September 16, 2013 compliance filings, Movants would be required to implement those further revisions prospectively. However, to the extent any ordered changes can reasonably be implemented during the current (i.e., 2014-2015) planning cycle without disrupting the regional transmission planning process, Movants may implement those changes in the current planning cycle.<sup>76</sup>

The Filing Parties are nearing completion of Quarter 2 of their 2014-2015 Regional Planning Cycle and, thus, cannot implement the modifications related to the portions of the planning cycle that have passed. Therefore from the date of filing, the Filing Parties intend to implement the modifications set forth in this filing applicable to remaining quarters of the current planning cycle. However, it must be recognized that it may not be possible for the Filing Parties to fully

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<sup>72</sup> April 17 Order at P 204.

<sup>73</sup> April 17 Order at P 205.

<sup>74</sup> Deseret at § B.8.2.2; Idaho Power at § 19.2.2; NorthWestern at § 3.8.2.2; PacifiCorp at § 3.8.2.2; Portland General at § 19.2.2.

<sup>75</sup> Deseret at § B.8.2.2; Idaho Power at § 19.2.2; NorthWestern at § 3.8.2.2; PacifiCorp at § 3.8.2.2; Portland General at § 19.2.2.

<sup>76</sup> Letter Order, 145 FERC ¶ 61,060 (2013).

implement, during the remaining quarters of the current planning cycle, provisions that relate back to changes proposed in prior quarters that were not implemented.

#### **IV. WAIVERS**

To the extent necessary, the Filing Parties respectfully request a waiver of any of the filing requirements set out in 18 C.F.R. Part 35 that are not otherwise provided or addressed herein.

#### **V. ADDITIONAL INFORMATION RELATED TO COMPLIANCE FILING**

This compliance filing consists of this transmittal letter, and the following attachments:

Attachment 1: Clean version of the Filing Party's respective Attachment K;

Attachment 2: Red-lined version of the Filing Party's respective Attachment K;

Attachment 3: Clean version of the Funding Agreement (including the Funding Agent Agreement), which will be filed via eTariff solely by Portland General as the designated filer;<sup>77</sup> and

Attachment 4: Red-lined version of the Funding Agreement (including the Funding Agent Agreement), which will be filed by Portland General as the designated filer.

#### **VI. COMMUNICATIONS**

Communications concerning this filing should be directed to the following representatives of the Applicants:

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<sup>77</sup> Each of the other Filing Parties already has a certificate of concurrence in its eTariff records for the Funding Agreement.

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\* Designated to receive service in accordance with Section 385.2010 of the  
Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

**VII. CONCLUSION**

For the reasons set forth above, the Filing Parties request that the Commission find the changes to each of Deseret, Idaho Power, NorthWestern, PacifiCorp, and Portland General's respective Attachment K provisions submitted herewith, along with the changes set forth in the Funding Agreement and the Finance Agent Agreement, to be in full compliance with the relevant provisions of Order No. 1000 and the April 17 Order and permit the proposed changes to become effective as set forth above.

Respectfully submitted this 13<sup>th</sup> day of June, 2014.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

/s/ Craig Silverstein

By \_\_\_\_\_  
Craig W. Silverstein  
Attorney for Deseret Generation &  
Transmission Co-operative, Inc.

NORTHWESTERN CORPORATION

/s/ Andrew McLain

By \_\_\_\_\_  
M. Andrew McLain  
Attorney for NorthWestern  
Corporation

IDAHO POWER COMPANY

/s/ Julia Hilton

By \_\_\_\_\_  
Julia Hilton  
Attorney for Idaho Power Company

PACIFICORP

/s/ Mark Rabuano

By \_\_\_\_\_  
Mark M. Rabuano  
Attorney for PacifiCorp



Ms. Kimberly D. Bose  
June 13, 2014  
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PORTLAND GENERAL ELECTRIC  
COMPANY

/s/ Donald Light

By \_\_\_\_\_  
Donald J. Light  
Attorney for Portland General  
Electric Company

cc: Christopher Thomas, FERC

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designed on the official service list compiled by the Secretary in Docket Nos. ER13-64-001, ER13-65-001, ER13-67-001, ER13-68-001, ER13-127-001, ER14-250-000, ER14-251-000, ER14-249-000, and ER14-241-000.

Dated this 13<sup>th</sup> day of June, 2014.

/s/ Malcolm McLellan

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Malcolm McLellan

## **Attachment 1**

### **Clean Version of Filing Party's Attachment K**

# **ATTACHMENT K**

## **Transmission Planning Process**

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## **ATTACHMENT K**

### **Transmission Planning Process**

#### **Preamble**

In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, regional, interregional, and interconnection-wide basis. Part A of this Attachment K addresses the local planning process. Part B of this Attachment K addresses the regional planning process. Part C of this Attachment K addresses interregional coordination with the planning regions in the United States portion of the Western Interconnection. Part D of this Attachment K addresses the interconnection-wide planning process.

The Transmission Provider is responsible for maintaining its Transmission System and planning for transmission and generator interconnection service pursuant to the Tariff and other agreements. The Transmission Provider retains the responsibility for the local planning process and Transmission System Plan and may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation.

#### **1. Definitions**

Unless defined below,<sup>1</sup> capitalized terms shall refer to terms defined in the Tariff.

##### **1.1 Alternative Project**

Alternative Project is defined in Section 18.3.2 and collectively refers to Sponsored Projects, projects submitted by stakeholders, projects submitted by Merchant Transmission Developers, and unsponsored projects identified by the Planning Committee (if any).

##### **1.2 Annual Capital-Related Costs**

Annual Capital-Related Costs is defined in Section 18.4.2.

##### **1.3 Applicant**

Applicant is defined in Section 18.2.2 as a Project Sponsor and a stakeholder that submits an unsponsored project.

##### **1.4 Beneficiary**

Beneficiary means any entity, including but not limited to transmission providers (both incumbent and non-incumbent), Merchant Transmission Developers, load serving entities, transmission

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<sup>1</sup> Please note that additional definitions with respect to interregional coordination and cost allocation are contained in Section C of this Attachment K, which contains provisions that are common among each of the planning regions in the United States portion of the Western Interconnection.

customers or generators that utilize the regional transmission system within the NTTG Footprint to transmit energy or provide other energy-related services.

### **1.5 Biennial Study Plan**

Biennial Study Plan means the study plan used to produce the Regional Transmission Plan, as approved by the NTTG Steering Committee. The Biennial Study Plan is described in Section 18.3.2.

### **1.6 Change Case**

A Change Case is defined in Section 18.4.1 as a scenario where one or more of the Alternative Projects is added to or replaces one or more non-Committed Projects in the Initial Regional Plan. The deletion or deferral of a non-Committed Project in the Initial Regional Plan without including an Alternative Project can also be a Change Case.

### **1.7 Committed Project**

A Committed Project is defined in Section 20.1 as a project that has all permits and rights of way required for construction, as identified in the submitted development schedule, by the end of Quarter 1 of the current Regional Planning Cycle.

### **1.8 Confidentiality Agreement**

Confidentiality Agreement means the agreement posted on the Transmission Provider's OASIS at <http://www.oasis.oati.com/ipco/index.html>. The Confidentiality Agreement is used to provide confidential information as referenced in Section 11.3 and 15.2.

### **1.9 Cost Allocation Committee**

The Cost Allocation Committee is defined in Section 12.2.

### **1.10 Cost Allocation Committee Charter**

The Cost Allocation Committee Charter means the document attached as Exhibit D to this Attachment K.

### **1.11 Cost Allocation Data Form**

Cost Allocation Data Form means the form posted on NTTG's Website used to submit a project requesting cost allocation as referenced in Section 18.2.3 and 18.5.2.

### **1.12 Critical Energy Infrastructure Information ("CEII")**

Critical Energy Infrastructure Information is defined by the Commission's regulations in 18 C.F.R. Part 388 (or any successor thereto) and associated orders issued by the Commission.



### **1.13 Data Submittal Form**

Data Submittal Form means the form posted on NTTG's Website used to submit projects and project information for consideration and is used to submit updated project information as referenced in Section 18.2.1.

### **1.14 Demand Resources**

Demand Resources shall mean mechanisms to manage demand for power in response to supply conditions, for example, having electricity customers reduce their consumption at critical times or in response to market prices. For purposes of this Attachment K, this methodology is focused on curtailing demand to avoid the need to plan new sources of generation or transmission capacity.

### **1.15 Draft Regional Transmission Plan**

Draft Regional Transmission plan means the version of the Regional Transmission Plan that is produced by the end of Quarter 4, as provided for in Section 18.4.5, and presented to stakeholders for comment in Quarter 5 as set forth in Section 18.5.

### **1.16 Draft Final Regional Transmission Plan**

Draft Final Regional Transmission Plan means the version of the Regional Transmission Plan that is produced by the end of Quarter 6, as provided for in Section 18.6.3, presented to stakeholders for comment in Quarter 7 as set forth in Section 18.7, and presented, with any necessary modifications, to the Steering Committee for adoption in Quarter 8 as set forth in Section 18.8.

### **1.17 Economic Study or Economic Congestion Study:**

Economic Study or Economic Congestion Study means an assessment to determine whether transmission upgrades can reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers taking service under the Tariff.

### **1.18 Economic Study Request or Economic Congestion Study Request**

Economic Study Request or Economic Congestion Study Request means a written request by an Eligible Customer or stakeholder to the Transmission Provider, asking the Transmission Provider to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Transmission System Plan (as an Economic Study Request), to reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers. Economic Study Requests are used in the context of local, regional, and interconnection-wide processes.

### **1.19 Economic Study Request Form**

Economic Study Request Form means the form posted on NTTG's Website used to submit an Economic Study Request as referenced in Section 23.1.

## **1.20 Finance Agent Agreement**

Finance Agent Agreement means Exhibit B to the Funding Agreement and identifies the entity responsible for performing the finance agent tasks set forth in the Funding Agreement.

## **1.21 Funding Agreement**

Funding Agreement means the current version of the agreement among the entities funding the activities of NTTG. The Funding Agreement is available on the NTTG Website.

## **1.22 Incumbent Transmission Developer**

Incumbent Transmission Developer means an entity that develops a transmission project within its own retail distribution service territory or footprint.

## **1.23 Interconnection-wide Economic Study Request**

Interconnection-wide Economic Study Request shall mean an Economic Study Request where there is a Point of Receipt or Point of Delivery within the NTTG Footprint, as determined by the Planning Committee, and the Point of Delivery or Point of Receipt, respectively, is both within the Western Interconnection and outside the NTTG Footprint. In the alternative, if the Economic Study Request is reasonably determined by the Planning Committee to be an Interconnection-wide Economic Study Request from a geographical and electrical perspective, including, but not limited to an evaluation determining that the study request utilizes only WECC member interconnection transmission systems, the study request will be considered an Interconnection-wide Economic Study Request.

## **1.24 Initial Regional Plan**

Initial Regional Plan is defined in Section 18.3.2 to include projects included in the prior Regional Transmission Plan and projects included in the Full Funders Local Transmission Plans.

## **1.25 Local Economic Study Request**

Local Economic Study Request means an Economic Study Request where (1) the Point(s) of Receipt and Point(s) of Delivery are all within the Transmission System of the Transmission Provider and the Point(s) of Receipt and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, or (2) is otherwise reasonably determined by the Planning Committee (if the request is received by the NTTG Planning Committee) or the Transmission Provider (if the request is received by the Transmission Provider) to be a local request from a geographical and electrical perspective, including, but not limited to an evaluation determining that the study request does not affect other interconnected transmission systems.

## **1.26 Local Planning Meeting:**

Local Planning Meeting shall mean the quarterly meetings held by Transmission Provider pursuant to Attachment K to the Tariff.

### **1.27 Local Transmission Plan or LTP:**

**Local Transmission Plan or LTP** shall mean the Transmission Provider's transmission plan that identifies the upgrades and other investments to the Transmission System and Demand Resources necessary to reliably satisfy, over the planning horizon, the following: Network Customers' resource and load growth expectations for designated Network Load and Network Resource additions; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's transmission obligations for Public Policy Requirements; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's Point-to-Point Transmission Customers' projected service needs including obligations for rollover rights.

### **1.28 Merchant Transmission Developer**

Merchant Transmission Developer shall mean an entity that assumes all financial risk for developing and constructing its transmission project. A Merchant Transmission Developer recovers the costs of constructing the proposed transmission project through negotiated rates instead of cost-based rates. A Merchant Transmission Developer does not seek to allocate the costs associated with its merchant transmission facilities to other entities.

### **1.29 Monetized Non-Financial Incremental Costs**

Monetized Non-Financial Incremental Costs are defined in Section 18.4.1.

### **1.30 NTTG**

**NTTG** shall mean Northern Tier Transmission Group or its successor organization.

### **1.31 NTTG Footprint**

NTTG Footprint means the geographic area comprised of the Transmission Systems in the Western Interconnection of the entities enrolled in NTTG as Full Funders.

### **1.32 NTTG Website**

NTTG Website means [www.nttg.biz](http://www.nttg.biz).

### **1.33 Nonincumbent Transmission Developer**

Nonincumbent Transmission Developer refers to two categories of transmission developer: (1) a transmission developer that does not have a retail distribution service territory or footprint and (2) a public utility transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint, where it is not the incumbent for purposes of that project.

### **1.34 Ownership-Like Rights**

Ownership-Like Rights are defined in Section 19.2.2.

### **1.35 Planning Committee**

Planning Committee is defined in Section 12.2.

### **1.36 Planning Committee Charter**

Planning Committee Charter means the document attached as Exhibit C to this Attachment K.

### **1.37 Project Sponsor**

Project Sponsor is defined in Section 18.1.1 as the Nonincumbent Transmission Provider or Incumbent Transmission Provider intending to develop the project that is submitted into the planning process.

### **1.38 Public Policy Considerations**

Public Policy Considerations shall mean those public policy considerations that are not established by local, state, or federal laws or regulations.

### **1.39 Public Policy Requirements**

Public Policy Requirements shall mean those public policy requirements that are established by local, state, or federal laws or regulations, meaning enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction.

### **1.40 Regional Economic Study Request**

Regional Economic Study Request means an Economic Study Request where: (1) Point(s) of Receipt and Point(s) of Delivery are all within the NTTG Footprint, as determined by the Transmission Provider (if the request is received by the Transmission Provider) or the NTTG Planning Committee (if the request is received by the Planning Committee), and Point(s) of Receipt and Point(s) of delivery utilize only Funding Agreement member scheduling paths, or (2) is otherwise reasonably determined by the Transmission Provider or Planning Committee to be a regional request from a geographical and electrical perspective, including but not limited to an evaluation determining that the study request utilizes the interconnected transmission systems of Funding Agreement members.

### **1.41 Regional Planning Cycle**

Regional Planning Cycle shall mean NTTG's eight-quarter biennial planning cycle that commences in even-numbered years and results in the Regional Transmission Plan.

### **1.42 Regional Transmission Plan**

Regional Transmission Plan means the current, final regional transmission plan, as approved by the Steering Committee.

### **1.43 Sponsor Qualification Data Form**

Sponsor Qualification Data Form means the form posted on NTTG's Website used to submit sponsor qualification data for a proposed Sponsored Project as referenced in Sections 18.1.2 and 18.5.2.

#### **1.44 Sponsored Project**

Sponsored Project shall mean the project proposed by a Project Sponsor.

#### **1.45 Steering Committee**

Steering Committee is defined in Section 12.2.

#### **1.46 Steering Committee Charter:**

Steering Committee Charter means the document attached as Exhibit B to this Attachment K.

#### **1.47 TEPPC**

TEPPC means Transmission Expansion Planning Policy Committee or its successor committee within WECC.

#### **1.48 WECC**

WECC means Western Electricity Coordinating Council or its successor organization.

## **Part B. Regional Planning Process**

### **Governance and Participation**

#### **12. Governance**

##### **12.1 About NTTG**

NTTG is a trade name of the utilities and state representatives that are participating in the development of a Regional Transmission Plan that evaluates whether transmission needs within the NTTG Footprint may be satisfied on a regional and interregional basis more efficiently or cost effectively than through local planning processes. While the Regional Transmission Plan is not a construction plan, it provides valuable regional insight and information for all stakeholders (including developers) to consider and use in their respective decision-making processes.

##### **12.2 Committees**

NTTG has four standing committees: Steering Committee, Planning Committee, Cost Allocation Committee, and transmission use committee. The Steering Committee, which operates pursuant to the Steering Committee Charter, is charged with the tasks of approving the Regional Transmission Plan in accordance with this Attachment K, and governing the activities of NTTG. The Planning Committee, which is governed by the Planning Committee Charter, is charged with the task of producing the Regional Transmission Plan (inclusive of regional Economic Congestion Studies) in accordance with this Attachment K. The Cost Allocation Committee, which is governed by the Cost Allocation Committee Charter, is charged with the task of allocating costs to Beneficiaries of transmission projects selected into the Regional Transmission Plan for cost allocation purposes in accordance with this Attachment K. The transmission use committee, which is governed by the transmission use committee charter, and acts outside the scope of this Attachment K, is responsible for increasing the efficiency of the transmission system through commercially reasonable initiatives and increasing customer knowledge of, and transparency into, the transmission system.

#### **3. Participation Through Enrollment or Membership**

##### **13.1 Enrollment**

Enrollment obligations are specified in Section 13.3 below. An entity may enroll in NTTG by becoming a funder as specified in Section 13.3 below.

## 13.2 Membership

Membership rights are specified in the committee charters. An entity may become a member of the following:

- a. Planning Committee as specified in the Planning Committee Charter,
- b. Cost Allocation Committee as specified in the Cost Allocation Committee Charter, and
- c. Steering Committee as specified in the Steering Committee Charter.

## 13.3 Funder of NTTG

13.3.1 Eligibility. An entity that meets the definition of “Nominal Funder” or “Full Funder” as defined in the Funding Agreement is eligible to join NTTG as a funder.

13.3.2 Funding Enrollment Process. An eligible entity will be enrolled in NTTG as a Full Funder on the date the requirements of (a), (b), and either (c) or (d) are satisfied. An eligible entity will be enrolled in NTTG as a Nominal Funder on the date the requirements of (a) and (b) are satisfied.

- a. Entity becomes a party to the currently effective Funding Agreement, and complies with the obligations necessary for the agreement to become effective.
- b. Entity becomes a party to the currently effective Finance Agent Agreement.
- c. If an entity intending to become a Full Funder is a public utility, the Commission accepts the filing of an Open Access Transmission Tariff by the entity with regional, interregional, and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection.
- d. If an entity intending to become a Full Funder is not a public utility, then the entity shall adopt and post on its website a reciprocity Open Access Transmission Tariff or other agreement(s) providing for comparable transmission service, each including regional, interregional, and interconnection-wide planning provisions for its transmission facilities located in the Western Interconnection that are the same as those expressed in Attachment K of the other Full Funders

that are public utilities for their transmission facilities located in the Western Interconnection (each referred to as an “**NJ Attachment K**”).

- 13.3.3 Funder Enrollment Obligations. Upon enrollment and to maintain enrollment in good standing, an entity enrolled as a Nominal Funder agrees to the requirements of (a), (b), and (c); an entity enrolled as a Full Funder agrees to the requirements of (a), (b), and (d); and if a non-public utility, the entity agrees to the requirements of (a), (b), and (e).
- a. Agrees to be bound by the decisions that have been made by the Steering Committee, the Planning Committee, the Cost Allocation Committee, and such other committees as exist, up to and including the date of enrollment.
  - b. Agrees to resolve disputes according to the dispute resolution process set forth in Attachment K, from the date of enrollment and throughout the period of enrollment.
  - c. Agrees not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement.
  - d. A Full Funder that is a public utility agrees:
    - i. To implement the provisions of its Open Access Transmission Tariff providing for comparable transmission service including Attachment K; and
    - ii. To modify its Open Access Transmission Tariff, Funding Agreement, and Finance Agent Agreement consistent with FERC orders.
  - e. A Full Funder that is not a public utility agrees:
    - i. To implement the provisions of its NJ Attachment K;
    - ii. To modify its NJ Attachment K, Funding Agreement, and Finance Agent Agreement, consistent with FERC orders, except that a non-public utility Full Funder need not file its NJ Attachment K, Funding Agreement, and Finance Agent Agreement;



- iii. Not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement; and
- iv. Not to include a provision in its NJ Attachment K that conflicts with a provision in the Open Access Transmission Tariff including Attachment Ks of a Full Funder that is a public utility.

13.3.4 Funder Termination of Enrollment. An entity ceases being enrolled in NTTG as a funder on the date the Steering Committee determines that the entity satisfied the requirements of (a) and (b) below. Promptly following such date, such entity, if a non-public utility, shall satisfy requirement (c), and if a public utility, shall satisfy requirement (d).

- a. The entity is no longer a party to the Funding Agreement or Finance Agent Agreement
- b. The entity violates an applicable requirement set forth in Section 13.3.3.
- c. A non-public utility shall revoke and remove from its website the NJ Attachment K.
- d. A public utility shall file with the Commission an Attachment K in place of the Attachment K specified in Section 13.3.2.

13.3.5 Identification of Full Funders. The following entities are enrolled in NTTG as Full Funders:

- a. Deseret Generation & Transmission Co-operative, Inc.,
- b. Idaho Power Company,
- c. NorthWestern Corporation,
- d. PacifiCorp, and
- e. Portland General Electric Company.

13.3.6 Identification of Nominal Funders. Utah Associated Municipal Power Systems is enrolled in NTTG as a Nominal Funder.

## **14. Stakeholder Participation**

### **14.1 Participation Through Public Meetings**

Any stakeholder may participate in Steering Committee, Planning Committee, and Cost Allocation Committee stakeholder meetings. The date, time, and location of the public meetings and meeting materials shall be posted on the NTTG Website as specified in the Steering Committee Charter, Planning Committee Charter, and Cost Allocation Committee Charter. Meetings may be held in person, telephonically, or by video or Internet conference.

### **14.2 Participation Through Committees**

Any stakeholder may participate in Steering Committee, Planning Committee, and Cost Allocation Committee meetings according to the terms and conditions of the Steering Committee Charter, Planning Committee Charter, and the Cost Allocation Committee Charter, respectively. The date, time, and location of the public committee meetings shall be posted on the NTTG Website not less than seven (7) days prior to each meeting, in addition to posting the meeting materials prior to the meeting, as specified in the Steering Committee Charter, Planning Committee Charter, and the Cost Allocation Committee Charter.

### **14.3 Participation Through Commenting**

In addition to commenting orally during stakeholder meetings as set forth in Section 14.1 or during committee meetings as set forth in Section 14.2, any stakeholder may submit written comments to a committee chair at any time through [info@nttg.biz](mailto:info@nttg.biz).

## **15. Sensitive Information**

### **15.1 Critical Energy Infrastructure Information**

Any participant in an NTTG process must adhere to the Commission's rules and/or guidelines concerning CEII. Additional information concerning CEII, including a summary list of the data that is determined by the supplying party to be deemed CEII, shall be posted on the Transmission Provider's OASIS and updated regularly.

### **15.2 Confidential Information**

In the event a participant in an NTTG process claims that information is confidential, another participant seeking access to such information must agree to adhere to the terms of

the Confidentiality Agreement. The form of Transmission Provider's Confidentiality Agreement shall be posted on the Transmission Provider's OASIS. Confidential information shall be disclosed in compliance with the Standards of Conduct, and provided only to those participants that require such information and execute the Confidentiality Agreement; provided however, any such information may be supplied to (i) federal, state, or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations or (ii) upon order of a court of competent jurisdiction.

## **16. Transmission Provider Participation**

### **16.1 Planning and Process**

Transmission Provider shall engage in regional transmission planning (including interregional coordination and interregional cost allocation) through NTTG. Transmission Provider shall support NTTG's planning and cost allocation processes through funding a share of NTTG as a Full Funder and providing employee support of NTTG's planning, cost allocation, and administrative efforts.

### **16.2 Project Identification**

Transmission Provider will use best efforts to facilitate NTTG conducting its regional planning process, using identified regional and interregional transmission service needs and transmission and non-transmission alternatives, to identify regional transmission projects (if any) that are more efficient or cost effective from a regional perspective than the transmission projects identified in the Local Transmission Plans developed by the participating transmission providers that are Full Funders.

### **16.3 Project Cost Allocation**

Transmission Provider, through its participation in NTTG, will support and use best efforts to ensure that NTTG, as part of its regional planning process, will determine benefits of projects and thereby allocate costs of projects (or in the case of interregional projects, portions of projects) selected for cost allocation as more fully described in Section 19.

### **16.4 Information Provided**

Transmission Provider will provide NTTG with:

- a. Its Local Transmission System Plan;
- b. Data used to develop its Local Transmission Plan including projections of network customer loads and resources, projected point-to-point transmission

service forecast information, existing and planned demand response resources, and stakeholder data described in Parts A and B;

- c. Updates to information about new or changed circumstances or data contained in the Local Transmission System Plan;
- d. Public Policy Requirements;
- e. Public Policy Considerations; and
- f. Any other project proposed for the Regional Transmission Plan.

## **16.5 Information Posted**

Subject to appropriate Critical Energy Infrastructure Information or other applicable regulatory restrictions, Transmission Provider will post on its OASIS:

- a. the Biennial Study Plan;
- b. Updates to the Biennial Study Plan (if any);
- c. The Regional Transmission Plan; and
- d. The start and end dates of the current Regional Planning Cycle, along with notices for each upcoming regional planning meeting that is open to all parties.

## **17. Dispute Resolution**

### **17.1 Scope**

Transmission Provider, signatories to the Planning Committee Membership Agreement, Eligible Customers, and stakeholders that participate in the regional planning process shall utilize the dispute resolution process set forth in this Section 17 to resolve procedural and substantive disputes related to the regional planning process.

### **17.2 Process**

Disputes shall be resolved according to the following process:

- a. *Step 1* - In the event of a dispute involving the NTTG Planning Committee or Cost Allocation Committee (for disputes involving the Steering Committee, proceed to Step 2), the disputing entity shall provide written notice of the dispute to the applicable Planning Committee or Cost Allocation Committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the Planning Committee or Cost Allocation

Committee to resolve the dispute. In the event the dispute is not resolved to the satisfaction of the disputing entity within 30 days of written notice of dispute to the applicable Planning Committee or Cost Allocation Committee chair, or such other period as may be mutually agreed upon, the disputing entity shall proceed to Step 2.

- b. *Step 2* - The Planning Committee or Cost Allocation Committee chair shall refer the dispute to the Steering Committee. In the event of a dispute involving the Steering Committee, the disputing entity shall provide written notice of the dispute to the Steering Committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the Steering Committee to resolve the dispute. Upon declaration of an impasse by the state co-chair of the Steering Committee, the disputing entity shall proceed to Step 3.
- c. *Step 3* - If the dispute is one that is within the scope of the WECC dispute resolution procedures (including a dispute that may be accommodated through modification of the WECC dispute resolution procedures through invocation of Section C.4 thereof), the disputing entity shall follow the mediation process defined in Appendix C of the WECC bylaws. If the dispute is *not* one that is within the scope of the WECC dispute resolution procedures or the WECC otherwise refuses to accept mediation of the dispute, the disputing entity may utilize the Commission's dispute resolution service to facilitate mediation of the dispute. If the dispute cannot be resolved in Step 3, the disputing entity shall proceed to Step 4.
- d. *Step 4* - If the dispute is one that is within the scope of the WECC dispute resolution procedures (including a dispute that may be accommodated through modification of the WECC dispute resolution procedures through invocation of Section C.4 thereof), the disputing entity shall follow the binding arbitration process defined in Appendix C of the WECC bylaws. If the dispute is not one that is within the scope of the WECC dispute resolution procedures or the WECC otherwise refuses to accept arbitration of the dispute, the disputing entity may invoke the arbitration procedures set out in Article 12 of the *pro forma* Open Access Transmission Tariff to resolve the dispute.

### **17.3 Timeliness**

To facilitate the completion of the Regional Transmission Plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this Section 17 be raised more than 30 days after a decision is made in the study process or the posting of a milestone document, whichever is earlier. Nothing contained in this Section 17 shall

restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.

## **Planning and Cost Allocation Processes**

### **18. Preparation of Regional Transmission Plan**

The Planning Committee will biennially prepare a long-term (10-year) bulk transmission expansion plan (the “Regional Transmission Plan”). The regional transmission planning process is comprised of the activities set forth in this Section during the Regional Planning Cycle.

#### **18.1 Pre-Qualify for Cost Allocation**

**18.1.1 Who Must Pre-Qualify.** A Nonincumbent Transmission Developer and an Incumbent Transmission Developer (a “Project Sponsor”) that intends to submit its project for cost allocation consideration, if the project is selected in the Regional Transmission Plan for cost allocation, must be pre-qualified by the Planning Committee in accordance with this Section 18.1, and remain qualified to be considered a Sponsored Project in subsequent Regional Transmission Plans.

**18.1.2 How to Pre-Qualify.** A Project Sponsor must submit the sponsor qualification data described in Table 1 below to NTTG, through info@nttg.biz, by October 31<sup>st</sup> of Quarter 8 of the prior Regional Planning Cycle. A Project Sponsor shall use the Sponsor Qualification Data Form to submit the data.

The Planning Committee and Cost Allocation Committee will apply the sponsor qualification criteria as summarized in Table 1 below in a comparable and non-discriminatory manner to both incumbent and non-incumbent transmission developers. The sufficiency of the qualification data will be determined by the Planning Committee and Cost Allocation Committee, in consultation with stakeholders, at regularly scheduled meetings in November of Quarter 8 of the prior Regional Planning Cycle.

NTTG will provide the Project Sponsor with notice of the committees’ determinations within five business days following the date a determination has been made by both committees. The notice will provide either that the Project Sponsor satisfied the qualification data requirements, or will identify specific deficiencies.

The Project Sponsor has until January 31<sup>st</sup> of Quarter 1 of the current Regional Planning Cycle to cure identified deficiencies. If the deficiency is not cured by

the end of January of Quarter 1, the project will be considered an unsponsored project submitted by a stakeholder, unless the Applicant withdraws the project from further consideration. The Planning Committee may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a project set forth in a withdrawn submission. During the next Regional Planning Cycle, stakeholder may seek qualification as a Project Sponsor, with updated information and data deficiencies cured. The Project Sponsor must continue to comply with the pre-qualification requirements set forth in Section 18.1 for the project to continue to be considered a Sponsored Project in the next Regional Transmission Plan.

<b>Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle<sup>1</sup></b>			
	<b>Category</b>	<b>Qualification Data</b>	<b>How Sponsor Qualification Data Will be Evaluated</b>
1	Project Sponsor description	1. Name and address. 2. Years in business. 3. Operating environment (nature of business).	Assess whether the required data was submitted.
2	Project summary	1. Voltage. 2. Single or double circuit. 3. AC or DC. 4. Estimated cost. 5. Approximate construction period, 6. Project location. 7. Points of interconnection with the transmission grid.	Assess whether the required data was submitted.
3	Project Name	1. Project Name.	Assess whether the required data was submitted.
4	Project Sponsor demonstration of technical	1. Management's experience in developing, constructing (or managing construction), and	Assess whether the submission provides experience, including

<sup>1</sup>All information supplied to the Planning Committee or subcommittees must be marked by the provider in accordance with the appropriate document class and is treated appropriately by all committee and subcommittee members. The markings should be as follows:

- a) Public.
- b) Contains Critical Energy Infrastructure Information - Do Not Release. (<http://www.ferc.gov/legal/ceii-foia/ceii/classes.asp>)
- c) Contains Privileged Information - Do Not Release.

**Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle<sup>1</sup>**

	<b>Category</b>	<b>Qualification Data</b>	<b>How Sponsor Qualification Data Will be Evaluated</b>
	expertise to develop, construct and own the proposed project	<p>owning a project of similar size and scope.</p> <p>2. Clear discussion of Project Sponsor's depth and breadth of technical expertise, including Project Sponsor's internal expertise or external expertise, or both, to develop, construct, and own the proposed project.</p> <p>3. Name, location, and description of a project of similar scale that demonstrates Project Sponsor's technical expertise to develop, construct, and own the proposed project.</p>	managerial and technical expertise in developing, constructing (or managing construction) and owning comparable projects.
5	Project Sponsor financial expertise to develop, construct, and own the proposed project	<p>Creditworthiness review requires the following information, if available:</p> <ol style="list-style-type: none"> <li>1. Most recent annual report.</li> <li>2. Most recent quarterly report.</li> <li>3. Last two most recent audited year-end financial statements.</li> <li>4. Rating agency reports.</li> <li>5. Any material issues that could affect the credit decision, including but not limited to litigation, arbitration, contingencies, or investigations (if applicable).</li> <li>6. Other information supporting Project Sponsor's financial expertise.</li> </ol> <p>In addition to the qualification data above, demonstrate that the Project Sponsor, or the sponsor's parent company has either an investment grade rating, or, meets the following test:</p> <p>A. Has a minimum tangible net worth of \$1,000,000 or total asset of</p>	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.



<b>Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle<sup>1</sup></b>			
	<b>Category</b>	<b>Qualification Data</b>	<b>How Sponsor Qualification Data Will be Evaluated</b>
		\$10,000,000.	
6	Proposed project financing plan	1. Describe how the project will be financed. 2. List investors and percentage ownership of each. 3. Proposed sources of debt and equity capital and the percentages of each.	Assess whether the submission provides the appropriate financial information for the investor(s), including financial expertise provided in response to category 4.
7	Project Sponsor ability to maintain and operate proposed project	Clear description of Project Sponsor, its parent organization, or the third-party contractor(s) the Project Sponsor plans to retain to operate and/or maintain the proposed project. To the extent the Project Sponsor plans to rely on any third-party contractor(s) not yet under contract, the Project Sponsor must also indicate when it plans to enter into a definitive agreement with its contractor(s). Must provide (1) actual examples of at least five years of operation and maintenance experience for a similar size project; or (2) provide similar information for Project Sponsor's consultant or outsourced entity.	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.
8.	Primary Project Contact	1. Name. 2. Title. 3. Phone. 4. Email.	Assess whether the required data was submitted.
9.	Signature	Signature of authorized representative	Assess whether the document was signed.

## 18.2 Quarter 1 – Data Gathering and Project Submittal

18.2.1 Data Gathering. The Planning Committee shall gather and coordinate Transmission Provider (as specified in Section 3.2 and 16.4) and stakeholder

input applicable to the planning horizon. Any stakeholder may submit data to be evaluated as part of the preparation of the Draft Regional Transmission Plan, including data supporting transmission needs and associated facilities driven by Public Policy Requirements and Public Policy Considerations, and alternate solutions to the identified needs set out in the Transmission Provider's Local Transmission System Plan and prior Regional Transmission Plan. A stakeholder shall use the Data Submittal Form to submit its data. By January 31<sup>st</sup> of Quarter 1, stakeholders shall submit a completed form to NTTG, through [info@nttg.biz](mailto:info@nttg.biz).

**18.2.2 Proposing a Project for Consideration.** A Project Sponsor (refer to footnote 1 of Table 2) may propose a transmission project for consideration in the Regional Transmission Plan (a "Sponsored Project") by submitting to the Planning Committee chair the information identified in the "sponsored project" column of Table 2 below. A stakeholder may submit an unsponsored project for consideration in the Regional Transmission Plan by submitting to the Planning Committee chair the information identified in the "unsponsored project" column of Table 2 below. A Merchant Transmission Developer within the NTTG Footprint shall submit to the Planning Committee chair the information identified in the "merchant developer project" column of Table 2 below. A Project Sponsor and a stakeholder that submits an unsponsored project are collectively referred to in this Section 18 as an "Applicant." Applicant and a Merchant Transmission Developer shall use the Data Submittal Form to submit its project. By March 31<sup>st</sup> of Quarter 1, Applicant and Merchant Transmission Developer shall submit a completed Data Submittal Form to NTTG through [info@nttg.biz](mailto:info@nttg.biz)

<b>Table 2: Minimum Information Required (Yes required or No not required)</b>				
		Sponsored Project	Unsponsored Project	Merchant Developer Project
A	Load and resource data (1)	Y	Y	N (2)
B	Forecasted transmission service requirements, if any (5)	Y	Y	N (3)
C	Whether the proposed project meets reliability or load service needs	Y	Y	N (3)
D	Economic considerations (6)	Y	Y	N (4)
E	Whether the proposed project satisfies a transmission need driven by Public Policy Requirements	Y	Y	N (3)
F	Project location	Y	Y	Y
G	Voltage level (including whether AC	Y	Y	Y

	or DC)			
H	Structure type	Y	Y	Y
I	Conductor type and configuration	Y	Y	Y
J	Project terminal facilities	Y	Y	Y
K	Project cost, associated annual revenue requirements, and underlying assumptions and parameters in developing revenue requirement	Y	Y	N
L	Project development schedule	Y	Y	Y
M	Current project development phase	Y	Y	Y
N	In-service date	Y	Y	Y
O	A list of all planning regions to which an interregional project has been submitted for evaluation	Y	Y	N
<p>1. Incumbent Transmission Developer shall provide load and resource data for its balancing authority area or the balancing authority area in which it operates. Nonincumbent Transmission Developer and Merchant Transmission Developer who are providing data shall identify the load intended to be served with the line and the generation resource intended to inject energy into the line for the identified load.</p> <p>2. To the extent applicable and data is readily available for the proposed transmission project; provide the approximate location of the new or existing resource and/or load that may require this proposed project if other than forecasted transmission service.</p> <p>3. Provide this information only to the extent it is readily available when the information is due.</p> <p>4. To the extent applicable and data is readily available for the proposed transmission project; provide that approximate location of the congestion that this project is proposed to address.</p> <p>5. Provide data for transmission service requests and forecasted transmission service needs. If network transmission loads or native load service needs are included in the response to the load data requested in row "A," then do not provide them in response to this data request. If not provide, then provide the data.</p> <p>6. Provide data supporting the economic considerations (rather than load service, reliability or Public Policy Requirements) that are driving the project. Economic considerations include but are not limited to a search for lower cost power or marketing opportunities for power or transmission service.</p>				

**18.2.3 Proposing a Project for Consideration for Cost Allocation.** In addition to the information specified in Section 18.2.2, an Applicant shall use the Cost Allocation Data Form to propose its project for cost allocation, and submit the additional information requested below. By March 31<sup>st</sup> of Quarter 1, Applicant shall submit a completed form to NTTG through [info@nttg.biz](mailto:info@nttg.biz). Such Applicants are encouraged by not required to also provide the following information:

- a. A statement as to whether the proposed project was selected in a Transmission Provider's local plan;

- b. A statement as to whether the proposed project is planned in conjunction with evaluation of economical resource development and operation (i.e., as part on an integrated resource planning process or other resource planning process regarding economical operation of current or future resources) conducted by or for one or more load serving entities within the footprint of a Transmission Provider;
  - c. If the proposed project is planned primarily to meet the transmission needs of a reliability or Public Policy Requirement of a Transmission Provider, copies of all studies (i.e., engineering, financial, and economic) upon which planning of the project is based;
  - d. If the proposed project is planned as part of future resource development and operation within the footprint of a local transmission provider, copies of all studies upon which planning of the project is based, including, but not limited to, any production cost model input and output used as part of the economic justification of the project;
  - e. To the extent not already provided, copies of all studies performed by or in possession of the Applicant that describe and/or quantify the estimated annual impacts (both beneficial and detrimental) of the proposed project on the Applicant and other regional entities;
  - f. To the extent not already provided, copies of any WECC or other regional, interregional, or interconnection-wide planning entity determinations relative to the project;
  - g. To the extent not set forth in the material provided in response to items (b) – (d), the input assumptions and the range of forecasts incorporated in any studies relied on by the Applicant in evaluating the efficiency or cost-effectiveness of the proposed project; and
  - h. Any proposal Applicant may choose to offer with regard to treatment of project cost overruns.
- 18.2.4 Submission of Economic Study Requests. Stakeholders may submit Economic Congestion Study Requests as set forth in Section 22.
- 18.2.5 Updates to Previously Selected Projects. For projects selected in the prior Regional Transmission Plan, the Applicant must submit an updated project development schedule to the Planning Committee. The Applicant must also

submit updated information for its third-party contractor(s) to the extent such information or the timeline for entering into a definitive agreement is different than the information previously provided pursuant to Table 1 above.

Stakeholders shall use the Data Submittal Form. By March 31<sup>st</sup> of Quarter 1, Applicants shall submit an updated form to NTTG through [info@nttg.biz](mailto:info@nttg.biz).

- 18.2.6 Review for Completeness. The Planning Committee will review the information submitted pursuant to this Section 18.2 for completeness. If an Applicant fails to meet the information requirements set forth above, the Planning Committee shall notify the Applicant of the reasons for such failure. The Planning Committee will attempt to remedy deficiencies in the submitted information through informal communications with the Applicant. If such efforts are unsuccessful by April 15<sup>th</sup> of Quarter 2, the Planning Committee shall return the Applicant's information, and Applicant's request shall be deemed withdrawn. The Planning Committee may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a project set forth in a withdrawn submission. During the next Regional Planning Cycle, Applicant may resubmit the project, with updated information and data deficiencies cured, for consideration in the Regional Transmission Plan and may request cost allocation consideration. Figure 1. "Project Submittal Process" below, summarizes the process described in this Section 18.2 for submitting a project to be considered in the development of the Draft Regional Transmission Plan.

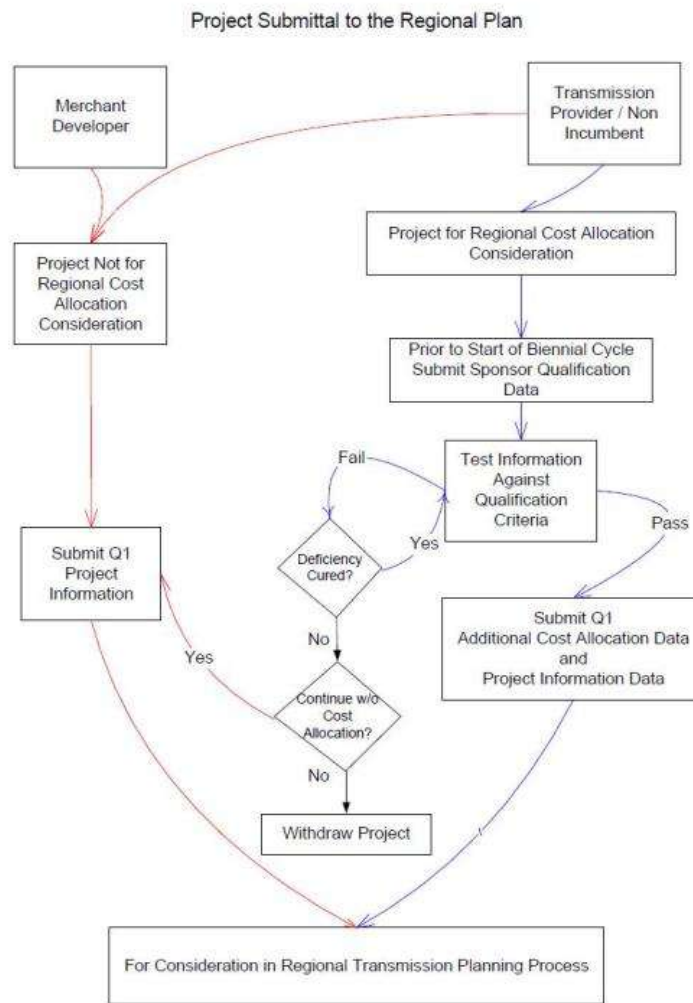


Figure 1. “Project Submittal Process”

## **18.3 Quarter 2 – Development of the Biennial Study Plan**

- 18.3.1 Evaluate the Data. The Planning Committee shall identify the loads, resources, point-to-point transmission requests, desired flows, constraints and other technical data needed to be included and met by the development of the Regional Transmission Plan. The Planning Committee shall evaluate all stakeholder submissions, in consultation with stakeholders, on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers. The Planning Committee shall evaluate solutions based on a comparison of their ability to meet reliability requirements, address economic considerations, and meet transmission needs driven by Public Policy Requirements.
- 18.3.2 Development of the Biennial Study Plan. The Planning Committee will develop the Biennial Study Plan, which describes:
- a. the detailed study methodology;
  - b. Reliability criteria;
  - c. Transmission needs driven by Public Policy Requirements and Public Policy Considerations selected for use in the Biennial Study Plan;
  - d. Assumptions;
  - e. Databases;
  - f. Analysis tools;
  - g. Projects (including unsponsored projects) included in the prior Regional Transmission Plan that will be reevaluated according to Section 20 (unless the Planning Committee has received or is aware that a project included in the prior Regional Transmission Plan has been cancelled or replaced in which case the cancelled or replaced project will not be included);
  - h. Projects included in each of the Full Funders Local Transmission Plans;
  - i. Sponsored Projects, projects submitted by stakeholders, projects submitted by Merchant Transmission Developers, unsponsored projects identified by the Planning Committee, and unsponsored projects submitted by stakeholders; and
  - j. Allocation scenarios.

The projects identified in (g) and (h) are collectively referred to as the “Initial Regional Plan.” The projects identified in (i) are referred to as the “Alternative Projects.” The allocation scenarios referenced in (j) are developed by the Cost Allocation Committee (in consultation with the Planning Committee) with stakeholder input, for those parameters that will likely affect the amount of total benefits and their distribution among Beneficiaries as set forth in Section 19.2.

When developing the draft Biennial Study Plan, the Planning Committee and Cost Allocation Committee will, under certain circumstances described in Section 20 below, identify projects selected in the prior Regional Transmission Plan that will be reevaluated and potentially replaced or deferred.

At a Quarter 2 public meeting, the Planning Committee and the Cost Allocation Committee will present the draft Biennial Study Plan to stakeholders for comment. The Planning Committee will recommend the draft Biennial Study Plan to the Steering Committee for approval.

After considering the draft Biennial Study Plan, the Steering Committee may remand it to the Planning Committee for any of the following reasons:

- aa. The draft Biennial Study Plan lacks details;
- bb. The draft Biennial Study Plan relies on inappropriate data, metrics, or scenarios; or
- cc. The draft Biennial Study Plan is inconsistent with obligations contained in this Attachment K or the charters attached hereto.

Further, the Steering Committee may also remand the draft Biennial Study Plan to the Cost Allocation Committee on any of the following additional grounds:

- dd. the Steering Committee objects to the parameters used to define which Beneficiaries are eligible for allocating costs; or
- ee. the Steering Committee objects to the assumptions or methods used in modeling benefits for the various study scenarios.

In the event of a remand, the Steering Committee shall provide a specific description of the shortcomings, omissions, or inconsistencies that it found. The Planning Committee or Cost Allocation Committee, whichever is appropriate, shall augment or modify the draft Biennial Study Plan to correct the deficiencies identified by the Steering Committee and the Planning Committee shall resubmit the draft Biennial Study Plan until the Steering Committee is satisfied.



### 18.3.3 Selection of transmission needs driven by Public Policy Requirements and Public Policy Considerations Used in the Biennial Study Plan.

- 18.3.3.1 Overview. NTTG's regional planning process, through the Planning Committee, receives transmission needs driven by Public Policy Requirements, Public Policy Considerations, and data from the local transmission plans and stakeholders during the Quarter 1 data gathering submittal period pursuant to Section 18.2.1. NTTG's Regional Transmission Plan only includes consideration of transmission needs driven by Public Policy Requirements. Public Policy Considerations as agreed upon by the Planning Committee, with stakeholder input, during Quarter 2 Biennial Study Plan development, will be evaluated as to whether they create additional transmission needs. Together, these transmission needs driven by Public Policy Requirements and Public Policy Considerations are approved by the Steering Committee as part of the Biennial Study Plan approval process at the end of Quarter 2.
- 18.3.3.2 Process. The Planning Committee applies the following process, shown in Figure 2. "Planning Committee Process for Selecting Public Policy Requirements and Public Policy Considerations," and described below (in the event of conflict between the figure and the text, the text controls) to transmission needs driven by Public Policy Requirements and Public Policy Considerations data.

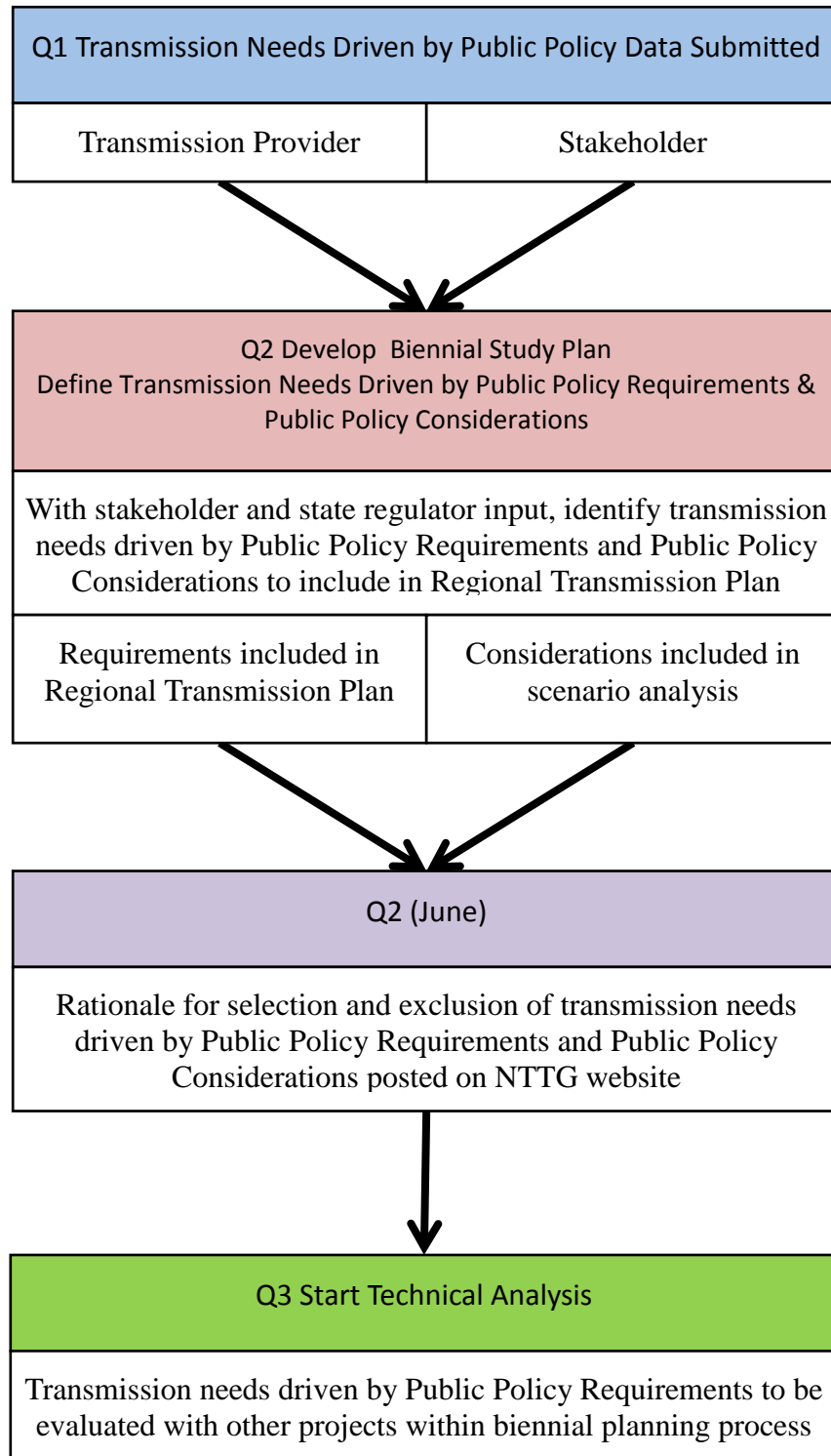


Figure 2. “Planning Committee Process for Selecting Public Policy Requirements and Public Policy Considerations”

In Quarter 1, transmission needs and associated facilities driven by Public Policy Requirements and Public Policy Considerations are received from the transmission providers' local transmission plans and received from stakeholders using NTTG's data submittal forms. Refer to Section 18.2.1.

In Quarter 2, after consultation with stakeholders, including state regulators, the Planning Committee recommends to the Steering Committee the transmission needs driven by Public Policy Requirements to be used in the Biennial Study Plan, as well as the transmission needs driven by Public Policy Considerations to be used in the additional study analysis. The additional study analysis results are informational only and may inform the Regional Transmission Plan, but will not result in the inclusion of additional projects in the Regional Transmission Plan. Refer to Section 18.3.2.

In June of Quarter 2, the Steering Committee approves the Biennial Study Plan, including the transmission needs driven by Public Policy Requirements for the Regional Transmission Plan and transmission needs driven by Public Policy Considerations for additional study analysis. Refer to Section 18.3.2.

- 18.3.3.3 Identification. During the Regional Planning Cycle, the Planning Committee determines if there is a more efficient or cost-effective regional solution to meet the transmission needs driven by Public Policy Requirements set forth in the Biennial Study Plan. The selection process and criteria for regional projects meeting transmission needs driven by Public Policy Requirements are the same as those used for any other regional project chosen for the Regional Transmission Plan. Rather than considering transmission needs driven by Public Policy Requirements separately from other transmission needs, the Planning Committee evaluates them in its technical analysis along with other regional projects.
- 18.3.3.4 Posting. After the Steering Committee approves the Public Policy Requirements and the Public Policy Considerations, the Planning Committee will post on the NTTG Website which transmission needs driven by Public Policy Requirements and Public Policy Considerations will and will not be evaluated in the Regional Planning Cycle, along with an explanation of why particular transmission needs driven by Public Policy Requirements and Public Policy Considerations were or were not considered.

- 18.3.3.5 Identification of Un-sponsored Transmission Projects by Planning Committee. The Planning Committee may, using its knowledge of the transmission systems and its professional judgment, identify an un-sponsored project.

## **18.4 Quarters 3 and 4 – Preparation of the Draft Regional Transmission Plan**

- 18.4.1 Analysis and Methodology. The Planning Committee shall utilize each Alternative Project in one or more Change Cases and, using the criteria set forth in Section 18.4.2, determine if a Change Case is a more efficient or cost-effective solution for the NTTG Footprint than the Initial Regional Plan based upon the methodology set forth below. The methodology employed by the Planning Committee will be to develop one or more Change Cases by replacing non-Committed project(s) in the Initial Regional Plan with one or more of the Alternative Projects. Each Change Case will be compared against the Initial Regional Plan for the tenth year of a ten-year planning horizon. Criteria (b) and (c) described in Section 18.4.2 below will be monetized using an index price of power and summed with capital-related cost criteria to develop an incremental cost for that Change Case that will be compared to the Initial Transmission Plan's incremental capital-related cost for replaced or deferred project(s) and incremental Monetized Non-Financial Incremental Costs. The set of projects (either the Initial Regional Plan or a Change Case) with the lowest incremental cost, as adjusted by its effects on neighboring regions as set forth in Section 18.4.3, will then be incorporated within the Draft Regional Transmission Plan. The projects eligible for cost allocation (i.e., those satisfying the criteria set forth in Sections 19 and 19.2.1) that are incorporated within the Draft Regional Transmission Plan will then be evaluated for cost allocation by the Cost Allocation Committee as set forth in Section 19.2. As used in this paragraph, "Monetized Non-Financial Incremental Costs" means those incremental costs associated with an Alternative Project that are not directly evaluated and measured in dollars of changed revenues, expenses, or capital investment. Such incremental costs, which are non-financial in nature, will be monetized by applying an appropriate index or conversion factor to convert the units in which the incremental costs were directly evaluated and measured into a dollar value. (For example, losses are measured in megawatt hours. That quantity will be converted to dollars by multiplying the quantity by a dollar per megawatt hour index.)
- 18.4.2 Analysis Criteria. Criterion (a), (b), and (c) below will be used to determine if a Change Case is a more efficient or cost-effective solution for the NTTG Footprint than the Initial Regional Plan based upon the methodology set forth in Section 18.4.1:

- a. Capital-Related Costs. A change in Annual Capital-Related Costs between a Change Case and the Initial Regional Plan captures benefits related to transmission needs driven by both reliability and Public Policy Requirements. This benefit metric captures the extent that a project in the Initial Regional Plan can be displaced (either deferred or replaced) while still meeting all regional transmission needs, including reliability standards (associated with serving existing, as well as new, service obligations) such that the Change Case has lower capital-related costs. The displacement of a project in the Initial Regional Plan may be due to a Change Case or due to the determination that more than one project in the Initial Regional Plan is meeting the same transmission need. This same benefit metric also captures the extent to which a Change Case may displace one or more projects in the Initial Regional Plan for purposes of meeting Public Policy Requirements because it is determined to have lower capital-related costs, while still meeting the same Public Policy Requirements.

“Annual Capital-Related Costs” will be the sum of annual return (both debt and equity related), depreciation, taxes other than income, operation and maintenance expense, and income taxes. These costs will be based on estimates provided by the Applicant or estimates by the Planning Committee using representative industry data if not provided by the Applicant. Power flow analysis will be used to ensure each scenario meets transmission reliability standards.

Those entities affected by the change in Annual Capital-Related Costs shall be identified for use in the cost allocation process.

- b. Energy Losses. This metric captures the change in energy generated to serve a given amount of load. A change in annual energy losses between a Change Case and the Initial Regional Plan measures the energy impact of changing (either displacing or adding) projects within the Initial Regional Plan with one or more projects in the Change Case. Power flow or production cost analysis will be used to measure the quantity of energy losses in each scenario. Those entities affected by the change in energy losses shall be identified for the cost allocation process.
- c. Reserves. This metric is based on savings that may result when two or more balancing authority areas could economically share a reserve resource when unused transmission capacity remains in proposed transmission project. A change in annual reserves between a Change Case and the Initial Regional Plan measures the energy impact of changing projects within the Initial Regional Plan with one or more

projects in the Change Case. The incremental reserve requirement for each balancing authority area within the NTTG Footprint will be calculated as a standalone quantity and as a reserve sharing quantity for each scenario. Those entities affected by the change in reserves shall be identified for the cost allocation process.

Each criterion (a), (b), and (c) will be expressed as an annual change in costs (or revenue). The annual changes will be discounted to a net present value to the in-service year of the project for which the cost allocation is being determined. A common year will be selected for net present value calculations for all cases to enable a comparative analysis between each Change Case and the Initial Regional Plan. For example, if a transmission project scheduled in-service beginning year 6 of the 10-year study period is deferred until after year 10 by another project in-service beginning in year 6, the change in Annual Capital-Related Costs would be computed for years 6 through 10 and converted to a net present value for year 6 of the study period. Any change in energy losses or reserves would similarly be calculated for years 6-10 as a change in cost or revenue for each affected Beneficiary and discounted to a net present value to year 6, the in-service year of the project for which the cost allocation is developed.

- 18.4.3 Analysis of Additional Alternatives. The Planning Committee, as part of its analysis performed under Section 18.4.1, shall consider the Transmission Providers' and stakeholders' identified transmission needs vis-à-vis the projects identified in the Biennial Study Plan to determine whether there are other alternatives (including unsponsored projects) which may be more efficient or cost effective in meeting the region's transmission needs.
- 18.4.4 Impacts on Neighboring Regions. The Planning Committee will monitor the impacts of projects under consideration for the Draft Regional Transmission Plan on neighboring Planning Regions. The methodology employed by the Planning Committee will identify the most efficient or cost-effective plan (either the Initial Transmission Plan or a Change Case) prior to consideration of impacts on neighboring Planning Regions. If the Planning Committee finds that such Change Case or Initial Regional Plan may cause reliability standard violations on neighboring Planning Regions, the Planning Committee shall coordinate with the neighboring Planning Regions to reassess and redesign the facilities. If the violation of reliability standards can be mitigated through new or redesigned facilities or facility upgrades within the NTTG Footprint or through operational adjustments within the NTTG Footprint, the costs of such mitigation solutions shall be considered in addition to the cost of the project(s) under consideration when selecting a project for the Draft Regional Transmission Plan. If the reliability standard

violation cannot be mitigated (by actions within the NTTG Footprint or the affected neighboring Planning Region), the Change Case or Initial Regional Plan will not be selected for the Draft Regional Transmission Plan. The impacts of upgrades on, or additions to, the neighboring Planning Regions, whether identified by Planning Committee or the neighboring Planning Regions, will be considered by the Planning Committee; provided, however, any costs associated with such impacts in the neighboring Planning Regions will not be accepted for cost allocation, and will not be considered when selecting a project for the Draft Regional Transmission Plan. The evaluation specified in this Section 18.4.3 will be repeated, as necessary, until the Change Case or Initial Regional Plan is selected for the Draft Regional Transmission Plan pursuant to Section 18.4.1

- 18.4.5 Draft Regional Transmission Plan. The Planning Committee shall produce a Draft Regional Transmission Plan by the end of Quarter 4. The projects selected into the Draft Regional Transmission Plan are determined according to Section 18.4.1, and the projects selected into the Draft Regional Transmission Plan for cost allocation are determined according to Section 19.

## **18.5 Quarter 5 – Stakeholder Review of Draft Regional Transmission Plan**

- 18.5.1 Public Review. The Planning Committee will facilitate stakeholder review and comment on the Draft Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process.
- 18.5.2 Public Comment and Updates. Any stakeholder may submit comments on the Draft Regional Transmission Plan to the Planning Committee chair through info@nttg.biz. Stakeholder comments may include identification of a new unsponsored project. New unsponsored projects will be considered to the extent feasible, as determined by the Planning Committee, without delaying the development of the Regional Transmission Plan. New unsponsored projects that are not considered during the current Regional Planning Cycle will be noted in the Regional Transmission Plan and carried forward for consideration in the following Regional Planning Cycle. In addition, Project Sponsors and stakeholders that submitted projects included in the Draft Regional Transmission Plan shall update data provided in Quarter 1 using the same forms identified in Quarter 1; provided however, only changes that should likely lead to a material change, individually or in the aggregate, in the Draft Regional Transmission Plan and match the level of detail described in quarter 1 above need to be submitted. Changes to third-party contractor information or the timeline for entering into a definitive agreement with third-party contractor is considered a material change and

must be updated, to the extent the information is different than the information provided in Quarter 1. All stakeholder submissions will be evaluated, in consultation with stakeholders, on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers, and solutions will be evaluated based on a comparison of their relative economics and ability to meet reliability requirements, address economic considerations and meet transmission needs driven by Public Policy Requirements.

- 18.5.3 Submission of Economic Study Requests. Stakeholders may submit Economic Study Requests as provided for in Section 22.

## **18.6 Quarter 6 – Updates to the Biennial Study Plan**

- 18.6.1 Updated Biennial Study Plan. The Biennial Study Plan will be updated based on the Planning Committee's review of stakeholder-submitted comments received during Quarter 5, additional information about new or changed circumstances relating to loads, resources, transmission projects or alternative solutions, or identified changes to data provided in Quarter 1.
- 18.6.2 Cost Allocation. The Cost Allocation Committee will begin allocating costs of projects selected into the Draft Regional Transmission Plan to Beneficiaries as described in Section 19.2.
- 18.6.3 Draft Final Regional Transmission Plan. The Planning Committee will produce the Draft Final Regional Transmission Plan by the end of Quarter 6.

## **18.7 Quarter 7 – Draft Final Regional Transmission Plan Review**

The Planning Committee will facilitate a stakeholder process for review and comment on the Draft Final Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process. The Planning Committee will document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments and produce the Draft Final Regional Transmission Plan.

## **18.8 Quarter 8 – Regional Transmission Plan Approval**

The Planning Committee will submit the Draft Final Regional Transmission Plan to the Steering Committee for approval, completing the Regional Planning Cycle. The Planning Committee will share the approved Regional Transmission Plan for consideration in the local and interconnection-wide study processes.



Any unsponsored project in the Final Regional Transmission Plan may be resubmitted using the process described in Sections 18.1 and 18.2 above, as a Sponsored Project by a pre-qualified Project Sponsor for consideration in the next Regional Planning Cycle for purposes of cost allocation. Pursuant to Section 20.1 below, such project shall be subject to reevaluation unless it is a Committed Project.

## **18.9 Quarterly Meetings**

The Planning Committee and Cost Allocation Committee shall jointly convene a public meeting at the end of each quarter in the Regional Study Cycle to present a status report on the development of the Regional Transmission Plan, summarize the substantive results at each quarter, present drafts of documents, and receive comments.

## **19. Cost Allocation**

A Project Sponsor intending to submit its Sponsored Project for cost allocation must satisfy the pre-qualification requirements set forth in Section 18.1, submit the Sponsored Project as set forth in Section 18.2.2, and request cost allocation as set forth in Section 18.2.3. An Applicant desiring for its project to be considered for cost allocation as an unsponsored project must submit the unsponsored project as set forth in Section 18.2.2 and request cost allocation as set forth in Section 18.2.3. Transmission Provider may elect to allocate costs of its project through either participant funding as set forth in Section 19.1 or through NTTG's cost allocation process as set forth in Section 19.2 as either a Sponsored Project or unsponsored project, provided that Transmission Provider complies with the applicable requirements specified above.

### **19.1 Participant Funding**

19.1.1 Open Season Solicitation of Interest. Transmission Provider may elect at its discretion to provide an "open season" solicitation of interest to secure additional project participants for any project. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:

- a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate;
- b. Schedule meetings with stakeholders and/or state public utility commission staff, as appropriate; and
- c. Post information about the proposed project on its OASIS.

For any project entered into by Transmission Provider where an open-season-solicitation-of-interest process has been used, the Transmission Provider will

choose to allocate costs among project participants in proportion to investment or based on a commitment to transmission rights, unless the parties agree to an alternative mechanism for allocating project costs. In the event an open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.

- 19.1.2 Projects without a Solicitation of Interest. Transmission Provider may elect to proceed with projects without an open season solicitation of interest, in which case Transmission Provider will proceed with the project pursuant to its rights and obligations as a Transmission Provider.
- 19.1.3 Other Sponsored Projects. Funding structures for non-Transmission Provider projects are not addressed in this Tariff. Nothing in this Tariff is intended to preclude any other entity from proposing its own funding structure.

## **19.2 Allocation of Costs**

The Cost Allocation Committee will allocate the costs of projects the Planning Committee selects into the Draft Regional Transmission Plan for purposes of cost allocation according to this section. The Cost Allocation Committee shall use the methodology set forth in Section 19.2.2 to allocate project costs to Beneficiaries.

- 19.2.1 Project Qualification. To be eligible for cost allocation and therefore selected into the Draft Transmission Plan for purposes of cost allocation, the Planning Committee shall verify that the project:
- a. Was proposed for such purpose by a pre-qualified sponsoring entity, was an unsponsored project identified in the regional planning process, or was an unsponsored project proposed by a stakeholder (or Transmission Provider or non-incumbent transmission developer not desiring to sponsor the project);
  - b. Was selected in the Draft Regional Transmission Plan; and
  - c. Has an estimated cost exceeding \$20 million.
- 19.2.2 Allocation of Project Costs to Beneficiaries. The Cost Allocation Committee initially identifies Beneficiaries as all those entities that may be affected by the project based upon the application of the analysis criteria set forth in Section 18.4.2 and using the allocation scenarios developed pursuant to Section 19.2.3. For projects eligible to receive a cost allocation, the Cost Allocation Committee shall start with the calculations provided by the

Planning Committee pursuant to Section 18.4.1 and remove those entities that do not receive a benefit from the project being evaluated.

Before allocating a transmission project's cost, the Cost Allocation Committee will adjust, as appropriate, the calculated initial net benefits for each Beneficiary based upon the following criteria:

- a. The net benefits attributed in any scenario are capped at no less than 50% and no more than 150% of the average of the unadjusted, net benefits (whether positive or negative); and
- b. If the average of the net benefits, as adjusted by (a) above, across the allocation scenarios is negative, the average net benefit to that Beneficiary is set to zero.

Each of these adjustments is applied to each Beneficiary independent of other Beneficiaries. The initial (and adjusted) net benefits for the selected Change Case are the sum of the benefits (which numerically may be positive or negative) across each of the analysis criteria. A Beneficiary will be included in the steps above even if only one of the analysis criteria is applicable to that Beneficiary and the estimated benefits for the other analysis criteria are, by definition, zero.

The adjusted net benefits, as determined by applying the limits in the two conditions above, are used for allocating project costs proportionally to Beneficiaries. However, Beneficiaries other than the Applicant will only be allocated costs such that the ratio of adjusted net benefits to allocated costs is no less than 1.10 (or, if there is no Applicant, no less than 1.10). If a Beneficiary has an allocated cost of less than \$100,000, the cost allocated to that Beneficiary is set to zero. The following examples demonstrate the application of the benefit-to-cost ratio:

Example 1: Project Cost = \$800M; B's adjusted net benefits = \$483M; C's (Project Sponsor) adjusted net benefits = \$520M. B is allocated \$385M (i.e., the lesser of  $\$800M * (\$483 / (\$483 + \$520)) = \$385M$  OR  $\$483M / 1.1 = \$439.1M$ ) and C is allocated \$415M (i.e.,  $\$800 - \$385 = \$415$ ).

Example 2: Same as Example 1, except Project Cost = \$950M. B is allocated \$439M (i.e., the lesser of  $\$950M * (\$483 / (\$483 + \$520)) = \$457.5M$  OR  $\$483 / 1.10 = \$439.1$ ) and C is allocated \$511M (i.e.,  $\$950 - \$439 = \$511$ ).

Unallocated costs due to the limitations above are reallocated among the remaining Beneficiaries. Reallocation will continue among regional Beneficiaries, which are still above the benefit-cost threshold (i.e., the 1.10 ratio of adjusted net benefits to allocated costs) until either all costs are allocated or there are no Beneficiaries above the 1.10 benefit-cost threshold. The Applicant may voluntarily accept any remaining project costs. Otherwise, if the thresholds prevent all costs from being reallocated among Beneficiaries and the unallocated costs are not accepted by the Applicant, the project is no longer eligible for cost allocation.

The Cost Allocation Committee shall provide its cost allocations to the Planning Committee for its inclusion in the Draft Final Regional Transmission Plan. While the estimation of benefits is not dependent or conditioned on a Beneficiary's receipt of future ownership rights or Ownership-Like Rights on the project or the transmission system(s) involved, the Cost Allocation Committee shall identify and provide with the cost allocation of any such project those transmission rights or Ownership-Like Rights that were assumed would be available to and utilized by the Beneficiary in order to realize the benefits attributed to the Beneficiary. "Ownership-Like Rights," as used in this paragraph, means those arrangements where an entity has rights in certain transmission facilities or a transmission path owned by another entity (or entities), which are based upon a percentage of the facility or path's rated capacity, and which rights remain through the in-service life of the facility or path.

19.2.3 Allocation Scenarios. As set forth in Section 18.3.2, during Quarters 1 and 2, the Cost Allocation Committee (in consultation with the Planning Committee) with stakeholder input, will create allocation scenarios for those parameters that likely affect the amount of total benefits of a project and their distribution among Beneficiaries. The allocation scenarios become part of the Biennial Study Plan during its development in Quarter 2, and are not used by the Planning Committee and the Cost Allocation Committee until the development of benefits pursuant to the analysis criteria in Section 18.4.2 and the allocation of costs pursuant to those benefits to Beneficiaries pursuant to Section 19.2.2 starting in Quarter 6.

The variables in the allocation scenarios will include, but are not limited to, load levels by load-serving entity and geographic location, fuel prices, and fuel and resource availability. For example, cost allocation scenarios could include a range of future load levels. Future projections of load levels in a given scenario will be based on factors such as, but not limited to projected demand for irrigation, economic development, and heating/cooling demands necessitated by weather forecasts in particular geographic locations. These

load level projections will be compared against a range of future resource options. Future projections of resource options in a given scenario will be based on factors such as, but not limited to projected fuel prices and projected yields of particular types of generation resources (e.g. wind, hydro, etc.). This process will provide the overall range of future cost allocation scenarios that will be used in determining a project's benefits and beneficiaries. In the development of the allocation scenarios the Cost Allocation Committee will give consideration to alternative resource planning scenarios developed by transmission providers within the NTTG Footprint as well as scenarios developed by other regional and Western Interconnection entities.

Use of allocation scenarios recognizes that estimates of the amount and distribution of benefits may be highly uncertain and dependent on key assumptions and projections. By using scenarios that choose data across a range of outcomes for these parameters, the potential impact of these uncertainties is estimated and incorporated in the calculation of net benefits used in cost allocation

### **19.3 Exclusions**

The cost for projects undertaken in connection with requests for interconnection or transmission service under Parts II or III of the Tariff will be governed solely by the applicable cost allocation methods associated with those requests under the Tariff.

## **20. Reevaluation of Projects Selected in the Regional Transmission Plan**

### **20.1 Reevaluation of the Regional Transmission Plan**

NTTG expects the sponsor of a project selected in the prior Regional Transmission Plan (the "Original Project") to inform the Planning Committee of any project delay that would potentially affect the in service date as soon as the delay is known and, at a minimum, when the sponsor re-submits its project development schedule during quarter 1. If the Planning Committee determines that the Original Project cannot be constructed by its original in-service date, the Planning Committee will reevaluate the Original Project in the context of the current Regional Planning Cycle using an updated in-service date.

"Committed" projects are Original Projects that have all permits and rights of way required for construction, as identified in the submitted development schedule, by the end of quarter 1 of the current Regional Planning Cycle. Committed projects are not subject to reevaluation, unless the Original Project fails to meet its development schedule milestones such that the needs of the region will not be met, in which case, the Original Project loses its designation as a Committed project.

If “not Committed,” the Original Project — whether selected for cost allocation or not — shall be reevaluated, and potentially replaced or deferred, in the current Regional Planning Cycle only in the event that:

- a. The Project Sponsor fails to meet its project development schedule such that the needs of the region will not be met,
- b. The Project Sponsor fails to meet its project development schedule due to delays of governmental permitting agencies such that the needs of the region will not be met, or
- c. The needs of the region change such that a project with an alternative location and/or configuration meets the needs of the region more efficiently or cost effectively.

If condition (a), (b), or (c) is true, then the incumbent transmission provider may propose solutions that it would implement within its retail distribution service territory footprint (the “New Project”). Both the Original Project and the New Project will be reevaluated or evaluated, respectively, in Quarter 2 as any other project for consideration in the Regional Transmission Plan.

During such reevaluation the Planning Committee shall only consider remaining costs to complete the Original Project against the costs to complete the other projects being evaluated.

## **20.2 Reevaluation of Cost Allocation**

A cost allocation shall be performed in each Regional Planning Cycle for any project that has been selected for purposes of cost allocation in the prior Regional Transmission Plan until such project is deemed “Committed” pursuant to Section 20.1.

## **21. Calculations**

The Planning Committee shall include the calculations conducted pursuant to Section 18.4 in the Regional Transmission Plan, and the Cost Allocation Committee shall include the calculations conducted pursuant to Section 19.2 in the Regional Transmission Plan. Unless precluded by software licensing requirements or other limitations, the Planning Committee and the Cost Allocation Committee shall utilize best efforts to provide input data, and calculated output data to requesting stakeholders. The Planning Committee and the Cost Allocation Committee shall also identify the models utilized and the contact information of the vendors providing the model to requesting stakeholders. Stakeholders may comment

on the clarity of the calculations considered by the Planning Committee and the Cost Allocation Committee.

## **22. Economic Study Requests**

### **22.1 Submission of Economic Study Requests**

Any stakeholder may submit a:

- a. Local Economic Study Request to the Transmission Provider as provided for in Section 7;
- b. Regional Economic Study Request to the Planning Committee as provided for in Section 23.1; and
- c. Interconnection-wide Economic Study Request to WECC TEPPC as provided for in Section 33.1.

Be aware that local, regional, and interconnection-wide Economic Study processes have different submission windows and requirements. Stakeholders must comply with each process's submission windows and requirements.

### **22.2 Review for Completeness**

The Planning Committee or the Transmission Provider will review the information it receives pursuant to this Section 22 for completeness. If a stakeholder fails to meet the information requirements, the Planning Committee or Transmission Provider shall notify the stakeholder of the reasons for such failure. The Planning Committee or Transmission Provider will attempt to remedy deficiencies in the submitted information through informal communications with the stakeholder. If such efforts are unsuccessful within 15 calendar days of the close of the submission window, the Planning Committee or Transmission Provider shall return the stakeholder's information, and stakeholder's request shall be deemed withdrawn. The Planning Committee or Transmission Provider may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a request set forth in a withdrawn submission. Stakeholder may resubmit the request for consideration during the next submission window with updated information and data deficiencies cured.

### **22.3 Categorization and Processing of Economic Study Requests**

All Economic Study Requests will be categorized by the Planning Committee or the Transmission Provider as a Local Economic Study Request, a Regional Economic Study

Request, or an Interconnection-wide Economic Study Request. Local Economic Study Requests will be forwarded to the Transmission Provider and processed as set forth in Section 7. Regional Economic Study Requests will be forwarded to the Planning Committee and processed as set forth in Section 23. Interconnection-wide Economic Study Requests will be forwarded to WECC TEPPC and processed as set forth in Section 33.

## **23. Regional Economic Study Requests**

### **23.1 Submission Windows**

Regional Economic Study Requests may be submitted in Quarters 1 and 5 of each Regional Study Cycle, and must be received by March 30<sup>th</sup> of each year. A Regional Economic Study Request is submitted to the Planning Committee using the Economic Study Request Form. Additionally, to be considered a Regional Economic Study Request, the stakeholder must request membership in the Planning Committee according to the terms and conditions of the Planning Committee Charter, or sign the Economic Study Agreement, attached as Exhibit A. A stakeholder shall submit completed forms to the Planning Committee, through info@nttg.biz.

### **23.2 Studies Performed**

The Planning Committee will complete up to two (2) Regional Economic Studies per Regional Planning Cycle. By April 30<sup>th</sup> each year, the Planning Committee will determine the Regional Economic Study(ies) to be performed by the end of the respective Quarter 4 or 8 of the Regional Planning Cycle. If the Regional Economic Study cannot be completed by the end of the respective Quarter 4 or 8 of the Regional Planning Cycle, the Planning Committee will notify the study request sponsor of the delay, provide an explanation of the delay, and provide an estimated completion date. If the Planning Committee receives more than two (2) Regional Economic Study Requests per Regional Planning Cycle, it will prioritize the requests and determine which Regional Economic Study Request(s) will be performed based on an evaluation of the following:

- a. The most significant opportunities to reduce overall costs of the Regional Transmission Plan while reliably serving the load growth needs being studied in the Regional Transmission Plan, and
- b. Input from stakeholders at the Planning Committee meeting.

The Planning Committee shall notify the entities submitting Regional Economic Study Requests of its decision.



### **23.3 Additional Studies**

The Planning Committee will complete additional Regional Economic Study Requests at the sole expense of the parties requesting such studies. A stakeholder shall request an additional study within ten (10) business days of receiving the notice provided for in provided for in Section 23.1, by emailing the Planning Committee chair through info@nttg.biz. Following such notice, Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion. The requesting party shall be responsible for the actual cost of the additional regional Economic Study.

### **23.4 Clustering Study Requests**

The Planning Committee will cluster and study together Regional Economic Study Requests if all of the Point(s) of Receipt and Point(s) of Delivery match one another or, in the alternative, it is reasonably determined by the Planning Committee that the Regional Economic Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.

### **23.5 Unaccommodated Economic Study Requests**

All Regional Economic Study Requests not accommodated within the current study cycle will be deemed withdrawn and returned to the stakeholder without action and the stakeholder may submit the Regional Economic Study Request in the next Regional Planning Cycle.

### **23.6 Study Schedule**

In Quarters 1 and 5, Regional Economic Study Requests are submitted by Stakeholders to the Planning Committee. In Quarters 2 and 6, study plans are developed by the Planning Committee for the Regional Economic Study Requests that will be modeled. In Quarters 3 and 7, Regional Economic Studies are performed by the Planning Committee or under the Planning Committee's direction. In Quarters 4 and 8, results of the regional Economic Studies are reported by the Planning Committee in the Draft Regional Transmission Plan and the Regional Transmission Plan, respectively, and provided to the requesting party.

## **Attachment 2**

### **Red-Lined Version of Filing Party's Attachment K**

# **ATTACHMENT K**

## **Transmission Planning Process**

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## **ATTACHMENT K**

### **Transmission Planning Process**

#### **Preamble**

In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, regional, interregional, and interconnection-wide basis. Part A of this Attachment K addresses the local planning process. Part B of this Attachment K addresses the regional planning process. Part C of this Attachment K addresses interregional coordination with the planning regions in the United States portion of the Western Interconnection. Part D of this Attachment K addresses the interconnection-wide planning process.

The Transmission Provider is responsible for maintaining its Transmission System and planning for transmission and generator interconnection service pursuant to the Tariff and other agreements. The Transmission Provider retains the responsibility for the local planning process and Transmission System Plan and may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation.

#### **1. Definitions**

Unless defined below,<sup>1</sup> capitalized terms shall refer to terms defined in the Tariff.

##### **1.1 Alternative Project**

Alternative Project is defined in Section 18.3.2 and collectively refers to Sponsored Projects, projects submitted by stakeholders, projects submitted by Merchant Transmission Developers, and unsponsored projects identified by the Planning Committee (if any).

##### **1.2 Annual Capital-Related Costs**

Annual Capital-Related Costs is defined in Section 18.4.2.

##### **1.3 Applicant**

Applicant is defined in Section 18.2.2 as a Project Sponsor and a stakeholder that submits an unsponsored project.

##### **1.4 Beneficiary**

Beneficiary means any entity, including but not limited to transmission providers (both incumbent and non-incumbent), Merchant Transmission Developers, load serving entities, transmission

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<sup>1</sup> Please note that additional definitions with respect to interregional coordination and cost allocation are contained in Section C of this Attachment K, which contains provisions that are common among each of the planning regions in the United States portion of the Western Interconnection.

customers or generators that utilize the regional transmission system within the NTTG Footprint to transmit energy or provide other energy-related services.

### **1.5 Biennial Study Plan**

Biennial Study Plan means the study plan used to produce the Regional Transmission Plan, as approved by the NTTG Steering Committee. The Biennial Study Plan is described in Section 18.3.2.

### **1.6 Change Case**

A Change Case is defined in Section 18.4.1 as a scenario where one or more of the Alternative Projects is added to or replaces one or more non-Committed Projects in the Initial Regional Plan. The deletion or deferral of a non-Committed Project in the Initial Regional Plan without including an Alternative Project can also be a Change Case.

### **1.7 Committed Project**

A Committed Project is defined in Section 20.1 as a project that has all permits and rights of way required for construction, as identified in the submitted development schedule, by the end of Quarter 1 of the current Regional Planning Cycle.

### **1.8 Confidentiality Agreement**

Confidentiality Agreement means the agreement posted on the Transmission Provider's OASIS at <http://www.oasis.oati.com/ipco/index.html>. The Confidentiality Agreement is used to provide confidential information as referenced in Section 11.3 and 15.2.

### **1.9 Cost Allocation Committee**

The Cost Allocation Committee is defined in Section 12.2.

### **1.10 Cost Allocation Committee Charter**

The Cost Allocation Committee Charter means the document attached as Exhibit D to this Attachment K.

### **1.11 Cost Allocation Data Form**

Cost Allocation Data Form means the form posted on NTTG's Website used to submit a project requesting cost allocation as referenced in Section 18.2.3 and 18.5.2.

### **1.12 Critical Energy Infrastructure Information ("CEII")**

Critical Energy Infrastructure Information is defined by the Commission's regulations in 18 C.F.R. Part 388 (or any successor thereto) and associated orders issued by the Commission.

### **1.13 Data Submittal Form**

Data Submittal Form means the form posted on NTTG's Website used to submit projects and project information for consideration and is used to submit updated project information as referenced in Section 18.2.1.

### **1.14 Demand Resources**

Demand Resources shall mean mechanisms to manage demand for power in response to supply conditions, for example, having electricity customers reduce their consumption at critical times or in response to market prices. For purposes of this Attachment K, this methodology is focused on curtailing demand to avoid the need to plan new sources of generation or transmission capacity.

### **1.15 Draft Regional Transmission Plan**

Draft Regional Transmission plan means the version of the Regional Transmission Plan that is produced by the end of Quarter 4, as provided for in Section 18.4.45, and presented to stakeholders for comment in Quarter 5 as set forth in Section 18.5.

### **1.16 Draft Final Regional Transmission Plan**

Draft Final Regional Transmission Plan means the version of the Regional Transmission Plan that is produced by the end of Quarter 6, as provided for in Section 18.6.3, presented to stakeholders for comment in Quarter 7 as set forth in Section 18.7, and presented, with any necessary modifications, to the Steering Committee for adoption in Quarter 8 as set forth in Section 18.8.

### **1.17 Economic Study or Economic Congestion Study:**

Economic Study or Economic Congestion Study means an assessment to determine whether transmission upgrades can reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers taking service under the Tariff.

### **1.18 Economic Study Request or Economic Congestion Study Request**

Economic Study Request or Economic Congestion Study Request means a written request by an Eligible Customer or stakeholder to the Transmission Provider, asking the Transmission Provider to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Transmission System Plan (as an Economic Study Request), to reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers. Economic Study Requests are used in the context of local, regional, and interconnection-wide processes.

### **1.19 Economic Study Request Form**

Economic Study Request Form means the form posted on NTTG's Website used to submit an Economic Study Request as referenced in Section 23.1.



## **1.20 Finance Agent Agreement**

Finance Agent Agreement means Exhibit B to the Funding Agreement and identifies the entity responsible for performing the finance agent tasks set forth in the Funding Agreement.

## **1.21 Funding Agreement**

Funding Agreement means the current version of the agreement among the entities funding the activities of NTTG. The Funding Agreement is available on the NTTG Website.

## **1.22 Incumbent Transmission Developer**

Incumbent Transmission Developer means an entity that develops a transmission project within its own retail distribution service territory or footprint.

## **1.23 Interconnection-wide Economic Study Request**

Interconnection-wide Economic Study Request shall mean an Economic Study Request where there is a Point of Receipt or Point of Delivery within the NTTG Footprint, as determined by the Planning Committee, and the Point of Delivery or Point of Receipt, respectively, is both within the Western Interconnection and outside the NTTG Footprint. In the alternative, if the Economic Study Request is reasonably determined by the Planning Committee to be an Interconnection-wide Economic Study Request from a geographical and electrical perspective, including, but not limited to an evaluation determining that the study request utilizes only WECC member interconnection transmission systems, the study request will be considered an Interconnection-wide Economic Study Request.

## **1.24 Initial Regional Plan**

Initial Regional Plan is defined in Section 18.3.2 to include projects included in the prior Regional Transmission Plan and projects included in the Full Funders Local Transmission Plans.

## **1.25 Local Economic Study Request**

Local Economic Study Request means an Economic Study Request where (1) the Point(s) of Receipt and Point(s) of Delivery are all within the Transmission System of the Transmission Provider and the Point(s) of Receipt and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, or (2) is otherwise reasonably determined by the Planning Committee (if the request is received by the NTTG Planning Committee) or the Transmission Provider (if the request is received by the Transmission Provider) to be a local request from a geographical and electrical perspective, including, but not limited to an evaluation determining that the study request does not affect other interconnected transmission systems.

## **1.26 Local Planning Meeting:**

Local Planning Meeting shall mean the quarterly meetings held by Transmission Provider pursuant to Attachment K to the Tariff.

### 1.27 Local Transmission Plan or LTP:

**Local Transmission Plan or LTP** shall mean the Transmission Provider's transmission plan that identifies the upgrades and other investments to the Transmission System and Demand Resources necessary to reliably satisfy, over the planning horizon, the following: Network Customers' resource and load growth expectations for designated Network Load and Network Resource additions; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's transmission obligations for Public Policy Requirements; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's Point-to-Point Transmission Customers' projected service needs including obligations for rollover rights.

### 1.28 Merchant Transmission Developer

Merchant Transmission Developer shall mean an entity that assumes all financial risk for developing and constructing its transmission project. A Merchant Transmission Developer recovers the costs of constructing the proposed transmission project through negotiated rates instead of cost-based rates. A Merchant Transmission Developer does not seek to allocate the costs associated with its merchant transmission facilities to other entities.

### 1.29 Monetized Non-Financial Incremental Costs

Monetized Non-Financial Incremental Costs are defined in Section 18.4.1.

### 1.2930 NTTG

NTTG shall mean Northern Tier Transmission Group or its successor organization.

### 1.3031 NTTG Footprint

NTTG Footprint means the geographic area comprised of the Transmission Systems in the Western Interconnection of the entities enrolled in NTTG as Full Funders.

### 1.3132 NTTG Website

NTTG Website means [www.nttg.biz](http://www.nttg.biz).

### 1.3233 Nonincumbent Transmission Developer

Nonincumbent Transmission Developer refers to two categories of transmission developer: (1) a transmission developer that does not have a retail distribution service territory or footprint and (2) a public utility transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint, where it is not the incumbent for purposes of that project.

### 1.34 Ownership-Like Rights

Ownership-Like Rights are defined in Section 19.2.2.

**1.~~33~~35 Planning Committee**

Planning Committee is defined in Section 12.2.

**1.~~34~~36 Planning Committee Charter**

Planning Committee Charter means the document attached as Exhibit C to this Attachment K.

**1.~~35~~37 Project Sponsor**

Project Sponsor is defined in Section 18.1.1 as the Nonincumbent Transmission Provider or Incumbent Transmission Provider intending to develop the project that is submitted into the planning process.

**1.~~36~~38 Public Policy Considerations**

Public Policy Considerations shall mean those public policy considerations that are not established by local, state, or federal laws or regulations.

**1.~~37~~39 Public Policy Requirements**

Public Policy Requirements shall mean those public policy requirements that are established by local, state, or federal laws or regulations, meaning enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction.

**1.~~38~~40 Regional Economic Study Request**

Regional Economic Study Request means an Economic Study Request where: (1) Point(s) of Receipt and Point(s) of Delivery are all within the NTTG Footprint, as determined by the Transmission Provider (if the request is received by the Transmission Provider) or the NTTG Planning Committee (if the request is received by the Planning Committee), and Point(s) of Receipt and Point(s) of delivery utilize only Funding Agreement member scheduling paths, or (2) is otherwise reasonably determined by the Transmission Provider or Planning Committee to be a regional request from a geographical and electrical perspective, including but not limited to an evaluation determining that the study request utilizes the interconnected transmission systems of Funding Agreement members.

**1.~~39~~41 Regional Planning Cycle**

Regional Planning Cycle shall mean NTTG's eight-quarter biennial planning cycle that commences in even-numbered years and results in the Regional Transmission Plan.

**1.~~40~~42 Regional Transmission Plan**

Regional Transmission Plan means the current, final regional transmission plan, as approved by the Steering Committee.

**1.~~41~~43 Sponsor Qualification Data Form**

Sponsor Qualification Data Form means the form posted on NTTG's Website used to submit sponsor qualification data for a proposed Sponsored Project as referenced in Sections 18.1.2 and 18.5.2.

**1.~~42~~44 Sponsored Project**

Sponsored Project shall mean the project proposed by a Project Sponsor.

**1.~~43~~45 Steering Committee**

Steering Committee is defined in Section 12.2.

**1.~~44~~46 Steering Committee Charter:**

Steering Committee Charter means the document attached as Exhibit B to this Attachment K.

**1.~~45~~47 TEPPC**

TEPPC means Transmission Expansion Planning Policy Committee or its successor committee within WECC.

**1.~~46~~48 WECC**

WECC means Western Electricity Coordinating Council or its successor organization.

## **Part B. Regional Planning Process**

### **Governance and Participation**

#### **12. Governance**

##### **12.1 About NTTG**

NTTG is a trade name of the utilities and state representatives that are participating in the development of a Regional Transmission Plan that evaluates whether transmission needs within the NTTG Footprint may be satisfied on a regional and interregional basis more efficiently or cost effectively than through local planning processes. While the Regional Transmission Plan is not a construction plan, it provides valuable regional insight and information for all stakeholders (including developers) to consider and use in their respective decision-making processes.

##### **12.2 Committees**

NTTG has four standing committees: Steering Committee, Planning Committee, Cost Allocation Committee, and transmission use committee. The Steering Committee, which operates pursuant to the Steering Committee Charter, is charged with the tasks of approving the Regional Transmission Plan in accordance with this Attachment K, and governing the activities of NTTG. The Planning Committee, which is governed by the Planning Committee Charter, is charged with the task of producing the Regional Transmission Plan (inclusive of regional Economic Congestion Studies) in accordance with this Attachment K. The Cost Allocation Committee, which is governed by the Cost Allocation Committee Charter, is charged with the task of allocating costs to Beneficiaries of transmission projects selected into the Regional Transmission Plan for cost allocation purposes in accordance with this Attachment K. The transmission use committee, which is governed by the transmission use committee charter, and acts outside the scope of this Attachment K, is responsible for increasing the efficiency of the transmission system through commercially reasonable initiatives and increasing customer knowledge of, and transparency into, the transmission system.

#### **3. Participation Through Enrollment or Membership**

##### **13.1 Enrollment**

Enrollment obligations are specified in Section 13.3 below. An entity may enroll in NTTG by becoming a funder as specified in Section 13.3 below.

## 13.2 Membership

Membership rights are specified in the committee charters. An entity may become a member of the following:

- a. Planning Committee as specified in the Planning Committee Charter,
- b. Cost Allocation Committee as specified in the Cost Allocation Committee Charter, and
- c. Steering Committee as specified in the Steering Committee Charter.

## 13.3 Funder of NTTG

13.3.1 Eligibility. An entity that meets the definition of “Nominal Funder” or “Full Funder” as defined in the Funding Agreement is eligible to join NTTG as a funder.

13.3.2 Funding Enrollment Process. An eligible entity will be enrolled in NTTG as a Full Funder on the date the requirements of (a), (b), and either (c) or (d) are satisfied. An eligible entity will be enrolled in NTTG as a Nominal Funder on the date the requirements of (a) and (b) are satisfied.

- a. Entity becomes a party to the currently effective Funding Agreement, and complies with the obligations necessary for the agreement to become effective.
- b. Entity becomes a party to the currently effective Finance Agent Agreement.
- c. If an entity intending to become a Full Funder is a public utility, the Commission accepts the filing of an Open Access Transmission Tariff by the entity with regional, interregional, and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection.
- d. If an entity intending to become a Full Funder is not a public utility, ~~the Commission accepts the filing of a reciprocity Open Access Transmission Tariff by the entity~~ shall adopt and post on its website a reciprocity Open Access Transmission Tariff or other agreement(s) providing for comparable transmission service, each including with regional, interregional, and interconnection-wide planning provisions for its transmission facilities located in the Western Interconnection of Attachment K that are the same as those expressed in Attachment K of

the other Full Funders that are public utilities for their transmission facilities located in the Western Interconnection (each referred to as an “NJ Attachment K”).

13.3.3 Funder Enrollment Obligations. ~~The enrolled entity:~~ Upon

enrollment and to maintain enrollment in good standing, an entity enrolled as a Nominal Funder agrees to the requirements of (a), (b), and (c); an entity enrolled as a Full Funder agrees to the requirements of (a), (b), and (d); and if a non-public utility, the entity agrees to the requirements of (a), (b), and (e).

- a. Agrees to be bound by the decisions that have been made by the Steering Committee, the Planning Committee, the Cost Allocation Committee, and such other committees as exist, up to and including the date of enrollment.;
- b. Agrees to resolve disputes according to the dispute resolution process set forth in Attachment K, from the date of enrollment and throughout the period of enrollment.;
- c. Agrees not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement.

~~d. If a Full Funder, agrees to maintain effective versions of the agreements and Open Access Transmission Tariff specified in Section 13.3.2.~~ A Full Funder that is a public utility agrees:

- i. To implement the provisions of its Open Access Transmission Tariff providing for comparable transmission service including Attachment K; and
- ii. To modify its Open Access Transmission Tariff, Funding Agreement, and Finance Agent Agreement consistent with FERC orders.

e. A Full Funder that is not a public utility agrees:

- i. To implement the provisions of its NJ Attachment K;

- ii. To modify its NJ Attachment K, Funding Agreement, and Finance Agent Agreement, consistent with FERC orders, except that a non-public utility Full Funder need not file its NJ Attachment K, Funding Agreement, and Finance Agent Agreement;
- iii. Not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement; and
- iv. Not to include a provision in its NJ Attachment K that conflicts with a provision in the Open Access Transmission Tariff including Attachment Ks of a Full Funder that is a public utility.

13.3.4 Funder Termination of Enrollment. An entity ceases being enrolled in NTTG as a funder on the date the Steering Committee determines that the entity satisfied the requirements of (a) and (b) below. Promptly following such date, such entity, if a non-public utility, shall satisfy requirement (c), and if a public utility, shall satisfy requirement (d).÷

- a. The entity is no longer a party to the Funding Agreement or Finance Agent Agreement~~agreements specified in Section 13.3.2 and~~
- b. The entity violates an applicable requirement set forth in Section 13.3.3.
- c. A non-public utility shall revoke and remove from its website the NJ Attachment K.
- d. A public utility shall file with the Commission~~If a Full Funder, the Commission accepts~~ an Attachment K in place~~s~~ of the Attachment K specified in Section 13.3.2.

13.3.5 Identification of Full Funders. The following entities are enrolled in NTTG as Full Funders:

- a. Deseret Generation & ~~t~~Transmission Co-operative, Inc.,
- b. Idaho Power Company,



- c. NorthWestern Corporation,
- d. PacifiCorp, and
- e. Portland General Electric Company.

13.3.6 Identification of Nominal Funders. Utah Association of Municipal Power Systems is enrolled in NTTG as a Nominal Funder.

## 14. Stakeholder Participation

### 14.1 Participation Through Public Meetings

Any stakeholder may participate in Steering Committee, Planning Committee, and Cost Allocation Committee stakeholder meetings. The date, time, and location of the public meetings and meeting materials shall be posted on the NTTG Website as specified in the Steering Committee Charter, Planning Committee Charter, and Cost Allocation Committee Charter. Meetings may be held in person, telephonically, or by video or Internet conference.

### 14.2 Participation Through Committees

Any stakeholder may participate in Steering Committee, Planning Committee, and Cost Allocation Committee meetings according to the terms and conditions of the Steering Committee Charter, Planning Committee Charter, and the Cost Allocation Committee Charter, respectively. The date, time, and location of the public committee meetings ~~and meeting materials~~ shall be posted on the NTTG Website not less than seven (7) days prior to each meeting, in addition to posting the meeting materials prior to the meeting, as specified in the Steering Committee Charter, Planning Committee Charter, and the Cost Allocation Committee Charter.

### 14.3 Participation Through Commenting

In addition to commenting orally during stakeholder meetings as set forth in Section 14.1 or during committee meetings as set forth in Section 14.2, any stakeholder may submit written comments to a committee chair at any time through info@nttg.biz.

## 15. Sensitive Information

### 15.1 Critical Energy Infrastructure Information

Any participant in an NTTG process must adhere to the Commission's rules and/or guidelines concerning CEII. Additional information concerning CEII, including a

summary list of the data that is determined by the supplying party to be deemed CEII, shall be posted on the Transmission Provider's OASIS and updated regularly.

## **15.2 Confidential Information**

In the event a participant in an NTTG process claims that information is confidential, another participant seeking access to such information must agree to adhere to the terms of the Confidentiality Agreement. The form of Transmission Provider's Confidentiality Agreement shall be posted on the Transmission Provider's OASIS. Confidential information shall be disclosed in compliance with the Standards of Conduct, and provided only to those participants that require such information and execute the Confidentiality Agreement; provided however, any such information may be supplied to (i) federal, state, or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations or (ii) upon order of a court of competent jurisdiction.

## **16. Transmission Provider Participation**

### **16.1 Planning and Process**

Transmission Provider shall engage in regional transmission planning (including interregional coordination and interregional cost allocation) through NTTG. Transmission Provider shall support NTTG's planning and cost allocation processes through funding a share of NTTG as a Full Funder and providing employee support of NTTG's planning, cost allocation, and administrative efforts.

### **16.2 Project Identification**

Transmission Provider will use best efforts to facilitate NTTG conducting its regional planning process, using identified regional and interregional transmission service needs and transmission and non-transmission alternatives, to identify regional transmission projects (if any) that are more efficient or cost effective from a regional perspective than the transmission projects identified in the Local Transmission ~~System~~ Plans developed by the participating transmission providers that are Full Funders.

### **16.3 Project Cost Allocation**

Transmission Provider, through its participation in NTTG, will support and use best efforts to ensure that NTTG, as part of its regional planning process, will determine benefits of projects and thereby allocate costs of projects (or in the case of interregional projects, portions of projects) selected for cost allocation as more fully described in Section 19.

### **16.4 Information Provided**

Transmission Provider will provide NTTG with:

- a. Its Local Transmission System Plan;
- b. Data used to develop its Local Transmission Plan including projections of network customer loads and resources, projected point-to-point transmission service forecast information, existing and planned demand response resources, and stakeholder data described in Parts A and B;
- c. Updates to information about new or changed circumstances or data contained in the Local Transmission System Plan;
- d. Public Policy Requirements;
- e. Public Policy Considerations; and
- f. Any other project proposed for the Regional Transmission Plan.

## **16.5 Information Posted**

Subject to appropriate Critical Energy Infrastructure Information or other applicable regulatory restrictions, Transmission Provider will post on its OASIS:

- a. the Biennial Study Plan;
- b. Updates to the Biennial Study Plan (if any);
- c. The Regional Transmission Plan; and
- d. The start and end dates of the current Regional Planning Cycle, along with notices for each upcoming regional planning meeting that is open to all parties.

## **17. Dispute Resolution**

### **17.1 Scope**

Transmission Provider, signatories to the Planning Committee Membership Agreement, Eligible Customers, and stakeholders that participate in the regional planning process shall utilize the dispute resolution process set forth in this Section 17 to resolve procedural and substantive disputes related to the regional planning process.

### **17.2 Process**

Disputes shall be resolved according to the following process:

- a. *Step 1* - In the event of a dispute involving the NTTG Planning Committee or Cost Allocation Committee (for disputes involving the Steering Committee, proceed to Step 2), the disputing entity shall provide written notice of the dispute to the applicable Planning Committee or Cost Allocation Committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the Planning Committee or Cost Allocation Committee to resolve the dispute. In the event the dispute is not resolved to the satisfaction of the disputing entity within 30 days of written notice of dispute to the applicable Planning Committee or Cost Allocation Committee chair, or such other period as may be mutually agreed upon, the disputing entity shall proceed to Step 2.
- b. *Step 2* - The Planning Committee or Cost Allocation Committee chair shall refer the dispute to the Steering Committee. In the event of a dispute involving the Steering Committee, the disputing entity shall provide written notice of the dispute to the Steering Committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the Steering Committee to resolve the dispute. Upon declaration of an impasse by the state co-chair of the Steering Committee, the disputing entity shall proceed to Step 3.
- c. *Step 3* - If the dispute is one that is within the scope of the WECC dispute resolution procedures (including a dispute that may be accommodated through modification of the WECC dispute resolution procedures through invocation of Section C.4 thereof), the disputing entity shall follow the mediation process defined in Appendix C of the WECC bylaws. If the dispute is *not* one that is within the scope of the WECC dispute resolution procedures or the WECC otherwise refuses to accept mediation of the dispute, the disputing entity may utilize the Commission's dispute resolution service to facilitate mediation of the dispute. If the dispute cannot be resolved in Step 3, the disputing entity shall proceed to Step 4.
- d. *Step 4* - If the dispute is one that is within the scope of the WECC dispute resolution procedures (including a dispute that may be accommodated through modification of the WECC dispute resolution procedures through invocation of Section C.4 thereof), the disputing entity shall follow the binding arbitration process defined in Appendix C of the WECC bylaws. If the dispute is not one that is within the scope of the WECC dispute resolution procedures or the WECC otherwise refuses to accept arbitration of the dispute, the disputing entity may invoke the arbitration procedures set out in Article 12 of the *pro forma* Open Access Transmission Tariff to resolve the dispute.

### **17.3 Timeliness**

To facilitate the completion of the Regional Transmission Plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this Section 17 be raised more than 30 days after a decision is made in the study process or the posting of a milestone document, whichever is earlier. Nothing contained in this Section 17 shall restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.

## **Planning and Cost Allocation Processes**

### **18. Preparation of Regional Transmission Plan**

The Planning Committee will biennially prepare a long-term (10-year) bulk transmission expansion plan (the “Regional Transmission Plan”). The regional transmission planning process is comprised of the activities set forth in this Section during the Regional Planning Cycle.

#### **18.1 Pre-Qualify for Cost Allocation**

- 18.1.1 Who Must Pre-Qualify. A Nonincumbent Transmission Developer and an Incumbent Transmission Developer (a “Project Sponsor”) that intends to submit its project for cost allocation consideration, if the project is selected in the Regional Transmission Plan for cost allocation, must be pre-qualified by the Planning Committee in accordance with this Section 18.1, and remain qualified to be considered a Sponsored Project in subsequent Regional Transmission Plans.
- 18.1.2 How to Pre-Qualify. A Project Sponsor must submit the sponsor qualification data described in Table 1 below to NTTG, through [info@nttg.biz](mailto:info@nttg.biz), by October 31<sup>st</sup> of Quarter 8 of the prior Regional Planning Cycle. A Project Sponsor shall use the Sponsor Qualification Data Form to submit the data.

The Planning Committee and Cost Allocation Committee will apply the sponsor qualification criteria as summarized in Table 1 below in a comparable and non-discriminatory manner to both incumbent and non-incumbent transmission developers. The sufficiency of the qualification data will be determined by the Planning Committee and Cost Allocation Committee, in consultation with stakeholders, at regularly scheduled meetings in November of Quarter 8 of the prior Regional Planning Cycle.

NTTG will provide the Project Sponsor with notice of the committees’ determinations within five business days following the date a determination has

been made by both committees. The notice will provide either that the Project Sponsor satisfied the qualification data requirements, or will identify specific deficiencies.

The Project Sponsor has until January 31<sup>st</sup> of Quarter 1 of the current Regional Planning Cycle to cure identified deficiencies. If the deficiency is not cured by the end of January of Quarter 1, the project will be considered an unsponsored project submitted by a stakeholder, unless the Applicant withdraws the project from further consideration. The Planning Committee may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a project set forth in a withdrawn submission. During the next Regional Planning Cycle, stakeholder may seek qualification as a Project Sponsor, with updated information and data deficiencies cured. The Project Sponsor must continue to comply with the pre-qualification requirements set forth in Section 18.1 for the project to continue to be considered a Sponsored Project in the next Regional Transmission Plan.

<b>Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle<sup>1</sup></b>			
	<b>Category</b>	<b>Qualification Data</b>	<b>How Sponsor Qualification Data Will be Evaluated</b>
1	Project Sponsor description	1. Name and address. 2. Years in business. 3. Operating environment (nature of business).	Assess whether the required data was submitted.
2	Project summary	1. Voltage. 2. Single or double circuit. 3. AC or DC. 4. Estimated cost. 5. Approximate construction period, 6. Project location. 7. Points of interconnection with the transmission grid.	Assess whether the required data was submitted.

<sup>1</sup>All information supplied to the Planning Committee or subcommittees must be marked by the provider in accordance with the appropriate document class and is treated appropriately by all committee and subcommittee members. The markings should be as follows:

- a) Public.
- b) Contains Critical Energy Infrastructure Information - Do Not Release. (<http://www.ferc.gov/legal/ceii-foia/ceii/classes.asp>)
- c) Contains Privileged Information - Do Not Release.

**Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle<sup>1</sup>**

	<b>Category</b>	<b>Qualification Data</b>	<b>How Sponsor Qualification Data Will be Evaluated</b>
3	Project Name	1. Project Name.	Assess whether the required data was submitted.
4	Project Sponsor demonstration of technical expertise to develop, construct and own the proposed project	<ol style="list-style-type: none"> <li>1. Management’s experience in developing, constructing (or managing construction), and owning a project of similar size and scope.</li> <li>2. Clear discussion of Project Sponsor’s depth and breadth of technical expertise, including Project Sponsor’s internal expertise or external expertise, or both, to develop, construct, and own the proposed project.</li> <li>3. Name, location, and description of a project of similar scale that demonstrates Project Sponsor’s technical expertise to develop, construct, and own the proposed project.</li> </ol>	Assess whether the submission provides experience, including managerial and technical expertise in developing, constructing (or managing construction) and owning comparable projects.
5	Project Sponsor financial expertise to develop, construct, and own the proposed project	<p>Creditworthiness review requires the following information, if available:</p> <ol style="list-style-type: none"> <li>1. Most recent annual report.</li> <li>2. Most recent quarterly report.</li> <li>3. Last two most recent audited year-end financial statements.</li> <li>4. Rating agency reports.</li> <li>5. Any material issues that could affect the credit decision, including but not limited to litigation, arbitration, contingencies, or investigations (if applicable).</li> <li>6. Other information supporting Project Sponsor’s financial expertise.</li> </ol> <p>In addition to the qualification data above, demonstrate that the Project</p>	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.

**Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle<sup>1</sup>**

	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
		<p>Sponsor, or the sponsor's parent company has either an investment grade rating, or, meets the following <del>three</del> tests:</p> <p><del>A. Has existed for at least 5 years;</del></p> <p><del>A. Has maintained positive working capital for the prior 3 years; and</del></p> <p><del>B.A.</del> Has a minimum tangible net of \$1,000,000 or total asset of \$10,000,000.</p>	
6	Proposed project financing plan	<ol style="list-style-type: none"> <li>1. Describe how the project will be financed.</li> <li>2. List investors and percentage ownership of each.</li> <li>3. Proposed sources of debt and equity capital and the percentages of each.</li> </ol>	Assess whether the submission provides the appropriate financial information for the investor(s), including financial expertise provided in response to category 4.
7	Project Sponsor ability to maintain and operate proposed project	<p>Clear description of Project Sponsor, its parent organization, or <del>its</del><u>the</u> third-party contractor(s) <u>the Project Sponsor plans to that has been</u> retained to operate and/or maintain the proposed project. <u>To the extent the Project Sponsor plans to rely on any third-party contractor(s) not yet under contract, the Project Sponsor must also indicate when it plans to enter into a definitive agreement with its contractor(s).</u> Must provide (1) actual examples of at least five years of operation and maintenance experience for a similar size project; or (2) provide similar information for Project Sponsor's consultant or outsourced entity.</p>	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.
8.	Primary Project Contact	<ol style="list-style-type: none"> <li>1. Name.</li> <li>2. Title.</li> <li>3. Phone.</li> </ol>	Assess whether the required data was submitted.



<b>Table 1. Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle<sup>1</sup></b>			
	<b>Category</b>	<b>Qualification Data</b>	<b>How Sponsor Qualification Data Will be Evaluated</b>
		4. Email.	
9.	Signature	Signature of authorized representative	Assess whether the document was signed.

## **18.2 Quarter 1 – Data Gathering and Project Submittal**

**18.2.1 Data Gathering.** The Planning Committee shall gather and coordinate Transmission Provider (as specified in Section 3.2 and 16.4) and stakeholder input applicable to the planning horizon. Any stakeholder may submit data to be evaluated as part of the preparation of the Draft Regional Transmission Plan, including data supporting transmission needs and associated facilities driven by Public Policy Requirements and Public Policy Considerations, and alternate solutions to the identified needs set out in the Transmission Provider’s Local Transmission System Plan and prior Regional Transmission Plan. A stakeholder shall use the Data Submittal Form to submit its data. By January 31<sup>st</sup> of Quarter 1, stakeholders shall submit a completed form to NTTG, through [info@nttg.biz](mailto:info@nttg.biz).

**18.2.2 Proposing a Project for Consideration.** A Project Sponsor (refer to footnote 1 of Table 2) may propose a transmission project for consideration in the Regional Transmission Plan (a “Sponsored Project”) by submitting to the Planning Committee chair the information identified in the “sponsored project” column of Table 2 below. A stakeholder may submit an unsponsored project for consideration in the Regional Transmission Plan by submitting to the Planning Committee chair the information identified in the “unsponsored project” column of Table 2 below. A Merchant Transmission Developer within the NTTG Footprint shall submit to the Planning Committee chair the information identified in the “merchant developer project” column of Table 2 below. A Project Sponsor and a stakeholder that submits an unsponsored project are collectively referred to in this Section 18 as an “Applicant.” Applicant and a Merchant Transmission Developer shall use the Data Submittal Form to submit its project. By March 31<sup>st</sup> of Quarter 1, Applicant and Merchant Transmission Developer shall submit a completed Data Submittal Form to NTTG through [info@nttg.biz](mailto:info@nttg.biz)

<b>Table 2: Minimum Information Required (Yes required or No not required)</b>				
		Sponsored Project	Un-sponsored Project	Merchant Developer Project
A	Load and resource data (1)	Y	Y	N (2)
B	Forecasted transmission service requirements, if any (5)	Y	Y	N (3)
C	Whether the proposed project meets reliability or load service needs	Y	Y	N (3)
D	Economic considerations (6)	Y	Y	N (4)
E	Whether the proposed project satisfies a transmission need driven by Public Policy Requirements	Y	Y	N (3)
F	Project location	Y	Y	Y
G	Voltage level (including whether AC or DC)	Y	Y	Y
H	Structure type	Y	Y	Y
I	Conductor type and configuration	Y	Y	Y
J	Project terminal facilities	Y	Y	Y
K	Project cost, associated annual revenue requirements, and underlying assumptions and parameters in developing revenue requirement	Y	Y	N
L	Project development schedule	Y	Y	Y
M	Current project development phase	Y	Y	Y
N	In-service date	Y	Y	Y
O	A list of all planning regions to which an interregional project has been submitted for evaluation	Y	Y	N
<p>1. Incumbent Transmission Developer shall provide load and resource data for its balancing authority area or the balancing authority area in which it operates. Nonincumbent Transmission Developer and Merchant Transmission Developer who are providing data shall identify the load intended to be served with the line and the generation resource intended to inject energy into the line for the identified load.</p> <p>2. To the extent applicable and data is readily available for the proposed transmission project; provide the approximate location of the new or existing resource and/or load that may require this proposed project if other than forecasted transmission service.</p> <p>3. Provide this information only to the extent it is readily available when the information is due.</p> <p>4. To the extent applicable and data is readily available for the proposed transmission project; provide that approximate location of the congestion that this project is proposed to address.</p> <p>5. Provide data for transmission service requests and forecasted transmission service needs. If network transmission loads or native load service needs are included in the response to the load data</p>				

requested in row “A,” then do not provide them in response to this data request. If not provide, then provide the data.

6. Provide data supporting the economic considerations (rather than load service, reliability or Public Policy Requirements) that are driving the project. Economic considerations include but are not limited to a search for lower cost power or marketing opportunities for power or transmission service.

18.2.3 Proposing a Project for Consideration for Cost Allocation. In addition to the information specified in Section 18.2.2, an Applicant shall use the Cost ~~a~~Allocation Data Form to propose its project for cost allocation, and submit the additional information requested below. By March 31<sup>st</sup> of Quarter 1, Applicant shall submit a completed form to NTTG through [info@nttg.biz](mailto:info@nttg.biz). Such Applicants are encouraged by not required to also provide the following information:

- a. A statement as to whether the proposed project was selected in a Transmission Provider’s local plan;
- b. A statement as to whether the proposed project is planned in conjunction with evaluation of economical resource development and operation (i.e., as part on an integrated resource planning process or other resource planning process regarding economical operation of current or future resources) conducted by or for one or more load serving entities within the footprint of a Transmission Provider;
- c. If the proposed project is planned primarily to meet the transmission needs of a reliability or Public Policy Requirement of a Transmission Provider, copies of all studies (i.e., engineering, financial, and economic) upon which planning of the project is based;
- d. If the proposed project is planned as part of future resource development and operation within the footprint of a local transmission provider, copies of all studies upon which planning of the project is based, including, but not limited to, any production cost model input and output used as part of the economic justification of the project;
- e. To the extent not already provided, copies of all studies performed by or in possession of the Applicant that describe and/or quantify the estimated annual impacts (both beneficial and detrimental) of the proposed project on the Applicant and other regional entities;

- f. To the extent not already provided, copies of any WECC or other regional, interregional, or interconnection-wide planning entity determinations relative to the project;
  - g. To the extent not set forth in the material provided in response to items (b) – (d), the input assumptions and the range of forecasts incorporated in any studies relied on by the Applicant in evaluating the efficiency or cost-effectiveness of the proposed project; and
  - h. Any proposal Applicant may choose to offer with regard to treatment of project cost overruns.
- 18.2.4 Submission of Economic Study Requests. Stakeholders may submit Economic Congestion Study Requests as set forth in Section 22.
- 18.2.5 Updates to Previously Selected Projects. For projects selected in the prior Regional Transmission Plan, the Applicant must submit an updated project development schedule to the Planning Committee. The Applicant must also submit updated information for its third-party contractor(s) to the extent such information or the timeline for entering into a definitive agreement is different than the information previously provided pursuant to Table 1 above. Stakeholders shall use the Data Submittal Form. By March 31<sup>st</sup> of Quarter 1, Applicants shall submit an updated form to NTTG through [info@nttg.biz](mailto:info@nttg.biz).
- 18.2.6 Review for Completeness. The Planning Committee will review the information submitted pursuant to this Section 18.2 for completeness. If an Applicant fails to meet the information requirements set forth above, the Planning Committee shall notify the Applicant of the reasons for such failure. The Planning Committee will attempt to remedy deficiencies in the submitted information through informal communications with the Applicant. If such efforts are unsuccessful by April 15<sup>th</sup> of Quarter 2, the Planning Committee shall return the Applicant's information, and Applicant's request shall be deemed withdrawn. The Planning Committee may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a project set forth in a withdrawn submission. During the next Regional Planning Cycle, Applicant may resubmit the project, with updated information and data deficiencies cured, for consideration in the Regional Transmission Plan and may request cost allocation consideration. Figure 1. "Project Submittal Process" below, summarizes the process described in this Section 18.2 for submitting a project to be considered in the development of the Draft Regional Transmission Plan.

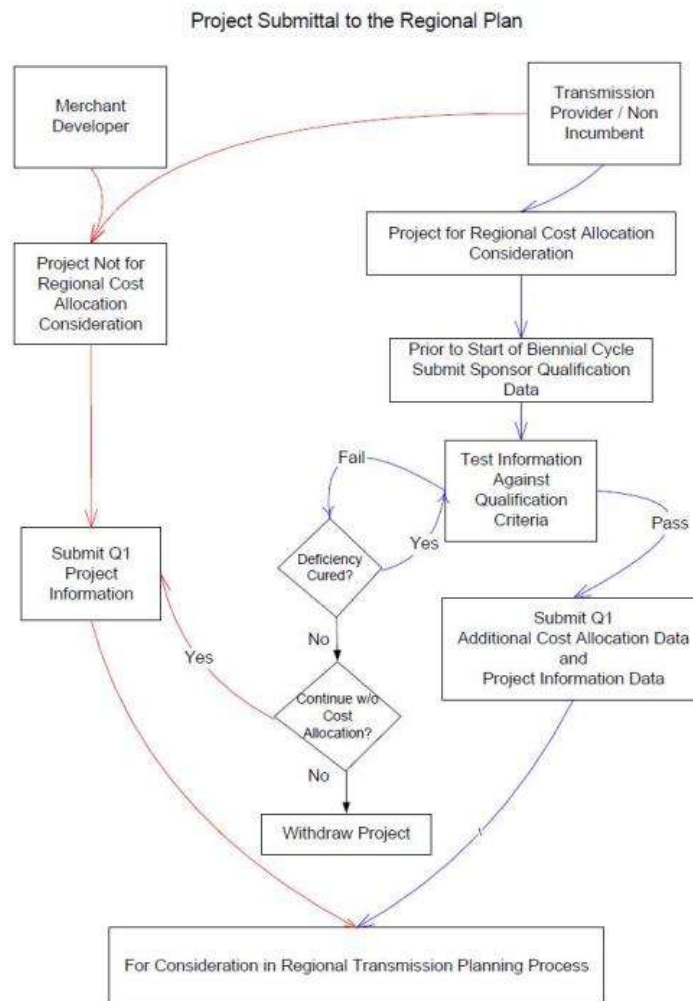


Figure 1. “Project Submittal Process”

### **18.3 Quarter 2 – Development of the Biennial Study Plan**

- 18.3.1 Evaluate the Data. The Planning Committee shall identify the loads, resources, point-to-point transmission requests, desired flows, constraints and other technical data needed to be included and met by the development of the Regional Transmission Plan. The Planning Committee shall evaluate all stakeholder submissions, in consultation with stakeholders, on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers. The Planning Committee shall evaluate solutions based on a comparison of their ability to meet reliability requirements, address economic considerations, and meet transmission needs driven by Public Policy Requirements.
- 18.3.2 Development of the Biennial Study Plan. The Planning Committee will develop the Biennial Study Plan, which describes:
- a. the detailed study methodology;
  - b. Reliability ~~E~~criteria;
  - c. Transmission needs driven by Public Policy Requirements and Public Policy Considerations selected for use in the Biennial Study ~~P~~plan;
  - d. Assumptions;
  - e. Databases;
  - f. Analysis tools;
  - g. Projects (including unsponsored projects) included in the prior Regional Transmission Plan that will be reevaluated according to Section 20 (unless the Planning Committee has received or is aware that a project included in the prior Regional Transmission ~~p~~Plan has been cancelled or replaced in which case the cancelled or replaced project will not be included);
  - h. Projects included in each of the Full Funders Local Transmission Plans;
  - i. Sponsored Projects, projects submitted by stakeholders, projects submitted by Merchant Transmission Developers, ~~and~~ unsponsored projects identified by the Planning Committee, and unsponsored projects submitted by stakeholders (if any); and
  - j. Allocation scenarios.

The projects identified in (g) and (h) are collectively referred to as the “Initial Regional Plan.” The projects identified in (i) are referred to as the “Alternative Projects.” The allocation scenarios referenced in (j) are developed by the Cost Allocation Committee (in consultation with the Planning Committee) with stakeholder input, for those parameters that will likely affect the amount of total benefits and their distribution among Beneficiaries as set forth in Section 19.2.

When developing the draft Biennial Study Plan, the Planning Committee and Cost Allocation Committee will, under certain circumstances described in Section 20 below, identify projects selected in the prior Regional Transmission Plan that will be reevaluated and potentially replaced or deferred.

At a Quarter 2 public meeting, the Planning Committee and the Cost Allocation Committee will present the draft Biennial Study Plan to stakeholders for comment. The Planning Committee will recommend the draft Biennial Study Plan to the Steering Committee for approval.

After considering the draft Biennial Study Plan, the Steering Committee may remand it to the Planning Committee for any of the following reasons:

- aa. The draft Biennial Study Plan lacks details;
- bb. The draft Biennial Study Plan relies on inappropriate data, metrics, or scenarios; or
- cc. The draft Biennial Study Plan is inconsistent with obligations contained in this Attachment K or the charters attached hereto.

Further, the Steering Committee may also remand the draft Biennial Study Plan to the Cost Allocation Committee on any of the following additional grounds:

- dd. the Steering Committee objects to the parameters used to define which Beneficiaries are eligible for allocating costs; or
- ee. the Steering Committee objects to the assumptions or methods used in modeling benefits for the various study scenarios.

In the event of a remand, the Steering Committee shall provide a specific description of the shortcomings, omissions, or inconsistencies that it found. The Planning Committee or Cost Allocation Committee, whichever is appropriate, shall augment or modify the draft Biennial Study Plan to correct the deficiencies identified by the Steering Committee and the Planning Committee shall resubmit the draft Biennial Study Plan until the Steering Committee is satisfied.

18.3.3 Selection of **transmission needs driven by** Public Policy Requirements and Public Policy Considerations Used in the Biennial Study Plan.

- 18.3.3.1 Overview. NTTG's regional planning process, through the Planning Committee, receives transmission needs driven by Public Policy Requirements, Public Policy Considerations, and data from the local transmission plans and stakeholders during the Quarter 1 data gathering submittal period pursuant to Section 18.2.1. NTTG's Regional Transmission Plan only includes consideration of transmission needs driven by Public Policy Requirements. Public Policy Considerations as agreed upon by the Planning Committee, with stakeholder input, during Quarter 2 Biennial Study Plan development, will be evaluated as to whether they create additional transmission needs. Together, these transmission needs driven by Public Policy Requirements and Public Policy Considerations are approved by the Steering Committee as part of the Biennial Study Plan approval process at the end of Quarter 2.
- 18.3.3.2 Process. The Planning Committee applies the following process, shown in Figure 2. "Planning Committee Process for Selecting Public Policy Requirements and Public Policy Considerations," and described below (in the event of conflict between the figure and the text, the text controls) to transmission needs driven by Public Policy Requirements and Public Policy Considerations data.



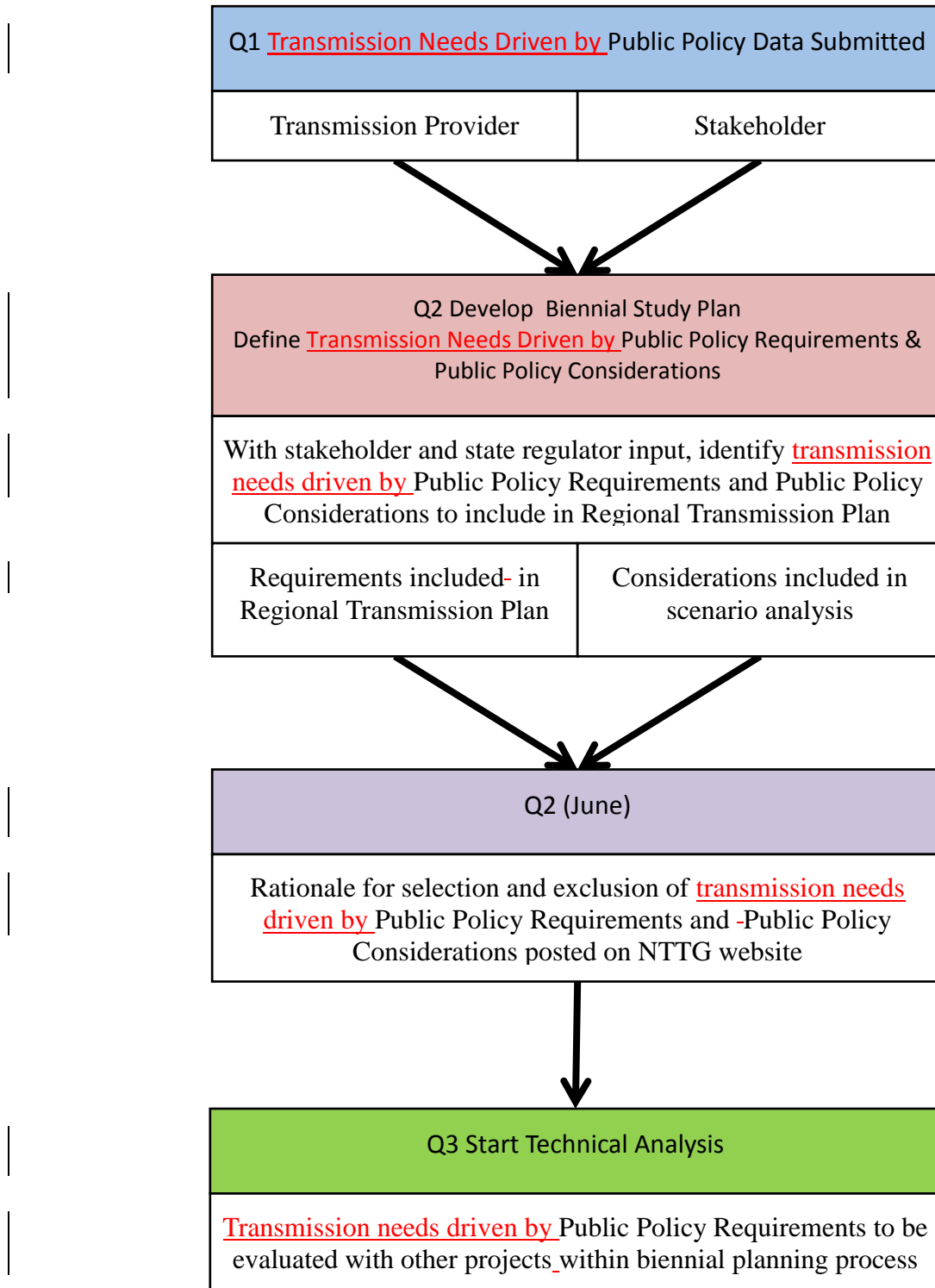


Figure 2. “Planning Committee Process for Selecting Public Policy Requirements and Public Policy Considerations”

In Quarter 1, transmission needs and associated facilities driven by Public Policy Requirements and Public Policy Considerations ~~information and data~~ are received from the transmission providers' local transmission plans and received from stakeholders using NTTG's data submittal forms. Refer to Section 18.2.1.

In Quarter 2, after consultation with stakeholders, including state regulators, the Planning Committee recommends to the Steering Committee the transmission needs driven by Public Policy Requirements to be used in the Biennial Study Plan, as well as the transmission needs driven by Public Policy Considerations to be used in the additional study analysis. The additional study analysis results are informational only and may inform the Regional Transmission Plan, but will not result in the inclusion of additional projects in the Regional Transmission Plan. Refer to Section 18.3.2.

In June of Quarter 2, the Steering Committee approves the Biennial Study Plan, including the transmission needs driven by Public Policy Requirements for the Regional Transmission Plan and transmission needs driven by Public Policy Considerations for additional study analysis. Refer to Section 18.3.2.

18.3.3.3 Identification. During the Regional Planning Cycle, the Planning Committee determines if there is a more efficient or cost-effective regional solution to meet the transmission needs driven by Public Policy Requirements set forth in the Biennial Study Plan. The selection process and criteria for regional projects meeting transmission needs driven by Public Policy Requirements are the same as those used for any other regional project chosen for the Regional Transmission Plan. Rather than considering transmission needs driven by Public Policy Requirements separately from other transmission needs, the Planning Committee evaluates them in its technical analysis along with other regional projects.

18.3.3.4 Posting. After the Steering Committee approves the Public Policy Requirements and the Public Policy Considerations, the Planning Committee will post on the NTTG Website which transmission needs driven by Public Policy Requirements and Public Policy Considerations will and will not be evaluated in the Regional Planning Cycle, along with an explanation of why particular transmission needs driven by Public Policy Requirements and Public Policy Considerations were or were not considered.

**18.3.3.5 Identification of Un-sponsored Transmission Projects by Planning Committee. The Planning Committee may, using its knowledge of the transmission systems and its professional judgment, identify an un-sponsored project.**

**18.4 Quarters 3 and 4 – Preparation of the Draft Regional Transmission Plan**

- 18.4.1 Analysis and Methodology. The Planning Committee shall utilize each Alternative Project in one or more Change Cases and, using the criteria set forth in Section 18.4.2, determine if a Change Case is a more efficient or cost-effective solution for the NTTG Footprint than the Initial Regional Plan based upon the methodology set forth below. The methodology employed by the Planning Committee will be to develop one or more Change Cases by replacing non-Committed project(s) in the Initial Regional Plan with one or more of the Alternative Projects. Each Change Case will be compared against the Initial Regional Plan for the tenth year of a ten-year planning horizon. Criteria (b) and (c) described in Section 18.4.2 below will be monetized using an index price of power and summed with capital-related cost criteria to develop an incremental cost for that Change Case that will be compared to the Initial Transmission Plan's incremental capital-related cost for replaced or deferred project(s) and incremental ~~monetized~~ ~~non-~~ ~~financial~~ ~~incremental~~ ~~costs~~. The set of projects (either the Initial Regional Plan or a Change Case) with the lowest incremental cost, as adjusted by its effects on neighboring regions as set forth in Section 18.4.3, will then be incorporated within the Draft Regional Transmission Plan. The projects eligible for cost allocation (i.e., those satisfying the criteria set forth in Sections 19 and 19.2.1) that are incorporated within the Draft Regional Transmission Plan will then be evaluated for cost allocation by the Cost Allocation Committee as set forth in Section 19.2. As used in this paragraph, "Monetized Non-Financial Incremental Costs" means those incremental costs associated with an Alternative Project that are not directly evaluated and measured in dollars of changed revenues, expenses, or capital investment. Such incremental costs, which are non-financial in nature, will be monetized by applying an appropriate index or conversion factor to convert the units in which the incremental costs were directly evaluated and measured into a dollar value. (For example, losses are measured in megawatt hours. That quantity will be converted to dollars by multiplying the quantity by a dollar per megawatt hour index.)
- 18.4.2 Analysis Criteria. Criterion (a), (b), and (c) below will be used to determine if a Change Case is a more efficient or cost-effective solution for the NTTG Footprint than the Initial Regional Plan based upon the methodology set forth in Section 18.4.1:

- a. Capital-Related Costs. A change in Annual Capital-Related Costs between a Change Case and the Initial Regional Plan captures benefits related to transmission needs driven by both reliability and Public Policy Requirements. This benefit metric captures the extent that a project in the Initial Regional Plan can be displaced (either deferred or replaced) while still meeting all regional transmission needs, including reliability standards (associated with serving existing, as well as new, service obligations) such that the Change Case has lower capital-related costs. The displacement of a project in the Initial Regional Plan may be due to a Change Case or due to the determination that more than one project in the Initial Regional Plan is meeting the same transmission need. This same benefit metric also captures the extent to which a Change Case may displace one or more projects in the Initial Regional Plan for purposes of meeting Public Policy Requirements because it is determined to have lower capital-related costs, while still meeting the same Public Policy Requirements.

“Annual Capital-Related Costs” will be the sum of annual return (both debt and equity related), depreciation, taxes other than income, operation and maintenance expense, and income taxes. These costs will be based on estimates provided by the Applicant or estimates by the Planning Committee using representative industry data if not provided by the Applicant. Power flow analysis will be used to ensure each scenario meets transmission reliability standards.

Those entities affected by the change in Annual Capital-Related Costs shall be identified for use in the cost allocation process.

- b. Energy Losses. This metric captures the change in energy generated to serve a given amount of load. A change in annual energy losses between a Change Case and the Initial Regional Plan measures the energy impact of changing (either displacing or adding) projects within the Initial Regional Plan with one or more projects in the Change Case. Power flow or production cost analysis will be used to measure the quantity of energy losses in each scenario. Those entities affected by the change in energy losses shall be identified for the cost allocation process.
- c. Reserves. This metric is based on savings that may result when two or more balancing authority areas could economically share a reserve resource when unused transmission capacity remains in proposed transmission project. A change in annual reserves between a Change Case and the Initial Regional Plan measures the energy impact of changing projects within the Initial Regional Plan with one or more

projects in the Change Case. The incremental reserve requirement for each balancing authority area within the NTTG Footprint will be calculated as a standalone quantity and as a reserve sharing quantity for each scenario. Those entities affected by the change in reserves shall be identified for the cost allocation process.

Each criterion (a), (b), and (c) will be expressed as an annual change in costs (or revenue). The annual changes will be discounted to a net present value to the in-service year of the project for which the cost allocation is being determined. A common year will be selected for net present value calculations for all cases to enable a comparative analysis between each Change Case and the Initial Regional Plan. For example, if a transmission project scheduled in-service beginning year 6 of the 10-year study period is deferred until after year 10 by another project in-service beginning in year 6, the change in Annual Capital-Related Costs would be computed for years 6 through 10 and converted to a net present value for year 6 of the study period. Any change in energy losses or reserves would similarly be calculated for years 6-10 as a change in cost or revenue for each affected Beneficiary and discounted to a net present value to year 6, the in-service year of the project for which the cost allocation is developed.

18.4.3 Analysis of Additional Alternatives. The Planning Committee, as part of its analysis performed under Section 18.4.1, shall consider the Transmission Providers' and stakeholders' identified transmission needs vis-à-vis the projects identified in the Biennial Study Plan to determine whether there are other alternatives (including unsponsored projects) which may be more efficient or cost effective in meeting the region's transmission needs.

18.4.4 Impacts on Neighboring Regions. The Planning Committee will monitor the impacts of projects under consideration for the Draft Regional Transmission Plan on neighboring Planning Regions. The methodology employed by the Planning Committee will identify the most efficient or cost-effective plan (either the Initial Transmission Plan or a Change Case) prior to consideration of impacts on neighboring Planning Regions. If the Planning Committee finds that such Change Case or Initial Regional Plan may cause reliability standard violations on neighboring Planning Regions, the Planning Committee shall coordinate with the neighboring Planning Regions to reassess and redesign the facilities. If the violation of reliability standards can be mitigated through new or redesigned facilities or facility upgrades within the NTTG Footprint or through operational adjustments within the NTTG Footprint, the costs of such mitigation solutions shall be considered in addition to the cost of the project(s) under consideration when selecting a project for the Draft Regional Transmission Plan. If the reliability standard

violation cannot be mitigated (by actions within the NTTG Footprint or the affected neighboring Planning Region), the Change Case or Initial Regional Plan will not be selected for the Draft Regional Transmission Plan. The impacts of upgrades on, or additions to, the neighboring Planning Regions, whether identified by Planning Committee or the neighboring Planning Regions, will be considered by the Planning Committee; provided, however, any costs associated with such impacts in the neighboring Planning Regions will not be accepted for cost allocation, and will not be considered when selecting a project for the Draft Regional Transmission Plan. The evaluation specified in this Section 18.4.3 will be repeated, as necessary, until the Change Case or Initial Regional Plan is selected for the Draft Regional Transmission Plan pursuant to Section 18.4.1

18.4.45 Draft Regional Transmission Plan. The Planning Committee shall produce a Draft Regional Transmission Plan by the end of Quarter 4. The projects selected into the Draft Regional Transmission Plan are determined according to Section 18.4.1, and the projects selected into the Draft Regional Transmission Plan for cost allocation are determined according to Section 19.

**18.5 Quarter 5 – Stakeholder Review of Draft Regional Transmission Plan**

18.5.1 Public Review. The Planning Committee will facilitate stakeholder review and comment on the Draft Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process.

18.5.2 Public Comment and Updates. Any stakeholder may submit comments on the Draft Regional Transmission Plan to the Planning Committee chair through info@nttg.biz. Stakeholder comments may include identification of a new unsponsored project. New unsponsored projects will be considered to the extent feasible, as determined by the Planning Committee, without delaying the development of the Regional Transmission Plan. New unsponsored projects that are not considered during the current Regional Planning Cycle will be noted in the Regional Transmission Plan and carried forward for consideration in the following Regional Planning Cycle. In addition, Project Sponsors and stakeholders that submitted projects included in the Draft Regional Transmission Plan shall update data provided in Quarter 1 using the same forms identified in Quarter 1; provided however, only changes that should likely lead to a material change, individually or in the aggregate, in the Draft Regional Transmission Plan and match the level of detail described in quarter 1 above need to be submitted. Changes to third-party contractor information or the timeline for entering into a definitive agreement with third-party contractor is considered a material change and

must be updated, to the extent the information is different than the information provided in Quarter 1. All stakeholder submissions will be evaluated, in consultation with stakeholders, on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers, and solutions will be evaluated based on a comparison of their relative economics and ability to meet reliability requirements, address economic considerations and meet transmission needs driven by Public Policy Requirements.

- 18.5.3 Submission of Economic Study Requests. Stakeholders may submit Economic Study Requests as provided for in Section 22.

## **18.6 Quarter 6 – Updates to the Biennial Study Plan**

- 18.6.1 Updated Biennial Study Plan. The Biennial Study Plan will be updated based on the Planning Committee's review of stakeholder-submitted comments received during Quarter 5, additional information about new or changed circumstances relating to loads, resources, transmission projects or alternative solutions, or identified changes to data provided in Quarter 1.
- 18.6.2 Cost Allocation. The Cost Allocation Committee will begin allocating costs of projects selected into the Draft Regional Transmission Plan to Beneficiaries as described in Section 19.2.
- 18.6.3 Draft Final Regional Transmission Plan. The Planning Committee will produce the Draft Final Regional Transmission Plan by the end of Quarter 6.

## **18.7 Quarter 7 – Draft Final Regional Transmission Plan Review**

The Planning Committee will facilitate a stakeholder process for review and comment on the Draft Final Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process. The Planning Committee will document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments and produce the Draft Final Regional Transmission Plan.

## **18.8 Quarter 8 – Regional Transmission Plan Approval**

The Planning Committee will submit the Draft Final Regional Transmission Plan to the Steering Committee for approval, completing the Regional Planning Cycle. The Planning Committee will share the approved Regional Transmission Plan for consideration in the local and interconnection-wide study processes.



Any unsponsored project in the Final Regional Transmission Plan may be resubmitted using the process described in Sections 18.1 and 18.2 above, as a Sponsored Project by a pre-qualified Project Sponsor for consideration in the next Regional Planning Cycle for purposes of cost allocation. Pursuant to Section 20.1 below, such project shall be subject to reevaluation unless it is a Committed Project.

## **18.9 Quarterly Meetings**

The Planning Committee and Cost Allocation Committee shall jointly convene a public meeting at the end of each quarter in the Regional Study Cycle to present a status report on the development of the Regional Transmission Plan, summarize the substantive results at each quarter, present drafts of documents, and receive comments.

## **19. Cost Allocation**

A Project Sponsor intending to submit its Sponsored Project for cost allocation must satisfy the pre-qualification requirements set forth in Section 18.1, submit the Sponsored Project as set forth in Section 18.2.2, and request cost allocation as set forth in Section 18.2.3. An Applicant desiring for its project to be considered for cost allocation as an unsponsored project must submit the unsponsored project as set forth in Section 18.2.2 and request cost allocation as set forth in Section 18.2.3. Transmission Provider may elect to allocate costs of its project through either participant funding as set forth in Section 19.1 or through NTTG's cost allocation process as set forth in Section 19.2 as either a Sponsored Project or unsponsored project, provided that Transmission Provider complies with the applicable requirements specified above.

### **19.1 Participant Funding**

19.1.1 Open Season Solicitation of Interest. Transmission Provider may elect at its discretion to provide an "open season" solicitation of interest to secure additional project participants for any project. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:

- a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate;
- b. Schedule meetings with stakeholders and/or state public utility commission staff, as appropriate; and
- c. Post information about the proposed project on its OASIS.

For any project entered into by Transmission Provider where an open-season-solicitation-of-interest process has been used, the Transmission Provider will



choose to allocate costs among project participants in proportion to investment or based on a commitment to transmission rights, unless the parties agree to an alternative mechanism for allocating project costs. In the event an open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.

- 19.1.2 Projects without a Solicitation of Interest. Transmission Provider may elect to proceed with projects without an open season solicitation of interest, in which case Transmission Provider will proceed with the project pursuant to its rights and obligations as a Transmission Provider.
- 19.1.3 Other Sponsored Projects. Funding structures for non-Transmission Provider projects are not addressed in this Tariff. Nothing in this Tariff is intended to preclude any other entity from proposing its own funding structure.

## **19.2 Allocation of Costs**

The Cost Allocation Committee will allocate the costs of projects the Planning Committee selects into the Draft Regional Transmission Plan for purposes of cost allocation according to this section. The Cost Allocation Committee shall use the methodology set forth in Section 19.2.2 to allocate project costs to Beneficiaries.

- 19.2.1 Project Qualification. To be eligible for cost allocation and therefore selected into the Draft Transmission Plan for purposes of cost allocation, the Planning Committee shall verify that the project:
- a. Was proposed for such purpose by a pre-qualified sponsoring entity, was an unsponsored project identified in the regional planning process, or was an unsponsored project proposed by a stakeholder (or Transmission Provider or non-incumbent transmission developer not desiring to sponsor the project);
  - b. Was selected in the Draft Regional Transmission Plan; and
  - c. Has an estimated cost exceeding \$20 million.
- 19.2.2 Allocation of Project Costs to Beneficiaries. The Cost Allocation Committee initially identifies Beneficiaries as all those entities that may be affected by the project based upon the application of the analysis criteria set forth in Section 18.4.2 and using the allocation scenarios developed pursuant to Section 19.2.3. For projects eligible to receive a cost allocation, the Cost Allocation Committee shall start with the calculations provided by the

Planning Committee pursuant to Section 18.4.1 and remove those entities that do not receive a benefit from the project being evaluated.

Before allocating a transmission project's cost, the Cost Allocation Committee will adjust, as appropriate, the calculated initial net benefits for each Beneficiary based upon the following criteria:

- a. The net benefits attributed in any scenario are capped at no less than 50% and no more than 150% of the average of the unadjusted, net benefits (whether positive or negative); and
- b. If the average of the net benefits, as adjusted by (a) above, across the allocation scenarios is negative, the average net benefit to that Beneficiary is set to zero.

Each of these adjustments is applied to each Beneficiary independent of other Beneficiaries. The initial (and adjusted) net benefits for the selected Change Case are the sum of the benefits (which numerically may be positive or negative) across each of the analysis criteria. A Beneficiary will be included in the steps above even if only one of the analysis criteria is applicable to that Beneficiary and the estimated benefits for the other analysis criteria are, by definition, zero.

The adjusted net benefits, as determined by applying the limits in the two conditions above, are used for allocating project costs proportionally to Beneficiaries. However, Beneficiaries other than the Applicant will only be allocated costs such that the ratio of adjusted net benefits to allocated costs is no less than 1.10 (or, if there is no Applicant, no less than 1.10). If a Beneficiary has an allocated cost of less than \$100,000, the cost allocated to that Beneficiary is set to zero. The following examples demonstrate the application of the benefit-to-cost ratio:

Example 1: Project Cost = \$800M; B's adjusted net benefits = \$483M; C's (Project Sponsor) adjusted net benefits = \$520M. B is allocated \$385M (i.e., the lesser of  $\$800M * (\$483 / (\$483 + \$520)) = \$385M$  OR  $\$483M / 1.1 = \$439.1M$ ) and C is allocated \$415M (i.e.,  $\$800 - \$385 = \$415$ ).

Example 2: Same as Example 1, except Project Cost = \$950M. B is allocated \$439M (i.e., the lesser of  $\$950M * (\$483 / (\$483 + \$520)) = \$457.5M$  OR  $\$483 / 1.10 = \$439.1$ ) and C is allocated \$511M (i.e.,  $\$950 - \$439 = \$511$ ).

Unallocated costs due to the limitations above are reallocated among the remaining Beneficiaries. Reallocation will continue among regional Beneficiaries, which are still above the benefit-cost threshold (i.e., the 1.10 ratio of adjusted net benefits to allocated costs) until either all costs are allocated or there are no Beneficiaries above the 1.10 benefit-cost threshold. The Applicant may voluntarily accept any remaining project costs. Otherwise, if the thresholds prevent all costs from being reallocated among Beneficiaries and the unallocated costs are not accepted by the Applicant, the project is no longer eligible for cost allocation.

The Cost Allocation Committee shall provide its cost allocations to the Planning Committee for its inclusion in the Draft Final Regional Transmission Plan. While the estimation of benefits is not dependent or conditioned on a Beneficiary's receipt of future ownership ~~rights~~ (or ~~Ownership-Like~~) ~~Rights~~ on the project or the transmission system(s) involved, the Cost Allocation Committee shall identify and provide with the cost allocation of any such project those transmission rights or ~~Ownership-Like~~ ~~Rights~~ that were assumed would be available to and utilized by the Beneficiary in order to realize the benefits attributed to the Beneficiary. "Ownership-Like Rights," as used in this paragraph, means those arrangements where an entity has rights in certain transmission facilities or a transmission path owned by another entity (or entities), which are based upon a percentage of the facility or path's rated capacity, and which rights remain through the in-service life of the facility or path.

- 19.2.3 Allocation Scenarios. As set forth in Section 18.3.2, during Quarters 1 and 2, the Cost Allocation Committee (in consultation with the Planning Committee) with stakeholder input, will create allocation scenarios for those parameters that likely affect the amount of total benefits of a project and their distribution among Beneficiaries. The allocation scenarios become part of the Biennial Study Plan during its development in Quarter 2, and are not used by the Planning Committee and the Cost Allocation Committee until the development of benefits pursuant to the analysis criteria in Section 18.4.2 and the allocation of costs pursuant to those benefits to Beneficiaries pursuant to Section 19.2.2 starting in Quarter 6.

The variables in the allocation scenarios will include, but are not limited to, load levels by load-serving entity and geographic location, fuel prices, and fuel and resource availability. For example, cost allocation scenarios could include a range of future load levels. Future projections of load levels in a given scenario will be based on factors such as, but not limited to projected demand for irrigation, economic development, and heating/cooling demands necessitated by weather forecasts in particular geographic locations. These

load level projections will be compared against a range of future resource options. Future projections of resource options in a given scenario will be based on factors such as, but not limited to projected fuel prices and projected yields of particular types of generation resources (e.g. wind, hydro, etc.). This process will provide the overall range of future cost allocation scenarios that will be used in determining a project's benefits and beneficiaries. In the development of the allocation scenarios the Cost Allocation Committee will give consideration to alternative resource planning scenarios developed by transmission providers within the NTTG Footprint as well as scenarios developed by other regional and Western Interconnection entities.

Use of allocation scenarios recognizes that estimates of the amount and distribution of benefits may be highly uncertain and dependent on key assumptions and projections. By using scenarios that choose data across a range of outcomes for these parameters, the potential impact of these uncertainties is estimated and incorporated in the calculation of net benefits used in cost allocation

### **19.3 Exclusions**

The cost for projects undertaken in connection with requests for interconnection or transmission service under Parts II or III of the Tariff will be governed solely by the applicable cost allocation methods associated with those requests under the Tariff.

## **20. Reevaluation of Projects Selected in the Regional Transmission Plan**

### **20.1 Reevaluation of the Regional Transmission Plan**

NTTG expects the sponsor of a project selected in the prior Regional Transmission Plan (the "Original Project") to inform the Planning Committee of any project delay that would potentially affect the in service date as soon as the delay is known and, at a minimum, when the sponsor re-submits its project development schedule during quarter 1. If the Planning Committee determines that the Original Project cannot be constructed by its original in-service date, the Planning Committee will reevaluate the Original Project in the context of the current Regional Planning Cycle using an updated in-service date.

"Committed" projects are Original Projects that have all permits and rights of way required for construction, as identified in the submitted development schedule, by the end of quarter 1 of the current Regional Planning Cycle. Committed projects are not subject to reevaluation, unless the Original Project fails to meet its development schedule milestones such that the needs of the region will not be met, in which case, the Original Project loses its designation as a Committed project.

If “not Committed,” the Original Project — whether selected for cost allocation or not — shall be reevaluated, and potentially replaced or deferred, in the current Regional Planning Cycle only in the event that:

- a. The Project Sponsor fails to meet its project development schedule such that the needs of the region will not be met,
- b. The Project Sponsor fails to meet its project development schedule due to delays of governmental permitting agencies such that the needs of the region will not be met, or
- c. The needs of the region change such that a project with an alternative location and/or configuration meets the needs of the region more efficiently or cost effectively.

If condition (a), (b), or (c) is true, then the incumbent transmission provider may propose solutions that it would implement within its retail distribution service territory footprint (the “New Project”). Both the Original Project and the New Project will be reevaluated or evaluated, respectively, in Quarter 2 as any other project for consideration in the Regional Transmission Plan.

During such reevaluation the Planning Committee shall only consider remaining costs to complete the Original Project against the costs to complete the other projects being evaluated.

## **20.2 Reevaluation of Cost Allocation**

A cost allocation shall be performed in each Regional Planning Cycle for any project that has been selected for purposes of cost allocation in the prior Regional Transmission Plan until such project is deemed “Committed” pursuant to Section 20.1.

## **21. Calculations**

The Planning Committee shall include the calculations conducted pursuant to Section 18.4 in the Regional Transmission Plan, and the Cost Allocation Committee shall include the calculations conducted pursuant to Section 19.2 in the Regional Transmission Plan. Unless precluded by software licensing requirements or other limitations, the Planning Committee and the Cost Allocation Committee shall utilize best efforts to provide input data, and calculated output data to requesting stakeholders. The Planning Committee and the Cost Allocation Committee shall also identify the models utilized and the contact information of the vendors providing the model to requesting stakeholders. Stakeholders may comment

on the clarity of the calculations considered by the Planning Committee and the Cost Allocation Committee.

## **22. Economic Study Requests**

### **22.1 Submission of Economic Study Requests**

Any stakeholder may submit a:

- a. Local Economic Study Request to the Transmission Provider as provided for in Section 7;
- b. Regional Economic Study Request to the Planning Committee as provided for in Section 23.1; and
- c. Interconnection-wide Economic Study Request to WECC TEPPC as provided for in Section 33.1.

Be aware that local, regional, and interconnection-wide Economic Study processes have different submission windows and requirements. Stakeholders must comply with each process's submission windows and requirements.

### **22.2 Review for Completeness**

The Planning Committee or the Transmission Provider will review the information it receives pursuant to this Section 22.4 for completeness. If a stakeholder fails to meet the information requirements, the Planning Committee or Transmission Provider shall notify the stakeholder of the reasons for such failure. The Planning Committee or Transmission Provider will attempt to remedy deficiencies in the submitted information through informal communications with the stakeholder. If such efforts are unsuccessful within 15 calendar days of the close of the submission window, the Planning Committee or Transmission Provider shall return the stakeholder's information, and stakeholder's request shall be deemed withdrawn. The Planning Committee or Transmission Provider may consider the incomplete data in its consideration of whether to include an unsponsored project that resembles a request set forth in a withdrawn submission. Stakeholder may resubmit the request for consideration during the next submission window with updated information and data deficiencies cured.

### **22.3 Categorization and Processing of Economic Study Requests**

All Economic Study Requests will be categorized by the Planning Committee or the Transmission Provider as a Local Economic Study Request, a Regional Economic Study

Request, or an Interconnection-wide Economic Study Request. Local Economic Study Requests will be forwarded to the Transmission Provider and processed as set forth in Section 7. Regional Economic Study Requests will be forwarded to the Planning Committee and processed as set forth in Section 23. Interconnection-wide Economic Study Requests will be forwarded to WECC TEPPC and processed as set forth in Section 33.

## **23. Regional Economic Study Requests**

### **23.1 Submission Windows**

Regional Economic Study Requests may be submitted in Quarters 1 and 5 of each Regional Study Cycle, and must be received by March 30<sup>th</sup> of each year. A Regional Economic Study Request is submitted to the Planning Committee using the Economic Study Request Form. Additionally, to be considered a Regional Economic Study Request, the stakeholder must request membership in the Planning Committee according to the terms and conditions of the Planning Committee Charter, or sign the Economic Study Agreement, attached as Exhibit A. A stakeholder shall submit completed forms to the Planning Committee, through info@nttg.biz.

### **23.2 Studies Performed**

The Planning Committee will complete up to two (2) Regional Economic Studies per Regional Planning Cycle. By April 30<sup>th</sup> each year, the Planning Committee will determine the Regional Economic Study(ies) to be performed by the end of the respective Quarter 4 or 8 of the Regional Planning Cycle. If the Regional Economic Study cannot be completed by the end of the respective Quarter 4 or 8 of the Regional Planning Cycle, the Planning Committee will notify the study request sponsor of the delay, provide an explanation of the delay, and provide an estimated completion date. If the Planning Committee receives more than two (2) Regional Economic Study Requests per Regional Planning Cycle, it will prioritize the requests and determine which Regional Economic Study Request(s) will be performed based on an evaluation of the following:

- a. The most significant opportunities to reduce overall costs of the Regional ~~€~~Transmission Plan while reliably serving the load growth needs being studied in the Regional Transmission Plan, and
- b. Input from stakeholders at the Planning Committee meeting.

The Planning Committee shall notify the entities submitting Regional Economic Study Requests of its decision.

### **23.3 Additional Studies**

The Planning Committee will complete additional Regional Economic Study Requests at the sole expense of the parties requesting such studies. A stakeholder shall request an additional study within ten (10) business days of receiving the notice provided for in provided for in Section 23.1, by emailing the Planning Committee chair through info@nttg.biz. Following such notice, Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion. The requesting party shall be responsible for the actual cost of the additional regional Economic Study.

### **23.4 Clustering Study Requests**

The Planning Committee will cluster and study together Regional Economic Study Requests if all of the Point(s) of Receipt and Point(s) of Delivery match one another or, in the alternative, it is reasonably determined by the Planning Committee that the Regional Economic Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.

### **23.5 Unaccommodated Economic Study Requests**

All Regional Economic Study Requests not accommodated within the current study cycle will be deemed withdrawn and returned to the stakeholder without action and the stakeholder may submit the Regional Economic Study Request in the next Regional Planning Cycle.

### **23.6 Study Schedule**

In Quarters 1 and 5, Regional Economic Study Requests are submitted by Stakeholders to the Planning Committee. In Quarters 2 and 6, study plans are developed by the Planning Committee for the Regional Economic Study Requests that will be modeled. In Quarters 3 and 7, Regional Economic Studies are performed by the Planning Committee or under the Planning Committee's direction. In Quarters 4 and 8, results of the regional Economic Studies are reported by the Planning Committee in the Draft Regional Transmission Plan and the Regional Transmission Plan, respectively, and provided to the requesting party.



## **Attachment 3**

### **Clean Version of Revised Funding Agreement**

# **Amended Northern Tier Transmission Group Funding Agreement 2014-2015**

This Amended Northern Tier Transmission Group Funding Agreement 2014-2015 (“Funding Agreement”), is by and among the entities signing below and any entity executing the Addendum Joining Additional Party, as provided for herein, each of which hereafter shall be referred to individually as “Party” and collectively as “Northern Tier” or “Parties.”

## **Recitals**

- A. The Parties are the entities responsible for funding the Northern Tier Transmission Group (“Northern Tier”), and the entities signing below are parties to the Northern Tier Transmission Group Funding Agreement 2012-2013;
- B. Northern Tier is an unincorporated association that performs transmission planning pursuant to tariffs accepted by the Federal Energy Regulatory Commission (“FERC”);
- C. This agreement was amended in response to *PacifiCorp et al.*, 147 FERC ¶ 61,057 (April 17, 2014); and
- D. The Parties desire to define their rights and obligations, including the allocation methodology, for funding Northern Tier.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration, the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Funding Agreement, the Parties hereby agree as follows:

1. **Effective Date.** This Funding Agreement, as amended, shall be effective as of June 13, 2014 (the “Effective Date”). Upon the Effective Date, this Funding Agreement, as amended, shall supersede the funding agreement previously filed with and accepted by the Commission in FERC Docket Nos. ER 14-253-000, ER14-250-000, ER14-251-000, ER14-249-000, and ER14-241-000.

2. **Term.** The term of this Funding Agreement shall be January 1, 2014 through December 31, 2015. The term of this Funding Agreement shall be extended only upon mutual written agreement of all Parties.

3. **Funding Responsibility.**

3.1 **Classification of Party.** Each Party shall be classified as either a “Nominal Funder” or a “Full Funder,” as defined in Section 8. The classification of the undersigned Parties is set forth in Exhibit A which is incorporated herein by this reference. The classification of additional Parties shall be set forth on the Party’s executed Addendum Joining Additional Party.

3.2 Reclassification of a Party. A Party may change its classification only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. The Parties recognize that a reclassification may require a change to the terms set forth and agreed to in this Funding Agreement.

3.3 Obligation of a Party to Fund. Each Party agrees to fund its allocated share of Northern Tier's budget so long as the budget is established, amended and allocated according to Section 5. In addition, each Party agrees to fund and maintain its allocated share of the Minimum Cash Balance as established by Section 6.1.

3.4 Roll-over or Return of Funds. Unless the Parties agree otherwise, as set forth in Section 3.4.4, each Party agrees that unused funds:

3.4.1 Prior Funding Agreement. From the Northern Tier Transmission Group Funding Agreement 2012-2013 shall be rolled over to this Funding Agreement;

3.4.2 Between Budget Cycles. From one budget cycle (defined in Section 5.1) shall be rolled over to the next budget cycle; and

3.4.3 At Termination. At the termination of this Funding Agreement shall be rolled over to the next funding agreement; provided, however, the Parties have agreed to a subsequent funding agreement.

3.4.4 No Roll Over of Funds. Prior to end of the budget cycle the Parties may agree to return unused funds to the Parties rather than roll such funds over to the next budget cycle. Prior to the termination of this Funding Agreement the Parties may agree to return unused funds to the Parties rather than roll such funds over to the next funding agreement. In each such case, unused funds shall be returned to the Parties in the same ratio as the Parties contributed such funds, and funds returned to each Party shall be net of any funds such Party owes pursuant to this Funding Agreement.

#### 4. **Selection of the Finance Agent and Project Manager.**

4.1 Finance Agent. The Parties shall, by mutual agreement of the Parties, select and engage the services of an entity to perform the services required of the Finance Agent in this Funding Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit C. The Finance Agent shall be bonded to a level mutually acceptable by all Parties, if the Finance Agent service is not provided by a Party to this Funding Agreement.

4.2 Project Manager. The Parties shall, by mutual agreement of the Parties, select and engage the services of a Project Manager to perform the services required of the Project Manager in this Funding Agreement. The relationship between the Parties and the Project Manager shall be set forth in a contract developed between the Project Manager and the Parties.

5. **Budgeting, Reporting and Allocations.**

5.1 **Budget Cycle.** The budget cycle of Northern Tier is one calendar year.

5.2 **Establishment of the Budget.** The Parties' goal is to establish by each May 30<sup>th</sup> a budget for the next calendar year. To accomplish the goal, the Project Manager, in consultation with the Parties, shall prepare:

(a) A draft budget for the upcoming calendar year; and

(b) A detailed forecast of the timing of expenditures contained in the budget.

5.3 **Content of Budget.** The proposed budget shall include, but not be limited to, coverage of administrative costs for the budget year, costs for projects approved by the Full Funders, and costs for services provided by the Finance Agent and the Project Manager. The Finance Agent costs shall be based on direct costs incurred by the Finance Agent in carrying out its responsibilities pursuant to this Funding Agreement and the Finance Agent Agreement. The Project Manager's costs shall be based on the contract between the Parties and the Project Manager.

5.4 **Budget Approval.** The agreement of the Parties is required to approve a budget. A Party's approval of a budget shall not be unreasonably withheld or delayed.

5.5 **Monthly Financial Reports.** On a monthly basis, the Project Manager shall provide for the Parties a forecast of expenditures for the remainder of the year. On a monthly basis, the Finance Agent shall provide to the Parties a report tracking actual expenditures against the budget, as amended, and notify the Full Funders and Project Manager when the need for additional funds is anticipated.

5.6 **Budget Amendments and Amendment Process.** Whenever it is determined by the Project Manager, the Finance Agent, or a Party that the budget should be amended, the Project Manager in consultation with the Parties shall prepare a budget amendment for consideration. The agreement of the Full Funders is required to amend a budget. A Full Funder's approval of a budget amendment shall not be unreasonably withheld or delayed. A budget amendment is binding only upon Full Funders.

5.7 **Allocations to Parties.**

5.7.1 **Budget and Minimum Cash Balance Allocations.** The budget, budget amendments, and the Minimum Cash Balance shall be calculated annually with the annual calculation allocated among the Parties in accordance with Exhibit B, which is incorporated herein by this reference. The budget, as amended, and the Minimum Cash Balance shall be invoiced by the Finance Agent as provided for in Section 6.

5.7.2 **Allocation Adjustment – new Party.** The allocation of the budget, as amended, and the Minimum Cash Balance shall be adjusted prospectively when a new entity

becomes a Party pursuant to Section 8. The budget, as amended, and the Minimum Cash Balance shall be invoiced by the Finance Agent as provided for in Section 6.

5.7.3 *Allocation Adjustment – Termination or Withdrawal.* The allocation of Northern Tier’s budget, as amended, and the Minimum Cash Balance to the Parties shall be adjusted prospectively immediately following a Party’s termination or withdrawal pursuant to Sections 9.1 or 9.2, respectively. The amount to be allocated shall include any amounts previously applicable to the withdrawing party that are not covered by the payments required by Section 8.1.

## 6. **Cash Calls**

6.1 **Minimum Cash Balance.** To ensure that sufficient funds are available to pay Northern Tier’s obligations as they become due, the Finance Agent shall establish a minimum cash balance of funds equal to \$150,000, and then maintain such balance throughout the term of this Funding Agreement (the “Minimum Cash Balance”).

6.2 **Cash Calls.** The Finance Agent shall submit cash calls as follows:

6.2.1 *Initial Call – Undersigned Parties.* Upon execution of this Funding Agreement by the undersigned Parties, FERC’s acceptance of the Funding Agreement for filing, and establishment of the Finance Agent, to collect from each undersigned Party 25% of each Party’s allocation of budget, as amended, for the budget cycle, and an amount as may be necessary to maintain each Party’s allocation of the Minimum Cash Balance.

6.2.2 *Initial Call – New Party.* Upon the Effective Date of Executed Addendum by a new Party, to collect from such new Party: (i) an allocated share of the Minimum Cash Balance, and (ii) an allocated share of the budget, as amended, prorated to reflect the remaining period of the current cash call.

**Illustration of the concepts described in Section 6.2.2 Initial Call – New Party:** the Parties were invoiced a total of \$110,000 in December to cover the first quarter expenses of the following year (January, February and March). A new Full Funder became a Party the next year, with the Effective Date of Executed Addendum being February 15<sup>th</sup>. The amount of the new Party’s initial cash call equals: (A) the Minimum Cash Balance (i.e., \$150,000) allocated according to Exhibit B, plus (B) \$110,000 allocated according to Exhibit B divided by 90 (the number of days within the cash call period) with the product multiplied by 44 (the remainder of the cash call period - 13 days in February (no leap year) and 31 days in March). The amount of the other Parties’ prior cash call is unchanged. The over collection will have the effect of lowering the next cash call to the benefit of all Parties.

6.2.3 *Regular Calls.* On a quarterly or more frequent basis to (i) maintain the Minimum Cash Balance, and (ii) collect funds necessary to pay budgeted expenses as they become due (“Cash Call Amount”).

6.3 **Contacts.** Each Party shall provide the Finance Agent with the email address of its representative and an alternate that are authorized to receive cash call invoices. Each Party shall also identify a representative authorized to make decisions related to this Funding Agreement.

6.4 Notice of Cash Call. The Finance Agent shall invoice the Parties for cash calls via email or other electric communication.

6.5 Due Date. All amounts billed to the Parties under this Funding Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

6.6 Late Payment. Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Funding Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Funding Agreement according to the terms in Section 9.2.

6.7 Commingling of Funds. The Finance Agent may commingle funds received pursuant to the Funding Agreement (“NTTG Funds”) with its general funds.

6.8 No Interest. The Finance Agent shall provide no interest on NTTG Funds.

7. **Disbursement of Funds.**

7.1 Payment of Invoices. The Finance Agent shall disburse NTTG Funds only upon email approval of the Full Funders’ Steering Committee representative holding the position of the Steering Committee Utility Co-chair (“Utility Co-chair”), or that representative’s delegate. The Utility Co-chair’s authority is limited to approving disbursements that are consistent with the approved budget, as amended. The Finance Agent’s obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent’s general funds. Furthermore, the Finance Agent’s obligation to pay approved disbursements is limited to the monies actually collected from the Parties pursuant to this Funding Agreement.

7.2 Termination. Upon termination of this Funding Agreement, unused funds shall be distributed as set forth in Section 3.4.3.

8. **Funder Classifications/Additional Parties.**

8.1 Eligibility to Become a Party. An entity that satisfies the requirements of a Nominal Funder or Full Funder, as those terms are defined below, is eligible to become a Party to this Funding Agreement and the Finance Agent Agreement attached as Exhibit C and incorporated herein by this reference as either a Nominal Funder or a Full Funder.

8.1.1 Nominal Funder. An entity that satisfies the following requirements is eligible to become a Nominal Funder. The entity:

- a. Is a non-FERC jurisdictional transmission dependent utility;
- b. Will participate in the Northern Tier planning process; and
- c. Has either electric load, electric generation, or both, which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder.

8.1.2 Full Funder. An entity that satisfies the following requirements is eligible to become a Full Funder. The entity:

- a. Owns, controls, or operates a facility used for the transmission of electric energy in interstate commerce which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder to this Funding Agreement; and
- b. Will utilize Northern Tier planning processes or services to meet transmission planning and cost allocation requirements set forth in the FERC's Order 890, Order 1000, or related successor regulations or orders for its transmission facilities located within the Western Interconnection.

## 8.2 Process of Becoming a Party.

8.2.1 Submission of Application. An eligible entity may request to become a Party to this Funding Agreement and the Finance Agent Agreement and thereby become enrolled in NTTG as either a Nominal Funder or a Full Funder by completing the application set forth in Exhibit D to this Funding Agreement, and submitting it to the Project Manager by email to [info@nttg.biz](mailto:info@nttg.biz).

8.2.2 Review of Application. The Project Manager shall, in consultation with the Parties, review a submitted application for completeness, and work with the applicant to complete any omitted information or information questioned by the Parties. An application that is not completed to the satisfaction of the Parties within 30 days of submission may be rejected by the Parties. The applicant is not precluded from submitting another application at a later date. Additionally, the Parties retain the discretion to develop a new funding allocation methodology to accommodate the addition of an applicant that is not able to complete the application to the satisfaction of the Parties.

8.2.3 Execution of Addendum. Upon receipt of a completed application, the Project Manager shall forward to the applicant the addendum to this Funding Agreement entitled "Addendum Joining Additional Party," as set forth in Exhibit E, with the applicant's status as a Nominal Funder or Full Funder identified. The executed Addendum Joining Additional Party shall be returned to the Project Manager. An addendum executed pursuant to

the process set forth in this Funding Agreement is incorporated by this reference into this Funding Agreement.

8.2.4 Effective Date of Executed Addendum. An entity executing the Addendum Joining Additional Party as a Nominal Funder shall be recognized as a Party to this Funding Agreement and as a party to the Finance Agent Agreement on the date of the addendum's execution. An entity executing the Addendum Joining Additional Party as a Full Funder shall be recognized as a Party to this Funding Agreement and as a party to the Finance Agent Agreement on the date the requirements of (a) or (b) below are satisfied. Such effective dates are referred to as the "Effective Date of Executed Addendum."

a. If an entity intending to become a Full Funder is a public utility, the date the Commission accepts the filing of an Open Access Transmission Tariff by the entity with regional, interregional and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection.

b. If an entity intending to become a Full Funder is not a public utility, the date the entity adopts and posts on its website an Open Access Transmission Tariff or other agreement(s) providing for comparable transmission service, each including regional, interregional and interconnection-wide planning provisions for its transmission facilities located within the Western Interconnection that are the same as those expressed in Attachment K of the other Full Funders that are public utilities for its transmission facilities located within the Western Interconnection (each referred to as a "**NJ Attachment K**").

8.3 Significance of Executing the Addendum Joining Additional Party. By executing the Addendum Joining Additional Party the entity agrees as set forth in Section 8.3.1 through Section 8.3.4.

8.3.1 Prior Committee Decisions. Agrees to be bound by the decisions that have been made by the Steering Committee, the Planning Committee, the Cost Allocation Committee, and such other committees as exist, up to and including the date of enrollment.

8.3.2 Dispute Resolution. Agrees to resolve disputes related to local, regional, and interconnection wide planning according to the dispute resolution process set forth in Attachment K of the Full Funder's OATTs, from the date of enrollment and throughout the period of enrollment.

8.3.3 OATT.

a. A Nominal Funder agrees not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement.

b. A Full Funder that is a public utility agrees



1) To implement the provisions of its Open Access Transmission Tariff providing for comparable transmission service including Attachment K; and

2) To modify its Open Access Transmission Tariff, Funding Agreement, and Finance Agent Agreement consistent with FERC orders.

c. A Full Funder that is not a public utility agrees:

1) To implement the provisions of its NJ Attachment K;

2) To modify its NJ Attachment K, Funding Agreement, and Finance Agent Agreement, consistent with FERC orders, except that a non-public utility Full Funder need not file its NJ Attachment K, Funding Agreement, and Finance Agent Agreement;

3) Not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement; and

4) Not to include a provision in its NJ Attachment K that conflicts with a provision in the Open Access Transmission Tariff including Attachment Ks of a Full Funder that is a public utility.

8.3.4 Fund a Share of Northern Tier. Agrees to fund a share of Northern Tier as set forth in this Funding Agreement.

## 9. **Termination, Withdrawal and Reinstatement**

### 9.1 Termination

9.1.1 Terminating Party. Any Party found by the Steering Committee to have violated an applicable requirement of Section 8.3 shall be deemed a Terminating Party (“Terminating Party”).

9.1.2 Termination Date. Promptly following the date a Party is deemed a Terminating Party by the Steering Committee, such Terminating Party, if a public utility Full Funder, shall file with the Commission an Attachment K in place of the Attachment K specified in Section 8.2.4, and if a non-public utility Full Funder, shall revoke and remove from its website the NJ Attachment K. A Terminating Party shall no longer be considered a Party: (a) on the date FERC accepts such substitute Attachment K filing in the case of a public utility Full Funder, (b) on the date the NJ Attachment K is revoked and removed from its website in the case of a non-public utility Full Funder, or (c) on the date of the Steering Committee’s determination in the case of a Nominal Funder (the “Termination Date”).

## 9.2 Withdrawal.

9.2.1 Notice. Subject to the approval of the FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Funding Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission.

9.2.2 Withdrawal Date. Any Party that withdraws from this Funding Agreement shall be deemed a Withdrawing Party (“Withdrawing Party”). A Withdrawing Party that is a public utility Full Funder shall promptly submit for filing with the FERC an Attachment K in place of the Attachment K specified in Section 8.2.4. A Withdrawing Party that is a non-public utility Full Funder shall promptly revoke and remove from its website the NJ Attachment K. A Withdrawing Party shall no longer be considered a Party: (a) on the date FERC accepts such substitute Attachment K filing in the case of a public utility Full Funder, (b) on the date the NJ Attachment K is revoked and removed from its website in the case of a non-public utility Full Funder, or (c) on the date of the notice of withdrawal in the case of a Nominal Funder (the “Withdrawal Date”).

9.3 Withdrawal Obligation. On the Termination Date or Withdrawal Date, the Terminating Party or the Withdrawing Party shall pay an amount equal to one-half of its allocated share of the budget, as amended, and an amount as may be necessary to maintain the Party’s share of the Minimum Cash Balance for the remainder of the year that has not yet been billed by the Finance Agent (the “Withdrawal Obligation”). In addition, the Terminating Party or the Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the Terminating Date or Withdrawal Date.

9.4 Reinstatement. Following the Termination Date or Withdrawal Date, if a Terminating Party or a Withdrawing Party desires to again become a party to this Funding Agreement, such Terminating Party or Withdrawing Party shall follow the procedures set forth in Section 8 to re-join this Funding Agreement. Upon reinstatement as a party, such Terminating Party or Withdrawing Party shall not receive a credit for funds paid pursuant to the Withdrawal Obligation.

## 10. Administration.

10.1 Support of Northern Tier. To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as developed and approved by the Northern Tier Steering Committee through the mechanisms set forth in the Northern Tier Steering Committee Charter.

10.2 Representation on Steering Committee. Each Party shall appoint one (1) representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

10.3 Voting Standard. Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Funding

Agreement. Nonetheless, the approval standards otherwise set forth in this Funding Agreement shall control.

10.4 **Parties Bear Own Costs.** Each Party shall bear its own costs and expenses associated with participating in Northern Tier's activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

10.5 **No Joint Action.** This Funding Agreement shall not be interpreted or construed to create a joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

10.6 **Legal Rights.** Nothing in this Funding Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section 12 of this Funding Agreement.

10.7 **Rotation of In-Person Meetings.** Northern Tier's in-person regional stakeholder meetings funded with NTTG Funds shall be rotated on an equal basis between the following locations by the Project Manager:

- (a) Boise, Idaho;
- (b) Butte or Bozeman, Montana;
- (c) Portland, Oregon; and
- (d) Salt Lake City, Utah.

11. **Ownership of Products.** All information, data, reports, results, or other products funded through mechanisms set forth in this Funding Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, however, that Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Funding Agreement.

12. **Dispute Resolution.** Parties agree to use the following dispute resolution process for all disputes related to this Funding Agreement:

Step 1 – An executive representative from each Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any Party to the Utility Co-Chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, the Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the Parties.

13. **Headings.** The headings used in this Funding Agreement are for convenience only and shall not be construed as a part of this Funding Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

14. **Waiver.** A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Funding Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

15. **Severability.** If any portion of this Funding Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

16. **Binding Effect.** This Funding Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

17. **Amendments.** This Funding Agreement shall not be modified, amended, or changed in any respect except by a written document signed by all Parties; provided, however, that such modification, amendment, or change shall be subject to FERC acceptance, if required, before it becomes effective.

18. **No Third Party Beneficiary.** This Funding Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

19. **Integration.** This Funding Agreement and the Finance Agent Agreement constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.

20. **Applicable Law and Venue.** No Party shall be considered the drafter of this Funding Agreement for purposes of interpreting this Funding Agreement. This Funding Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Funding Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

21. **Execution in Counterparts.** This Funding Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. Delivery of an executed signature page of this Funding Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF, the Parties have caused this Funding Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

/s/ Curt Winterfeld

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

Date 06/13/2014

PACIFICORP

/s/ Rick Vail

By \_\_\_\_\_  
Rick Vail  
Vice President, Transmission

Date 06/13/2014

IDAHO POWER COMPANY

/s/ N. Vern Porter

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

Date 06/13/2014

NORTHWESTERN ENERGY

/s/ Michael R. Cashell

By \_\_\_\_\_  
Michael R. Cashell  
Vice President - Transmission

Date 06/13/2014

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

/s/ Marshall Empey

By \_\_\_\_\_  
Marshall Empey  
Chief Operations Manager

Date 06/13/2014

PORTLAND GENERAL ELECTRIC  
COMPANY

/s/ Frank Afranji

By \_\_\_\_\_  
Frank Afranji  
Director, Transmission/Reliability

Date 06/13/2014

# **EXHIBIT A**

## **CLASSIFICATION OF SIGNATORIES**

### **Full Funders**

DESERET GENERATION & TRANSMISSION CO-OPERATIVE, INC.

IDAHO POWER COMPANY

NORTHWESTERN ENERGY

PACIFICORP

PORTLAND GENERAL ELECTRIC COMPANY

### **Nominal Funders**

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

## Exhibit B Allocation of Funding

Allocation Formulas <sup>1</sup>	
Funder Class Allocation	Formula
Nominal Funder	= A
Full Funder with Services <17,500 MW	= A + B + D1 + E
Full Funder with Services ≥17,500 and ≤50,000 MW	= A + B + D2 + E
Full Funder with Services >50,000 MW	= A + B + D3 + E

Calculations			
Variable	Formula	Amount	Variable
$G$	= Annual amount of amended budget and Minimum Cash Balance	= \$_____	$G$
$A$	= Fixed amount	= \$17,000	$A$
$B$	$B = \frac{1}{P} \times 0.075(G - A1)$	= \$_____	$B$
$P$	= Total Number of Parties	= _____	$P$
$A1$	= $A \times P$	= \$_____	$A1$
$D1$	$D1 = \frac{C1}{C} \times \frac{0.659}{F1} \times (G - A1)$	= \$_____	$D1$
$D2$	$D2 = \frac{C2}{C} \times \frac{0.659}{F4} \times (G - A1)$	= \$_____	$D2$
$D3$	$D3 = \frac{C3}{C} \times \frac{0.659}{F5} \times (G - A1)$	= \$_____	$D3$
$C1$	= $F1 \times 0.05$	= _____	$C1$
$C2$	= $F2 \times 0.25$	= _____	$C2$
$C3$	= $F3 \times 0.50$	= _____	$C3$
$C$	= $C1 + C2 + C3$	= _____	$C$
$F1$	= Number of Full Funders with Services <sup>2</sup> <17,500 MW	= _____	$F1$
$F2$	= Number of Full Funders with Services ≥17,500 and ≤100,000 MW	= _____	$F2$
$F3$	= Number of Full Funders with Services >100,000 MW	= _____	$F3$
$F4$	= Number of Full Funders with Services ≥17,500 and ≤50,000 MW	= _____	$F4$
$F5$	= Number of Full Funders with Services >50,000 MW	= _____	$F5$
$E$	$E = 0.266 \times \frac{W}{W1} \times (G - A1)$	= \$_____	$E$
$W$	= Party's Net Energy for Load from Exhibit F (0 if not listed)	= _____	$W$
$W1$	= The sum of the Net Energy for Load (W) for all parties	= _____	$W1$

<sup>1</sup>All amounts are to be collected in cash call increments.

<sup>2</sup>**Services** is the Party's total transmission services measured in total annual MW plus W. Total transmission services is calculated based upon the Party's 2011 FERC Form 1, page 400, columns (e), (f), (g), (h), (i). If the Party is not required to submit the 2011 FERC Form 1 to FERC, then the Parties shall establish the Party's total transmission services based upon the information required by the columns specified for the 2011 FERC Form 1.

# EXHIBIT C

## Amended Northern Tier Transmission Group Finance Agent Agreement 2014-2015

This Amended Northern Tier Transmission Group Finance Agent Agreement ("Finance Agreement") is by and among the entities signing below and any entity executing the Addendum Joining Additional Party, as provided for herein, each of which is hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

### Recitals

- A. The Northern Tier Transmission Group Funding Agreement 2014-2015 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in the Funding Agreement;
- B. This agreement was amended in response to *PacifiCorp et al.*, 147 FERC ¶ 61,057 (April 17, 2014); and
- C. The Parties' Steering Committee Representatives have duly appointed Idaho Power Company ("Idaho Power") as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Effective Date.** This Finance Agreement, as amended, shall be effective as of June 13, 2014 (the "Effective Date"). Upon the Effective Date, this Funding Agreement, as amended, shall supersede the funding agreement previously filed with and accepted by the Commission in FERC Docket Nos. ER 14-253-000, ER14-250-000, ER14-251-000, ER14-249-000, and ER14-241-000.

2. **Term and Termination.** The term of this Finance Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2014 and shall expire December 31, 2015 ("Term"). The Term of this Finance Agreement may be extended only upon mutual written agreement of the Parties. This Finance Agreement shall terminate automatically upon any of the following events: (a) expiration of this Finance Agreement's Term, (b) mutual written agreement of the Parties, or (c) either the Full Funders' Steering Committee Representative holding the position of the Steering Committee Utility Co-chair ("Utility Co-chair") or Idaho Power Company giving the other not less than thirty (30) days written notice of termination. A Party shall automatically cease being a Party to this Agreement on the Termination Date or the Withdrawal Date, as those terms are defined in the Funding Agreement.



3. **Scope of Services.** The Finance Agent shall perform those tasks set forth in the Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Finance Agreement.

4. **Reimbursement.**

4.1 The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative ("Representative") or their delegate. The Representative, or that Representative's delegate, shall make commercially reasonable efforts to review and approve the Finance Agent's invoice within 10 business days of its receipt. Upon receipt of approval from the Utility Co-Chair of the Steering Committee, or the Utility Co-Chair's delegate, the Finance Agent shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.

4.2 The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Utility Co-Chair or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

5. **Relationship of the Parties.** This Finance Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Finance Agreement to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

6. **Limit of Liability.**

6.1 NOTWITHSTANDING ANY OTHER PROVISION IN THIS FINANCE AGREEMENT, IN NO EVENT SHALL THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS FINANCE AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS FINANCE AGREEMENT'S TERMS AND CONDITIONS.

6.2 Each Party, except the Party acting as Finance Agent, (the "Indemnifying Party") shall indemnify, hold harmless and, at the Finance Agent's request, defend (with counsel satisfactory to the Finance Agent) the Finance Agent and its successors, assigns, officers, directors, employees and agents (collectively, the "Indemnified Parties") from and against all liabilities, actions, claims, losses, costs, damages, penalties and expenses (including without limitation reasonable legal fees) of any kind or nature whatsoever which may at any time be brought against or incurred or suffered by the Indemnified Parties or any one or more of them relating to this Finance Agreement, except to the extent related to the Finance Agent's Willful Action. Willful Action means an action taken or not taken by a Party that is knowingly or intentionally taken or not taken with the intent that injury or damage would result or with a

reckless disregard for the result. Willful Action does not include any act or failure to act that is involuntary, accidental, or negligent.

7. **Additional Parties.** An entity that is a party to the Northern Tier Transmission Group Funding Agreement may become a Party to this Finance Agreement by executing the addendum to the Funding Agreement entitled “Addendum Joining Additional Party,” as set forth in Exhibit C to the Funding Agreement and providing each Party an original of the signature page. The addendum shall be attached to and incorporated by this reference in this Finance Agreement.

8. **Amendment/Successors.** This Finance Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Finance Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Finance Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

9. **Applicable Law and Venue.** No Party shall be considered the drafter of this Finance Agreement for purposes of interpreting this Finance Agreement. This Finance Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Finance Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

10. **Severability.** If any portion of this Finance Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

11. **No Third Party Beneficiary.** This Finance Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

12. **Headings.** The headings used in this Finance Agreement are for convenience only and shall not be construed as a part of the Finance Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

13. **Entire Agreement.** This Finance Agreement and the Funding Agreement contain the entire agreement of the Parties.

14. **Execution in Counterparts.** This Finance Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. Delivery of an executed signature page of this Finance Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF, this Finance Agreement is executed and shall be effective as of the date provided in Section 1 above.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

/s/ Curt Winterfeld

By \_\_\_\_\_  
Curt Winterfeld  
Vice President

Date 06/13/2014

NORTHWESTERN ENERGY

/s/ Michael R. Cashell

By \_\_\_\_\_  
Michael R. Cashell  
Vice President - Transmission

Date 06/13/2014

PACIFICORP

/s/ Rick Vail

By \_\_\_\_\_  
Rick Vail  
Vice President, Transmission

Date 06/13/2014

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

/s/ Marshall Empey

By \_\_\_\_\_  
Marshall Empey  
Chief Operations Manager

Date 06/13/2014

IDAHO POWER COMPANY

/s/ N. Vern Porter

By \_\_\_\_\_  
N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

Date 06/13/2014

PORTLAND GENERAL ELECTRIC  
COMPANY

/s/ Frank Afranji

By \_\_\_\_\_  
Frank Afranji  
Director, Transmission/Reliability

Date 06/13/2014

## Exhibit D

### Application Requesting Funding Status

The undersigned (“applicant”) requests to become a Party to the Northern Tier Transmission Group Funding Agreement 2014-2015 and the Northern Tier Finance Agent Agreement 2014-2015. In support of such request, the applicant submits the following information:

1. Identify whether applicant seeks to become a Nominal Funder or a Full Funder.

\_\_\_\_\_

2. Identify and provide contact information for the applicant’s representative to the following committees:

- (a) Steering Committee:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

- (b) Planning Committee:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

- (c) Cost Allocation Committee:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

3. Identify and provide contact information for the applicant’s financial representative:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

4. Identify and provide contact information for the applicant's representative to the NTTG Funder Committee:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Complete the following if seeking to become a Nominal Funder:**

5. Identify the applicant's load, generation, or both, which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder. \_\_\_\_\_

**Complete the following if seeking to become a Full Funder:**

6. Identify the facility(ies) used for the transmission of electric energy in interstate commerce which is (are) interconnected with an existing Full Funder or which is (are) located within the balancing authority area of an existing Full Funder that the applicant owns, controls, or operates. \_\_\_\_\_
7. Identify the applicant's total transmission services within the Western Interconnection measured in total annual MW as outlined on applicant's 2011 FERC Form 1, page 400, columns (e), (f), (g), (h), (i) - \_\_\_\_\_ MW. If the applicant is not required to submit the 2011 FERC Form 1 to FERC, then the applicant shall nonetheless calculate its total transmission services based upon the columns specified above of the form - \_\_\_\_\_ MW. Please attach supporting documentation.
8. Identify WECC's Net Energy to Load Ratio for applicant's transmission facilities within the Western Interconnection - \_\_\_\_\_ MW. Refer to Exhibit F of the Funding Agreement. Please attach any additional supporting documentation.
9. Does the applicant operate an electric balancing authority area within the Western Interconnection? Circle one: yes or no.
10. If the applicant is a public utility, the date the applicant intends to submit an Open Access Transmission Tariff ('OATT') to the Federal Energy Regulatory Commission with regional, interregional and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection. \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.
11. If the applicant is not a public utility, the date the applicant intends to adopt and post on its website submit an reciprocity OATT or other agreement(s) providing for comparable transmission service, each including regional, interregional and interconnection-wide planning provisions of Attachment K that are the same as the

other Full Funders for its transmission facilities located within the Western Interconnection. \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

IN WITNESS WHEREOF, the undersigned executes this Application Requesting Funding Status.

By \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
(Print Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name of Company)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

# EXHIBIT E

## Addendum Joining Additional Party

The undersigned joins as a party the Northern Tier Transmission Group Funding Agreement 2014-2015 and the Northern Tier Finance Agent Agreement 2014-2015 (the "Agreements") and agrees to all the terms and conditions as set forth in the Agreements. The undersigned shall receive all notices provided pursuant to the Agreements. This Addendum Joining Additional Party is incorporated by this reference into the Agreements. This Addendum and the Agreements sets forth the entire agreement between the parties on the subject matter of the Agreements, and supersedes all prior agreements of the parties with respect to its subject matter. The undersigned joins the Agreements as a \_\_\_\_\_ Funder.  
(Nominal or Full)

IN WITNESS WHEREOF, the undersigned executes this Addendum Joining Additional Party on the date set forth below.

By \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
(Print Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name of Company)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

**EXHIBIT F**

**WECC 2011 Balancing Authority Area NEL  
and 2013 Assessments**



# WECC

## 2011 Balancing Authority Area NEL and 2013 Assessments

Balancing Authority	Net Energy for Load	Percent of Total NEL (%)	WECC Assessment	NERC Assessment	WIRAB Assessment
Alberta Electric System Operator	58,737,634	6.8566%	\$2,201,651	\$466,437	\$36,662
Arizona Public Service Company	32,148,109	3.7527%	\$1,549,891	\$342,822	\$20,065
Avista Corporation	12,614,204	1.4725%	\$608,141	\$134,516	\$7,873
Bonneville Power Administration	54,888,094	6.4072%	\$2,646,205	\$585,319	\$34,259
British Columbia Hydro	60,568,272	7.0703%	\$3,167,462	\$683,972	\$37,804
Comision Federal de Electricidad	11,041,442	1.2889%	\$577,420	\$124,686	\$6,892
PUD No. 1 of Chelan County	3,782,502	0.4415%	\$182,358	\$40,336	\$2,361
California Independent System Operator	229,559,674	26.7972%	\$11,067,279	\$2,447,993	\$143,282
PUD No. 1 of Douglas County	1,435,488	0.1676%	\$69,206	\$15,308	\$896
El Paso Electric Company	8,342,238	0.9738%	\$402,187	\$88,961	\$5,207
PUD. No. 2 of Grant County	4,150,711	0.4845%	\$200,110	\$44,263	\$2,591
Imperial Irrigation District	3,598,464	0.4201%	\$173,485	\$38,374	\$2,246
Idaho Power Company	16,653,214	1.9440%	\$802,866	\$177,588	\$10,394
Los Angeles Department of Water and Power	28,863,039	3.3693%	\$1,391,513	\$307,792	\$18,015
Nevada Power Company	24,432,933	2.8521%	\$1,177,934	\$260,550	\$15,250
PacifiCorp Eastern Balancing Area	47,858,167	5.5866%	\$2,307,285	\$510,353	\$29,871
PacifiCorp Western Balancing Authority	20,883,821	2.4378%	\$1,006,828	\$222,702	\$13,035
Portland General Electric Company	20,611,284	2.4060%	\$993,689	\$219,796	\$12,865
Public Service Company of New Mexico	15,257,277	1.7810%	\$735,567	\$162,702	\$9,523
Public Service Company of Colorado	42,291,121	4.9368%	\$2,038,893	\$450,987	\$26,396
Puget Sound Energy	25,168,550	2.9380%	\$1,213,399	\$268,394	\$15,709
Seattle Department of Lighting	10,188,883	1.1894%	\$491,215	\$108,653	\$6,360
Balancing Authority of Northern California	17,452,751	2.0373%	\$841,412	\$186,114	\$10,893
Sierra Pacific Power Company	11,425,347	1.3337%	\$550,826	\$121,838	\$7,131
Salt River Project	30,360,138	3.5440%	\$1,463,690	\$323,756	\$18,950
Tucson Electric Power Company	13,594,185	1.5869%	\$655,388	\$144,967	\$8,485
Turlock Irrigation District	2,499,228	0.2917%	\$120,490	\$26,651	\$1,560
NorthWestern Energy	10,747,661	1.2546%	\$518,154	\$114,612	\$6,708
Tacoma Power	5,074,707	0.5924%	\$244,656	\$54,116	\$3,167
Western Area Power Administration - Colorad	23,240,509	2.7129%	\$1,120,446	\$247,834	\$14,506
Western Area Power Administration, Lower Co	8,576,929	1.0012%	\$413,501	\$91,463	\$5,353
Western Area Power Administration - Upper G	609,796	0.0712%	\$29,399	\$6,503	\$381
<b>Total</b>	<b>856,656,372</b>	<b>100.0000%</b>	<b>\$40,962,547</b>	<b>\$9,020,357</b>	<b>\$534,692</b>

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## **Attachment 4**

### **Red-Lined Version of Revised Funding Agreement**

# **Amended Northern Tier Transmission Group Funding Agreement 2014-2015**

This Amended Northern Tier Transmission Group Funding Agreement 2014-2015 (“Funding Agreement”), is by and among the entities signing below and any entity executing the Addendum Joining Additional Party, as provided for herein, each of which hereafter shall be referred to individually as “Party” and collectively as “Northern Tier” or “Parties.”

## **Recitals**

- A. The Parties are the entities responsible for funding the Northern Tier Transmission Group (“Northern Tier”), and the entities signing below are parties to the Northern Tier Transmission Group Funding Agreement 2012-2013;
- B. Northern Tier is an unincorporated association that performs transmission planning pursuant to tariffs accepted by the Federal Energy Regulatory Commission (“FERC”); ~~and~~
- C. This agreement was amended in response to *PacifiCorp et al.*, 147 FERC ¶ 61,057 (April 17, 2014); and
- ~~C.D.~~ The Parties desire to define their rights and obligations, including the allocation methodology, for funding Northern Tier.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration, the sufficiency of which are hereby recognized by the Parties to be obtained pursuant to this Funding Agreement, the Parties hereby agree as follows:

1. ~~Term.~~ Subject to acceptance for filing by the FERC, the **Effective Date.** This Funding Agreement, as amended, shall be effective as of June 13, 2014 (the “Effective Date”). Upon the Effective Date, this Funding Agreement, as amended, shall supersede the funding agreement previously filed with and accepted by the Commission in FERC Docket Nos. ER 14-253-000, ER14-250-000, ER14-251-000, ER14-249-000, and ER14-241-000.

1.2. **Term.** The term of this Funding Agreement shall be January 1, 2014 through December 31, 2015. The term of this Funding Agreement shall be extended only upon mutual written agreement of all Parties.

## 2.3. **Funding Responsibility.**

2.3.1 **Classification of Party.** Each Party shall be classified as either a “Nominal Funder” or a “Full Funder,” as defined in Section 7.8. The classification of the undersigned Parties is set forth in Exhibit A which is incorporated herein by this reference. The classification

of additional Parties shall be set forth on the Party's executed Addendum Joining Additional Party.

~~2.13.2~~ **Reclassification of a Party.** A Party may change its classification only upon mutual written consent of all Parties. Consent of the Parties shall not be unreasonably withheld or delayed. The Parties recognize that a reclassification may require a change to the terms set forth and agreed to in this Funding Agreement.

~~2.23.3~~ **Obligation of a Party to Fund.** Each Party agrees to fund its allocated share of Northern Tier's budget so long as the budget is established, amended and allocated according to Section ~~4.5~~. In addition, each Party agrees to fund and maintain its allocated share of the Minimum Cash Balance as established by Section ~~5.1-6.1~~.

~~2.33.4~~ **Roll-over or Return of Funds.** Unless the Parties agree otherwise, as set forth in Section ~~2.4.4, 3.4.4~~, each Party agrees that unused funds:

~~2.3.13.4.1~~ *Prior Funding Agreement.* From the Northern Tier Transmission Group Funding Agreement 2012-2013 shall be rolled over to this Funding Agreement;

~~2.3.23.4.2~~ *Between Budget Cycles.* From one budget cycle (defined in Section ~~4.1-5.1~~) shall be rolled over to the next budget cycle; and

~~2.3.33.4.3~~ *At Termination.* At the termination of this Funding Agreement shall be rolled over to the next funding agreement; provided, however, the Parties have agreed to a subsequent funding agreement.

~~2.3.43.4.4~~ *No Roll Over of Funds.* Prior to end of the budget cycle the Parties may agree to return unused funds to the Parties rather than roll such funds over to the next budget cycle. Prior to the termination of this Funding Agreement the Parties may agree to return unused funds to the Parties rather than roll such funds over to the next funding agreement. In each such case, unused funds shall be returned to the Parties in the same ratio as the Parties contributed such funds, and funds returned to each Party shall be net of any funds such Party owes pursuant to this Funding Agreement.

### ~~3.4.~~ **Selection of the Finance Agent and Project Manager.**

~~3.14.1~~ **Finance Agent.** The Parties shall, by mutual agreement of the Parties, select and engage the services of an entity to perform the services required of the Finance Agent in this Funding Agreement. The relationship between the Parties and the Finance Agent is set forth in the Finance Agent Agreement which is attached as Exhibit C. The Finance Agent shall be bonded to a level mutually acceptable by all Parties, if the Finance Agent service is not provided by a Party to this Funding Agreement.

~~3.24.2~~ **Project Manager.** The Parties shall, by mutual agreement of the Parties, select and engage the services of a Project Manager to perform the services required of the Project Manager in this Funding Agreement. The relationship between the Parties and the

Project Manager shall be set forth in a contract developed between the Project Manager and the Parties.

#### **4.5. Budgeting, Reporting and Allocations.**

**4.15.1 Budget Cycle.** The budget cycle of Northern Tier is one calendar year.

**4.25.2 Establishment of the Budget.** The Parties' goal is to establish by each May 30<sup>th</sup> a budget for the next calendar year. To accomplish the goal, the Project Manager, in consultation with the Parties, shall prepare:

- (a) A draft budget for the upcoming calendar year; and
- (b) A detailed forecast of the timing of expenditures contained in the budget.

**4.35.3 Content of Budget.** The proposed budget shall include, but not be limited to, coverage of administrative costs for the budget year, costs for projects approved by the Full Funders, and costs for services provided by the Finance Agent and the Project Manager. The Finance Agent costs shall be based on direct costs incurred by the Finance Agent in carrying out its responsibilities pursuant to this Funding Agreement and the Finance Agent Agreement. The Project Manager's costs shall be based on the contract between the Parties and the Project Manager.

**4.45.4 Budget Approval.** The agreement of the Parties is required to approve a budget. A Party's approval of a budget shall not be unreasonably withheld or delayed.

**4.55.5 Monthly Financial Reports.** On a monthly basis, the Project Manager shall provide for the Parties a forecast of expenditures for the remainder of the year. On a monthly basis, the Finance Agent shall provide to the Parties a report tracking actual expenditures against the budget, as amended, and notify the Full Funders and Project Manager when the need for additional funds is anticipated.

**4.65.6 Budget Amendments and Amendment Process.** Whenever it is determined by the Project Manager, the Finance Agent, or a Party that the budget should be amended, the Project Manager in consultation with the Parties shall prepare a budget amendment for consideration. The agreement of the Full Funders is required to amend a budget. A Full Funder's approval of a budget amendment shall not be unreasonably withheld or delayed. A budget amendment is binding only upon Full Funders.

#### **4.75.7 Allocations to Parties.**

**4.7.15.7.1 Budget and Minimum Cash Balance Allocations.** The budget, budget amendments, and the Minimum Cash Balance shall be calculated annually with the annual calculation allocated among the Parties in accordance with Exhibit B, which is incorporated herein by this reference. The budget, as amended, and the Minimum Cash Balance shall be invoiced by the Finance Agent as provided for in Section ~~5.6~~.

~~4.7.25.7.2~~ *Allocation Adjustment – new Party.* The allocation of the budget, as amended, and the Minimum Cash Balance shall be adjusted prospectively when a new entity becomes a Party pursuant to Section ~~7.8~~. The budget, as amended, and the Minimum Cash Balance shall be invoiced by the Finance Agent as provided for in Section ~~5.6~~.

~~4.7.35.7.3~~ *Allocation Adjustment – Termination or Withdrawal.* The allocation of Northern Tier’s budget, as amended, and the Minimum Cash Balance to the Parties shall be adjusted prospectively immediately following a Party’s termination or withdrawal pursuant to ~~Section 8.1~~Sections 9.1 or 9.2, respectively. The amount to be allocated shall include any amounts previously applicable to the withdrawing party that are not covered by the payments required by Section ~~8.1.8.1~~.

## ~~5.6.~~ **Cash Calls**

~~5.16.1~~ *Minimum Cash Balance.* To ensure that sufficient funds are available to pay Northern Tier’s obligations as they become due, the Finance Agent shall establish a minimum cash balance of funds equal to \$150,000, and then maintain such balance throughout the term of this Funding Agreement (the “Minimum Cash Balance”).

~~5.26.2~~ *Cash Calls.* The Finance Agent shall submit cash calls as follows:

~~5.2.16.2.1~~ *Initial Call – Undersigned Parties.* Upon execution of this Funding Agreement by the undersigned Parties, FERC’s acceptance of the Funding Agreement for filing, and establishment of the Finance Agent, to collect from each undersigned Party 25% of each Party’s allocation of budget, as amended, for the budget cycle, and an amount as may be necessary to maintain each Party’s allocation of the Minimum Cash Balance.

~~5.2.26.2.2~~ *Initial Call – New Party.* Upon the Effective Date of Executed Addendum by a new Party, to collect from such new Party: (i) an allocated share of the Minimum Cash Balance, and (ii) an allocated share of the budget, as amended, prorated to reflect the remaining period of the current cash call.

**Illustration of the concepts described in Section ~~5.2.26.2.2~~ Initial Call – New Party:** the Parties were invoiced a total of \$110,000 in December to cover the first quarter expenses of the following year (January, February and March). A new Full Funder became a Party the next year, with the Effective Date of Executed Addendum being February 15<sup>th</sup>. The amount of the new Party’s initial cash call equals: (A) the Minimum Cash Balance (i.e., \$150,000) allocated according to Exhibit B, plus (B) \$110,000 allocated according to Exhibit B divided by 90 (the number of days within the cash call period) with the product multiplied by 44 (the remainder of the cash call period - 13 days in February (no leap year) and 31 days in March). The amount of the other Parties’ prior cash call is unchanged. The over collection will have the effect of lowering the next cash call to the benefit of all

~~5.2.36.2.3~~ *Regular Calls.* On a quarterly or more frequent basis to (i) maintain the Minimum Cash Balance, and (ii) collect funds necessary to pay budgeted expenses as they become due (“Cash Call Amount”).

~~5.36.3~~ 5.46.3 Contacts. Each Party shall provide the Finance Agent with the email address of its representative and an alternate that are authorized to receive cash call invoices. Each Party shall also identify a representative authorized to make decisions related to this Funding Agreement.

~~5.46.4~~ 5.56.4 Notice of Cash Call. The Finance Agent shall invoice the Parties for cash calls via email or other electric communication.

~~5.56.5~~ 5.66.5 Due Date. All amounts billed to the Parties under this Funding Agreement shall be due and payable to the Finance Agent within 15 business days following the billing date. The billing date shall be the date on which invoices are sent to the Parties.

~~5.66.6~~ 5.76.6 Late Payment. Failure of a Party to pay amounts billed within the time specified in the Finance Agent Agreement shall constitute a payment default under this Funding Agreement. The Finance Agent shall provide written notice of the existence of a payment default to the defaulting Party and the non-defaulting Parties within 10 calendar days following the date of payment default. After receipt of such notice of payment default, the defaulting Party shall take all steps necessary to promptly and completely cure such payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party. In the event that the defaulting Party does not cure the payment default within 30 calendar days of the date that the Finance Agent mailed or delivered the notice of payment default to the defaulting Party, the defaulting Party must withdraw from this Funding Agreement according to the terms in Section ~~8.1.9.2~~.

~~5.76.7~~ 5.86.7 Commingling of Funds. The Finance Agent may commingle funds received pursuant to the Funding Agreement (“NTTG Funds”) with its general funds.

~~5.86.8~~ 5.96.8 No Interest. The Finance Agent shall provide no interest on NTTG Funds.

## ~~6.7.~~ 6.17. Disbursement of Funds.

~~6.17.1~~ 6.27.1 Payment of Invoices. The Finance Agent shall disburse NTTG Funds only upon email approval of the Full Funders’ Steering Committee representative holding the position of the Steering Committee Utility Co-chair (“Utility Co-chair”), or that representative’s delegate. The Utility Co-chair’s authority is limited to approving disbursements that are consistent with the approved budget, as amended. The Finance Agent’s obligation is to pay an approved invoice with NTTG Funds, and the Finance Agent has no obligation to pay any approved invoices with the Finance Agent’s general funds. Furthermore, the Finance Agent’s obligation to pay approved disbursements is limited to the monies actually collected from the Parties pursuant to this Funding Agreement.

~~6.27.2~~ 6.37.2 Termination. Upon termination of this Funding Agreement, unused funds shall be distributed as set forth in Section ~~2.4.3.3.4.3~~.

## ~~7.8.~~ 7.18. Funder Classifications/Additional Parties.

7.18.1 Eligibility to Become a Party. An entity that satisfies the requirements of a Nominal Funder or Full Funder, as those terms are defined below, is eligible to ~~be become~~ a Party to this Funding Agreement and the Finance Agent Agreement attached as Exhibit C and incorporated herein by this reference as either a Nominal Funder or a Full Funder.

7.1.18.1.1 Nominal Funder. An entity that satisfies the following requirements ~~shall be considered~~ is eligible to become a Nominal Funder. The entity:

~~(a)~~ a. Is a non-FERC jurisdictional transmission dependent utility;

~~(b)~~ b. Will participate in the Northern Tier planning process; and

~~(c)~~ c. Has either electric load, electric generation, or both, which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder.

7.1.28.1.2 Full Funder. An entity that satisfies the following requirements ~~shall be considered~~ is eligible to become a Full Funder. The entity:

~~(a)~~ a. Owns, controls, or operates a facility used for the transmission of electric energy in interstate commerce which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder to this Funding Agreement; and

~~(b)~~ b. Will utilize Northern Tier planning processes or services to meet transmission planning and cost allocation requirements set forth in the FERC's Order 890, Order 1000, or related successor regulations or orders for its transmission facilities located within the Western Interconnection; ~~and.~~

~~(c) Will maintain an Open Access Transmission Tariff ("OATT") or reciprocity OATT on file with the FERC in either case with regional, interregional, and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Intereconnection.~~

## 7.28.2 Process of Becoming a Party.

7.2.18.2.1 Submission of Application. An eligible entity may request to become a Party to this Funding Agreement and the Finance Agent Agreement and thereby become enrolled in NTTG as either a Nominal Funder or a Full Funder by completing the



application set forth in Exhibit D to this Funding Agreement, and submitting it to the Project Manager by email to [info@nttg.biz](mailto:info@nttg.biz).

~~7.2.28.2.2~~ *Review of Application.* The Project Manager shall, in consultation with the Parties, review a submitted application for completeness, and work with the applicant to complete any omitted information or information questioned by the Parties. An application that is not completed to the satisfaction of the Parties within 30 days of submission may be rejected by the Parties. The applicant is not precluded from submitting another application at a later date. Additionally, the Parties retain the discretion to develop a new funding allocation methodology to accommodate the addition of an applicant that is not able to complete the application to the satisfaction of the Parties.

~~7.2.38.2.3~~ *Execution of Addendum.* Upon receipt of a completed application, the Project Manager shall forward to the applicant the addendum to this Funding Agreement entitled “Addendum Joining Additional Party,” as set forth in Exhibit E, with the applicant’s status as a Nominal Funder or Full Funder identified. The executed Addendum Joining Additional Party shall be returned to the Project Manager. An addendum executed pursuant to the process set forth in this Funding Agreement is incorporated by this reference into this Funding Agreement.

~~7.2.48.2.4~~ *Effective Date of Executed Addendum.* An entity executing the Addendum Joining Additional Party as a Nominal Funder shall be recognized as a Party to this Funding Agreement and as a party to the Finance Agent Agreement on the date of the addendum’s execution. An entity executing the Addendum Joining Additional Party as a Full Funder shall be recognized as a Party to this Funding Agreement and as a party to the Finance Agent Agreement on the date ~~that the OATT described in Section 7.1.2(e) is accepted by the FERC~~ requirements of (a) or (b) below are satisfied. Such effective dates are referred to as the “Effective Date of Executed Addendum.”

a. If an entity intending to become a Full Funder is a public utility, the date the Commission accepts the filing of an Open Access Transmission Tariff by the entity with regional, interregional and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection.

b. If an entity intending to become a Full Funder is not a public utility, the date the entity adopts and posts on its website an Open Access Transmission Tariff or other agreement(s) providing for comparable transmission service, each including regional, interregional and interconnection-wide planning provisions for its transmission facilities located within the Western Interconnection that are the same as those expressed in Attachment K of the other Full Funders that are public utilities for its transmission facilities located within the Western Interconnection (each referred to as a “NJ Attachment K”).

~~7.38.3~~ *Significance of Executing the Addendum Joining Additional Party.* By executing the Addendum Joining Additional Party ~~an applicant~~ the entity agrees as set forth in Section 8.3.1 through Section 8.3.4.

~~7.3.18.3.1~~ *Prior Committee Decisions.* Agrees to be bound by the decisions that have been made by the Steering Committee, the Planning Committee, the Cost Allocation Committee, and such other committees as exist, up to and including the date of enrollment;

~~7.3.28.3.2~~ *Dispute Resolution.* Agrees to resolve disputes related to local, regional, and interconnection wide planning according to the dispute resolution process set forth in Attachment K of the Full Funder's OATTs, from the date of enrollment and throughout the period of enrollment;

8.3.3 ~~Maintain an OATT.~~ If joining as a Full

a. A Nominal Funder, agrees not to promptly submit take action within the ~~OATT described in Section 7.1.2(c)~~ Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement.

b. A Full Funder that is a public utility agrees

1) To implement the provisions of its Open Access Transmission Tariff providing for comparable transmission service including Attachment K; and

~~7.3.32)~~ To modify its Open Access Transmission Tariff, Funding Agreement, and Finance Agent Agreement consistent with FERC ~~for acceptance; and~~ orders.

c. A Full Funder that is not a public utility agrees:

1) To implement the provisions of its NJ Attachment K;

2) To modify its NJ Attachment K, Funding Agreement, and Finance Agent Agreement, consistent with FERC orders, except that a non-public utility Full Funder need not file its NJ Attachment K, Funding Agreement, and Finance Agent Agreement;

3) Not to take action within the Steering Committee or other committees of NTTG, or fail to take action within the Steering Committee or other committees of NTTG, that prevents a Full Funder that is a public utility from complying with its Open Access Transmission Tariff including Attachment K, Funding Agreement, and Finance Agent Agreement; and

4) Not to include a provision in its NJ Attachment K that conflicts with a provision in the Open Access Transmission Tariff including Attachment Ks of a Full Funder that is a public utility.

~~7.3.48.3.4~~ Fund a Share of Northern Tier. Agrees to fund a share of Northern Tier as set forth in this Funding Agreement.

## ~~8.9.~~ **Termination, Withdrawal and Reinstatement**

### 9.1 Termination

9.1.1 Terminating Party. Any Party found by the Steering Committee to have violated an applicable requirement of Section 8.3 shall be deemed a Terminating Party (“Terminating Party”).

9.1.2 Termination Date. Promptly following the date a Party is deemed a Terminating Party by the Steering Committee, such Terminating Party, if a public utility Full Funder, shall file with the Commission an Attachment K in place of the Attachment K specified in Section 8.2.4, and if a non-public utility Full Funder, shall revoke and remove from its website the NJ Attachment K. A Terminating Party shall no longer be considered a Party: (a) on the date FERC accepts such substitute Attachment K filing in the case of a public utility Full Funder, (b) on the date the NJ Attachment K is revoked and removed from its website in the case of a non-public utility Full Funder, or (c) on the date of the Steering Committee’s determination in the case of a Nominal Funder (the “Termination Date”).

### ~~8.19.2~~ Withdrawal.

~~8.1.19.2.1~~ Notice. Subject to the approval of the FERC, if necessary, for a withdrawal to become effective, any Party may unilaterally withdraw from this Funding Agreement by providing prompt notice to the co-Chairs of the Steering Committee in writing or through electronic transmission.

~~8.1.29.2.2~~ Withdrawal Date. Any Party that withdraws from this Funding Agreement shall be deemed a Withdrawing Party (“Withdrawing Party”). A Withdrawing Party that is a public utility Full Funder shall promptly submit ~~afor~~ filing ~~to~~with the FERC ~~removing from its OATT the version of an~~ Attachment K ~~described in place of the~~ Attachment K specified in Section ~~7.1.2(e)-8.2.4.~~ A Withdrawing Party that is a non-public utility Full Funder shall promptly revoke and remove from its website the NJ Attachment K. A Withdrawing Party shall no longer be considered a Party ~~as of:~~ (a) on the date ~~the~~ FERC accepts such substitute Attachment K filing, in the case of a public utility Full Funder, (b) on the date the NJ Attachment K is revoked and removed from its website in the case of a non-public utility Full Funder, or (c) on the date of the notice of withdrawal in the case of a Nominal Funder (the “Withdrawal Date”).

~~8.1.39.3~~ Withdrawal Obligation. On the Termination Date or Withdrawal Date, the Terminating Party or the Withdrawing Party shall pay an amount equal to one-half of its allocated share of the budget, as amended, and an amount as may be necessary to maintain the Party’s share of the Minimum Cash Balance for the remainder of the year that has not yet been billed by the Finance Agent (the “Withdrawal Obligation”). In addition, the Terminating Party

~~or the~~ Withdrawing Party shall continue to be obligated to fulfill obligations incurred up to the ~~Terminating Date or~~ Withdrawal Date.

~~8.29.4~~ Reinstatement. Following the ~~Termination Date or~~ Withdrawal Date, if a ~~Terminating Party or a~~ Withdrawing Party desires to again become a party to this Funding Agreement, such ~~Terminating Party or~~ Withdrawing Party shall follow the procedures set forth in Section ~~78~~ to re-join this Funding Agreement. Upon reinstatement as a party, such ~~Terminating Party or~~ Withdrawing Party shall not receive a credit for funds paid pursuant to ~~Section 8.4the~~ Withdrawal Obligation.

#### 9.10. Administration.

~~9.1~~10.1 Support of Northern Tier. To the extent practicable, each Party shall provide reasonable support from internal resources in order to achieve the completion of projects in a cooperative and timely manner as developed and approved by the Northern Tier Steering Committee through the mechanisms set forth in the Northern Tier Steering Committee Charter.

~~9.2~~10.2 Representation on Steering Committee. Each Party shall appoint one (1) representative to the Steering Committee. The rights and obligations of Steering Committee Representatives are set forth in the Steering Committee Charter.

~~9.3~~10.3 Voting Standard. Each Party shall work in good faith to achieve unanimous agreement with the other Parties and to further the purpose of this Funding Agreement. Nonetheless, the approval standards otherwise set forth in this Funding Agreement shall control.

~~9.4~~10.4 Parties Bear Own Costs. Each Party shall bear its own costs and expenses associated with participating in Northern Tier's activities, unless such costs and expenses are included as part of an approved budget or unless all Parties agree otherwise in writing.

~~9.5~~10.5 No Joint Action. This Funding Agreement shall not be interpreted or construed to create a joint venture or partnership among the Parties or to impose any partnership obligations or liability upon any Party.

~~9.6~~10.6 Legal Rights. Nothing in this Funding Agreement shall affect the right of any Party to take any position or bring any action or proceeding in any appropriate court or agency, except as explicitly outlined in Section ~~44~~12 of this Funding Agreement.

~~9.7~~10.7 Rotation of In-Person Meetings. Northern Tier's in-person regional stakeholder meetings funded with NTTG Funds shall be rotated on an equal basis between the following locations by the Project Manager:

- (a) Boise, Idaho;
- (b) Butte or Bozeman, Montana;
- (c) Portland, Oregon; and
- (d) Salt Lake City, Utah.

~~10.~~11. **Ownership of Products.** All information, data, reports, results, or other products funded through mechanisms set forth in this Funding Agreement shall be considered to be in the public domain and available to all Parties for their undivided use; provided, however, that Parties retain the right to engage in separate agreements addressing specific ownership rights of information, data, reports, results, or other products funded through mechanisms outside the scope of this Funding Agreement.

~~11.~~12. **Dispute Resolution.** Parties agree to use the following dispute resolution process for all disputes related to this Funding Agreement:

Step 1 – An executive representative from each Party shall participate in good faith negotiation to resolve the dispute on an informal basis as promptly as practicable. In the event the executive representatives are unable to resolve the dispute by mutual agreement within 30 days of written notice of dispute by any Party to the Utility Co-Chair, or such other period as the Parties may mutually agree upon, the Parties shall proceed to Step 2.

Step 2 – If mutual agreement is not reached in Step 1, the Parties shall use mediation and/or arbitration to resolve the dispute upon mutual agreement of the Parties.

~~12.~~13. **Headings.** The headings used in this Funding Agreement are for convenience only and shall not be construed as a part of this Funding Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

~~13.~~14. **Waiver.** A waiver by a Party of any default or breach by another Party of any covenants, terms or conditions of this Funding Agreement shall not limit the Party's right to enforce such covenants, terms or conditions or to pursue its rights in the event of any subsequent default or breach.

~~14.~~15. **Severability.** If any portion of this Funding Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

~~15.~~16. **Binding Effect.** This Funding Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

~~16.~~17. **Amendments.** This Funding Agreement shall not be modified, amended, or changed in any respect except by a written document signed by all Parties; provided, however, that such modification, amendment, or change shall be subject to FERC acceptance, if required, before it becomes effective.

~~17.~~18. **No Third Party Beneficiary.** This Funding Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

~~18.~~19. **Integration.** This Funding Agreement and the Finance Agent Agreement constitute the entire agreement of the Parties. Covenants or representations not contained or incorporated therein shall not be binding upon the Parties.

~~19.~~20. **Applicable Law and Venue.** No Party shall be considered the drafter of this Funding Agreement for purposes of interpreting this Funding Agreement. This Funding Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Funding Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

~~20.~~21. **Execution in Counterparts.** This Funding Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. Delivery of an executed signature page of this Funding Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF, the Parties have caused this Funding Agreement to be executed on the date of the last signature below.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

/s/ Curt Winterfeld

/s/ Michael R. Cashell

By \_\_\_\_\_

By \_\_\_\_\_

Curt Winterfeld  
Vice President

Michael R. Cashell  
Vice President - Transmission

Date 10/30/201306/13/2014

Date 10/30/201306/13/2014

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

/s/ Rick Vail

/s/ Marshall Empey

By \_\_\_\_\_

By \_\_\_\_\_

Rick Vail  
Vice President, Transmission

Marshall Empey  
Chief Operations Manager

Date 10/30/201306/13/2014

Date 10/30/201306/13/2014

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

/s/ N. Vern Porter

/s/ Frank Afranji

By \_\_\_\_\_

By \_\_\_\_\_

N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

Frank Afranji  
Director, Transmission/Reliability

Date 10/30/201306/13/2014

Date 10/30/201306/13/2014

## **EXHIBIT A**

### **CLASSIFICATION OF SIGNATORIES**

#### **Full Funders**

DESERET GENERATION & TRANSMISSION CO-OPERATIVE, INC.

IDAHO POWER COMPANY

NORTHWESTERN ENERGY

PACIFICORP

PORTLAND GENERAL ELECTRIC COMPANY

#### **Nominal Funders**

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS



## Exhibit B Allocation of Funding

Allocation Formulas <sup>1</sup>	
Funder Class Allocation	Formula
Nominal Funder	= A
Full Funder with Services <17,500 MW	= A + B + D1 + E
Full Funder with Services ≥17,500 and ≤50,000 MW	= A + B + D2 + E
Full Funder with Services >50,000 MW	= A + B + D3 + E

Calculations			
Variable	Formula	Amount	Variable
$G$	= Annual amount of amended budget and Minimum Cash Balance	= \$_____	$G$
$A$	= Fixed amount	= \$17,000	$A$
$B$	$B = \frac{1}{P} \times 0.075(G - A1)$	= \$_____	$B$
$P$	= Total Number of Parties	= _____	$P$
$A1$	= $A \times P$	= \$_____	$A1$
$D1$	$D1 = \frac{C1}{C} \times \frac{0.659}{F1} \times (G - A1)$	= \$_____	$D1$
$D2$	$D2 = \frac{C2}{C} \times \frac{0.659}{F4} \times (G - A1)$	= \$_____	$D2$
$D3$	$D3 = \frac{C3}{C} \times \frac{0.659}{F5} \times (G - A1)$	= \$_____	$D3$
$C1$	= $F1 \times 0.05$	= _____	$C1$
$C2$	= $F2 \times 0.25$	= _____	$C2$
$C3$	= $F3 \times 0.50$	= _____	$C3$
$C$	= $C1 + C2 + C3$	= _____	$C$
$F1$	= Number of Full Funders with Services <sup>2</sup> <17,500 MW	= _____	$F1$
$F2$	= Number of Full Funders with Services ≥17,500 and ≤100,000 MW	= _____	$F2$
$F3$	= Number of Full Funders with Services >100,000 MW	= _____	$F3$
$F4$	= Number of Full Funders with Services ≥17,500 and ≤50,000 MW	= _____	$F4$
$F5$	= Number of Full Funders with Services >50,000 MW	= _____	$F5$
$E$	$E = 0.266 \times \frac{W}{W1} \times (G - A1)$	= \$_____	$E$
$W$	= Party's Net Energy for Load from Exhibit F (0 if not listed)	= _____	$W$
$W1$	= The sum of the Net Energy for Load (W) for all parties	= _____	$W1$

<sup>1</sup>All amounts are to be collected in cash call increments.

<sup>2</sup>**Services** is the Party's total transmission services measured in total annual MW plus W. Total transmission services is calculated based upon the Party's 2011 FERC Form 1, page 400, columns (e), (f), (g), (h), (i). If the Party is not required to submit the 2011 FERC Form 1 to FERC, then the Parties shall establish the Party's total transmission services based upon the information required by the columns specified for the 2011 FERC Form 1.

|

## EXHIBIT C

### **Amended Northern Tier Transmission Group Finance Agent Agreement 2014-2015**

This Amended Northern Tier Transmission Group Finance Agent Agreement ("Finance Agreement") is by and among the entities signing below and any entity executing the Addendum Joining Additional Party, as provided for herein, each of which is hereafter shall be referred to individually as "Party" and collectively as "Northern Tier" or "Parties."

#### Recitals

A. The Northern Tier Transmission Group Funding Agreement 2014-2015 ("Funding Agreement") directs the Parties' to appoint a Finance Agent to perform the functions set forth in the Funding Agreement; ~~and~~

B. This agreement was amended in response to *PacifiCorp et al.*, 147 FERC ¶ 61,057 (April 17, 2014); and

~~B-C.~~ The Parties' Steering Committee Representatives have duly appointed Idaho Power Company ("Idaho Power") as the Finance Agent, and Idaho Power accepts said appointment.

NOW THEREFORE, the Parties agree as follows:

1. **Effective Date.** This Finance Agreement, as amended, shall be effective as of June 13, 2014 (the "Effective Date"). Upon the Effective Date, this Funding Agreement, as amended, shall supersede the funding agreement previously filed with and accepted by the Commission in FERC Docket Nos. ER 14-253-000, ER14-250-000, ER14-251-000, ER14-249-000, and ER14-241-000.

1.2. **Term and Termination.** The term of this Finance Agreement shall, subject to acceptance by the Federal Energy Regulatory Commission, be effective January 1, 2014 and shall expire December 31, 2015 ("Term"). The Term of this Finance Agreement may be extended only upon mutual written agreement of the Parties. This Finance Agreement shall terminate automatically upon any of the following events: (a) expiration of this Finance Agreement's Term, (b) mutual written agreement of the Parties, or (c) either the Full Funders' Steering Committee Representative holding the position of the Steering Committee Utility Co-chair ("Utility Co-chair") or Idaho Power Company giving the other not less than thirty (30) days written notice of termination. A Party shall automatically cease being a Party to this Agreement on the Termination Date or the Withdrawal Date, as those terms are defined in the Funding Agreement.

2.3. **Scope of Services.** The Finance Agent shall perform those tasks set forth in the Funding Agreement, and as said Funding Agreement may be modified from time to time during the term of this Finance Agreement.

3.4. **Reimbursement.**

3.24.2 The Finance Agent shall be entitled to reimbursement for its actual costs and expenses incurred in acting as the Finance Agent. A monthly invoice setting forth those costs shall be submitted by e-mail to each Party's Steering Committee Representative ("Representative") or their delegate. The Representative, or that Representative's delegate, shall make commercially reasonable efforts to review and approve the Finance Agent's invoice within 10 business days of its receipt. Upon receipt of approval from the Utility Co-Chair of the Steering Committee, or the Utility Co-Chair's delegate, the Finance Agent shall be entitled to reimburse itself the invoiced amount from the Northern Tier Transmission Group general funds.

3.34.3 The Parties shall attempt to resolve questions or disputed items promptly and amicably. If necessary however, the Utility Co-Chair or the Finance Agent may utilize the Dispute Resolution provisions of the Funding Agreement.

4.5. **Relationship of the Parties.** This Finance Agreement shall not be interpreted or construed to create a trust, association, affiliation, joint venture, or partnership or to impose any trust or partnership obligation or liability between or among the Parties. No Party or groups thereof have any right, power, or authority under this Finance Agreement to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of any other Party or groups thereof.

5.6. **Limit of Liability.**

5.16.1 NOTWITHSTANDING ANY OTHER PROVISION IN THIS FINANCE AGREEMENT, IN NO EVENT SHALL THE FINANCE AGENT BE LIABLE FOR ANY DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES. NORTHERN TIER'S SOLE REMEDY FOR ANY BREACH OF THIS FINANCE AGREEMENT IS TO ENFORCE PROSPECTIVE COMPLIANCE WITH THIS FINANCE AGREEMENT'S TERMS AND CONDITIONS.

5.26.2 Each Party, except the Party acting as Finance Agent, (the "Indemnifying Party") shall indemnify, hold harmless and, at the Finance Agent's request, defend (with counsel satisfactory to the Finance Agent) the Finance Agent and its successors, assigns, officers, directors, employees and agents (collectively, the "Indemnified Parties") from and against all liabilities, actions, claims, losses, costs, damages, penalties and expenses (including without limitation reasonable legal fees) of any kind or nature whatsoever which may at any time be brought against or incurred or suffered by the Indemnified Parties or any one or more of them relating to this Finance Agreement, except to the extent related to the Finance Agent's Willful Action. Willful Action means an action taken or not taken by a Party that is knowingly or intentionally taken or not taken with the intent that injury or damage would result or with a

reckless disregard for the result. Willful Action does not include any act or failure to act that is involuntary, accidental, or negligent.

~~6.7.~~ **Additional Parties.** An entity that is a party to the Northern Tier Transmission Group Funding Agreement may become a Party to this Finance Agreement by executing the addendum to the Funding Agreement entitled “Addendum Joining Additional Party,” as set forth in Exhibit C to the Funding Agreement and providing each Party an original of the signature page. The addendum shall be attached to and incorporated by this reference in this Finance Agreement.

~~7.8.~~ **Amendment/Successors.** This Finance Agreement shall be amended only by the written agreement of all Parties who continue to be Funding Members at the time any such amendment is undertaken. This Finance Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. Any Party may, without the consent of another, and by providing prior reasonable notice under the circumstances to the other Parties, assign this Finance Agreement to any entity(ies) in connection with a merger, consolidation, or reorganization, provided that the assignee shall be bound by all of the obligations and duties of the assigning Party.

~~8.9.~~ **Applicable Law and Venue.** No Party shall be considered the drafter of this Finance Agreement for purposes of interpreting this Finance Agreement. This Finance Agreement shall be construed in accordance with laws of the State of New York. Venue for any disputes related to this Finance Agreement shall be, unless otherwise agreed by the Parties, in the County and State in which the principal offices of the Finance Agent are located.

~~9.10.~~ **Severability.** If any portion of this Finance Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

~~10.11.~~ **No Third Party Beneficiary.** This Finance Agreement is for the exclusive benefit of the Parties, and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

~~11.12.~~ **Headings.** The headings used in this Finance Agreement are for convenience only and shall not be construed as a part of the Finance Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

~~12.13.~~ **Entire Agreement.** This Finance Agreement and the Funding Agreement contain the entire agreement of the Parties.

~~13.14.~~ **Execution in Counterparts.** This Finance Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. Delivery of an executed signature page of this Finance Agreement by facsimile transmission or email shall be effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF, this Finance Agreement is executed and shall be effective as of the date provided in Section ~~4~~1 above.

DESERET GENERATION &  
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN ENERGY

/s/ Curt Winterfeld

/s/ Michael R. Cashell

By \_\_\_\_\_

By \_\_\_\_\_

Curt Winterfeld  
Vice President

Michael R. Cashell  
Vice President - Transmission

Date 06/13/2014

Date 06/13/2014

PACIFICORP

UTAH ASSOCIATED MUNICIPAL  
POWER SYSTEMS

/s/ Rick Vail

/s/ Marshall Empey

By \_\_\_\_\_

By \_\_\_\_\_

Rick Vail  
Vice President, Transmission

Marshall Empey  
Chief Operations Manager

Date 06/13/2014

Date 06/13/2014

IDAHO POWER COMPANY

PORTLAND GENERAL ELECTRIC  
COMPANY

/s/ N. Vern Porter

/s/ Frank Afranji

By \_\_\_\_\_

By \_\_\_\_\_

N. Vern Porter  
Vice President, Delivery Engineering  
& Operations

Frank Afranji  
Director, Transmission/Reliability

Date 06/13/2014

Date 06/13/2014

## Exhibit D

### Application Requesting Funding Status

The undersigned (“applicant”) requests to become a Party to the Northern Tier Transmission Group Funding Agreement 2014-2015 and the Northern Tier Finance Agent Agreement 2014-2015. In support of such request, the applicant submits the following information:

1. Identify whether applicant seeks to become a Nominal Funder or a Full Funder.

\_\_\_\_\_

2. Identify and provide contact information for the applicant’s representative to the following committees:

- (a) Steering Committee:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

- (b) Planning Committee:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

- (c) Cost Allocation Committee:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

3. Identify and provide contact information for the applicant’s financial representative:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_



4. Identify and provide contact information for the applicant's representative to the NTTG Funder Committee:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**Complete the following if seeking to become a Nominal Funder:**

5. Identify the applicant's load, generation, or both, which is interconnected with an existing Full Funder or which is located within the balancing authority area of an existing Full Funder. \_\_\_\_\_

**Complete the following if seeking to become a Full Funder:**

6. Identify the facility(ies) used for the transmission of electric energy in interstate commerce which is (are) interconnected with an existing Full Funder or which is (are) located within the balancing authority area of an existing Full Funder that the applicant owns, controls, or operates. \_\_\_\_\_
7. Identify the applicant's total transmission services within the Western Interconnection measured in total annual MW as outlined on applicant's 2011 FERC Form 1, page 400, columns (e), (f), (g), (h), (i) - \_\_\_\_\_ MW. If the applicant is not required to submit the 2011 FERC Form 1 to FERC, then the applicant shall nonetheless calculate its total transmission services based upon the columns specified above of the form - \_\_\_\_\_ MW. Please attach supporting documentation.
8. Identify WECC's Net Energy to Load Ratio for applicant's transmission facilities within the Western Interconnection - \_\_\_\_\_ MW. Refer to Exhibit F of the Funding Agreement. Please attach any additional supporting documentation.
9. Does the applicant operate an electric balancing authority area within the Western Interconnection? Circle one: yes or no.
10. ~~Date~~If the applicant is a public utility, the date the applicant intends to submit an Open Access Transmission Tariff ('OATT') ~~or reciprocity OATT~~ to the Federal Energy Regulatory Commission ~~in either case~~ with regional, interregional and interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection. \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

11. If the applicant is not a public utility, the date the applicant intends to adopt and post on its website submit an reciprocity OATT or other agreement(s) providing for comparable transmission service, each including regional, interregional and

interconnection-wide planning provisions of Attachment K that are the same as the other Full Funders for its transmission facilities located within the Western Interconnection. \_\_\_\_ day of \_\_\_\_, 20\_\_.

IN WITNESS WHEREOF, the undersigned executes this Application Requesting Funding Status.

By \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
(Print Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name of Company)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

# EXHIBIT E

## Addendum Joining Additional Party

The undersigned joins as a party the Northern Tier Transmission Group Funding Agreement 2014-2015 and the Northern Tier Finance Agent Agreement 2014-2015 (the "Agreements") and agrees to all the terms and conditions as set forth in the Agreements. The undersigned shall receive all notices provided pursuant to the Agreements. This Addendum Joining Additional Party is incorporated by this reference into the Agreements. This Addendum and the Agreements sets forth the entire agreement between the parties on the subject matter of the Agreements, and supersedes all prior agreements of the parties with respect to its subject matter. The undersigned joins the Agreements as a \_\_\_\_\_ Funder.  
(Nominal or Full)

IN WITNESS WHEREOF, the undersigned executes this Addendum Joining Additional Party on the date set forth below.

By \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
(Print Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name of Company)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

## **EXHIBIT F**

### **WECC 2011 Balancing Authority Area NEL and 2013 Assessments**

# WECC

## 2011 Balancing Authority Area NEL and 2013 Assessments

Balancing Authority	Net Energy for Load	Percent of Total NEL (%)	WECC Assessment	NERC Assessment	WIRAB Assessment
Alberta Electric System Operator	58,737,634	6.8566%	\$2,201,651	\$466,437	\$36,662
Arizona Public Service Company	32,148,109	3.7527%	\$1,549,891	\$342,822	\$20,065
Avista Corporation	12,614,204	1.4725%	\$608,141	\$134,516	\$7,873
Bonneville Power Administration	54,888,094	6.4072%	\$2,646,205	\$585,319	\$34,259
British Columbia Hydro	60,568,272	7.0703%	\$3,167,462	\$683,972	\$37,804
Comision Federal de Electricidad	11,041,442	1.2889%	\$577,420	\$124,686	\$6,892
PUD No. 1 of Chelan County	3,782,502	0.4415%	\$182,358	\$40,336	\$2,361
California Independent System Operator	229,559,674	26.7972%	\$11,067,279	\$2,447,993	\$143,282
PUD No. 1 of Douglas County	1,435,488	0.1676%	\$69,206	\$15,308	\$896
El Paso Electric Company	8,342,238	0.9738%	\$402,187	\$88,961	\$5,207
PUD. No. 2 of Grant County	4,150,711	0.4845%	\$200,110	\$44,263	\$2,591
Imperial Irrigation District	3,598,464	0.4201%	\$173,485	\$38,374	\$2,246
Idaho Power Company	16,653,214	1.9440%	\$802,866	\$177,588	\$10,394
Los Angeles Department of Water and Power	28,863,039	3.3693%	\$1,391,513	\$307,792	\$18,015
Nevada Power Company	24,432,933	2.8521%	\$1,177,934	\$260,550	\$15,250
PacifiCorp Eastern Balancing Area	47,858,167	5.5866%	\$2,307,285	\$510,353	\$29,871
PacifiCorp Western Balancing Authority	20,883,821	2.4378%	\$1,006,828	\$222,702	\$13,035
Portland General Electric Company	20,611,284	2.4060%	\$993,689	\$219,796	\$12,865
Public Service Company of New Mexico	15,257,277	1.7810%	\$735,567	\$162,702	\$9,523
Public Service Company of Colorado	42,291,121	4.9368%	\$2,038,893	\$450,987	\$26,396
Puget Sound Energy	25,168,550	2.9380%	\$1,213,399	\$268,394	\$15,709
Seattle Department of Lighting	10,188,883	1.1894%	\$491,215	\$108,653	\$6,360
Balancing Authority of Northern California	17,452,751	2.0373%	\$841,412	\$186,114	\$10,893
Sierra Pacific Power Company	11,425,347	1.3337%	\$550,826	\$121,838	\$7,131
Salt River Project	30,360,138	3.5440%	\$1,463,690	\$323,756	\$18,950
Tucson Electric Power Company	13,594,185	1.5869%	\$655,388	\$144,967	\$8,485
Turlock Irrigation District	2,499,228	0.2917%	\$120,490	\$26,651	\$1,560
NorthWestern Energy	10,747,661	1.2546%	\$518,154	\$114,612	\$6,708
Tacoma Power	5,074,707	0.5924%	\$244,656	\$54,116	\$3,167
Western Area Power Administration - Colorad	23,240,509	2.7129%	\$1,120,446	\$247,834	\$14,506
Western Area Power Administration, Lower Co	8,576,929	1.0012%	\$413,501	\$91,463	\$5,353
Western Area Power Administration - Upper G	609,796	0.0712%	\$29,399	\$6,503	\$381
<b>Total</b>	<b>856,656,372</b>	<b>100.0000%</b>	<b>\$40,962,547</b>	<b>\$9,020,357</b>	<b>\$534,692</b>

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