

Attachment K

Transmission Planning Process

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NorthWestern Corporation
(Montana)

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Open Access Transmission Tariff

ATTACHMENT K

Transmission Planning Process

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ATTACHMENT K

Transmission Planning Process

Preamble

In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, regional, and interregional basis. Section 2 of this Attachment K addresses the local planning process. Section 3 of this Attachment K addresses the regional planning process. Section 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.

1. Definitions

Unless defined below¹, capitalized terms shall refer to terms defined in the Tariff.

1.1 Alternative Project

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

Annual Capital-Related Costs is defined in Section 3.7.4.2.

1.3 Applicant

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

1.4 Beneficiary

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

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.

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

1.5 Biennial Study Plan

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

1.6 Change Case

A *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.

1.7 Committed Project

A *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.

1.8 Confidentiality Agreement

Confidentiality Agreement means the agreement posted on Transmission Provider's OASIS at http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx. The Confidentiality Agreement is used to provide confidential information as referenced in Sections 2.2.3 and 3.4.2.

1.9 Cost Allocation Committee

Cost Allocation Committee is defined in Section 3.1.2.

1.10 Cost Allocation Committee Charter

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

1.11 Cost Allocation Data Form

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

1.12 Critical Energy Infrastructure Information ("CEII")

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

1.13 Data Submittal Form

Data Submittal Form means the form posted on NTTG’s website used to submit projects and project information for consideration and is used to submit updated project information as referenced in Section 3.7.2.1.

1.14 Demand Resources

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.

1.15 Draft Regional Transmission Plan

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.

1.16 Draft Final Regional Transmission Plan

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.

1.17 Economic Study or Economic Congestion Study

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

1.18 Economic Study Request or Economic Congestion Study Request

Economic Study Request or Economic Congestion Study Request means a written request by an Eligible Customer or stakeholder to the Transmission Provider, asking the Transmission Provider to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Local Transmission System Plan, to reduce the 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.

1.19 Economic Study Request Form

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

1.20 Finance Agent Agreement

The *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.

1.21 Funding Agreement

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.

1.22 Incumbent Transmission Developer

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

1.23 Initial Regional Transmission Plan (“IRTP”)

Initial Regional Transmission Plan 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.

1.24 Local Economic Study Request

A *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.

1.25 Local Transmission System Plan or Local Transmission Plan (LTSP or LTP)

Local Transmission System Plan (LTSP) or Local Transmission Plan (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.

1.26 LTSP Re-Study Request

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.

1.27 Merchant Transmission Developer

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.

1.28 Monetized Non-Financial Incremental Costs

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

1.29 NTTG

NTTG means the Northern Tier Transmission Group or its successor.

1.30 NTTG Footprint

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

1.31 NTTG Website

NTTG Website means www.nttg.biz.

1.32 Non-Committed Project

Non-Committed Project means a project that is not a Committed Project.

1.33 Nonincumbent Transmission Developer

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

1.34 Original Project

Original Project means a project selected in the prior Regional Transmission Plan.

1.35 Ownership-Like Rights

Ownership-Like Rights are defined in Section 3.8.2.2.

1.36 Planning Committee

Planning Committee is defined in Section 3.1.2.

1.37 Planning Committee Charter

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

1.38 Project Sponsor

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.

1.39 Public Policy Considerations

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

1.40 Public Policy Requirements

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.

1.41 Regional Economic Study Request

A 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.

1.42 Regional Planning Cycle

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

1.43 Regional Transmission Plan

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

1.44 Sponsor Qualification Data Form

Sponsor Qualification Data Form means the form posted on NTTG's website used to submit sponsor qualification data for a proposed Sponsored Project as referenced in Sections 3.7.1.2 and 3.7.5.2.

1.45 Sponsored Project

Sponsored Project means the project proposed by a Project Sponsor.

1.46 Steering Committee

Steering Committee is defined in Section 3.1.2.

1.47 Steering Committee Charter

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

1.48 TRANSAC

TRANSAC means NWE's Transmission Advisory Committee that is a stand-alone advisory committee comprised of eligible stakeholders (to include state regulators, consumer council and transmission developers) who will provide input to the Transmission Provider regarding its Local Transmission Plan.

1.49 WECC

WECC means the Western Electricity Coordinating Council or its successor.

2. Local Planning Process

2.1 Preparation of a LTSP

- 2.1.1 The Transmission Provider shall prepare, with the input of interested stakeholders, one (1) LTSP during every two-year study cycle. The preparation of the LTSP shall be done in accordance with the general policies, procedures, and principles set forth in this Attachment K.
- 2.1.2 Point-to-Point transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in Transmission Provider's Tariff. Similarly, Network Customers must submit Network Resource and load additions/removals pursuant to the process described in Part III of the Tariff and the Transmission Provider's Business Practices document. This document is identified under the Section "1.R - Open Access Transmission Tariff (OATT) & Business Practices" of the Transmission Provider's business practice, available on the Transmission Provider's OASIS at:
http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.
- 2.1.3 Comparability Between Customers. The Transmission Provider shall develop a transmission plan that meets the needs of its transmission customers and treats all similarly situated customers (including network and retail native load and its own merchant function) on a comparable basis. Information obtained in quarters 1 and 5 pursuant to Section 2.5 below will be used in the preparation of the next study cycle Local Transmission Plan. Transmission Provider may, following stakeholder input, also include results of completed Economic Congestion Studies, completed pursuant to Section 2.7 below, in either the draft Local Transmission Plan or the next study cycle, depending on whether the study was requested in Quarter 1 or Quarter 5. In developing the Local Transmission Plan, Transmission Provider shall apply applicable reliability criteria, including criteria established by the Transmission Provider, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation, and the Federal Energy Regulatory Commission.
- 2.1.4 Comparability Between Resources. Comparability between resources, including similarly situated customer-identified projects, will be accomplished in the following manner.
 - 2.1.4.1 Comparability between resources will be achieved in NWE's Local Transmission Plan by including all valid data received from customers (including load forecast data, generation data, transmission needs driven by Public Policy Requirements and Considerations and Demand Resource data) in the Local Transmission Plan development.
 - 2.1.4.2 The Transmission Provider projects and similarly situated customer-identified projects (e.g., transmission solutions, transmission needs driven by Public Policy Requirements and Considerations and solutions utilizing Demand Resource load adjustment) will be treated on a comparable basis

and given comparable consideration in the transmission planning process. Comparability will be achieved by allowing customer-defined projects sponsor participation throughout the transmission planning process and by considering customer-defined projects (transmission solutions and solutions utilizing Demand Resources load modeled as a load adjustment) in the Local Transmission Plan development. The Transmission Provider retains discretion as to which solutions to pursue and is not required to include all customer-identified projects in its plan.

- 2.1.5 The Transmission Provider will establish a process by which stakeholders can discuss, question, or propose alternatives for input assumptions and upgrades identified by the transmission provider.
- 2.1.6 The Transmission Provider shall use a fifteen (15) year planning horizon for the LTSP.
- 2.1.7 The LTSP does not effectuate or otherwise constitute a transmission service request(s). Transmission Service Requests must be made in accordance with the procedures set for in the OATT and posted on the Transmission Provider's OASIS. The LTSP does fulfill the Transmission Provider's obligation to plan for, and provide for future Network Customers and Native Load Customers' load growth by identifying required Transmission System capacity additions to be constructed over the planning horizon.
- 2.1.8 The Transmission Provider shall take the LTSP into consideration, to the extent required by law or regulation, as is appropriate when preparing and conducting generation interconnect, transmission service and Economic Congestion Studies. Explanation of the coordination of the LTSP, generation interconnection studies and Economic Congestion Studies is available in Section "1.P - Attachment K Business Practice" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:
http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.
- 2.1.9 The Transmission Provider shall take the generation interconnect, transmission service, Economic Congestion Study results, and transmission needs driven by Public Policy Requirements into consideration, to the extent required by law or regulation, as is appropriate when preparing and conducting the LTSP studies. An explanation of the coordination of the LTSP, generation interconnect studies and Economic Congestion Studies is described in Section "1.P - Attachment K Business Practice" of the Transmission Provider's business practices available on Transmission Provider's OASIS at:
http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.
- 2.1.10 Transmission needs driven by Public Policy Requirements and Considerations: The Transmission Provider shall have an open planning process that provides all stakeholders the opportunity to provide input into the transmission needs driven by Public Policy Requirements and Considerations.

- 2.1.10.1 During Quarter 1 of its eight-quarter study cycle, the Transmission Provider will receive from all stakeholders proposed Public Policy Requirements and Considerations and transmission needs driven by Public Policy Requirements and Considerations. During Quarter 5 any stakeholder may submit comments or additional information relating to the information received in Quarter 1.
- 2.1.10.2 Out of the set of Public Policy Requirements and Considerations received in Quarter 1, the Transmission Provider, after consultation with its transmission advisory committee – TRANSAC, will separate the transmission needs driven by Public Policy Requirements and Considerations into the following:
 - 2.1.10.2.1 All transmission needs driven by Public Policy Requirements will be evaluated in the transmission planning process that develops the LTSP.
 - 2.1.10.2.2 Those transmission needs driven by Public Policy Considerations, and agreed to Public Policy Requirements, to be used in the uncertainty and other scenario analysis.
 - 2.1.10.2.3 Those transmission needs driven by Public Policy Requirements and Considerations that will not be evaluated.
 - 2.1.10.2.4 Transmission provider will post on its OASIS website a list of Public Policy Requirements and Considerations that will be evaluated in the biennial transmission planning process and why other suggested Public Policy Requirements and Considerations will not be evaluated.
- 2.1.10.3 Once identified the Public Policy Requirements and Considerations will not be revised during the development of the LTSP unless unforeseen circumstances require a modification to those Public Policy Requirements and Considerations identified to be evaluated in the transmission planning process that develops the LTSP. In this instance, stakeholders will be consulted through TRANSAC before the Public Policy Requirements and Considerations are modified.
- 2.1.10.4 The LTSP review and evaluation process for transmission needs driven by Public Policy Requirements and Considerations in the LTSP will be the same as those used for any other local transmission and non transmission projects evaluated in the LTSP process. Stakeholder input will occur throughout the LTSP eight quarter planning cycle. To develop the LTSP, the LTSP process will begin with data collection, goal and scenario definition in Quarter 1 (Section 2.3.2.1). Also in Quarter 1, from the larger set of Public Policy Requirements and Considerations that have been received, the Public Policy Requirements that will be used to develop the LTSP will be identified (Section 2.1.10.2). In Quarters 2 through 6 a technical analysis (Section 2.3.2.2) will require transmission needs driven

by Public Policy Requirements and Considerations to be evaluated jointly with other local projects in the context of different base and uncertainty scenario cases, rather than considering transmission needs driven by Public Policy Requirements and Considerations separately from other transmission needs. The technical analyses will use steady state power flow, post transient steady-state power flow and transient stability analyses to evaluate the system performance to ensure reliability is maintained. In Quarter 7 a decision rule (Section 2.3.2.3) will be developed with stakeholder input to review solutions identified during the technical analysis, including solutions from stakeholders and transmission solutions for Public Policy Requirements and Considerations. The decision rule will evaluate all solutions against each other based on a comparison of their relative economics and ability to meet reliability criteria to develop the LTSP. Reporting and coordination of the LTSP will occur in Quarter 8 (Section 2.3.3.4).

2.1.10.4.1 Additional information regarding the process by which transmission needs driven by Public Policy Requirements and Considerations will be received, reviewed and evaluated is described in the “ETP Method Criteria and Process Business Practice” as available in Section Q of the Attachment K Business Practice Links document posted on Transmission Provider’s OASIS website at:
<http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment K Business Practice Links.docx>.

2.2 Open Planning Process

2.2.1 Open Planning Process:

Transmission Provider shall prepare the LTSP using an open process that includes input from interested persons and stakeholders at every step consistent with the principles, practices, policy and procedures set forth in this Attachment K. The Transmission Provider shall: (1) determine the goals and define the scenarios related to the LTSP; (2) perform the Technical Study; (3) make any necessary determination, based on the data produced during the Technical Study and at the Transmission Providers sole discretion, regarding the LTSP itself or include timely submitted Economic Congestion Study Request results; and (4) report study results, as required by applicable law or regulation to interested stakeholders and affected parties.

2.2.2 Openness:

The Transmission Provider’s LTSP process will be open to all stakeholders during the development of the LTSP. All meetings related to the LTSP process shall be: (1) noticed by the Transmission Provider via the OASIS; and (2) provide for alternate means of participation, to the extent practical and economical, such as teleconference, videoconference or other similar means. The mode, method,

schedule, process, and instructions for participation in the LTSP process shall be posted and maintained on the OASIS.

2.2.3 Limitations on Disclosure:

While Transmission Provider's LTSP process will be conducted in the most open manner possible, Transmission Provider has an obligation to protect sensitive information such as, but not limited to, Critical Energy Infrastructure Information and the proprietary materials of third parties. Nothing in this Attachment K shall be construed as compelling the Transmission Provider to disclose materials in contravention of any applicable regulation, contractual arrangement, or lawful order unless otherwise ordered by a governmental agency of competent jurisdiction. Transmission Provider may employ mechanisms such as Confidentiality Agreements, protective orders, or waivers to facilitate the exchange of sensitive information where appropriate and available.

2.2.4 Compliance:

Transmission Provider will adhere to all applicable regulations in preparing the LTSP, including but not limited to the Standards of Conduct for Transmission Providers and Critical Energy Information.

2.3 Coordination

2.3.1 LTSP Study Cycle:

Transmission Provider shall prepare a LTSP during an eight-quarter (8) study cycle.

2.3.1.1 Throughout the development of the LTSP, Transmission Provider will coordinate the LTSP development with stakeholders, including, but not limited to, state regulators, developers, transmission customers, and interested parties through TRANSAC.

2.3.1.2 The LTSP study cycle and its start date will be posted on the Transmission Provider's OASIS website. The study cycle is explained in Section "1.K - LTSP Study Cycle – Data Collection" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

2.3.1.3 The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation. If any comments are rejected, documentation explaining why shall be maintained in Section "1.N - Local Transmission Plan" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

- 2.3.1.4 Transmission Provider will participate in a regional transmission planning process that produces a regional transmission plan and complies with the transmission planning principles of Order 890 and 1000.

2.3.2 LTSP Sequence of Events:

Transmission Provider shall use the following timeline in preparing its LTSP.

2.3.2.1 Quarter 1: Data Collection, Goal and Scenario Definition

- 2.3.2.1.1 Each Transmission Customer taking service under Part II of the OATT, or which has an accepted reservation in the transmission queue to take service under Part II shall provide data as requested by the Transmission Provider. Transmission Provider will gather Network Customers' projected loads and resources, and load growth expectations (based on annual updates and other information available to it); Transmission Provider's projected load growth and resource needs for its Eligible Customers; Point-to-Point Transmission Service customer's projections for long-term (greater than 1 year) at each receipt and delivery point (based on information submitted by the customer to the Transmission Provider) including projections of rollover rights; and information from all Transmission Customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned Demand Resources and their impact on demand and peak demand. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue requests, obligations that will either commence or terminate during the applicable study window.

- 2.3.2.1.2 Any stakeholder may submit data to be evaluated as part of the preparation of the draft Local Transmission Plan, and uncertainty and other scenarios including alternate solutions to the identified needs set out in prior Local Transmission Plans and Public Policy Requirements and Considerations and transmission needs driven by Public Policy Requirements and Considerations. In doing so, the stakeholder shall submit the data during Quarters 1 and 5 as specified in Section "1.K -LTSP Study Cycle – Data Collection" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:
http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

A regional Project Sponsor may submit information for their project to the local Transmission Provider or to the Planning

Committee for consideration in the Regional Transmission Plan. This project data submission process is described in Section 3.7.

- 2.3.2.1.3 Transmission Provider, with input from stakeholders and interested parties, will define the LTSP goal and define the uncertainty and other scenarios.
- 2.3.2.1.4 Transmission Provider will post on its OASIS website the basic methodology, criteria, process, its assumptions and databases that the Transmission Provider will use to prepare the Local Transmission Plan. Transmission Provider will also post on its OASIS website a list of transmission needs driven by Public Policy Requirements and Considerations that will be evaluated in the biennial transmission planning process and why other suggested transmission needs driven by Public Policy Requirements and Considerations will not be evaluated.
- 2.3.2.1.5 Confidential data and information and Critical Energy Infrastructure Information will be protected as required.
- 2.3.2.1.6 A regional or interregional project sponsor may submit information for their project to the local transmission provider or NTTG Planning Committee for consideration in the regional transmission plan. This region project data submission process is described in Section 3.3.

2.3.2.2 Quarter 2-6: Technical Study

- 2.3.2.2.1 Quarter 2: Transmission Provider, with input from stakeholders and interested parties, will develop base cases that include load and resource data, Public Policy Requirements and transmission needs driven by Public Policy Requirements for the LTSP, and Public Policy Requirements and Considerations for the uncertainty and other scenarios. Customer load, Demand Resources and generation data received pursuant to Section 2.5 will be included, as appropriate, in the development of the base case.
- 2.3.2.2.2 Quarter 5: Transmission Provider will coordinate the Economic Congestion Study results, Section 2.7, and new generation interconnection resource study results into the LTSP as appropriate. Any stakeholder may submit comments, additional information about new or changed circumstances relating to loads, resources, transmission projects, Public Policy Requirements and Considerations and transmission needs driven by Public Policy Requirements and Considerations, or alternative solutions to be evaluated as part of the preparation of the draft transmission plan, or

submit identified changes to the data it provided in Quarter 1. The level of detail provided by the stakeholder should match the level of detail described in Quarter 1 above.

2.3.2.2.3 Quarter 2-6: Transmission Provider will conduct powerflow, transient stability studies, post transient power flow and other studies.

2.3.2.2.4 All stakeholder submissions, including Public Policy Requirements and Considerations and transmission needs driven by Public Policy Requirements and Considerations, will be evaluated 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 criteria.

2.3.2.2.4.1 Transmission Provider will study the existing transmission system over the 15-year planning horizon and identify reliability concerns.

2.3.2.2.4.2 Transmission Provider will identify mitigation and analyze the transmission system with mitigation included.

2.3.2.2.4.3 Transmission Provider will collect information from the analysis to be used in Quarter 7 decisions.

2.3.2.2.5 Transmission Provider will consider transmission and non-transmission solutions, including transmission solutions driven by Public Policy Requirements and Considerations, Demand Resources load adjustments, to mitigate for unacceptable reliability performance problems that do not meet planning criteria.

2.3.2.2.6 Transmission Provider will consider the results from Economic Congestion Studies completed during quarters 1-4 of the current LCP study cycle or Economic Congestion Study results from studies completed during the prior year Economic Congestion Study cycle.

2.3.2.3 Quarter 7: Decision

2.3.2.3.1 Using data and information from the Technical Study, the Transmission Provider, with input from stakeholders and interested parties, will define its fifteen (15) year LTSP.

- 2.3.2.3.2 All solutions, including solutions from stakeholders and transmission solutions for Public Policy Requirements and Considerations, will be evaluated against each other based on a comparison of their relative economics and ability to meet reliability criteria.

2.3.2.4 Quarter 8: Reporting and Coordination

- 2.3.2.4.1 Transmission Provider will report the LTSP to stakeholders.
- 2.3.2.4.2 Transmission Provider will communicate its LTSP with owners and operators of the neighboring interconnected transmission systems.
- 2.3.2.4.3 Transmission Provider will post on its OASIS its final LTSP report and all draft LTSP reports.
- 2.3.2.4.4 Transmission Provider will submit the LTSP to NTTG during Quarter 1 of the next Regional Planning Cycle (as specified in Sections 3.5.4 and 3.7.2).

2.4 Transparency

- 2.4.1 NorthWestern shall post on its OASIS and consistently apply the methodologies, criteria, assumptions, and process for preparing the LTSP.
- 2.4.2 The Transmission Provider shall utilize regularly scheduled TRANSAC meetings or other similar means, as it may from time to time establish, to solicit, obtain, and coordinate the input of interested stakeholders throughout the LTSP study process. Transmission Provider's open planning process encourages participation by stakeholders, including, but not limited to, the Montana Public Service Commission, the Montana Consumer Council, transmission customers (Network and Point-to-Point Transmission Service), generators, cooperatives, interconnecting utilities, the Governor's Office, transmission-providing neighbors and other stakeholders. Announcements of these meetings will be posted on NWE's OASIS website and all meetings will be open to the public.
- 2.4.3 Transmission Provider shall post and maintain on its OASIS: (1) All procedures, process, instructions, and other information necessary to participate in the TRANSAC, Open Public Meeting, or other means established for the purpose of soliciting the input of or coordinate with interested stakeholders; (2) all comments received from interested stakeholders, to the extent such comments are not confidential or subject to privilege; any draft LTSP or any other documents the Transmission Provider deems would promote coordination in the LTSP study process or required to be posted by applicable law or regulation.
- 2.4.4 The responsibility for the LTSP shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation.

- 2.4.5 Upon completion of the LTSP process as set forth on the Transmission Provider's OASIS, the Transmission Provider shall finalize and post on the OASIS the LTSP and non-confidential supporting documents.
- 2.4.6 The LTSP shall be transmitted to the regional and interregional entities conducting similar planning efforts, interested stakeholders, and the owners and operators of the neighboring interconnected transmission systems.
- 2.4.7 OASIS Requirements
 - 2.4.7.1 The Transmission Provider shall maintain a Transmission Planning folder on the publicly accessible portion of its OASIS to distribute information related to this Attachment K and the LTSP.
 - 2.4.7.2 The Transmission Provider shall maintain in the Transmission Planning folder on the publicly accessible portion of OASIS a subscription service or How-To-Contact-Us folder whereby any person may contact the Transmission Provider to receive e-mail notices and materials related to the LTSP process.
 - 2.4.7.3 Content of OASIS Postings. Transmission Provider shall post on its OASIS the following information. These documents can be found under Section "1 – Local Transmission Planning and Attachment K Link Information" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:
http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.
 - 2.4.7.3.1 Transmission planning business practices along with the procedures for modifying the business practices;
 - 2.4.7.3.2 Study cycle timeline;
 - 2.4.7.3.3 A form to submit an Economic Congestion Study Request, each Economic Congestion Study Request, and any response from the Transmission Provider;
 - 2.4.7.3.4 The details of each TRANSAC, Open Public Meeting, or any other similar meeting related to transmission planning;
 - 2.4.7.3.5 In advance of its discussion at any public meeting, an agenda and available materials to be discussed;
 - 2.4.7.3.6 As soon as reasonably practical after the conclusion of each public meeting, a summary of the transmission information discussed at the public meeting and any material not already posted;

- 2.4.7.3.7 Written comments submitted in relation to the Local Transmission Plan, and any explanation regarding rejection of such comment;
- 2.4.7.3.8 A list of which Public Policy Requirements and Considerations received during Quarter 1 will be evaluated in the biennial study cycle and why other suggested Public Policy Requirements and Considerations received during Quarter 1 will not be evaluated;
- 2.4.7.3.9 The draft and any interim versions of the Local Transmission Plan;
- 2.4.7.3.10 The final version of all completed Local Transmission Plans;
- 2.4.7.3.11 Aggregated load forecasts representing the Transmission Provider's total Balancing Area (e.g., control area) transmission system;
- 2.4.7.3.12 Summary list of Critical Energy Infrastructure Information submitted during the planning process;
- 2.4.7.3.13 Pertinent NTTG and WECC agreements, charters and documents under a separate NTTG and WECC folders on the OASIS; and
- 2.4.7.3.14 Information describing the extent that the Transmission Provider has undertaken a commitment to build a transmission facility included in NTTG's Regional Transmission Plan.

2.4.8 Database Access.

A stakeholder may receive access from the Transmission Provider to the database and all changes to the database used to prepare the Local Transmission Plan according to the database access rules established by the WECC and upon certification to the Transmission Provider that the stakeholder is permitted to access such database. Unless expressly ordered to do so by a court of competent jurisdiction or regulatory agency, the Transmission Provider has no obligation to disclose database information to any stakeholder that does not qualify for access.

2.5 Information Exchange

2.5.1 Types of Forecast Data:

Network Customers, Point-to-Point Transmission Service customers and Load Serving Entities on behalf of Native Load Customers shall annually submit information on projected load, resources (or sources of electrical supply) and Demand Resources data as required to facilitate the LTSP process or to fulfill OATT,

regulatory, legal or other Transmission Provider obligations. Network Customers, Point-to-Point Transmission Service customers and Load Serving Entities shall provide Transmission Provider the following types of data upon reasonable request and according to the schedule posted on the OASIS to facilitate the LTSP process.

2.5.1.1 Historical Data: one year of monthly historical energy and peak load data for the prior calendar year and for all months of the current year, as it is available.

2.5.1.2 Load Forecast Data: monthly energy (MWh) and peak (MW) load forecast data.

2.5.1.3 The peak load forecast shall assume a 1-in-2 temperature.

2.5.1.4 Demand Resources, demand reduction, conservation and demand-side management: demand response resource savings, conservation savings, and other customer load reduction alternative that would reduce or alter their load forecast.

2.5.1.5 Generation Forecast Data: changes to technical generator data or interconnection facilities data for their generators and expected monthly energy (MWh), monthly peak capability (MW) and expected maintenance schedule.

2.5.1.6 Other Supply Sources: monthly energy (MWh) and peak (MW) data for electrical supply sources including point of receipt and point of delivery.

2.5.2 Public Policy Requirements and Considerations and transmission needs driven by Public Policy Requirements and Considerations:

All stakeholders have the opportunity to submit Public Policy Requirements and Considerations and transmission needs driven by Public Policy Requirements and Considerations during Quarter 1 of the eight-quarter study cycle.

2.5.3 Amount of Data:

Unless otherwise requested or provided elsewhere in NorthWestern's OATT, or agreed to by the Transmission Provider and the Transmission Customer, the Transmission Customer shall provide the Transmission Provider fifteen (15) years of monthly forecast data.

2.5.4 Additional Information:

The Transmission Customer shall also provide, upon reasonable request, to the Transmission Provider the following information or other information as requested by the Transmission Provider:

2.5.4.1 Discussion of reasons for significant increase or decreases in load or generation forecast.

- 2.5.4.2 Source and vintage of load forecast and generation resource information.
- 2.5.4.3 Interruptible tariff peak loads with and without interruptible portion of the forecast applied.
- 2.5.4.4 The numerical value (average) for the 1-in-2 temperature used to develop the summer and winter peak load forecast.
- 2.5.4.5 The methodology that can be used to adjust the 1-in-2 winter and summer peak load forecasts to an alternative temperature (e.g., 1-in-10 and 1-in-20) probability assumption.
- 2.5.4.6 Weather station(s) used and assumptions associated with developing the peak load temperature forecasts.
- 2.5.4.7 Other load forecast and resource data as reasonably requested by the Transmission Provider.

2.5.5 Comparability of Data:

The same type of data request for generator forecast data and load forecast data shall be sent by the Transmission Provider to generators and Transmission Customers within the Transmission Provider's respective balancing area.

2.5.6 Confidentiality:

Individual customer data will be treated as confidential and will be aggregated with other customer data for planning and reporting purposes. The data received will be used to develop the Transmission Provider's LTSP and for reporting purposes. Market sensitive and commercial specific data, identified as such by the Transmission Customer or stakeholder, shall be handled as such and administered in accordance with the Standard of Conduct for Transmission Providers as well as Confidential Energy Infrastructure Information.

2.5.7 Schedule of Collection:

Transmission Provider will request forecast data annually during the fall time period (September-December) and merge it into the biennial LTSP study schedule as posted on OASIS. Similarly, Transmission Provider shall post on the OASIS instructions and procedures for the submission of data.

2.5.8 Transmission Customer Obligation:

Customers shall provide Transmission Provider with generation, energy and peak load forecast, demand response resources, and other data specified within this Attachment K, to the maximum extent practical and consistent with protection of proprietary information.

- 2.5.8.1 Customers shall also provide timely written notice (including email) of material changes to information previously provided relating to its load, resources, or other aspects of its facility or operations affecting the Transmission Provider's ability to provide service.
- 2.5.8.2 If any Transmission Customer or stakeholder fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider cannot effectively include future needs in the Transmission Provider's LTSP planning obligations. If any Network Customer fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based on the most recent load and resource data received.

2.5.9 Comparability, Generally:

Transmission Provider shall consider all valid data, along with appropriate comments on data, process, and methodology received from Transmission Customers and stakeholders during preparation of LTSP.

2.6 Cost Allocation

- 2.6.1 Cost allocation principles expressed here are applied in a planning context, and do not supersede cost obligations as determined by other parts of the Tariff, which include but are not limited to transmission service requests, generation interconnection requests, Network Upgrades, Direct Assigned Facilities, or other cost allocation principles as may be determined in states with jurisdiction over the Transmission Provider.
- 2.6.2 The types of projects covered under this Cost Allocation (i.e., projects that are not covered under existing OATT allocation rules) include the following: a new project that is confined to Transmission Provider's Balancing Area that is not for load service (including a new project extending beyond the Transmission Provider's Balancing Area, which will be subject to regional cost allocation rules); a new project involving several transmission owners; a new project resulting from an open season participation; and a project resulting from an Economic Congestion Study Request that is not used for Transmission Provider load service.
 - 2.6.2.1 Transmission Provider shall use mechanisms such as the TRANSAC or similar processes to work collaboratively with stakeholders and Transmission Customers regarding the allocation of costs for projects whose costs are not otherwise addressed under the OATT. Transmission Provider's Methodology and principles for the Allocation of Costs shall be posted on the OASIS.
 - 2.6.2.2 Transmission Provider may elect to proceed with upgrades to the existing transmission system or with load service, customer requested and/or reliability transmission 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.

2.6.3 Individual Transmission Service Requests Costs and Interconnect Requests Not Considered

2.6.3.1 The costs of upgrades or other transmission investments subject to a generation interconnect or an existing transmission service request pursuant to the Tariff are evaluated in the context of that request. Nothing contained in this Attachment K shall relieve or modify the obligations of the Transmission Provider or the requesting Transmission Customer contained in the Tariff.

2.6.4 Cost Allocation Principles

2.6.4.1 Costs will be identified using the principle that cost causers should be cost bearers and that beneficiaries should pay in an amount that are reflective of the direct demonstrable benefits received. The costs will be determined by the technical study used to define the mitigation requirements and the direct costs of that mitigation. The benefits will be determined by the technical study as the direct demonstrable benefits that are a direct result of that mitigation.

2.6.4.2 Proportional Allocation: Costs and associated transmission rights for new local projects that fall outside Transmission Provider's OATT will be allocated on a proportional allocation based on the capacity (MW) requested or benefit received (quantified as MW benefit or other agreed upon measure), unless a mutually agreeable cost allocation method can be reached between Transmission Provider and the project participants or sponsors, which will be subject to FERC approval of the participation agreement. Allocation of costs and benefits for network upgrades required by the local project will be allocated on a pro-rated share of the network facility capacity (MW) use, which will be quantified by technical study.

2.6.4.2.1 Transmission Provider will follow the Local Cost Allocation Project Outside OATT Methodology that is posted on Transmission Provider's OASIS to develop a non binding cost estimate for an indicative cost allocation. The local cost allocation methodology can be found under Section "1.M - Local Cost Allocation Methodology" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:
http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

2.6.4.2.2 For a project on the Transmission Provider's system that is undertaken for economic reasons or congestion relief at the request of an entity, the project cost will be allocated to the requesting entity.

- 2.6.4.2.3 In developing alternative cost allocation methods, Transmission Provider will seek input from its stakeholders, through TRANSAC, when appropriate.
- 2.6.4.3 Notwithstanding the foregoing provisions, Transmission Provider will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recovered in its retail and/or wholesale rates.
- 2.6.4.4 The Commission's regulations, policy statements and precedent on transmission pricing shall be followed.
- 2.6.4.5 The cost allocation for regional projects will be allocated consistent with the provisions of Section 3 of this Attachment K.

2.7 Economic Congestion Studies

- 2.7.1 The Transmission Provider will study up to two (2) high priority Local Transmission Provider Economic Congestion Studies annually. The Transmission Provider may not have or maintain the individual capability to conduct certain portions of the Economic Congestion Studies, and may contract with a qualified third party of its choosing to perform such work. Information on Economic Congestion Studies is available in Section "1.G – Economic Congestion Studies" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

2.7.2 Economic Congestion Study Request:

Submission of a Local Economic Congestion Study Request should be submitted pursuant to Section 3.11.1 and reviewed for completeness pursuant to Section 3.11.2. A form for submitting Economic Congestion Study Requests shall be maintained on the Transmission Provider's OASIS website, and a form for submitting a Regional Economic Study Request is maintained on the NTTG Website. Any Eligible Customer or stakeholder may submit an Economic Congestion Study Request to the Transmission Provider, along with all data in its possession supporting the request to be modeled. The party submitting the Economic Congestion Study Request shall work in good faith to assist the Transmission Provider in gathering the data necessary to perform the modeling request. To the extent necessary, any coordination between the requesting party and the Transmission Provider shall be subject to appropriate confidentiality requirements.

- 2.7.2.1 Transmission Provider will post on its OASIS a listing of Local Economic Congestion Study Requests, including but not limited to, date received, study name, brief description of study request and study status.

2.7.3 Economic Congestion Study Process:

Transmission Provider will review submissions for completeness as set forth in Section 3.11.2. Local Transmission Provider shall use an annual Economic

Congestion Study Request cycle to study up to two high priority valid requests for local Economic Congestion Study during Quarters 2 through 4 in a manner that is open and coordinated with stakeholders utilizing the TRANSAC or other method established by the Transmission Provider to facilitate an open, transparent, and coordinated process. A Local Economic Congestion Study Request should be submitted to the Transmission Provider during the first two (2) months of the annual local Economic Congestion Study cycle by using the local Economic Congestion Study Request Form posted on the Transmission Providers OASIS website. Upon completion of the process, the Transmission Provider will provide the study request sponsor a report of the study results in Quarter 4. If the Economic Congestion Study cannot be completed by the end of the calendar year, the Transmission Provider will notify the study request sponsor of the delay, provide an explanation of why the delay and provide an estimated completion date. The schedule and process document for performing Economic Congestion Studies can be found under Section “1.G – Economic Congestion Studies” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

2.7.4 Clustering of Local Economic Congestion Study Requests.

Transmission Provider, with input from stakeholders, will cluster study requests as appropriate and prioritize the requests, including clustered requests, as described in Section 2.7.6 based on alleviating congestion. Additional discussion can be found in Section “1.P - Attachment K Business Practice” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

2.7.5 Classification of Requests.

Transmission Provider shall classify a request for Economic Congestion Study as a Local Economic Congestion Study Request or Regional Economic Study Request pursuant to each respective definition and Section 3.11.3.

2.7.6 Priority of Requests:

The Transmission Provider shall identify up to two (2) high priority Local Economic Congestion Study Requests for study per year.

2.7.6.1 If the Transmission Provider receives more than two Local Economic Study Requests per year, it will prioritize the requests, including requests that are clustered, and determine which Local Economic Study Request(s) will be performed based on an evaluation of the following:

2.7.6.1.1 The most significant opportunities to reduce overall costs of the Local Transmission Plan through the integration of new supply and Demand Resources into the local transmission grid, or expanding the local transmission in a manner that can

benefit large numbers of customers, such as evaluating transmission upgrades necessary to connect major new areas of generation resource and/or load, while reliably serving the load growth needs being studied in the Local Transmission Plan, and

2.7.6.1.2 Input from stakeholders.

2.7.6.2 Sponsors of a Local Economic Congestion Study Request not prioritized as a high priority Economic Congestion Study may re-submit the Local Economic Congestion Study Request for study consideration in the next Economic Congestion Study cycle or may fund their local Economic Congestion Study Request as an Additional Economic Congestion Study.

2.7.7 Economic Congestion Study Contents:

Economic Congestion Study shall include, but not be limited to: the location and magnitude of congestion, possible congestion remedies and the cost of relieving congestion.

2.7.8 Customer Obligation to Share Data:

Transmission Customers and stakeholders requesting an Economic Congestion Study shall, upon submitting the request to the Transmission Provider, supply all relevant information necessary to perform the Economic Congestion Study. If the Transmission Customer or stakeholder fails to provide the information requested, the Transmission Provider shall have no obligation to complete the study.

2.7.9 Additional Economic Congestion Studies:

Economic Congestion Study Requests that are not prioritized as one of the two highest priority local studies shall be referred to as Additional Studies. A stakeholder shall request an Additional Study within (10) business days of receiving notice from the Transmission Provider by email that their request was not classified as one of the two high priority local Economic Congestion Studies. The Transmission Provider shall allow sponsors of Additional Study requests to pay for consulting services to complete or withdraw the Additional Study. A description of the process, procedure, and methodology for processing Additional Economic Congestion Studies is available in Section “1.G – Economic Congestion Studies” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

2.7.10 Recovery of Planning Costs:

The costs to complete the high priority Economic Congestion Studies will be recovered through Transmission Provider’s transmission rate base. The cost for Additional Economic Congestion Studies will be borne by the sponsor of the Economic Congestion Study Request.

2.8 Dispute Resolution (Compliance with Attachment K and Local Transmission Plan)

2.8.1 Process:

The following process shall be utilized to address procedural and substantive concerns over the Transmission Provider's compliance with this Attachment K and related transmission business practices.

2.8.1.1 Step 1 - Any stakeholder may initiate the dispute resolution process by sending a letter to the Transmission Provider that describes the dispute. Upon receipt of such letter, the Transmission Provider shall set a meeting for the senior representatives for each of the disputing parties, at a time and place convenient to such parties, within 30 days after receipt of the dispute letter. The senior representatives shall engage in direct dialogue, exchange information as necessary, and negotiate in good faith to resolve the dispute. Any other stakeholder that believes it has an interest in the dispute may participate. The senior representatives will continue to negotiate until such time as (i) the dispute letter is withdrawn, (ii) the parties agree to a mutually acceptable resolution of the disputed matter, or (iii) after 60 days, the parties remain at an impasse.

2.8.1.2 Step 2 - If Step 1 is unsuccessful in resolving the dispute, the next step shall be mediation among those parties involved in the dispute identified in Step 1 that are willing to mediate. The parties to the mediation shall share equally the costs of the mediator and shall each bear their own respective costs. Upon agreement of the parties, the parties may request that the Commission's Dispute Resolution Service serve as the mediator of the dispute.

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 Timeline.

Disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under Section 2.8.1 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.

2.8.5 Rights.

Nothing contained in this Section 2.8 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

2.9 Recovery of Planning Costs

- 2.9.1 Unless Transmission Provider allocates planning-related costs to an individual stakeholder, or as otherwise permitted by the Tariff, all costs of the Transmission Provider related to the Local Transmission Plan process or as part of a regional or interregional planning process shall be included in the Transmission Provider's transmission rate base.

2.10 Transmission Business Practices

- 2.10.1 Transmission Provider has posted on its OATT website its business practices. In lieu of developing a separate transmission business practice, the Transmission Provider may post documents or links to publicly available information that explains its planning obligations as set out in this Attachment K. The Transmission Provider's business practices are available on Transmission Provider's OASIS at:
http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx.

3. Regional 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 LLP.

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 Cycle			
	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.

Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
3	Project Name	1. Project Name.	Assess whether the required data was submitted.
4	Project Sponsor demonstration of technical expertise to develop, construct and own the proposed project	<ol style="list-style-type: none"> 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, construct, and own the proposed project. 	Assess whether the submission provides experience, including managerial and technical expertise in developing, constructing (or managing construction) and owning comparable projects.
5	Project Sponsor financial expertise to develop, construct, and own the proposed project	<p>Creditworthiness review requires the following information, if available:</p> <ol style="list-style-type: none"> 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> <ol style="list-style-type: none"> A. Has a minimum tangible net worth of \$1,000,000 or total asset of \$10,000,000. 	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.

Sponsor Qualification Data – Submit Quarter 8 Prior to the Regional Planning Cycle			
	Category	Qualification Data	How Sponsor Qualification Data Will be Evaluated
6	Proposed project financing plan	<ol style="list-style-type: none"> 1. Describe how the project will be financed. 2. List investors and percentage ownership of each. 3. Proposed sources of debt and equity capital and the percentages of each. 	Assess whether the submission provides the appropriate financial information for the investor(s), including financial expertise provided in response to category 4.
7	Project Sponsor ability to maintain and operate proposed project	Clear description of Project Sponsor, its parent organization, or the third-party contractor(s) the Project Sponsor plans to retain to operate and/or maintain the proposed project. To the extent the Project Sponsor plans to rely on any third-party contractor(s) not yet under contract, the Project Sponsor must also indicate when it plans to enter into a definitive agreement with its contractor(s). Must provide (1) actual examples of at least five years of operation and maintenance experience for a similar size project; or (2) provide similar information for Project Sponsor's consultant or outsourced entity.	Assess whether the qualification data was submitted and satisfied the required qualitative criteria.
8.	Primary Project Contact	<ol style="list-style-type: none"> 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.

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 the information identified in the “unsponsored project” column of Table 2 below. A Merchant Transmission Developer within the NTTG Footprint shall submit to the Planning Committee chair the information identified in the “merchant developer project” column of Table 2 below. A Project Sponsor and a stakeholder that submits an unsponsored project are collectively referred to in this Section 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

Minimum Information Required (Yes required or No not required)				
		Sponsored Project	Un-sponsored Project	Merchant Developer Project
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.

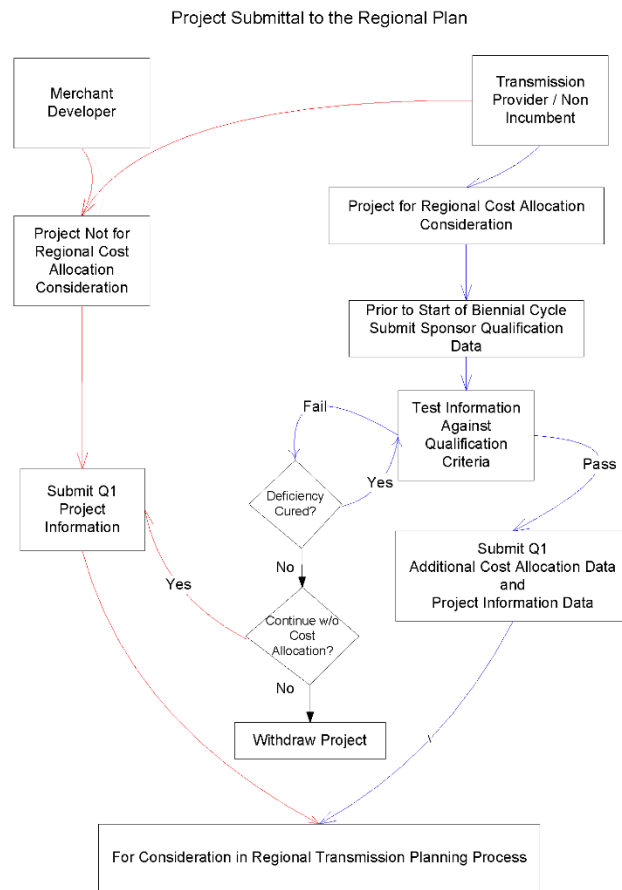


Figure 1. “Project Submittal Process”

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 IRTP'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 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 IRTP 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 IRTP or a Change Case) prior to consideration of impacts on neighboring Planning Regions. If the Planning Committee finds that such Change Case or IRTP 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 IRTP 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 IRTP 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 2.3.2) 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 4.2).

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 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 as set forth in Section 3.8.1 or through 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 Parts II or III of the Tariff will be governed solely by the applicable cost allocation methods associated with those requests under the Tariff.

3.9 Reevaluation

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-Committee 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 Section 3.9.1.

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 Section 2.7.2; 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 Section 22. 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 Study Agreement to the transmission provider from which it obtained the Economic Study Agreement and provide a copy of the 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.

4. Common Interregional Coordination and Cost Allocation Process

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 Section 4 of Attachment K in accordance with the provisions of this Section 4 of this of Attachment K and the other provisions of this Attachment K.

Nothing in this section 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 section of Attachment K to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

4.1 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 CEI 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 CEI 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 31st 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 this 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 this Section 4.4.2 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 below) to each Relevant Planning Region using the methodology described in this 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 this 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 is to 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 this Section 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 is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 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 Planning Regions

If the 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 is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 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 footprint¹ 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.

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

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

¹ The 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: September 19, 2016

Posted Date: September 27, 2016

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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.

(a) 2.2. Eligibility for Membership; Becoming a Member. *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, only Committee members are 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.

(a) 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.

(b) Utility Co-Chair Responsibility. The Utility Co-chair shall have the responsibility to:

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

(c) State Co-Chair Responsibility. The State Co-chair shall have the

responsibility to:

- Lead Steering Committee process and enforce Steering Committee process rules;
- Declare an impasse in any dispute resolution pursuant to the process outlined in Attachment K; and
- 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

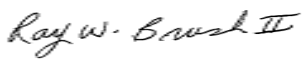
6.1. Sub-Committees. The Committee chairs may establish subcommittees to the Committee to further the purposes of the Committee. Such subcommittees shall be of limited duration, and shall report to the Committee co-chairs.

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.


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



By _____
Commissioner Travis Kavulla, State Co-Chair
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 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 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 of 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

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
Steering Committee
Northern Tier Transmission Group

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