

ATTACHMENT K

PART I. INTRODUCTION

1.0 General

Preamble. In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, regional, and interregional basis. Part 2 of this Attachment K addresses the local planning process. Part 3 of this Attachment K addresses the regional planning process. Part 4 of this Attachment K addresses interregional coordination with the planning regions in the United States portion of the Western Interconnection.

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 Local 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.

DEFINITIONS

Unless defined below,¹ capitalized terms shall refer to terms defined in the Tariff.

1.1 "Alternative Project" is defined in Section 3.7.3.2 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" is defined in Section 3.7.4.2.

1.3 "Applicant" is defined in Section 3.7.2.2 as a Project Sponsor and a stakeholder that submits an unsponsored project.

1.4 Reserved.

1.5 Reserved.

1.6 "Beneficiary" means any entity, including but not limited to transmission providers (both incumbent and non-incumbent), Merchant Transmission Developers, load serving entities, transmission customers or generators that utilize the regional transmission system within the NTTG Footprint to transmit energy or provide other energy-related services.

¹ Please note that additional definitions with respect to interregional coordination and cost allocation are contained in Section 4 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.

1.7 “Biennial Study Plan” means the study plan used to produce the Regional Transmission Plan, as approved by the Steering Committee. The Biennial Study Plan is described in Section 3.7.3.2.

1.8 “Change Case” is defined in Section 3.7.4.1 as a scenario where one or more of the Alternative Projects is added to or replaces one or more Non-Committed projects in the IRTP. The deletion or deferral of a Non-Committed Project in the IRTP without including an Alternative Project can also be a Change Case.

1.9 “Committed Project” is defined in Section 3.9.1 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.

1.10 “Confidentiality Agreement” means Confidentiality Agreement means the agreement posted on Transmission Provider’s OASIS at <http://www.oatiaoasis.com/mat/>. The Confidentiality Agreement is used to provide confidential information as referenced in Sections 2.7.2 and 3.4.2.

1.11 “Cost Allocation Committee” is defined in Section 3.1.2.

1.12 “Cost Allocation Committee Charter” means that document attached as Exhibit D to this Attachment K.

1.13 “Cost Allocation Data Form” means the form posted on NTTG’s website used to submit a project requesting cost allocation as referenced in Sections 3.7.2.3 and 3.7.5.2.

1.14 “Confidential Information” means: all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure under the Order 1000 Agreement; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

1.15 “Critical Energy Infrastructure Information” or “CEII” means information as defined in 18 C.F.R. Part 388 or any successor thereto and associated orders issued by the Commission.

1.16 “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 3.7.2.1.

1.17 “Demand Resources” means 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.

1.18 “Draft Regional Transmission Plan” refers to the version of the Regional Transmission Plan that is produced by the end of Quarter 4, as provided for in Section 3.7.4.5, and presented to stakeholders for comment in Quarter 5 as set forth in Section 3.7.5.

1.19 “Draft Final Regional Transmission Plan” refers to the version of the Regional Transmission Plan that is produced by the end of Quarter 6, as provided for in Section 3.7.6.3, presented to stakeholders for comment in Quarter 7 as set forth in Section 3.7.7, and presented, with any necessary modifications, to the Steering Committee for adoption in Quarter 8 as set forth in Section 3.7.8.

1.20 “Economic Study” or “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.

1.21 “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 and regional processes.

1.22 “Economic Study Request Form” means the form posted on NTTG’s website used to submit an Economic Study Request as referenced in Section 3.11.1.

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

1.24 “Funding Agreement” refers to the current version of the agreement among the entities funding the activities of NTTG. The Funding Agreement is available on the NTTG Website.

1.25 “Incumbent Transmission Developer” refers to an entity that develops a transmission project within its own retail distribution service territory or footprint.

1.26 Reserved.

1.27 “Initial Regional Transmission Plan ("IRTP")” is defined in Section 3.7.3.2 to include projects included in the prior Regional Transmission Plan and projects included in the Full Funders Local Transmission Plans.

1.28 Reserved.

1.29 “Local Economic Study Request” means an Economic Study Request where (1) the Point(s) of Receipt and Point(s) of Delivery that 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.

1.30 “Local Transmission System Plan or Local Transmission Plan (LTSP or LTP)” means the transmission plan of the Transmission Provider that identifies the upgrades and other investments to the Transmission System and Demand Resources necessary to reliably satisfy, over the planning horizon, 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 obligation 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.

1.31 “LTSP Re-Study Request” means a request by an Eligible Customer or stakeholder to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the draft Local Transmission System Plan (produced pursuant to Section 2 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Transmission System Plan.

1.32 “Merchant Transmission Developer” refers to 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.

1.33 “Monetized Non-Financial Incremental Costs” are defined in Section 3.7.4.1.

1.34 “NTTG” means the Northern Tier Transmission Group or its successor organization.

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

1.36 “NTTG Website” means www.nttg.biz

1.37 “Non-Committed Project” means a project that is not a Committed Project.

1.38 “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.

1.39 “Original Project” is a project selected in the prior Regional Transmission Plan.

1.40 “Ownership-Like Rights” are defined in Section 3.8.2.2.

1.41 “Planning Committee” is defined in Section 3.1.2.

1.42 “Planning Committee Charter” means that document attached as Exhibit C to this Attachment K.

1.43 Reserved

1.44 “Project Sponsor” is defined in Section 3.7.1.1 as the Nonincumbent Transmission Provider or Incumbent Transmission Provider intending to develop the project that is submitted into the planning process.

1.45 “Public Policy Considerations” means those public policy considerations that are not established by local, state, or federal laws or regulations.

1.46 “Public Policy Requirements” means 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.

1.47 “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 the Point(s) of Receipt and Points(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.

1.48 “Regional Planning Cycle” means NTTG’s eight-quarter biennial planning cycle that commences in even-numbered years and results in the Regional Transmission Plan.

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

1.50 “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 3.7.1.2 and 3.7.5.2.

1.51 “Sponsored Project” means the project proposed by a Project Sponsor.

1.52 “Steering Committee” is defined in Section 3.1.2.

1.53 “Steering Committee Charter” means that document attached as Exhibit B to this Attachment K.

1.54 Reserved.

1.55 “WECC” means the Western Electricity Coordinating Council or its successor organization.

1.56 Reserved.

PART II.

THE TRANSMISSION PROVIDER LOCAL TRANSMISSION PLANNING PROCESS

2.1 Overview

Every five (5) years, the Transmission Provider will complete its local transmission planning process, as detailed in this Section II of this Attachment K for the purpose of identifying Single System Projects to mitigate future reliability and load-service requirements for its Transmission System (the “Local Transmission Plan”). The Transmission Provider shall document the results of the local transmission planning process in the Final Local Transmission Plan as further detailed herein. The Final Local Transmission Plan shall include any reliability issues identified on the Transmission Provider’s Transmission System and a list of Single System Projects proposed to address those issues. Any impacts on neighboring transmission systems and the projects to mitigate those impacts shall be identified and coordinated through the regional planning process set forth in Part III of this Attachment K.

2.1.1

The Transmission Provider’s Transmission System consists of a point-to-point, merchant electric transmission line. The Transmission Provider will operate, manage and plan for the use of its asset in a manner that maximizes shareholder value by meeting market demands for transmission capacity while respecting customer agreements, regulatory constraints and reliability standards.

The Transmission Provider anticipates engaging in transmission planning procedures for one of three reasons:

- (a) As a regular update on its project and its future potential, every five (5) years the Transmission Provider will launch and conclude a local transmission planning process, which, apart from providing for stakeholder input on the Transmission Provider’s development options, will respect the needs of the WECC path rating and reliability planning processes;
- (b) In response to customer demand or interest, the Transmission Provider will explore development options to meet anticipated future transmission needs; and
- (c) The Transmission Provider will cooperate with and participate in the planning processes of neighboring utilities, Balancing Authorities and the Transmission Provider’s regional planning process group both in support of regional transmission development efforts and commercial interests.

2.1.2 Purpose and Objective. The Transmission Provider's transmission planning process includes local and regional components to facilitate comprehensive, open and coordinated planning of the Transmission Provider's Transmission System. The purpose of the Transmission planning process detailed in Part II of this Attachment K is to set forth the process by which the Transmission Provider will plan for the enhancement and expansion of the Transmission System to ensure that the Transmission System can meet the needs of both the Transmission Provider and its Transmission Customers on a comparable and nondiscriminatory basis. This is intended to be a coordinated, open and transparent planning process with the Transmission Customers and other Interested Stakeholders, including interconnected systems within its region and Interested Persons in the regional planning process.

Transmission Provider will also pursuant to this Attachment K, participate in NTTG transmission planning process structured to support and manage the coordination of the multi-system planning (including related studies) for the transmission systems of Transmission Provider and others. The regional planning processes are detailed in the Northern Tier Transmission Group Funding Agreement 2016-2017 ("Funding Agreement") or its successor documents. The Funding Agreement and its successors are each effective and posted on the NTTG Website. Transmission Provider is a Full Funder under the Funding Agreement. Participation as a Full Funder under the Funding Agreement facilitates Transmission Provider's compliance with, among other things, the intraregional and interregional requirements of Order 1000. Part III of this Attachment K describes Transmission Provider's participation in the transmission planning processes of NTTG.

Further, the Transmission Provider participates in coordinated planning throughout the Western Interconnection as a whole through its membership in the Western Electricity Coordinating Council ("WECC").

2.1.3 Identification of Connected Systems. The Transmission Provider's Transmission System is interconnected to the Alberta Electric System Operator ("AESO") in Canada and the system owned and operated by NorthWestern Energy ("NorthWestern") in Montana. Operating issues associated with the Transmission Provider's line have been provided for under a Coordinated Operating Agreement ("COA") among Montana Alberta Tie Ltd. and MATL LLP and the Independent System Operators, operating as the Alberta Electrical System Operator ("AESO"), (*MATL LLP*, Rate Schedule FERC No. 1 filed with the FERC on January 28, 2008 in Docket No. ER08-369-000). The COA provides mechanisms for ensuring the line is operated to industry standards by NorthWestern Energy ("NWE") and the AESO. It also provides for a Joint Operating Committee structure which will provide a regular interface between the parties, address maintenance and operational issues affecting the line, and provide an opportunity to initiate the Transmission Planning Process.

2.1.4 Load and Generation Planning Studies. Given that the Transmission Provider is not a Balancing Authority or a Control Area Operator, the Local Transmission Plan shall not include load or generation planning studies. The Transmission Provider will prioritize transmission planning and interconnection in accordance with FERC and/or NERC procedures.

2.1.5 Definitions. Terms capitalized and not otherwise defined in the Definitions Section of this Attachment K shall have the meanings set forth in Part 1 of the Tariff or the Funding Agreement.

2.2 Planning Advisory Groups

2.2.1 Establishment. A Planning Advisory Group shall be established and open to participation by all Interested Stakeholders, Transmission Provider's customers, generators interconnected to the Transmission Provider's Transmission System, other suppliers, neighboring transmission providers and control areas, and state utility regulatory agencies and offices of public advocates in the State of Montana. Any of the above-listed entities may designate a member to the Planning Advisory Group by providing written notice to the Transmission Provider identifying the name of the entity represented by the member, the member's name, address, telephone number, facsimile number, and electronic mail address. The entity may remove or replace such member at any time by written notice to the Transmission Provider. Each entity that participates in the Planning Advisory Group shall have one member of the group. The Transmission Provider shall act as the facilitator of the Planning Advisory Group.

2.2.2 Role of Planning Advisory Group. The Planning Advisory Group's role is to provide input and feedback to the Transmission Provider during the development of the Local Transmission Plan. The Transmission Provider will document and track all input and respond to all suggestions, queries or comments in an open and transparent manner by circulating consolidated responses to the members of the Planning Advisory Group.

2.2.3 Frequency of Meetings. The Planning Advisory Group, at a minimum, shall hold meetings biennially (i.e. every two years). Members shall be able to attend such biennial meetings in person or via teleconference. To the extent additional meetings may be warranted, such meetings may be held in person, or via telephone conference, electronic mail, or other written means. A meeting shall be held (i) as specified in the Local Transmission Plan; (ii) when the Transmission Provider deems a meeting is necessary, either upon its own or another entity's request; or (iii) at the request of a majority of the Planning Advisory Group.

2.2.4 Notice of Meetings. The Transmission Provider shall provide notice of the Planning Advisory Group meetings by electronic mail to members of the Planning Advisory Group and shall post notice on the Transmission Provider's OASIS and website. Such notice shall be provided at a minimum four weeks prior to the meeting. A calendar of meetings and other significant events in the transmission planning process shall be posted on the OASIS and website.

2.2.5 Purpose of Meetings. The Planning Advisory Group meetings shall provide an opportunity for the group members to provide input regarding: (i) data gathering and customer input into study development; (ii) review of study results; (iii) review of draft transmission plans; and (iv) coordination of draft plans with those of neighboring transmission providers. Participants in the Planning Advisory Group Meetings may also propose for consideration,

among other things, local transmission needs driven by Public Policy Requirements and transmission, generation and demand response resource projects.

2.2.6 Transmission Provider Representative. The Transmission Provider intends to establish an operating company to assist in managing the Transmission System after the in-service date. This team will include one person responsible for all technical interface issues. This person may also be designated as the transmission planner. Transmission planning activities including analysis and coordination of consultation efforts may be outsourced to third-party service providers at the Transmission Provider's discretion.

2.2.7 Mechanism to Invite Affected Entities to Participate in Meetings. If the Transmission Provider identifies a particular entity that may be affected by the development of potential projects, or other significant events identified in the local planning process, the Transmission Provider shall notify the entity and invite them to participate in the related planning meetings.

2.3. General Transmission Planning Procedures

2.3.1 The Local Transmission Plan. The Transmission Provider will undertake a review of the Transmission System every five years.

2.3.2 Scope of the Local Transmission Plan. The Local Transmission Plan shall provide an assessment of the Transmission System needs in a consolidated manner, and the Local Transmission Plan is designed to maintain the reliability of the transmission system in an economic and environmentally acceptable manner. The Local Transmission Plan will be developed to meet the specific service requests of Transmission Customers and otherwise treat similarly situated customers comparably in transmission system planning.

2.3.3 Contents of the Local Transmission Plan. The Local Transmission Plan shall utilize at least a five year planning horizon, and reflect at least five year capacity and load forecasts, if any. The Local Transmission Plan shall reflect transmission enhancements and expansions, load and energy forecasts, including expected demand response, transmission needs driven by Public Policy Requirements and generation additions and retirements for at least the ensuing five years, if any. The Local Transmission Plan shall identify, based on the results of the planning studies, a list of proposed transmission enhancements and expansions for at least each of the ensuing five years that are determined by Transmission Provider to be appropriate at the time of the issuance of the Local Transmission Plan. The Local Transmission Plan also shall include a list of transmission enhancements and expansions identified in the prior Local Transmission Plan that have not been completed at that time. The Local Transmission Plan shall take into account reliability and rating studies in accordance with WECC path rating procedures.

2.3.4 The Transmission Provider may also identify expansions, modifications or additions to the transmission line resulting from discussions with customers, market participants, interconnection requests or transmission service requests. For these types of expansions, the Transmission Provider will use the following process:

- (a) In responding to a request for expansion of the Transmission Provider line, the Transmission Provider shall form a planning group inviting all Interested Stakeholders and connecting Balancing Authorities to participate. The invitation will be posted on the Transmission Provider's OASIS for 30 days;
- (b) Following a minimum 30 day review process with the planning group, the Transmission Provider shall conduct an economic feasibility study for the proposed expansion, funded by the requesting customer and/or the Transmission Provider, as negotiated. The study results shall be posted on the Transmission Provider's OASIS;
- (c) The Transmission Provider may then decide to hold an Open Season, or conduct an alternative process in conformance with FERC policy, to value and allocate the potential capacity;
- (d) If the results of the Open Season, or other such alternative process, are acceptable to the Transmission Provider and if the initial studies indicate that additional capacity is feasible, the Transmission Provider shall conduct reliability and rating studies in accordance with WECC path rating procedures;
- (e) If all regulatory approvals are obtained, and upon satisfaction of all outstanding conditions in its long term transmission contracts, the Transmission Provider will enter into agreements for the expansion.

2.3.5 Generator Interconnections. The Transmission Provider will process large generation interconnection requests in accordance with the terms of the Tariff. If generation interconnection is material to the path rating, the Transmission Provider shall seek to modify the path rating to include the generation interconnection in accordance with WECC path rating procedures.

2.3.6 Additions and Removals of Transmission Enhancements and Expansions. The Transmission Provider may add or remove transmission enhancements and expansions from the Local Transmission Plan at any time in a given year, and in doing so shall consult with and consider input from the Planning Advisory Group, within the scope of its respective functions.

2.3.7 Other Principles. The Local Transmission Plan shall be designed and implemented to (i) avoid unnecessary duplication of facilities; (ii) avoid the imposition of unreasonable costs upon the Transmission Provider and customers; (iii) take into account the legal and contractual rights and obligations of the Transmission Provider and the transmission-related legal and contractual rights and obligations of any other entity; (iv) provide for coordination with existing transmission systems and with appropriate interregional and local expansion plans; and (v) comply with NERC Reliability Standards and WECC standards, including WECC's Regional Planning and Project Rating Review Process. The Transmission Provider has a WECC-accepted path rating and any material changes to the line will require path rating studies which would be subject to further review by a committee of WECC members.

2.3.8 Status of Identified Upgrades or Alternatives. The status of upgrades or alternatives identified in the Local Transmission Plan shall be reflected in future plans. The Transmission Provider will post, at least annually, the status of upgrades and alternatives identified in the

Local Transmission Plan on the Transmission Provider's website. The Transmission Provider will provide such notification of updated status only to the extent there are upgrades or other alternatives identified by a Local Transmission Plan for which notification of in-service status has not previously been provided. The status of identified upgrades or alternatives will be reflected in future plan development (i.e., whether the upgrade or alternative is in-service, under construction, planned, proposed, or concept).

2.3.9 Coordination of the Local Transmission Plan. The Transmission Provider shall develop its Local Transmission Plan in coordination with all neighboring utilities, Balancing Authorities and regional transmission bodies, including the NTTG regional planning process (*See* Part III of this Attachment K). The Transmission Provider may also participate as an affected party or as a stakeholder in the planning processes of neighboring utilities, Balancing Authorities and regional transmission bodies, including the NTTG, both to support regional transmission development efforts and to protect its legitimate commercial interests.

2.3.10 Comparability. The Transmission Provider shall treat similarly situated customers comparably in transmission system planning through the measures set forth in this Section 3.10 and through the procedures set forth elsewhere in Section 3. The Transmission Provider's projects and similarly situated customer-identified projects shall be treated on a comparable basis and given comparable consideration in the Local Transmission Planning Process. The Transmission Provider shall permit stakeholders (including but not limited to sponsors of customer-defined transmission solutions, generation solutions, and solutions utilizing demand resources) to participate throughout the Local Transmission Planning Process and to submit to the Transmission Provider alternative or proposed solutions, which the Transmission Provider shall review and evaluate on a comparable basis. The Transmission Provider shall include all valid and relevant data received from stakeholders (including load forecast data, generation data, and demand resource data) in the development of the Local Transmission Plan. Notwithstanding the foregoing, the Transmission Provider shall retain discretion regarding which projects to pursue and is not required to include all customer-identified projects in the Local Transmission Plan. The Transmission Provider shall select projects based on cost, economics, impact on reliability, and the other considerations set forth elsewhere in this Section 3.

2.4. Methodology, Criteria, Process for Developing the Local Transmission Plan.

2.4.1 Initiation of the Local Transmission Plan. The Transmission Provider shall solicit input on the regional needs for the updated or new Local Transmission Plan from members of the Planning Advisory Group. The Planning Advisory Group shall meet to perform its respective functions with the preparation of the Local Transmission Plan. Drafts of the Local Transmission Plan shall be provided to the Planning Advisory Group and input from the Planning Advisory Group shall be received and considered in preparing and revising subsequent drafts.

2.4.2 Studies. As necessary, the Transmission Provider shall conduct studies for the development of the Local Transmission Plan.

2.4.3 Assumptions and Methodology Used in Developing the Local Transmission Plan.

Transmission Provider shall establish assumptions used in developing the Local Transmission Plan as described below. The Transmission Provider will use data received from the operation of the transmission line, the Balancing Authorities, WECC and other sources.

2.4.4 Methodology. The Transmission Provider will apply industry standard methodologies, criteria and processes in the development of local transmission plans. In particular, the Transmission Provider will apply the WECC Regional Planning process and Path Rating process for expansions or improvements to the transmission line. The Transmission Provider will use standard WECC base cases, NERC Reliability Standards/WECC reliability criteria and Balancing Authority standards in the study of its Transmission System. Base case development will include data from interconnected systems used to refine cases. The study plan will outline methodologies used in the analysis of the study results. Base cases and study results will be provided to participants for verification purposes. All planning processes and data will be posted on the OASIS. Such information will be made available for 1 year.

2.4.5 Criteria Used. Studies will be performed in accordance with NERC Reliability Standards TPL-001 through TPL-004, the WECC reliability criteria, and any other reliability criteria, including regional or local applicable criteria in establishing assumptions.

MATL will also evaluate and select from among alternative proposed solutions to local transmission needs (including those driven by Public Policy Requirements) using factors that include the following:

- (i) sponsorship and degree of development of proposed solution;
- (ii) feasibility;
- (iii) coordination with any affected transmission system;
- (iv) economics;
- (v) effectiveness of performance;
- (vi) satisfaction of identified local transmission need(s), including those driven by Public Policy Requirements and including the extent to which the proposed solution satisfies multiple identified local transmission needs;
- (vii) mitigation of any Material Adverse Impacts of Local Need Solution of such proposed solution on any transmission system;
- (viii) consistency with applicable state, regional, and federal planning requirements and regulations;

No single factor shall necessarily be determinative in evaluating proposed solutions in developing the MATL Plan.

2.4.6 Process for Establishing Assumptions. The Transmission Provider uses industry standard assumptions, but the Planning Advisory Group may augment these industry standard assumptions and methodology consistent with local and regional needs as necessary.

2.4.7 Methodology for Determining Import and Export Capability in Regional Studies. The Transmission Provider determines the import and export capability as described in Attachment C to the Tariff regarding the methodology for assessment of available transfer capability.

2.4.8 Development of the Local Transmission Plan. The Transmission Provider shall be responsible for the development of the Local Transmission Plan and for conducting studies on which the Local Transmission Plan is based. The Planning Advisory Group shall provide input and review drafts of the Local Transmission Plan.

2.4.9 Draft Local Transmission Plan and Briefing Paper.

2.4.9.1 Following the Planning Advisory Group meetings, Transmission Provider will post on its OASIS all local transmission needs, including local transmission needs driven by Public Policy Requirements, identified or proposed at the Planning Advisory Group meetings. Interested Stakeholders shall have 30 days from the date of such posting to provide written comments to Transmission Provider regarding any local transmission need(s) posted on Transmission Provider's OASIS. After considering the comments provided by Interested Stakeholders in accordance with this paragraph, Transmission Provider shall list on its OASIS the local transmission needs selected by the Transmission Provider as local transmission needs to be evaluated in the local planning process. Transmission Provider will explain on its OASIS why it did not select for evaluation in the local planning process any identified local transmission need, including any identified local transmission need that is driven by Public Policy Requirements (as required by Part II, section 5.6, below). Upon completion of the studies and analysis, the Transmission Provider shall prepare a Draft Local Transmission Plan, which may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the needs. The Transmission Provider shall provide the Draft Local Transmission Plan to the Planning Advisory Group for review and comment. If requested by a member, a meeting of the Planning Advisory Group will be held to receive comments on the Draft Local Transmission Plan. Interested Stakeholders may submit comments on the recommended Draft Local Transmission Plan to the Transmission Provider.

2.4.9.2 The Draft Local Transmission Plan shall identify economically justified enhancements, expansions, or system reinforcements that relieve transmission constraints. The evaluation shall be premised on the goals of maintaining reliability, reducing congestion where economically justified and on the enumerated criteria provided in Section 4.5 above.

2.4.9.3 The Transmission Provider shall hold an open meeting (the Review of Draft Local Transmission Plan Meeting) to review the results of the study process and to discuss the draft Local Planning Plan within thirty (30) days following completion of the draft Local Planning Plan. The Transmission Provider shall post the draft Local Planning Plan with the notification of

the meeting. During this meeting, and for fifteen (15) calendar days following this meeting, all members of the Planning Advisory Group are encouraged to provide the Transmission Provider with any comments on the recommended plan, including alternatives to the projects proposed in the draft Local Planning Plan. If the Transmission Provider, after review of any offered alternatives, adopts an alternative it shall make any necessary changes to the recommended plan. The Transmission Provider shall post on the Transmission Provider's OASIS System Planning page the final Local Planning Plan within thirty (30) days following the Review of Draft Local Transmission Plan Meeting.

2.4.9.4 At the request of a majority of the Planning Advisory Group, the Transmission Provider will circulate one additional draft of the Local Transmission Plan and briefing paper to the Planning Advisory Group for review and comment ("Briefing Paper"). At the Transmission Provider's discretion, additional drafts of the Draft Local Transmission Plan and Briefing Paper may be circulated to the Planning Advisory Group for review and comment.

2.4.10 Final Local Transmission Plan. The Transmission Provider, upon consideration of the input and advice from the Planning Advisory Group shall develop a proposed Final Local Transmission Plan. Upon approval of the proposed Final Local Transmission Plan by the Transmission Provider's Board of Directors, it shall become the Final Local Transmission Plan. The Final Local Transmission Plan may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the need.

2.4.11 Publication of Final Local Transmission Plan. The Transmission Provider shall publish the Final Local Transmission Plan and Briefing Paper on the Transmission Provider's OASIS. The Final Local Transmission Plan also will be distributed to the Planning Advisory Group. Also, the Transmission Provider will post completed WECC path rating studies and other planning studies on the OASIS for a period of one year.

2.4.12 Procedures for Interim Modification to the Local Transmission Plan. The Transmission Provider, in consultation with the Planning Advisory Group, may modify the Local Transmission Plan on an interim basis as necessary to reflect additions or removals of transmission upgrades. Such interim modifications to the Local Transmission Plan shall be posted on Transmission Provider's OASIS.

2.4.13 Transmission Provider Technical Contact. The Transmission Provider shall identify on its internet website an individual or individuals to be the technical point of contact regarding questions about the modeling criteria, assumptions, and data underlying the Local Transmission Plan.

2.5. Disclosure of Criteria, Assumptions, and Data.

2.5.1 Availability of Information. The Transmission Provider shall make available to the Planning Advisory Group, subject to applicable confidentiality protections, a description of how its assumptions regarding transmission, generation, and demand resources are developed, including details regarding the types of resource, rating or size responsiveness and other

operating information. Such information shall be available to Transmission Customers and other Interested Stakeholders at all stages of the planning process.

2.5.2 Process for Access to Underlying Data. Interested Stakeholders may request access to underlying data or assumptions used for transmission planning, such as power flow base cases and associated files needed for transmission planning through a written request to Transmission Provider. Such information generally will contain confidential information and be subject to the protections for the provision of such information.

2.5.3 Discussion of Assumptions. Members of the Planning Advisory Group shall have the opportunity to question and discuss principal assumptions used in the planning process. The process shall be through meetings of the Planning Advisory Group. Such meetings, if appropriate, may be held via email or other solicitation of written comments.

2.5.4 Requests For Additional Calculations. Upon request by a majority of the Planning Advisory Group, the Transmission Provider will run up to one additional calculation. Additional calculations may be run at the Transmission Provider's discretion.

2.5.5 Notification of Changes or Updates in Data Bases. The Transmission Provider shall notify Interested Stakeholders of changes or updates in the data bases used for transmission planning, including whether the changes were made independently by the Transmission Provider or in response to a stakeholder concern. Such notification shall be made via email to members of the Planning Advisory Group or a posting on OASIS.

2.5.6 Local Transmission Needs Driven by Public Policy Requirements. With respect to identified local transmission needs driven by Public Policy Requirements, if any, Transmission Provider will post on its OASIS (i) an explanation of which if such need(s) will be evaluated in Transmission Provider's local transmission planning process, and (ii) an explanation of why any of such need(s) may not be evaluated in the local transmission planning process.

2.6. Supply of Data.

2.6.1 Information Exchange. The information exchange required by this Attachment K pertains to information that relates to planning, not other studies performed in response to interconnection or transmission service requests. The Transmission Provider and Transmission Customers shall, at a minimum, follow the Commission-approved Modeling, Data and Analysis Reliability Standards specific requirements for generator owners and transmission owners to provide data to planning authorities, resource planners, and regional reliability organizations.

2.6.2 Information to be Provided. The Transmission Provider shall solicit Transmission Customers and other Interested Stakeholders, including, but not limited to electric utility regulatory agencies and consumer advocates in the State of Montana, to provide information required by, or anticipated to be useful to, the Transmission Provider in its preparation of the Local Transmission Plan.

2.6.3 Transmission Provider Obligations. The Transmission Provider will provide current and projected transmission needs to the interconnected Balancing Authorities. The Transmission Provider will exchange interconnection facilities data and associated methodologies with the two Balancing Authorities in order to calculate ratings such that the Balancing Authorities can integrate the transmission line into their respective plans. The Transmission Provider will submit future transmission plans to WECC through the existing annual reporting process. The Transmission Provider will actively participate in connecting Balancing Authority and WECC planning processes. The Transmission Provider shall exchange path data information with WECC and remain current in the WECC Path Rating Catalogue.

2.6.4 Transmission Customers Obligations. Transmission Customers shall provide requested data to the Transmission Provider. A Transmission Customer may provide additional data it considers would be helpful for the planning process.

2.6.5 Types of Data. Transmission Customers shall provide, at a minimum, the following data, as applicable:

- (a) Generators shall provide data concerning planned additions or upgrades (including status and expected in-service dates), planned retirements, and environmental restrictions.
- (b) Transmission Customers shall provide projections of need for service over the planning horizon, including transmission capacity, duration, and receipt of delivery points.

2.6.6 Process for Providing Data. Transmission Customers shall submit the required data, to the maximum extent practical and subject to the confidentiality procedures, if applicable, by email to the Transmission Provider as identified on the Transmission Provider's internet website.

2.6.7 Schedule for Providing Data. Transmission Customers shall submit the required data to Transmission Provider at least once a year by January 31st for the immediately preceding calendar year. The Transmission Provider may require additional information during the planning process. Transmission Customers may submit additional information during the planning process.

2.6.8 Notice of Material Changes. Transmission Customers are required to provide the Transmission Provider with written notice of material changes in any information previously provided to the Transmission Provider relating to its resources or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide service.

2.7. Confidential Information and Critical Energy Infrastructure Information:

2.7.1 WECC Proprietary Data.

Transmission Provider's transmission planning studies may include base case data that are WECC proprietary data. A stakeholder must hold membership in or execute a non-disclosure agreement with WECC (www.wecc.biz) to obtain WECC proprietary data, such as base case data, from Transmission Provider.

2.7.2 MATL Proprietary Data.

Except as otherwise set forth in Part II, Section 7.1 with respect to MATL proprietary data, a requestor may request MATL Proprietary Data required to be disclosed by Order Nos. 890 or 1000 from Transmission Provider using the procedures set forth below.

(a) A requestor shall file a signed, written request, in accordance with the MATL Proprietary Data procedures outlined herein, with Transmission Provider at the following address:

MATL LLP
3000 – 425 1st Street SW
Calgary, Alberta T2P 3L8

Attn: Manager, Transmission Operations

(b) Requests for MATL Proprietary Data will be considered to be received upon actual receipt by Transmission Provider.

(c) Transmission Provider will make a determination of whether it considers the requested information to be MATL Proprietary Data and whether requested information should be provided. Transmission Provider will promptly notify the requestor of such determination.

(d) If Transmission Provider determines that the requestor is eligible to and should receive the requested MATL Proprietary Data, Transmission Provider will provide a form of MATL Proprietary Data Non-Disclosure Agreement (“NDA”) to the requestor for execution.

Upon Transmission Provider’s receipt of any required NDA executed by requestor with respect to such MATL Proprietary Data, Transmission Provider will, subject to any restrictions on providing requested MATL Proprietary Data, promptly provide the requested MATL Proprietary Data upon its determination that an NDA is not needed, or upon receipt of a properly executed NDA.

(e) Nothing in this Part II shall alleviate Transmission Provider’s obligation to provide access to requestor to MATL Proprietary Data pursuant to a specific order by the Commission.

2.7.3 Critical Energy Infrastructure Information (“CEII”). The Local Transmission Plan and local planning studies may include information identified as CEII by the Commission. All such information may only be included in the appendices of the Local Transmission Plan, such that the body can be provided to all interested stakeholders in an open manner.

(a) Access for Transmission Customers (w/OASIS access).

The Transmission Provider shall post the draft and completed Local Transmission Plan in the secure area of the Transmission Provider’s OASIS website, which shall be accessible to Transmission Customers that have access to the secure area of Transmission Provider’s OASIS.

Transmission Provider’s CEII Request Procedure and CEII Non-Disclosure Agreement are posted on Transmission Provider’s OASIS in the CEII folder. By accessing any material Transmission Provider has determined

is CEII as such term is defined in 18 C.F.R. § 388.113, as may be amended from time to time, that has been posted on the Transmission Provider's OASIS, the Transmission Customer: (i) represents and warrants that it has read and understands the Transmission Provider's CEII policy and CEII Non-Disclosure Agreement; (ii) represents and warrants that it is an entity or person eligible to receive CEII and has, as contemplated by the Commission, a legitimate interest in and legitimate need for CEII from the Transmission Provider; and (iii) represents and warrants that such Transmission Customer will use any CEII received from the Transmission Provider only for the purposes for which the Commission has required its disclosure. Such Transmission Customer also agrees and acknowledges as follows:

(1) Transmission Customer shall use any CEII received

from the Transmission Provider only for such Transmission Customer's legitimate interest and legitimate need and shall only share such CEII with its employees, subcontractors, and agents who need to know such information for such Transmission Customer's legitimate interest and legitimate need and who have agreed, for the benefit of the Transmission Provider, to be bound (in the same manner as such Transmission Customer) by the terms of this section;

(2) Transmission Customer shall take reasonable steps to

protect any CEII received from the Transmission Provider (but in any event steps that are no less rigorous than such Transmission Customer would use to protect its own confidential information), to ensure that the Transmission Customer who receives such CEII directly or indirectly from such Transmission Customer distributes such CEII further except as permitted pursuant to subsection (A) above of this section; and

(3) Transmission Customer shall destroy any CEII received

from Transmission Provider and in such Transmission Customer's possession if and at such time when such CEII no longer serves the purposes described above, when such Transmission Customer is not an entity eligible to receive CEII, or when such CEII has been superseded or has become obsolete. Upon request by the Transmission Provider, such Transmission Customer shall certify to the Transmission Provider that such destruction has occurred.

2.8. Dispute Resolution Procedures.

2.8.1 If a dispute arises concerning local transmission planning, the Transmission Provider will utilize the dispute resolution mechanism provided for in the Tariff. The use of this dispute resolution process will be limited to general and specific issues arising from this Attachment K and transmission planning.

2.8.2 All negotiations and proceedings pursuant to this process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law.

2.8.3 The basis of the dispute and final non-confidential decisions will be made available to stakeholders upon request.

2.8.4 Notwithstanding the above, all affected parties shall retain any rights they may have under Section 206 of the Federal Power Act to file a complaint with the Commission.

2.9. Local Planning Study Procedures.

2.9.1 Study Cycle. The Transmission Provider shall initiate local planning studies at least once every five (5) years. A more targeted study shall be conducted if: (i) required to address a need identified by the Transmission Provider in its on-going evaluation of the transmission line economic and operational adequacy and performance; (ii) required as result of the Transmission Provider's assessment of the transmission line's compliance with NERC Reliability Standards and/or WECC reliability requirements; or (iii) constraints or available transfer capability shortages are identified by the Transmission Provider, possibly as a result of generation additions or retirements, or evaluation of load forecasts. A local planning study also may be initiated for any other circumstances which may warrant such a study.

2.9.2 Notice of Initiation. The Transmission Provider shall provide written notice of the initiation of a local planning study to all members of the Planning Advisory Group. Transmission Provider shall consider the input of the Planning Advisory Group in preparing the study's scope, assumptions and procedures.

2.9.3 Scope of Studies. In general, local planning studies shall include:

- (a) An identification of existing and projected limitation on the transmission line's physical, economic, and/or operational capability or performance, with accompanying simulations to identify the costs of controlling those limitations;
- (b) Evaluation and analysis of potential enhancements and expansions, including alternatives thereto, needed to mitigate such limitations;
- (c) Identification, evaluation and analysis of potential enhancements and expansions for the purpose of supporting competition on the transmission line;
- (d) Engineering studies needed to determine the effectiveness and compliance (with reliability and operating criteria) of recommended enhancements and expansions.

2.10. Economic Planning Studies.

The Transmission Provider shall undertake economic planning studies on behalf of Transmission Customers. Economic planning studies shall apply only to and evaluate potential upgrades or other investments that could reduce congestion or interconnect new resources. Generally, the studies will be conducted in connection with other planning studies. When requested to do so by the proper authority, the Transmission Provider will cooperate with energy agencies in the United States and Canada in regards to international import and export requirements and national interests.

2.10.1 Requests. Transmission Customers may submit written requests for economic planning studies to the Transmission Provider. Such requests shall specify in detail the specific proposed project to be the subject of the requested economic planning study. Requests for such studies to be considered in the development of the current Local Transmission Plan must be received by April 1 of the year of the Local Transmission Plan. Requests received after that date will be considered for the development of subsequent Local Transmission Plans, unless withdrawn by the requestor. The requests shall be posted on OASIS, subject to the confidentiality provisions. Transmission Provider shall respond within 30 days of receiving the request, to confirm receipt of the request and inform the requestor whether the request is deficient. Transmission Customers that use the transmission line are responsible for their own economic evaluation for the Transmission Customer's use of the Transmission System.

2.10.2 Clustering of Studies. At the discretion of the Transmission Provider, such studies may be clustered or batched or incorporated with the other planning studies.

2.10.3 Data Requirements. Requesting parties with unique economic planning studies shall be required to provide data as required by the Transmission Provider. To the extent the Transmission Provider deems appropriate, the Transmission Provider shall use generic industry data in place of customer-specific data.

2.10.4 Recovery of Economic Planning Study Costs. Transmission Customers requesting economic planning studies shall be responsible for the costs associated with the study. A deposit of \$25,000 shall be provided by the requestor prior to initiation of such a study. The requestor shall be responsible for the actual costs of the study. At the completion of the study, the Transmission Provider shall either refund the amount of deposit in excess of the cost of the study or collect from the requestor the amounts of the study cost in excess of the deposit.

2.11. Cost Allocation of New Facilities.

2.11.1 Reliability and Economic Projects. The costs of reliability and economic projects that are identified in the local transmission planning studies shall be allocated to Transmission Customers pursuant to Schedule 7 of the Tariff.

2.11.2 New Facilities Identified Through Requests for Service. The costs of new facilities required because of individual requests for service shall be allocated to Transmission Customers pursuant to Schedule 7 of the Tariff.

2.11.3 Stakeholder Involvement in Cost Allocation Process. The Transmission Provider shall determine, with input from the Planning Advisory Group, what projects are reliability and economic projects.

2.12. Recovery of Planning Costs.

The Transmission Provider's local transmission planning costs, to the extent not specifically recovered pursuant to other provisions in this Attachment K, shall not be recovered from

Transmission Customer, except that interconnection costs will be recovered from the applicable interconnection customer.

PART III. REGIONAL TRANSMISSION PLANNING PROCESS

Governance and Participation

3.1 Governance

3.1.1 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.

3.1.2 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, and 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.

3.2. Participation through Enrollment or Membership

3.2.1 Enrollment

Enrollment obligations are specified in Section 3.2.3 below. An entity may enroll in NTTG by becoming a funder as specified in Section 3.2.3 below.

3.2.2 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.

3.2.3 Funder of NTTG

3.2.3.1 Eligibility

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

3.2.3.2 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 and interregional 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 an Open Access Transmission Tariff or other agreement(s) providing for comparable transmission service, each including regional and interregional 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 their transmission facilities located in the Western Interconnection (each referred to as a “NJ Attachment K”).

3.2.3.3 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.

3.2.3.4 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 3.2.3.3.
- 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 3.2.3.2.

3.2.3.5 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,
- e. Portland General Electric Company, and
- f. MATL.

3.2.3.6 Identification of Nominal Funders

Utah Associated Municipal Power Systems is enrolled in NTTG as a Nominal Funder.

3.3 Stakeholder Participation

3.3.1 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 the Cost Allocation Committee Charter. Meetings may be held in person, telephonically, or by video or Internet conference.

3.3.2 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, 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.

3.3.3 Participation through Commenting

In addition to commenting orally during stakeholder meetings as set forth in Section 3.3.1 or during committee meetings as set forth in Section 3.3.2, any stakeholder may submit written comments to a committee chair at any time through info@nttg.biz.

3.4 Sensitive Information

3.4.1 Critical Energy Infrastructure Information (“CEII”)

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.

3.4.2 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.

3.5 Transmission Provider Participation

3.5.1 Planning & 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.

3.5.2 Project Identification

Transmission Provider will use best efforts to facilitate NTTG conducting its regional planning process, using identified regional transmission service needs and transmission and non-transmission alternatives, to identify regional and interregional 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.

3.5.3 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 3.7.

3.5.4 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 Section 2.
- 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.

3.5.5 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.

3.6. Dispute Resolution

3.6.1 Scope

Transmission Provider, signatories to the Planning Committee Membership Agreement, and Eligible Customers and stakeholders that participate in the regional planning process shall utilize the dispute resolution process set forth in this Section 3.6 to resolve procedural and substantive disputes related to the regional planning process.

3.6.2 Process

Disputes shall be resolved according to the following process:

- a. *Step 1* – In the event of a dispute involving the 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 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.

3.6.3 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 3.6 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 3.6 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

3.7 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.

3.7.1 Pre-qualify for Cost Allocation

3.7.1.1 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 and Cost Allocation Committee in accordance with this Section 3.7.1. A Project Sponsor must requalify to be considered a qualified Project Sponsor during the next Regional Planning Cycle.

3.7.1.2 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 31st of Quarter 8 of the prior Regional Planning Cycle. A Project Sponsor shall use the Sponsor Qualification Data Form found on the NTTG Website 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.

The Planning Committee Chair and the Cost Allocation Committee Chair will jointly 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 March 31st of Quarter 1 of the current Regional Planning Cycle to cure identified deficiencies. If the deficiency is not cured by the end of March 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.

Table 1. Sponsor Qualification Data

Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning*(n.2)			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
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	Project Name.	Assess whether the required data was submitted.
4	Project Sponsor demonstration of technical expertise to develop, construct and own the proposed project	1. Management's experience in developing, constructing (or managing construction), and owning a project of similar size and scope. 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. 3. Name, location, and description of a project of similar scale that demonstrates Project Sponsor's technical expertise to develop,	Assess whether the submission provides experience, including managerial and technical expertise in developing, constructing (or managing construction) and owning comparable projects.

		construct, and own the proposed project.	
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"> 1. Most recent annual report. 2. Most recent quarterly report. 3. Last two most recent audited year-end financial statements. 4. Rating agency reports. 5. Any material issues that could affect the credit decision, including but not limited to litigation, arbitration, contingencies, or investigations (if applicable). 6. Other information supporting Project Sponsor's financial expertise. <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>Has a minimum tangible net worth of \$1,000,000 or a total asset of \$10,000,000</p>	Assess whether the qualification data was submitted and satisfied required qualitative criteria.
6	Proposed project financing plan	<p>Describe how the project will be financed.</p> <p>List investors and percentage ownership of each.</p> <p>Proposed sources of debt and equity capital and the percentages of each.</p>	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	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.

		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.	
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.

* 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.

3.7.2 Quarter 1 – Data Gathering and Project Submittal

3.7.2.1 Data Gathering

Planning Committee shall gather and coordinate Transmission Provider (as specified in Section 2.3.2.4 and Section 3.5.4) and stakeholder input, which may include ideas for consideration, 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, 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 Plans. A stakeholder shall use the Data Submittal Form found on the NTTG website to submit its data. Any stakeholders wishing to submit input without submitting a Data Submittal Form can submit such input by email. Stakeholders shall submit such data and/or input by email to NTTG, through info@nttg.biz, no later than March 31st of Quarter 1.

3.7.2.2 Proposing a Project for Consideration

A Project Sponsor 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 via info@nttg.biz <mailto:info@nttg.biz> 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 via info@nttg.biz <mailto:info@nttg.biz> 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 3.7 as an “*Applicant*.” Applicant and a Merchant Transmission Developer shall use the Data Submittal Form found on the NTTG Website to submit its project. By March 31st of Quarter 1, Applicant and Merchant Transmission Developer shall submit a completed Data Submittal Form to NTTG, through info@nttg.biz.

Table 2. Minimum Information Required

Minimum Information Required (Yes required or No not required)				
		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 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
	<ol style="list-style-type: none"> 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. 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. 3. Provide this information only to the extent it is readily available when the information is due. 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. 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. 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. 			

3.7.2.3 Proposing a Project for Consideration for Cost Allocation

In addition to the information specified in Section 3.7.2.2 above, an Applicant shall use the Cost Allocation Data Form found on the NTTG Website to propose its project for cost allocation and submit the additional information requested below. By March 31st of Quarter 1, Applicant shall submit a completed form to NTTG, through info@nttg.biz. Such Applicants are encouraged but not required to also provide following information:

- a. A statement as to whether the 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 local 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 planning entity determinations relative to the project;
- g. To the extent not set forth in the material provided in response to items (b) – (e), 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;
- h. Any proposal Applicant may choose to offer with regard to treatment of project cost overruns.

3.7.2.4 Submission of Economic Study Requests

Stakeholders may submit Economic Congestion Study Requests as set forth in Section 3.11.

3.7.2.5 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. Applicants shall use the Data Submittal Form found on the NTTG Website. By March 31st of Quarter 1, Applicants shall submit an updated form to NTTG, through info@nttg.biz.

3.7.2.6 Review for Completeness

The Planning Committee will review the information submitted pursuant to this Section 3.7.2 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 15th 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 3.7.2 for submitting a project to be considered in the development of the Draft Regional Transmission Plan.

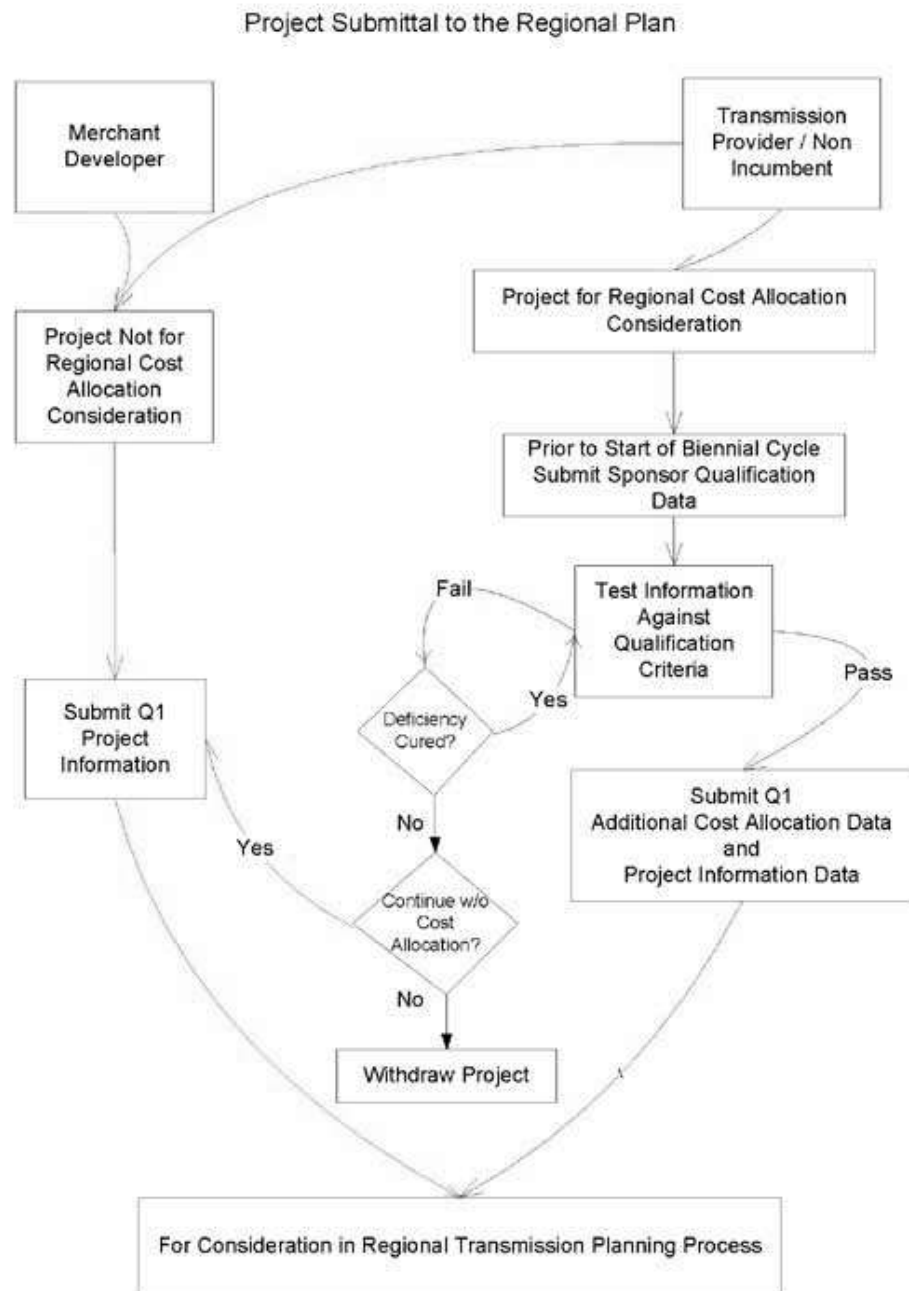


Figure 1. “Project Submittal Process”

3.7.3 Quarter 2 – Development of the Biennial Study Plan

3.7.3.1 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.

3.7.3.2 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 3.9 (unless the Planning Committee has received notice 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. The 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. Cost allocation scenarios.

The projects in (g) and (h) are collectively referred to as the “IRTP.” The projects identified in (i) are referred to as the “Alternative Projects.” The cost 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 3.8.2.3.

When developing the draft Biennial Study Plan, the Planning Committee will, under certain circumstances described in Section 3.9 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 the 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.

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

3.7.3.3.1. 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 3.7.2.1. 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.

3.7.3.3.2. Process

The Planning Committee applies the following process, shown in Figure 2. “Planning Committee Process for Selecting Transmission Needs Driven by 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.

Q1 Transmission Needs Driven by Public Policy Data Submitted	
Transmission Provider	Stakeholder
Q2 Develop Biennial Study Plan Define Transmission Needs Driven by Public Policy Requirements & Public Policy Considerations	
With stakeholder and state regulator input, identify transmission needs driven by Public Policy Requirements and Public Policy Considerations to include in Regional Transmission Plan	
Requirement included in Regional Transmission Plan	Considerations included in scenario analysis
Q2 (June)	
Rationale for selection and exclusion of transmission needs driven by Public Policy Requirements and Public Policy Considerations posted on NTTG Website	
Q3 Start Technical Analysis	
Transmission needs driven by Public Policy Requirements to be evaluated with other projects within biennial planning process	

Figure 2. “Planning Committee Process for Selecting Transmission Needs Driven by 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 3.7.2.1.

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 3.7.3.2

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 3.7.3.2.

3.7.3.3.3. 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.

3.7.3.3.4. 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.

3.7.3.4 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.

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

3.7.4.1 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 3.7.4.2, determine if a Change Case is a more efficient or cost-effective solution for the NTTG Footprint than the IRTP 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 IRTP with one or more of the Alternative Projects. Each Change Case will be compared against the IRTP for the tenth year of a ten-year planning horizon counted from the first year of the Regional Planning Cycle. Criteria (b) and (c) described in Section 3.7.4.2 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 IRTP or a Change Case) with the lowest incremental cost, as adjusted by its effects on neighboring regions as set forth in Section 3.7.4.3, will then be incorporated within the Draft Regional Transmission Plan. When making such a decision the Planning Committee may utilize the cost allocation scenarios developed in Section 3.8.2.3 to test the robustness of projects considered for the Draft Regional Transmission Plan. If there are projects eligible for cost allocation (i.e., those satisfying the criteria set forth in Sections 3.8 and 3.8.2.1) that are incorporated within the Draft Regional Transmission Plan those projects will then be evaluated for cost allocation by the Cost Allocation Committee as set forth in Section 3.8.2. 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.)

3.7.4.2 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 IRTP based upon the methodology set forth in Section 3.7.4.1:

- a. *Capital-Related Costs.* A change in Annual Capital-Related Costs between a Change Case and the IRTP 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 IRTP 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 IRTP may be due to a Change Case or due to the determination that more than one project in the IRTP 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 IRTP 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 IRTP measures the energy impact of changing (either displacing or adding) projects within the IRTP 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 IRTP measures the energy impact of changing projects within the ITRP 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 IRTP. 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.

3.7.4.3 Analysis of Additional Alternatives

The Planning Committee, as part of its analysis performed under Section 3.7.4.1, 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.

3.7.4.4 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 ITRP or a Change Case) prior to consideration of impacts on neighboring Planning Regions. If the Planning Committee finds that such Change Case or ITRP 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 ITRP 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 3.7.4.3 will be repeated, as necessary, until the Change Case or ITRP is selected for the Draft Regional Transmission Plan pursuant to Section 3.7.4.1.

3.7.4.5 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 3.7.4.1, and the projects selected into the Draft Regional Transmission Plan for cost allocation are determined according to Section 3.8.

3.7.5 Quarter 5 - Stakeholder Review of Draft Regional Transmission Plan

3.7.5.1 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.

3.7.5.2 Public Comment and Updates

Any stakeholder may submit to the Planning Committee chair comments on the Draft Regional Transmission Plan 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 a 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.

3.7.5.3 Submission of Economic Study Reports

Stakeholders may submit Economic Study Requests as provided for in Section 3.11.

3.7.6 Quarter 6 – Updates to the Biennial Study Plan

3.7.6.1 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.

3.7.6.2 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 3.8.2.

3.7.6.3 Draft Final Regional Transmission Plan

The Planning Committee will produce by the end of Quarter 6, the Draft Final Regional Transmission Plan.

3.7.7 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. The Planning Committee will produce a revised Draft Final Regional Transmission Plan, if necessary, after considering stakeholder comments.

3.7.8 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 in the next local transmission planning cycle (see Section 3.2) and will share the Regional Transmission Plan as part of the Annual Interregional Information exchanged for the next Annual Interregional Coordination Meeting (as specified in Section 25).

Any unsponsored project in the Final Regional Transmission Plan may be resubmitted using the process described in Sections 3.7.1 and 3.7.2 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 3.9.1 below, such project shall be subject to reevaluation unless it is a Committed Project.

3.7.9 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.

3.8. Cost Allocation.

A Project Sponsor intending to submit its Sponsored Project for cost allocation must satisfy the pre-qualification requirements set forth in Section 3.7.1, submit the Sponsored Project as set forth in Section 3.7.2.2, and request cost allocation as set forth in Section 3.7.2.3. An Applicant desiring for its project be considered for cost allocation as an unsponsored project must submit the unsponsored project as set forth in Section 3.7.2.2 and request cost allocation as set forth in Section 3.7.2.3. Transmission Provider may elect to allocate costs of its project through either participant funding or NTTG's cost allocation process as set forth in Section 3.8.2 as either a Sponsored Project or unsponsored project, provided that Transmission Provider complies with the applicable requirements specified above.

3.8.1 Participant Funding.

3.8.1.1 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:

3.8.1.1.1. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate;

3.8.1.1.2. Schedule meeting(s) with stakeholders and/or state public utility commission staff, as appropriate; and

3.8.1.1.3. 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.

3.8.1.2 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.

3.8.1.3 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.

3.8.2 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 Sections 3.8.2.2 to allocate project costs to Beneficiaries.

3.8.2.1 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.

3.8.2.2 Allocation of Project Costs to Beneficiaries.

The Cost Allocation Committee and the Planning Committee initially identify Beneficiaries as all those entities that may be affected by the project based upon the application of the analysis criteria set forth in Section 3.7.4.2 and using the cost allocation scenarios developed pursuant to Section 3.8.2.3. 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 3.7.4.1, 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 cost 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, 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.

3.8.2.3 Cost Allocation Scenarios

As set forth in Section 3.7.3.2, during Quarters 1 and 2, the Cost Allocation Committee (in consultation with the Planning Committee) with stakeholder input, will create cost allocation scenarios for those parameters that likely affect the amount of total benefits of a project and their distribution among Beneficiaries.

The variables in the cost 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.). In the development of the cost 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.

The Cost Allocation Committee shall consider such cost allocation scenarios in its assessment of project benefits and their distribution among Beneficiaries.

Use of cost 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.

3.8.3 Exclusions.

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

3.9. Reevaluation of Projects Selected in the Regional Transmission Plan

3.9.1 Reevaluation of the Regional Transmission Plan.

NTTG expects the sponsor of an 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 may lose its designation as a Committed Project.

If it is a Non-Committed Project, 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 or 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 of the other projects being evaluated.

3.9.2 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 a Committed Project pursuant to Part B, Section 9.1.

3.10. Calculations

The Planning Committee shall include the calculations conducted pursuant to Section 3.7.4 in the Regional Transmission Plan, and the Cost Allocation Committee shall include the calculations conducted pursuant to Section 3.8.2 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.

3.11. Economic Study Requests

3.11.1 Submission of Economic Study Requests

Any stakeholder may submit a:

- a. Local Economic Study Request to the Transmission Provider as provided for in Part II, Section 10; and
- b. Regional Economic Study Request to the Planning Committee as provided for in Section 3.12.1.

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

3.11.2 Review for Completeness

The Planning Committee or the Transmission Provider will review the information it receives pursuant to this Section 3.11 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.

3.11.3 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 or a Regional Economic Study Request. Local Economic Study Requests will be forwarded to the Transmission Provider and processed as set forth in Part II, Section 10. Regional Economic Study Requests will be forwarded to the Planning Committee and processed as set forth in Section 3.12.

3.12. Regional Economic Study Requests

3.12.1 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 31st of each year. A Regional Economic Study Request is submitted to the Planning Committee using the Economic Study Request Form found on the NTTG Website. 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 the completed Economic Study Request Form and signed Economic Agreement to the transmission provider from which it obtained the Economic Study Agreement and provide a copy of Economic Study Request Form and Economic Study Agreement to the Planning Committee, through info@nttg.biz.

3.12.2 Studies Performed

The Planning Committee will complete up to two (2) Regional Economic Studies per Regional Planning Cycle. By April 30th 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.

3.12.3 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 3.12.1, 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.

3.12.4 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.

3.12.5 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.

3.12.6 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.

PART IV. COMMON INTERREGIONAL COORDINATION AND COST ALLOCATION PROCESS

4. Introduction

This Section 4 of Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. NTTG is to conduct the activities and processes set forth in this Part IV of Attachment K in accordance with the provisions of this Part IV of the Attachment K and the other provisions of this Attachment K.

Nothing in this Part IV of Attachment K will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region. References in this Part IV of Attachment K to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

Definitions

The following capitalized terms where used in this Section 4 of Attachment K, are defined as follows:

4.1.1. Annual Interregional Coordination Meeting: shall have the meaning set forth in Section 4.3 below.

4.1.2. Annual Interregional Information: shall have the meaning set forth in Section 4.2 below.

4.1.3. Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section 4.5.2 below.

4.1.4. Interregional Transmission Project (“ITP”): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section 4.4.1.

4.1.5. Planning Region: means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, NTTG Transmission Group, and WestConnect.

4.1.6. Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section 4.4.2, at which time it shall no longer be considered a Relevant Planning Region.

4.2 Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, NTTG is to make available by posting on the NTTG Website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in NTTG's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as “Annual Interregional Information”).

NTTG is to post its Annual Interregional Information on the NTTG Website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process NTTG’s Annual Interregional Information.

NTTG may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

NTTG is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by NTTG in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if NTTG reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission’s Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by NTTG shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under NTTG's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by NTTG shall be “AS IS” and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of NTTG, Transmission Provider, or any entity supplying information in NTTG’s regional transmission planning process, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

4.3 Annual Interregional Coordination Meeting

NTTG is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. NTTG is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. NTTG is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in NTTG's regional transmission plan.

4.4 ITP Joint Evaluation Process

4.4.1 Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to section 4.4.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31 of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

4.4.2 Joint Evaluation of an ITP

For each ITP that meets the requirements of section 4.4.1, NTTG (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with section 4.4.1 or the immediately following calendar year. With respect to any such ITP, NTTG (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and

(ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of section 4.4.1 NTTG (if it is a Relevant Planning Region):

(a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect NTTG's evaluation of the ITP;

(b) is to provide stakeholders an opportunity to participate in NTTG's activities under section 4.4.2 in accordance with its regional transmission planning process;

(c) is to notify the other Relevant Planning Regions if NTTG determines that the ITP will not meet any of its regional transmission needs; thereafter NTTG has no obligation under section 7.4.2 to participate in the joint evaluation of the ITP; and

(d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of NTTG's regional transmission needs.

4.5 Interregional Cost Allocation Process

4.5.1 Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with section 4.4.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from NTTG and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

4.5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of section 4.5.1, NTTG (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

(i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;

(ii) NTTG's regional benefits stated in dollars resulting from the ITP, if any; and

(iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to section 4.6.2 to each Relevant Planning Region using the methodology described in section 4.5.2.

For each ITP that meets the requirements of section 4.5.1, NTTG (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect NTTG's analysis;
- (b) is to provide stakeholders an opportunity to participate in NTTG's activities under section 4.5.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in NTTG, NTTG shall use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; NTTG may use such information to identify its total share of the projected costs of the ITP to be assigned to NTTG in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in NTTG;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to section 4.5.2 in the same general time frame as its joint evaluation activities pursuant to section 4.4.2.

4.6 Application of Regional Cost Allocation Methodology to Selected ITP

4.6.1 Selection by All Relevant Planning Regions

If NTTG (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, NTTG shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 4.5.2(d) or 4.5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

4.6.2 Selection by at Least Two but Fewer than All Relevant Regions

If NTTG (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, NTTG is to evaluate (or reevaluate, as the case may be) pursuant to sections 4.5.2(d), 4.5.2(e), and 4.5.2(f) above whether, without the participation

of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of NTTG and at least one other Relevant Planning Region, NTTG shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 4.5.2(d) or 4.5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

Exhibit A

Economic Study Agreement



Economic Study Agreement

This Economic Study Agreement (“Agreement”) between the Transmission Provider and the undersigned is entered into by signing below.

Recitals

A. The Northern Tier Transmission Group’s (the “Northern Tier”) Planning Committee (the “Planning Committee”) is charged with the task of performing Economic Congestion Studies for the Northern Tier footprint (fn. 1)¹ as requested by stakeholders following the process described in the Transmission Provider’s Attachment K;

B. The Planning Committee operates according to the terms and conditions set forth in the Planning Committee Charter which may be amended from time-to-time by the Northern Tier Steering Committee (the “Steering Committee”) and which is posted on the Northern Tier website, www.nttg.biz;

C. This Agreement is intended to document an entity’s obligations regarding the Economic Congestion Study process, as described herein;

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized, the undersigned hereby agrees as follows:

Section 1 – Duration and Termination

1.1 This Agreement is effective upon execution and shall continue in effect until terminated and the termination is made effective by the Federal Energy Regulatory Commission (the “Commission”); provided, however, the undersigned may independently terminate its participation in this Agreement after giving the Transmission Provider five (5) business days advance notice in writing or through electronic transmission.

Section 2 – Obligations of the Undersigned

2.1 By executing the signature page set forth below, the undersigned, agrees to:

a. Submit Economic Study Requests to the Transmission Provider during the Economic Study Request windows and provide the data required to perform the study;

- b. Submit Economic Congestion Study Requests to the Transmission Provider during the Economic Congestion Study Request windows and provide the data required to perform the study;
- c. Acknowledge that Economic Congestion Study Requests will be evaluated and voted upon by the Planning Committee for potential clustering and selection for the up to two studies that will be performed during the Regional Planning Cycle;
- d. Be bound by the decisions of the Steering Committee and the Planning Committee, and/or resolve disputes according to the process set forth in Section 3.6 of Attachment K;
- e. If the Economic Congestion Study requests are not selected as one of the up to two studies, be subject to reimburse NTTG for the actual costs to perform the studies;
- f. Act in a good faith manner to further the completion of the Economic Congestion Study Request according to the terms and conditions of the Planning Committee and Steering Committee Charters, as each may be amended from time-to-time by the Steering Committee;
- g. The extent practicable, provide support from internal resources to complete the Economic Congestion Study;
- h. Bear its own costs and expenses associated with participation in and support of the Economic Congestion Study; and
- i. Execute non-disclosure agreements, as necessary, before receipt of transmission planning data.

Section 3 - Miscellaneous

3.1 Limit of Liability. Neither the Transmission Provider nor the undersigned shall be liable for any direct, incidental, consequential, punitive, special, exemplary, or indirect damages associated with a breach of this Agreement. The Transmission Provider and the undersigned's sole remedy for any breach of this Agreement are to enforce prospective compliance with this Agreement's terms and conditions.

3.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership, or to impose any partnership obligations or liability.

3.3 Ownership of Products. The undersigned agrees not to assert an ownership interest in products created by the efforts of the Planning Committee.

3.4 Amendments. The Transmission Provider retains the right to make a unilateral filing with the Commission to modify this Agreement under Section 205 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations.

3.5 Waiver. A waiver by the Transmission Provider or the undersigned of any default or breach of any covenants, terms or conditions of this 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.

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

3.7 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.

3.8 Third Party Beneficiaries. All signatories of the NTTG Funding Agreement are third party beneficiaries of this Agreement.

3.9 Execution. The undersigned may deliver an executed signature page to the Transmission Provider by facsimile transmission.

3.10 Integration. This Agreement constitutes the entire agreement of the Transmission Provider and the undersigned. Covenants or representations not contained or incorporated herein shall not be binding upon the Parties.
below.

IN WITNESS WHEREOF, the undersigned executes this Agreement on the date set forth

(Signature)	(Name of Company or Organization)	(Phone)
(Print Signature)	(Street Address)	(Fax)
(Title)	(City, State, Zip Code)	(Email)

Fn. 1: Northern Tier's footprint is defined by the service territories of those entities that have executed the Northern Tier Funding Agreement, as may be amended from time to time.

Exhibit B

Steering Committee Charter



STEERING COMMITTEE

CHARTER

Adopted: [*]**

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STEERING COMMITTEE CHARTER **OF** **NORTHERN TIER TRANSMISSION GROUP**

(An Unincorporated Association)

This document currently and completely sets forth the charter of the Northern Tier Transmission Group’s (“Northern Tier”) Steering Committee (“Committee”) and supersedes all prior charters whether amended or restated.

ARTICLE 1. PURPOSE AND LIMITATIONS

1.1. Purpose. The Committee shall carry out the responsibilities assigned to the Committee in Attachment K of the Open Access Transmission Tariffs of the entities enrolled in Northern Tier as Full Funders. In addition, the Committee shall provide governance and direction on initiatives undertaken by the Northern Tier Full Funders and Nominal Funders, and approved by the Steering Committee. Those initiatives include, but are not limited to, increasing the efficiency and use of the transmission system to the benefit of customers, and furtherance of markets, regional transmission tariffs, and other transmission products, services, or structures that are economically justified. The Committee shall act in accordance with such Attachment Ks, this charter, and applicable legal and regulatory requirements.

1.2. Limitations. The Committee does not have the authority to amend, alter or repeal an Attachment K, or any resolution of any other Northern Tier committee.

ARTICLE 2. MEMBERSHIP

2.1. Membership Classes. The Committee is composed of two classes of members, Class 1 and Class 2.

2.2. Eligibility for Membership; Becoming a Member.

(a) *Eligibility.* . Class 1 members shall consist only of those entities enrolled in Northern Tier as a Full Funder or Nominal Funder. Class 2 members shall consist only of

those state utility commissions, state customer advocates, or state transmission siting agencies within the Northern Tier Footprint (the “Regulators”).

(b) *Becoming a Member.* An entity that satisfies the criteria of the Funding Agreement becomes a member of Class 1 by signing the Funding Agreement. Regulators that satisfy the criteria of Class 2, and that submit a letter requesting membership in the class are members of the class. A Regulator shall submit the letter requesting membership to the Steering Committee through info@nttg.biz.

2.3. Stakeholder Participation; Eligibility to Vote. Any stakeholder may participate in Committee meetings. However, Committee members are the only stakeholders eligible to vote during Committee meetings.

ARTICLE 3.

MEMBER REPRESENTATIVES

3.1. General Powers. The business and affairs of the Committee shall be carried out through member representatives or their alternates. Each member representative (or alternate properly appointed by the member representative) shall make decisions that further the purposes of Northern Tier and the Committee.

3.2. Appointment of Member Representative. Each member is entitled (but not obligated) to appoint one (1) representative to the Committee. The individual must have authority to make decisions. Such member may appoint a representative at any time and may change its representative at any time; provided, however, a representative must be appointed at least one (1) business day in advance of a meeting to be eligible to vote at the meeting. A representative is appointed by the eligible member providing the representative’s contact information to the chairs of the Committee using such form as may be established by the chairs for such purposes.

3.3. Alternate Representative. A member representative is entitled to appoint one (1) alternate with authority to make decisions to act on behalf of the member representative. An alternate assumes all the authority of the representative during the period of time designated by the member representative. An alternate must be appointed at least one (1) business day in advance of a meeting to be eligible to vote at the meeting. An alternate is appointed by the member representative by providing the alternate’s contact information and beginning and ending dates of appointment to the chairs of the Committee using such form as may be established by the chairs for such purposes. An alternate’s authority to act on behalf its appointing member representative terminates automatically if the member that appointed the member representative replaces the member representative.

3.4. State Representatives. Neither the actions nor positions taken or not taken by Northern Tier, any committee of Northern Tier, or member representative or alternate shall

constitute a prejudgment of any issue in a proceeding before a state utility commission or state transmission siting agency.

3.5. Resignation. A member representative or an alternate may resign at any time by giving written notice to the chairs. Any resignation shall take effect on the date of the receipt of that notice or at any later time specified by that notice, and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Once a resignation becomes effective, quorum and voting thresholds shall be reduced accordingly, until the eligible entity appoints a new member representative.

3.6. Removal. A member representative is automatically removed as a member representative to the Committee if the member representative does not participate directly or through an alternate in three (3) consecutive meetings (whether regular or special). The chairs shall cause notice of removal to be promptly provided to the member representative and member. While a member may appoint a new member representative to replace the removed member representative, the Committee will not consider the member to have done so for quorum or voting purposes until such time as the member appoints a new member representative and the representative so appointed attends a Committee meeting.

3.7. No Compensation from Northern Tier. No member representative or alternate shall receive compensation or any reimbursement of expenses from Northern Tier, the Committee, or a signatory to the Northern Tier Funding Agreement. A member representative or alternate shall look to its appointing member for compensation or reimbursement of expenses.

ARTICLE 4.

MEMBER REPRESENTATIVE MEETINGS

4.1. Open Meetings and Limitations. All Committee meetings are public and open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

4.2. Meetings; Notice and Minutes. The Committee shall hold regular meetings at such times and locations as the Committee shall from time-to-time establish. Special meetings of the Committee may be called at any time by the chairs. Notice of all special meetings shall be transmitted by or on behalf of the chairs to all member representatives and alternates not less than seven (7) calendar days before each meeting. Notice shall be transmitted by email and posted on Northern Tier's website, and contain the date, time and location of the special meeting. Meeting materials shall be posted on the Northern Tier website prior to meeting. The chairs shall cause minutes of each meeting to be taken and posted on Northern Tier's website.

4.3. Procedure. The chairs shall establish the order of business at all meetings. In case of dispute regarding procedural matters, Roberts Rules of Order shall be followed.

4.4. Member Representative List. The member representative or alternate list in each class shall be established one (1) business day in advance of each meeting.

4.5. Quorum. Sixty percent (60%) of the member representatives set forth on the membership list in each class must be present at a meeting for voting to occur at the meeting.

4.6. Voting. At any meeting of the Committee at which a quorum is achieved, any business may be transacted, and the Committee may exercise all of its powers. Each member representative or designated alternate shall possess one vote in matters coming before the Committee. Only a member representative or designated alternate may vote at a meeting; provided, however, should the Utility Co-chair or Vice-chair determine that a Class 1 member has failed to timely fund its allocated share as provided for in the Northern Tier Funding Agreement, its right to vote shall be suspended and shall not be considered in determination of quorum or voting percentages; provided, further, that a suspended Class 1 member's voting rights shall be reinstated upon a determination by the Utility Co-chair or Vice-chair that said member has fully funded its allocation share. The Committee shall work to achieve unanimity for any items that require approval.

However, if unable to achieve unanimity, the act of two-thirds (2/3) of the member representatives or alternates in each class that are present at a meeting at which a quorum is achieved shall be the act of the Committee. A member representative or alternate who is present at such a meeting shall be presumed to have assented to the action taken at that meeting unless the member representative or alternate's dissent or abstention is entered in the minutes of the meeting.

4.7. Action Without Meeting. Any action that may be taken by the Committee at a meeting may be taken without a meeting if done in the form of a written record (including email). The record shall set forth the action to be taken. The consent of all member representatives on record at the time the vote was initiated shall be the act of the Committee. This consent may be given in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same record.

4.8. Telephone Participation. Member representatives and their alternates may participate in Committee meetings by means of a conference telephone or similar communications equipment where all persons participating in the meeting can hear each other at the same time. Participation of a member representative or designated alternate by such means shall constitute presence in person at a meeting.

ARTICLE 5. OFFICERS

5.1. Officers, Election, and Term. The officers of the Committee shall be the co-chairs and vice-chairs. The Committee may elect such other officers and assistant officers as it shall deem necessary. On an annual basis coinciding with the first meeting of the Committee in each calendar year, the Committee shall elect from its member representatives (not alternates) two (2) chairs and two (2) vice-chairs. One co-chair and vice-chair shall be a Class 2 member representative that is also a state regulatory utility commissioner ("State Co-chair" and "State

Vice-chair”) and one co-chair and vice-chair shall be a member representative of a Class 1 Full Funder (“Utility Co-chair” and “Utility Vice-chair”).

5.2. Co-Chairs.

5.2.1. Joint Responsibility. The co-chairs are responsible for ensuring the Committee’s purposes are achieved, and are the primary public spokespersons for the Committee. The co-chairs shall have such additional powers and duties as shall be prescribed by the Steering Committee.

5.2.2. Utility Co-Chair Responsibility. The Utility Co-chair shall have the responsibility to:

- x Initiate discussions among the Class 1 member representatives to review budget increases or financing for additional work streams approved by the Steering Committee; and
- x Initiate and coordinate the dispute resolution process outlined in Attachment K.

5.2.3. State Co-Chair Responsibility. The State Co-chair shall have the responsibility to:

- x Lead Steering Committee process and enforce Steering Committee process rules;
- x Declare an impasse in any dispute resolution pursuant to the process outlined in Attachment K; and
- x Ensure Northern Tier cost allocation processes are followed and send acknowledgement that the process has been followed to regulatory agencies.

5.3. Vice-Chairs. The vice-chairs shall perform all duties usually inherent in such office. A vice-chair shall perform the duties of a co-chair in the event of absence or withdrawal of one of the co-chairs. In addition, if one of the member representatives serving as co-chair ceases being a member representative for any reason or submits his resignation as co-chair of the Committee, a vice-chair shall perform the duties of the co-chair for the remainder of the prior co-chair’s term. The vice-chair shall have such additional powers and duties as shall be prescribed by the co-chairs. The vice-chairs shall be the individuals intended to become the next co-chairs of the Committee.

5.4. Removal. The Committee may remove any officer whenever, in the Committee’s judgment, removal will serve the best interests of Northern Tier and the Committee.

5.5. Resignation. Any officer may resign at any time by giving written notice to the co-chairs (or, if one of the co-chairs, by giving notice to the other co-chair and to the vice-chairs). Any resignation shall take effect on the date of the receipt of that notice or at any later time specified by that notice, and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

5.6. Vacancies. Vacancies in any office arising from any cause may be filled by the Committee at any regular or special meeting.

ARTICLE 6. MISCELLANEOUS

6.1. Sub-Committees. The Committee chairs may establish subcommittees to the Committee to further the purposes of the Committee. Such subcommittees shall be of limited duration, and shall report to the Committee co-chairs.

6.2. Dispute Resolution. Disputes shall be subject to the dispute resolution process outlined in Attachment K of the OATT of the signatories to the Northern Tier Funding Agreement with an OATT.

6.3. Amendments. This charter may be amended, in all or any part, by the Committee. At least once a year the Committee should review this charter to determine if it reflects the manner in which the Committee conducts its activities and proscribes a reasonable governance structure for the Committee.

CERTIFICATION

The undersigned hereby certifies that the foregoing Steering Committee Charter of the Northern Tier Transmission Group was adopted at a meeting of the Steering Committee on the 19th day of September, 2016, and that the foregoing was approved to become effective on the effective date of the version of the Northern Tier Transmission Group's Attachment K that satisfies the regional requirements of Order No. 1000.

/s/ Ray Brush

By _____

Ray Brush, Utility Co-Chair

Steering Committee

Northern Tier Transmission Group

/s/ Travis Kavulla

By _____

Commissioner Travis Kavulla, r

Steering Committee

Northern Tier Transmission Group

Exhibit C

Planning Committee Charter



PLANNING COMMITTEE CHARTER

Adopted: August 27, 2013

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PLANNING COMMITTEE CHARTER
OF
NORTHERN TIER TRANSMISSION GROUP

(An Unincorporated Association)

This document currently and completely sets forth the charter of the Northern Tier Transmission Group's ("Northern Tier") Planning Committee ("Committee") and supersedes all prior charters whether amended or restated.

**ARTICLE 1. PURPOSE AND
LIMITATIONS**

1.1. Purpose. The Committee shall carry out the responsibilities assigned to the Committee in Attachment K of the Open Access Transmission Tariffs of the entities enrolled in Northern Tier as Full Funders. In addition, the Committee shall carry out such additional duties as assigned by the Steering Committee. The Committee shall act in accordance with such Attachment Ks, this charter, and the Steering Committee's directions, and applicable legal and regulatory requirements

1.2. Limitations. The Committee does not have the authority to amend, alter or repeal a charter of Northern Tier, an Attachment K, the Practice Document, or any resolution of any other Northern Tier committee.

1.3. Reporting to Steering Committee. The Committee shall report to the Steering Committee through its chair.

**ARTICLE 2.
MEMBERSHIP**

2.1. Membership Classes. The Committee is composed of three (3) classes of members: Class 1, and Class 2, and Class 3.

2.2. Eligibility for Membership. Class 1 members shall consist only of those transmission providers or transmission developers engaged in or intending to engage in the sale of electric transmission service within the Northern Tier Footprint (the "Transmission Provider/Developer Class"). Class 2 members shall consist only of those transmission users engaged in the purchase of electric transmission service within the Northern Tier Footprint, or other entity, which has, or intends to enter into, an interconnection agreement with a transmission provider within the Northern Tier Footprint (the "Transmission User Class"). Class 3 members shall consist only of those state utility commissions, state customer advocates, or

state transmission siting agencies within the Northern Tier Footprint (collectively, the “Regulators,” and the “Regulatory Class”). Each entity is entitled to only one membership.

2.3. Stakeholder Participation; Becoming a Member. Any stakeholder may participate in Committee meetings without signing the Planning Committee Membership Agreement. However, only those stakeholders that satisfy the criteria of a membership class, as described in Section 2.2 above, and execute the Planning Committee Membership Agreement that is attached as Exhibit A to this charter, or that submits a letter requesting membership in the case of Regulators, are members of the Committee. Committee members are the only stakeholders eligible to vote during Committee meetings.

Each signatory of the Northern Tier Funding Agreement that is subject to Federal Energy Regulatory Commission (“Commission”) jurisdiction under the Federal Power Act shall maintain the current form of the Planning Committee Membership Agreement approved by the Steering Committee as an exhibit to this charter, which in turn is an attachment to its respective OATT. Stakeholders seeking to join the Committee as a member of Class 1 (other than a funder) or Class 2 are not required to sign the Planning Committee Membership Agreement of any specific transmission provider. Rather, each stakeholder may choose and execute whichever form it desires to sign. However, a stakeholder must return the executed Planning Committee Membership Agreement to the transmission provider from which it obtained the form and to the Committee chair through info@nttg.biz.

Upon receipt of an executed Planning Committee Membership Agreement, that transmission provider will notify the Commission of its execution via the Electronic Quarterly Reports, and the chair of the Committee will cause Northern Tier to maintain a list on its website that identifies every stakeholder that has signed a Planning Committee Membership Agreement. Signatories to the Northern Tier Funding Agreement are automatically members of the Committee, and will be identified on the Northern Tier website as a member of the Committee.

The Committee therefore operates as a single body of all participating stakeholders, with the voting members being the subset composed of each signatory of the Planning Committee Membership Agreement, each signatory of the Northern Tier Funding Agreement, and the Regulators that have requested Committee membership.

ARTICLE 3.

MEMBER REPRESENTATIVES

3.1. General Powers. The business and affairs of the Committee shall be carried out through member representatives or their alternates. Each member representative (or alternate properly appointed by the member representative) shall make decisions that further the purposes of Northern Tier and the Committee.

3.2. Appointment of Member Representative. Each member is entitled (but not obligated) to appoint one (1) representative to the Committee. The individual must have authority to make decisions. Such member may appoint a representative at any time and may change its representative at any time; provided, however, a representative must be appointed at

least one (1) business day in advance of a meeting to be eligible to vote at the meeting. A representative is appointed by the eligible member providing the representative's contact information to the chair of the Committee using such form as may be established by the chair for such purposes.

3.3. Alternate Representative. A member representative is entitled to appoint one (1) alternate with authority to make decisions to act on behalf of the member representative. An alternate assumes all the authority of the representative during the period of time designated by the member representative. An alternate must be appointed at least one (1) business day in advance of a meeting to be eligible to vote at the meeting. An alternate is appointed by the member representative by providing the alternate's contact information and beginning and ending dates of appointment to the chair of the Committee using such form as may be established by the chair for such purposes. An alternate's authority to act on behalf of the member representative terminates automatically if the member that appointed the member representative replaces the member representative.

3.4. State Representatives. Neither the actions nor positions taken or not taken by Northern Tier, any committee of Northern Tier, or member representative or alternate shall constitute a prejudgment of any issue in a proceeding before a state utility commission or state transmission siting agency.

3.5. Resignation. A member representative or an alternate may resign at any time by giving written notice to the chair. Any resignation shall take effect on the date of the receipt of that notice or at any later time specified by that notice, and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Once a resignation takes effect, quorum and voting thresholds shall be reduced accordingly, until the eligible member appoints a new member representative.

3.6. Removal. A member representative is automatically removed as member representative to the Committee if the member representative does not participate directly or through an alternate in three (3) consecutive meetings (whether regular or special). The chair shall cause notice of removal to be promptly provided to the member representative and member. While a member may appoint a new member representative to replace the removed member representative, the Committee will not consider the member to have done so for quorum or voting purposes until such time as the member appoints a new member representative and the representative so appointed attends a Committee meeting.

3.7. No Compensation from Northern Tier. No member representative or alternate shall receive compensation or any reimbursement of expenses from Northern Tier, the Committee, or a signatory to the Northern Tier Funding Agreement. A member representative or alternate shall look to its appointing member for compensation or reimbursement of expenses.

ARTICLE 4.

MEMBER REPRESENTATIVE MEETINGS

4.1. Open Meetings and Limitations. All Committee meetings are public and open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

4.2. Meetings; Notice and Minutes. The Committee shall hold regular meetings at such times and locations as the Committee shall from time-to-time establish. Special meetings of the Committee may be called at any time by the chair. Notice of all special meetings shall be transmitted by or on behalf of the chair to all member representatives and alternates not less than seven (7) calendar days before each meeting. Notice shall be transmitted by email and posted on Northern Tier's website, and contain the date, time and location of the special meeting. Meeting materials shall be posted on the Northern Tier website prior to meeting. The chair shall cause minutes of each meeting to be taken and posted on Northern Tier's website.

4.3. Procedure. The chair shall establish the order of business at all meetings. In case of dispute regarding procedural matters, Roberts Rules of Order shall be followed.

4.4. Member Representative List. The member representative list in each class shall be established one (1) business day in advance of each meeting.

4.5. Quorum. Sixty percent (60%) of the member representatives or alternates set forth on the membership list in each class must be present at a meeting for voting to occur at the meeting.

4.6. Voting. At any meeting of the Committee at which a quorum is achieved, any business may be transacted, and the Committee may exercise all of its powers. Each member representative or its designated alternate shall possess one vote in matters coming before the Committee. Only a member representative or designated alternate may vote at a meeting. The act of a majority of member representatives or alternates in the Transmission Provider/Developer's Class and one other class that are present at a meeting at which a quorum is achieved shall be the act of the Committee. A member representative or alternate who is present at such a meeting shall be presumed to have assented to the action taken at that meeting unless the member representative or alternate's dissent or abstention is entered in the minutes of the meeting.

4.7. Action Without Meeting. Any action that may be taken by the Committee at a meeting may be taken without a meeting if done in the form of a written record (including email). The record shall set forth the action to be taken. The consent of all member representatives on record at the time the vote was initiated shall be the act of the Committee. This consent may be given in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same record.

4.8. Telephone Participation. Member representatives and their alternates may participate in Committee meetings by means of a conference telephone or similar communications equipment where all persons participating in the meeting can hear each other at

the same time. Participation of a member representative or designated alternate by such means shall constitute presence in person at a meeting.

ARTICLE 5. OFFICERS

5.1. Officers, Election, and Term. The officers of the Committee shall be the chair and vice-chair. The Committee may elect such other officers and assistant officers as it shall deem necessary. Every two years in the fourth quarter, the Committee shall elect, from its member representatives (not alternates) that are Full Funders of Class 1, a chair and a vice-chair.

5.2. Chair. The chair is responsible for ensuring the Committee's purposes are achieved, and is the primary public spokesperson for the Committee. The chair shall preside at all meetings of the Committee. The chair shall be accountable to the Steering Committee. The chair shall otherwise perform all other duties usually inherent in such office. The chair shall have such additional powers and duties as shall be prescribed by the Steering Committee.

5.3. Vice-Chair. The vice-chair shall perform all duties usually inherent in such office. The vice-chair shall perform the duties of the chair in the event of absence or withdrawal of the chair. In addition, if the member representative serving as chair ceases being a member representative for any reason or submits his resignation as the chair, the vice-chair shall perform the duties of the chair for the remainder of the prior chair's term. The vice-chair shall have such additional powers and duties as shall be prescribed by the chair. The vice-chair shall be the individual intended to become the next chair of the Committees.

5.4. Removal. The Steering Committee or the Committee may remove any officer whenever, in the Steering Committee or Committee's judgment, removal will serve the best interests of Northern Tier and the Committee.

5.5. Resignation. Any officer may resign at any time by giving written notice to the chair (or, if the chair, by giving notices to the Steering Committee chairs and to the vice-chair). Any resignation shall take effect on the date of the receipt of that notice or at any later time specified by that notice, and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

5.6. Vacancies. Vacancies in any office arising from any cause may be filled by the Committee at any regular or special meeting.

ARTICLE 6. MISCELLANEOUS

6.1. Sub-Committees. The Committee chair or the Steering Committee may establish subcommittees to the Committee to further the purposes of the Committee. Such subcommittees shall be of limited duration, and shall report to the Committee chair.

6.2. Dispute Resolution. Disputes shall be subject to the dispute resolution process outlined in Attachment K of the OATT of the signatories to the Northern Tier Funding Agreement with an OATT.

6.3. Amendments. Recommendations to amend this charter, in all or any part, may be developed and approved from time to time by the Committee. Any such Committee recommendation shall be forwarded to the Steering Committee for consideration. At least once a year the Committee or the Steering Committee should review this charter to determine if it reflects the manner in which the Committee conducts its activities and proscribes a reasonable governance structure for the Committee.

CERTIFICATION

The undersigned hereby certifies that the foregoing Planning Committee Charter of the Northern Tier Transmission Group was adopted at a meeting of the Steering Committee on the 27th day of August, 2013, and that the foregoing was approved to become effective on the effective date of the version of the Northern Tier Transmission Group's Attachment K that satisfies the regional requirements of Order No. 1000.

/s/ Ray Brush

By _____
Ray Brush, Utility Co-Chair
Steering Committee
Northern Tier Transmission Group

/s/ Travis Kavulla

By _____
Travis Kavulla, State Co-Chair
Steering Committee
Northern Tier Transmission Group

Exhibit A

Planning Committee Membership Agreement

This Planning Committee Membership Agreement (“Agreement”) between the Transmission Provider and the undersigned is entered into by signing below.

Recitals

A. The Northern Tier Transmission Group’s (the “Northern Tier”) Planning Committee (the “Planning Committee”) is charged with the task of producing a regional transmission plan for the Northern Tier Footprint, and coordinating the transmission plan and its development with other regional planning groups;

B. The Planning Committee operates according to the terms and conditions set forth Attachment K and the Planning Committee Charter, which may be amended from time-to-time by the Northern Tier Steering Committee (the “Steering Committee”) and which is posted on the Northern Tier website, www.nttg.biz;

C. Attachment K and the Planning Committee Charter provide that any stakeholder may attend and participate in Planning Committee meetings but limits those entities that may formally vote to those entities that become members of the committee and appoint a member representative;

D. This Agreement is intended to document an entity’s membership on the Planning Committee and commit the entity to act in a good faith manner to further the purpose of the Planning Committee and Northern Tier;

E. A list of all members of the Planning Committee is maintained on the Northern Tier website; and

F. The Planning Committee is funded by the signatories to the Northern Tier Funding Agreement (“Funding Members”), as it may be amended from time-to-time, and which has been filed with the Commission and posted on the Northern Tier website.

NOW THEREFORE, in consideration of the mutual benefits and other good and valuable consideration the sufficiency of which are hereby recognized, the undersigned hereby agrees as follows:

Section 1. Duration and Termination

1.1 This Agreement is effective upon execution and shall continue in effect until terminated and the termination is made effective by the Federal Energy Regulatory Commission (the “Commission”); provided, however, the undersigned may independently terminate its participation in this Agreement after giving the Transmission Provider five (5) business days advance notice in writing or through electronic transmission.

Section 2. Obligations of the Undersigned

2.1 By executing the signature page set forth below, the undersigned, asserts that it is eligible for membership in the requested membership class of the Planning Committee, and agrees that, if requested by the Transmission Provider or the Chair of the Planning Committee, it will provide documentation demonstrating eligibility, and further agrees to:

- (a) Act in a good faith manner to carry out the responsibilities assigned to the Planning Committee in Attachment K, the purposes the Planning Committee Charter, and the governance of the Steering Committee, as each may be amended from time-to-time;
- (b) Be bound by the decisions of the Steering Committee, the Planning Committee, and the Cost Allocation Committee, and/or resolve disputes according to the process set forth in Attachment K;
- (c) To the extent practicable, provide support from internal resources to achieve the purpose of the Planning Committee Charter and the responsibilities assigned to the Planning Committee in Attachment K;
- (d) Bear its own costs and expenses associated with participation in and support of the Planning Committee;
- (e) Be responsible for the costs of meeting facilities and administration, including third-party contract resources, associated with such meetings, if undersigned requests, in writing to the Planning Committee Chair, that Northern Tier hold a Planning Committee meeting outside the normal cycle as described in the Planning Committee Charter; and
- (f) Execute non-disclosure agreements, as necessary, before receipt of transmission planning data or non-public information.

Section 3. Miscellaneous

3.1 Limit of Liability. Neither the Transmission Provider nor the undersigned shall be liable for any direct, incidental, consequential, punitive, special, exemplary, or indirect damages associated with a breach of this Agreement. The Transmission Provider and the undersigned's sole remedy for any breach of this Agreement are to enforce prospective compliance with this Agreement's terms and conditions.

3.2 No Joint Action. This Agreement shall not be interpreted or construed to create an association, joint venture or partnership, or to impose any partnership obligations or liability.

3.3 Ownership of Products. The undersigned agrees not to assert an ownership interest in products created by the efforts of the Planning Committee and/or the Cost Allocation Committee.

3.4 Amendments. The Transmission Provider retains the right to make a unilateral filing with the Commission to modify this Agreement under Section 205 or any other applicable provision of the Federal Power Act and the Commission's rules and regulations.

3.5 Waiver. A waiver by the Transmission Provider or the undersigned of any default or breach of any covenants, terms or conditions of this 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.

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

3.7 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.

3.8 Third Party Beneficiaries. All signatories of the NTTG Funding Agreement are third party beneficiaries of this Agreement.

3.9 Execution. The undersigned may deliver an executed signature page to the Transmission Provider by facsimile transmission.

3.10 Integration. This Agreement constitutes the entire agreement of the Transmission Provider and the undersigned. Covenants or representations not contained or incorporated herein shall not be binding upon the Parties.

IN WITNESS WHEREOF, the undersigned executes this Agreement on the date set forth below.

Requested Membership Class _____

(Signature)

(Name of Company or
Organization)

(Phone)

(Print Signature)

(Street Address)

(Fax)

(Title)

(City, State, Zip Code)

(Email)

Exhibit D

Cost Allocation Committee Charter



**COST ALLOCATION COMMITTEE
CHARTER**

Adopted: August 27, 2013

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COST ALLOCATION COMMITTEE CHARTER Page i

COST ALLOCATION COMMITTEE CHARTER **OF** **NORTHERN TIER TRANSMISSION GROUP**

(An Unincorporated Association)

This document currently and completely sets forth the charter of the Northern Tier Transmission Group’s (“Northern Tier”) Cost Allocation Committee (“Committee”) and supersedes all prior charters whether amended or restated.

ARTICLE 1. PURPOSE AND LIMITATIONS

1.1. Purpose. The Committee shall carry out the responsibilities assigned to the Committee in Attachment K of the Open Access Transmission Tariffs of the entities enrolled in Northern Tier as Full Funders. In addition, the Committee shall carry out such additional duties assigned by the Steering Committee. The Committee shall act in accordance with such Attachment Ks, this charter, the Steering Committee’s directions, and applicable legal and regulatory requirements.

1.2. Limitations. The Committee does not have the authority to amend, alter or repeal a charter of Northern Tier, an Attachment K, the Practice Document, or any resolution of any other Northern Tier committee.

1.3. Reporting to Steering Committee. The Committee shall report to the Steering Committee through its chair.

ARTICLE 2. MEMBERSHIP

2.1. Membership Classes. The Committee is composed of two classes of members, Class 1 and Class 2.

2.2. Eligibility for Membership. Class 1 members shall consist only of those entities enrolled in Northern Tier as a funder and that have appointed a representative to the Steering Committee. Class 2 members shall consist only of those state utility commissions, state consumer advocates, or state transmission siting agencies within the Northern Tier Footprint that have appointed a representative to the Steering Committee (the “Regulators”).

2.3. Stakeholder Participation; Becoming a Member. Any stakeholder may participate in Committee meetings. However, only those stakeholders that satisfy the criteria of a membership class, as described in Section 2.2 above, or that submits a letter requesting membership in the case of Regulators, are members of the Committee. Committee members are the only stakeholders eligible to vote during Committee meetings. The Committee therefore operates as a single body of all participating stakeholders, with the voting members being the subset composed of the members of Class 1 and Class 2

ARTICLE 3.

MEMBER REPRESENTATIVES

3.1. General Powers. The business and affairs of the Committee shall be carried out through member representatives or their alternates. Each member representative (or alternate properly appointed by the member representative) shall make decisions that further the purposes of Northern Tier and the Committee.

3.2. Appointment of Member Representative. Each member is entitled (but not obligated) to appoint one (1) representative to the Committee. The individual must have authority to make decisions. Such member may appoint a representative at any time and may change its representative at any time; provided, however, a representative must be appointed at least one (1) business day in advance of a meeting to be eligible to vote at the meeting. A representative is appointed by the eligible member providing the representative’s contact information to the chair of the Committee using such form as may be established by the chair for such purposes.

3.3. Alternate Representative. A member representative is entitled to appoint one (1) alternate with authority to make decisions to act on behalf of the member representative. An alternate assumes all the authority of the representative during the period of time designated by the member representative. An alternate must be appointed at least one (1) business day in advance of a meeting to be eligible to vote at the meeting. An alternate is appointed by the member representative by providing the alternate’s contact information and beginning and ending dates of appointment to the chair of the Committee using such form as may be established by the chair for such purposes. An alternate’s authority to act on behalf its appointing member representative terminates automatically if the member that appointed the member representative replaces the member representative.

3.4. State Representatives. Neither the actions nor positions taken or not taken by Northern Tier, any committee of Northern Tier, or member representative or alternate shall

constitute a prejudgment of any issue in a proceeding before a state utility commission or state transmission siting agency.

3.5. Resignation. A member representative or an alternate may resign at any time by giving written notice to the chair. Any resignation shall take effect on the date of the receipt of that notice or at any later time specified by that notice, and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Once a resignation takes effect, quorum and voting thresholds shall be reduced accordingly, until the eligible member appoints a new member representative.

3.6. Removal. A member representative is automatically removed as member representative to the Committee if the member representative does not participate directly or through an alternate in three (3) consecutive meetings (whether regular or special).

The chair shall cause notice of removal to be promptly provided to the member representative and member. While a member may appoint a new member representative to replace the removed member representative, the Committee will not consider the member to have done so for quorum or voting purposes until such time as the member appoints a new member representative and the representative so appointed attends a Committee meeting.

3.7. No Compensation from Northern Tier. No member representative or alternate shall receive compensation or any reimbursement of expenses from Northern Tier, the Committee, or a signatory to the Northern Tier Funding Agreement. A member representative or alternate shall look to its appointing member for compensation or reimbursement of expenses.

ARTICLE 4.

MEMBER REPRESENTATIVE MEETINGS

4.1. Open Meetings and Limitations. All Committee meetings are public and open to stakeholder participation; provided, however, that attendance may be restricted at a meeting to the extent necessary to address non-public information, critical energy infrastructure information, or other legal or regulatory requirements.

4.2. Meetings; Notice and Minutes. The Committee shall hold regular meetings at such times and locations as the Committee shall from time-to-time establish. Special meetings of the Committee may be called at any time by the chair. Notice of all special meetings shall be transmitted by or on behalf of the chair to all member representatives and alternates not less than seven (7) calendar days before each meeting. Notice shall be transmitted by email and posted on Northern Tier's website, and contain the date, time and location of the special meeting. Meeting materials shall be posted on the Northern Tier website prior to meeting. The chair shall cause minutes of each meeting to be taken and posted on Northern Tier's website.

4.3. Procedure. The chair shall establish the order of business at all meetings. In case of dispute regarding procedural matters, Roberts Rules of Order shall be followed.

4.4. Member Representative List. The member representative list in each class shall be established one (1) business day in advance of each meeting.

4.5. Quorum. Sixty percent (60%) of the member representatives or alternates set forth on the membership list in each class must be present at a meeting for voting to occur at the meeting.

4.6. Voting. At any meeting of the Committee at which a quorum is achieved, any business may be transacted, and the Committee may exercise all of its powers. Each member representative or its designated alternate shall possess one vote in matters coming before the Committee. Only a member representative or designated alternate may vote at a meeting. The act of a majority of member representatives or alternates in each class that are present at a meeting at which a quorum is achieved shall be the act of the Committee. A member representative or alternate who is present at such a meeting shall be presumed to have assented to the action taken at that meeting unless the member representative or alternate's dissent or abstention is entered in the minutes of the meeting.

4.7. Action Without Meeting. Any action that may be taken by the Committee at a meeting may be taken without a meeting if done in the form of a written record (including email). The record shall set forth the action to be taken. The consent of all member representatives on record at the time the vote was initiated shall be the act of the Committee. This consent may be given in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same record.

4.8. Telephone Participation. Member representatives and their alternates may participate in Committee meetings by means of a conference telephone or similar communications equipment where all persons participating in the meeting can hear each other at the same time. Participation of a member representative or designated alternate by such means shall constitute presence in person at a meeting.

ARTICLE 5. OFFICERS

5.1. Officers, Election, and Term. The officers of the Committee shall be the chair and vice-chair. The Committee may elect such other officers and assistant officers as it shall deem necessary. Every two years in the fourth quarter, the Committee shall elect, from its member representatives (not alternates) of Class 1, a chair and a vice-chair.

5.2. Chair. The chair is responsible for ensuring the Committee's purposes are achieved, and is the primary public spokesperson for the Committee. The chair shall preside at all meetings of the Committee. The chair shall be accountable to the Steering Committee. The chair shall otherwise perform all other duties usually inherent in such office. The chair shall have such additional powers and duties as shall be prescribed by the Steering Committee.

5.3. Vice-Chair. The vice-chair shall perform all duties usually inherent in such office. The vice-chair shall perform the duties of the chair in the event of absence or withdrawal of the chair. In addition, if the member representative serving as chair ceases being a member representative for any reason or submits his resignation as the chair, the vice-chair shall perform

the duties of the chair for the remainder of the prior chair's term. The vice-chair shall have such additional powers and duties as shall be prescribed by the chair. The vice-chair shall be the individual intended to become the next chair of the Committee.

5.4. Removal. The Steering Committee or the Committee may remove any officer whenever, in the Steering Committee or Committee's judgment, removal will serve the best interests of Northern Tier and the Committee.

5.5. Resignation. Any officer may resign at any time by giving written notice to the chair (or, if the chair, by giving notice to the Steering Committee chairs and to the vice-chair). Any resignation shall take effect on the date of the receipt of that notice or at any later time specified by that notice, and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

5.6. Vacancies. Vacancies in any office arising from any cause may be filled by the Committee at any regular or special meeting.

ARTICLE 6. MISCELLANEOUS

6.1. Sub-Committees. The Committee chair or the Steering Committee may establish subcommittees to the Committee to further the purposes of the Committee. Such subcommittees shall be of limited duration, and shall report to the Committee chair.

6.2. Dispute Resolution. Disputes shall be subject to the dispute resolution process outlined in Attachment K of the OATT of the signatories to the Northern Tier Funding Agreement with an OATT.

6.3. Amendments. Recommendations to amend this charter, in all or any part, may be developed and approved from time to time by the Committee. Any such Committee recommendation shall be forwarded to the Steering Committee for consideration. At least once a year the Committee or the Steering Committee should review this charter to determine if it reflects the manner in which the Committee conducts its activities and proscribes a reasonable governance structure for the Committee.

CERTIFICATION

The undersigned hereby certifies that the foregoing Cost Allocation Committee Charter of the Northern Tier Transmission Group was adopted at a meeting of the Steering Committee on the 27th day of August, 2013, and that the foregoing was approved to become effective on the effective date of the version of the Northern Tier Transmission Group's Attachment K that satisfies the regional requirements of Order No. 1000.

/s/ Ray Brush

By _____
Ray Brush, Utility Co-Chair

/s/ Travis Kavulla

By _____
Travis Kavulla, State Co-Chair

Steering Committee
Northern Tier Transmission Group

Steering Committee
Northern Tier Transmission Group

¹The Northern Tier's footprint is defined by the service territories of those entities that have executed the Northern Tier Funding Agreement, as may be amended from time to time.