



**California ISO**  
Shaping a Renewed Future



**NORTHERN TIER**  
TRANSMISSION GROUP



May 10, 2013

**VIA ELECTRONIC FILING**

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

**RE: Western Interconnection - Order No. 1000 Interregional Compliance Filings**

*California Independent System Operator Corporation*  
Docket No. ER13-\_\_\_\_\_

Northern Tier Transmission Group

*Deseret Generation & Transmission Co-operative, Inc.*  
Docket No. ER13-\_\_\_\_\_

*Idaho Power Company*  
Docket No. ER13-\_\_\_\_\_

*NorthWestern Corporation*  
Docket No. ER13-\_\_\_\_\_

*PacifiCorp*  
Docket No. ER13-\_\_\_\_\_

*Portland General Electric Company*  
Docket No. ER13-\_\_\_\_\_

WestConnect

*Arizona Public Service Company*  
Docket No. ER13-\_\_\_\_\_

*Black Hills Power, Inc.*  
Docket No. ER13-\_\_\_\_\_

*Black Hills Colorado Electric Utility Company, LP*  
Docket No. ER13-\_\_\_\_\_

*Cheyenne Light, Fuel & Power Company*  
Docket No. ER13-\_\_\_\_\_

*El Paso Electric Company*  
Docket No. ER13-\_\_\_\_\_

*NV Energy*  
Docket No. ER13-\_\_\_\_\_

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*Public Service Company of Colorado*  
Docket No. ER13-\_\_\_\_\_

*Public Service Company of New Mexico*  
Docket No. ER13-\_\_\_\_\_

*Tucson Electric Power Company*  
Docket No. ER13-\_\_\_\_\_

*UNS Electric, Inc.*  
Docket No. ER13-\_\_\_\_\_

Dear Secretary Bose:

Pursuant to Order No. 1000 of the Federal Energy Regulatory Commission (the “Commission”),<sup>1</sup> 18 C.F.R. § 35.28(c) (2012), and the Commission’s February 26, 2013 Notice Granting an Extension of Time to Submit Interregional Compliance Filings,<sup>2</sup> the California Independent System Operator Corporation (“CAISO”); Deseret Generation & Transmission Cooperative, Inc., Idaho Power Company, NorthWestern Corporation, PacifiCorp, and Portland General Electric Company (collectively, the **“Northern Tier Transmission Group Applicants”**); and Arizona Public Service Company, Black Hills Power, Inc., Black Hills Colorado Electric Utility Company, LP, Cheyenne Light, Fuel & Power Company, El Paso Electric Company, NV Energy, Public Service Company of Colorado, Public Service Company of New Mexico, Tucson Electric Power Company, and UNS Electric, Inc. (collectively, the **“WestConnect Applicants”**) (individually, an **“Applicant”** or, collectively, the **“Applicants”**), hereby submit their Order No. 1000 interregional compliance filings in the above-captioned proceedings.<sup>3</sup>

As discussed in greater detail herein, after a comprehensive collaborative process, the Applicants and ColumbiaGrid, encompassing the four transmission planning regions in the United States portion of the Western Interconnection (the **“Planning Regions”**),<sup>4</sup> developed

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<sup>1</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh’g*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), *order on reh’g*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012).

<sup>2</sup> *Notice Granting an Extension of Time to Submit Interregional Compliance Filings*, Docket No. RM10-23-000 (Feb. 26, 2013).

<sup>3</sup> The WestConnect Applicants note that on March 22, 2013, the Commission issued an Order on Compliance filings, 142 FERC ¶ 61,206 (the “Compliance Order”) directing the WestConnect Applicants to make further modifications to their open access transmission tariffs to address the Commission’s direction in Order No. 1000 with respect to regional transmission planning and cost allocation, as set forth in the Compliance Order. The WestConnect Applicants note that on April 22, 2013, the WestConnect Applicants filed requests for clarification or in the alternative rehearing of the Commission’s Compliance Order. Accordingly, the WestConnect Applicants note that the instant filing addresses only those requirements of Order No. 1000 that relate to the interregional transmission planning and cost allocation process and not the items raised in the Commission’s Compliance Order. The WestConnect Applicants will make the necessary filings with the Commission to address its Compliance Order, or any subsequent order as necessary, through a separate filing.

<sup>4</sup> Avista Corporation (“Avista”), Puget Sound Energy, Inc. (“Puget”), and Bonneville Power Administration (“Bonneville”) are members of the ColumbiaGrid transmission planning region. Bonneville (unless it decides to

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common tariff language addressing the interregional transmission coordination and cost allocation planning requirements of Order No. 1000 (“**Common Language**”).<sup>5</sup> The Applicants’ proposed interregional transmission coordination and cost allocation planning process is intertwined with the modifications to the Applicants’ regional and, to some extent, local, transmission planning processes currently pending before the Commission.<sup>6</sup> Based upon this integrated solution, submitted through this common filing letter, the Applicants are requesting an effective date of October 1, 2013 or alternatively, October 1, 2015, as further discussed in Section VII below.

While the Applicants are submitting a common filing letter, each Applicant is individually submitting the revised provisions to its respective tariff, through eTariff, to comply with the Commission’s filing requirements. The Applicants submit, and request that the Commission find, that these tariff revisions comply with the interregional requirements of Order No. 1000.

In support of this compliance filing, the Applicants state the following:

## **I. STRUCTURE OF TRANSMITTAL LETTER**

In this single compliance filing, the Applicants include *all* matters relating to each of their revised tariff provisions necessary to address Order No. 1000’s interregional requirements.<sup>7</sup> It is important to the Applicants that the interregional provisions of their tariffs be consistent with one another, and be approved contemporaneously (or within a reasonable window) to allow the coordinated interregional effort to be conducted in the most efficient manner. To accomplish this goal, this transmittal letter is structured as follows:

Section II describes the Common Language provisions;

Section III describes the process employed by the Applicants to develop the common interregional provisions of their tariffs in compliance with the requirements of Order No. 1000;<sup>8</sup>

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delay its filing due to a supervening Commission order), Avista and Puget will submit their filings in response to the interregional requirements of Order No. 1000 under separate transmittal letter or letters. They have authorized the Applicants to represent in this letter that they participated in the development of, and will incorporate in their filings, the Common Language, barring a supervening Commission order determined to be inconsistent with such incorporation.

<sup>5</sup> Order No. 1000 at PP 346 & 475.

<sup>6</sup> *Deseret Generation & Transmission Co-operative, Inc.*, Docket No. ER13-65-000 (filed Oct. 10, 2012); *Idaho Power Co.*, Docket No. ER13-106-000 (filed Oct. 11, 2012); *NorthWestern Corp.*, Docket No. ER13-67-000 (filed Oct. 10, 2012); *PacifiCorp*, Docket No. ER13-64-000 (filed Oct. 10, 2012); *Portland Gen. Elec. Co.*, Docket No. ER13-68-000 (Oct. 10, 2012); *Cal. Independ. Sys. Operator Corp.*, 143 FERC ¶ 61,057 (2013); *Pub. Serv. Co. of Colorado, et al.*, 142 FERC ¶ 61,206 (2013).

<sup>7</sup> Information about each Applicant, and its respective transmission planning region, can be found in each Applicant’s filing submitted in response to the regional requirements of Order No. 1000. That information is incorporated herein by reference.

<sup>8</sup> Order No. 1000 at P 607.

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Section IV explains how the Applicants' interregional provisions satisfy the interregional transmission coordination requirements set forth in Order No. 1000;

Section V explains how the Applicants' interregional provisions satisfy the six interregional cost allocation principles set forth in Order No. 1000;

Section VI contains a discussion of the modifications to each Applicant's tariff necessary to incorporate the interregional provisions, including any necessary modifications to the local and regional transmission planning provisions of its tariff;

Section VII specifies and explains the requested effective date for the modifications to each Applicant's tariff;<sup>9</sup>

Section VIII provides a list of the attachments to the filing;

Section IX identifies the representatives of each Applicant to whom any communications should be directed; and

Section X contains the conclusion.

## **II. SUMMARY OF INTERREGIONAL PROVISIONS AND PROCESS DIAGRAM**

Through a collaborative interregional process, the Applicants developed the Common Language that each Applicant has incorporated into its respective tariff as described herein. For reference purposes only, the Applicants are providing this Common Language as **Attachment 1**.

For illustrative purposes, the Applicants prepared a flow diagram ("Flow Diagram"), included as **Attachment 2**, that provides a high level and general illustration of the interregional coordination and cost allocation processes described in the Common Language. The Flow Diagram is provided for illustrative purposes only and is not intended to modify the Common Language or any of the Applicant's tariff provisions. The Flow Diagram presents each Planning Region and stakeholders as separate, horizontal paths, or so-called "swim lanes." The arrows represent the flow of information to and from each Planning Region and stakeholders. Additional interregional coordination and collaboration between Planning Regions are reflected by the oblong bubbles, titled "Interregional Data Sharing." The bottom swim lane, titled "Tariff Section," provides the corresponding general time bands and Common Language section for the process milestones depicted in the regional and stakeholder swim lanes.

In addition, to provide more information about the cost allocation process and for illustrative purposes only, the Applicants have included a hypothetical example demonstrating the application of their interregional cost allocation process as **Attachment 3**.

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<sup>9</sup> *Id.* P 162.

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### **A. Year 1 of the Flow Diagram**

The interregional coordination process begins with each Planning Region making available its Annual Interregional Information, which may include (i) the current planning cycle study plan, or underlying information that would typically be included in a study plan, (ii) initial study reports (or system assessments) from the current or previous planning cycle; and (iii) the regional transmission plan from the previous planning cycle. These data may be used to select appropriate power flow cases and develop study assumptions and methodologies to be used during each Planning Region's current planning cycle. Each Planning Region makes this Annual Interregional Information available to the other Planning Regions as described in Section 2 of the Common Language and depicted in the Flow Diagram by the "Interregional Data Sharing" bubbles.

Pursuant to the Common Language, each Planning Region is to participate in an Annual Interregional Coordination Meeting, which is open to stakeholders.<sup>10</sup> In both years of the planning cycle, prior to the Annual Interregional Coordination Meeting, each Planning Region is to make available its Annual Interregional Information by posting such information on its website, as described in Section 3 of the Common Language and depicted in the Flow Diagram by the arrows from each region to the "Annual Interregional Coordination Meeting" box. At the first-year Annual Interregional Coordination Meeting, the Planning Regions and stakeholders are to have the opportunity to identify conceptual interregional solutions that may meet regional transmission needs more efficiently or cost effectively.

Following the first-year Annual Interregional Coordination Meeting, each Relevant Planning Region, with regard to an Interregional Transmission Project ("ITP") that has been properly submitted (as described in Section 4.1 of the Common Language),<sup>11</sup> is to participate in the joint evaluation of such Interregional Transmission Projects as described in Section 4.2 of the Common Language and depicted in the Flow Diagram by the "Regional Needs Analysis" box. Each Relevant Planning Region is to confer with each other Relevant Planning Region on project data and cost and study assumptions and methodologies, as illustrated by the "Interregional Data Sharing" bubbles in the Flow Diagram. Following this analysis the CAISO publishes a final transmission plan, ColumbiaGrid publishes a system assessment report and updates the prior cycle transmission plan and Northern Tier Transmission Group generates a draft transmission plan. Within WestConnect, the first year of the regional transmission planning cycle is focused on the task of identifying regional needs, and development of a regional transmission plan occurs in the second year.

When there has been a request for an Interregional Cost Allocation that is properly submitted (as described in Section 5.1 of the Common Language), the CAISO and Northern Tier Transmission Group Applicants and ColumbiaGrid produce an initial determination of ITP

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<sup>10</sup> Common Language at § 3.

<sup>11</sup> An "Interregional Transmission Project" 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 Tariff Section 4.1. Common Language at § 1.

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benefits.<sup>12</sup> Each Relevant Planning Region is to share its determination of regional ITP benefits with the other Relevant Planning Regions to provide an ITP cost assignment among the Relevant Planning Regions, as depicted in the Flow Diagram and described in Section 5.2 of the Common Language. The Relevant Planning Regions may share these plans and benefit determinations with stakeholders as depicted in the Flow Diagram by the arrows to the Year 2 link symbol (see Section 5.2(b) of the Common Language).

### **B. Year 2 of the Flow Diagram**

At the beginning of the second year, the Planning Regions are again to participate in an Annual Interregional Coordination Meeting. During this meeting, the Planning Regions are to have an opportunity to discuss the status of the ITP evaluations, including regional ITP benefits and regional cost assignment, with stakeholders.

Following the second-year Annual Interregional Coordination Meeting, each Planning Region is expected to incorporate information from other Planning Regions and stakeholders into its study plan, if applicable, and proceed to complete its transmission plan analysis and initial regional cost allocation. As described in Section 5.2 of the Common Language, each Relevant Planning Region is to determine if a properly-submitted ITP is a more cost effective or efficient solution to a transmission need in its region. To do so, each Relevant Planning Region is to use what its regional cost allocation would be, based on its *pro rata* share of projected ITP costs, in determining whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation. If all the Relevant Planning Regions have selected an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, then such Relevant Planning Regions will each finalize their cost allocation and transmission plans, as depicted in the Flow Diagram at the end of each Relevant Planning Region's swim lane (see Section 6.1 of the Common Language).

However, if not all Relevant Planning Regions select the ITP in their regional transmission plans for purposes of Interregional Cost Allocation, but at least two Relevant Planning Regions have so selected the ITP, the Relevant Planning Regions that have selected the ITP in their regional transmission plans for purposes of Interregional Cost Allocation are to continue the analysis according to Common Language Section 6.2, with the planning cycle continuing beyond the second year as depicted in the Flow Diagram at the end of the "Tariff Section" swim lane.

## **III. DEVELOPMENT PROCESS OVERVIEW**

### **A. Description of the Applicants' Interregional Transmission Coordination and Cost Allocation Development Process**

In Order No. 1000, the Commission directed public utility transmission providers to document, in their compliance filings, the steps taken to reach consensus on a cost allocation

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<sup>12</sup> The WestConnect Applicants are reviewing needs through the WECC Transmission Expansion Planning Policy Committee process in year one. The initial determination of benefits occurs in year two, quarter one.

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methodology, or set of applicable methodologies.<sup>13</sup> The Commission encouraged groups of public utility transmission providers who have reached consensus, like the Applicants, to make coordinated filings containing their views of the process by which consensus was reached.<sup>14</sup>

As discussed below, the Applicants conducted an extensive collaboration, which included stakeholder meetings and input,<sup>15</sup> to develop the data exchange, interregional coordination, joint evaluation and interregional cost allocation processes embodied in the Common Language set forth in Attachment 1. On August 31, 2012, representatives from each Planning Region met informally to begin the interregional collaboration process by establishing an Interregional Coordination Team (“ICT”) that would develop the necessary proposals to comply with Order No. 1000’s interregional requirements. Among other things, the Planning Region representatives decided that ColumbiaGrid would create a page on its website and post interregional coordination materials.<sup>16</sup> The other Planning Regions provided links on their websites to that location.<sup>17</sup>

Subsequently, the ICT members organized an initial meeting held on October 1, 2012, at the CAISO offices in Folsom, California. The objectives of this meeting were to formally establish the ICT and its two workgroups (described below); develop a mission statement, principles and a framework for the final product; discuss fully public “big tent” interregional stakeholder meetings; and establish a milestone schedule to meet the Commission’s initial April 11, 2013 compliance filing deadline (see **Table 1** below). ICT membership included representatives from each Planning Region, and included jurisdictional and non-jurisdictional public utility transmission providers, state agencies and municipalities, independent transmission providers and public interest groups.<sup>18</sup> Two workgroups – made up of subsets of these representatives – were established to develop, respectively, interregional coordination and cost allocation proposals that would be presented to the ICT and, ultimately, the larger interregional stakeholder group.

A key function of both workgroups was to identify the Order No. 1000 interregional transmission coordination and cost allocation requirements and to ensure that proposals developed by each group complied with those requirements. Both groups worked from the fundamental requirements, established at the first ICT meeting, that the Common Language must build upon and integrate with each Planning Region’s regional processes to ensure (i) apples-to-apples comparisons of ITPs to regional projects, and (ii) that ITPs are evaluated on the same

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<sup>13</sup> Order No. 1000 at P 607.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.* PP 465-66.

<sup>16</sup> <http://www.columbiagrid.org/O1000Inter-overview.cfm>.

<sup>17</sup> CAISO: <http://www.caiso.com/informed/Pages/StakeholderProcesses/Default.aspx>; Northern Tier Transmission Group: [http://nttg.biz/site/index.php?option=com\\_content&task=view&id=173&Itemid=1](http://nttg.biz/site/index.php?option=com_content&task=view&id=173&Itemid=1); WestConnect: [http://westconnect.com/planning\\_order\\_1000\\_interregional\\_coord\\_process.php](http://westconnect.com/planning_order_1000_interregional_coord_process.php).

<sup>18</sup> The ICT participants represented a broad spectrum of membership groups from each region, depending on the unique structure of the Planning Region. The “big tent” stakeholder meetings not only included the members of each Planning Region, but were open to the public, all stakeholders, and interested parties.

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schedule as regional projects. These requirements ensure that neither ITPs nor regional projects are unintentionally favored during the development of each Planning Region's regional transmission plan.

**Table 1 – Interregional Milestones and Date Completed**

Date	Milestone
October	<p>Formation of ICT</p> <ul style="list-style-type: none"> <li>• Development of mission statement and principles</li> <li>• Creation of planning and cost allocation workgroups</li> <li>• Document planning and cost allocation requirements of Order No. 1000</li> <li>• Development of ideas/options for meeting requirements</li> </ul>
Nov. 7	<p>ICT public stakeholder meeting #1</p> <ul style="list-style-type: none"> <li>• Present initial ideas/options/approaches to stakeholders</li> </ul>
Nov. 16	<p>ICT public stakeholder call</p> <ul style="list-style-type: none"> <li>• Follow-up to Nov 7 stakeholder meeting</li> </ul>
Nov. 21	Written stakeholder comments due (comments template provided)
Late Nov. / Early Dec.	<p>ICT develops combined proposal that addresses both transmission planning and cost allocation requirements</p> <ul style="list-style-type: none"> <li>• To the extent consensus is not reached on preferred approach, then options would be presented that appear most attractive and feasible</li> <li>• May contain unresolved design elements</li> </ul>
Dec. 19	<p>ICT public stakeholder meeting #2</p> <ul style="list-style-type: none"> <li>• Present combined proposal to stakeholders (document posted in advance)</li> </ul>
Jan. 7	Written stakeholder comments due
Early Jan.	ICT determines whether a single proposal for all four Planning Regions is achievable or whether a more disaggregated approach with different proposals for each pair of Planning Regions will be needed
Jan. 30	<p>ICT public stakeholder meeting #3</p> <ul style="list-style-type: none"> <li>• Present resulting approach(es)/proposal(s) to stakeholders (documents posted in advance)</li> </ul>
Feb. 6	Written stakeholder comments due
Feb.-Apr.	<p>Tariff language developed based on resulting approach/proposal</p> <ul style="list-style-type: none"> <li>• Includes opportunity for stakeholder input through each Planning Region</li> </ul>

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Date	Milestone
Mar. 11 <sup>19</sup>	<p>ICT public stakeholder meeting #4</p> <ul style="list-style-type: none"> <li>Present common tariff language intended to be adopted by transmission providers in each Planning Region (document posted on March 4, 2013)</li> </ul>
Apr. 8	Common tariff language finalized by all four Planning Regions

In accordance with the Table 1 schedule, the ICT held the first public interregional stakeholder meeting in Seattle, Washington on November 7, 2012, to inform stakeholders about the progress the ICT and its workgroups had accomplished, as well as to provide stakeholders an opportunity to provide input on this work and suggestions on matters related to the ICT's effort. At this meeting, a representative from each Planning Region provided information about the regional compliance filings submitted to the Commission for approval on October 11, 2012. The planning coordination workgroup members reported that their efforts were focused on three topics: (1) definition of an "interregional project"; (2) stakeholder participation in the process; and (3) the framework for evaluating interregional projects. The cost allocation workgroup presented three draft proposals for assessing project benefits and allocating costs to the regions based on those benefits. Following the workgroup presentations, the ICT provided stakeholders with information about the interregional process milestones and meeting dates and invited stakeholders to submit comments on the information presented.

On November 16, 2012, the ICT held a web conference call to seek stakeholder input on the November 7<sup>th</sup> stakeholder meeting topics and share additional options that had been developed on how to define an interregional project and allocate costs. Following the stakeholder session, the ICT held a meeting to review input received from the stakeholders and prepare an action plan, based upon the input received, for developing the requisite interregional provisions. On November 21, 2012, individual stakeholders or groups of stakeholders provided comments to the ICT.<sup>20</sup>

Consistent with the milestone schedule, and with the benefit of stakeholder input received on November 21, 2012, the ICT and its two workgroups continued to work together throughout November and early December to prepare for a second public stakeholder meeting. At a December 4-5, 2012 meeting in Salt Lake City, Utah, the ICT reviewed and considered stakeholder comments, evaluated a draft proposal from the planning coordination workgroup covering data exchange and project assessment procedures, and developed the topics to be presented to stakeholders at the December 19, 2012 public meeting in Las Vegas, Nevada.

<sup>19</sup> While not originally scheduled, the ICT members held the additional meeting to ensure the interregional collaboration process provided for robust and inclusive stakeholder involvement.

<sup>20</sup> See ColumbiaGrid website: <http://www.columbiagrid.org/O1000Inter-documents.cfm>. This link provides the various presentation materials and submitted stakeholder comments related to the preparation of the Applicants' Common Language.

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At the December 19, 2012 meeting, ICT members presented an overview and summary of stakeholder comments and resulting modifications of the proposals, review of coordination principles and Order No. 1000 requirements, and proposals from the planning and cost allocation workgroups. The planning coordination workgroup proposals included a description of the data to be exchanged between the regions and a draft process timeline for data submission and project study. The cost allocation workgroup proposal described the benefits assessment and cost allocation process that had been developed. Stakeholders were encouraged to submit comments and were provided information about upcoming ICT meetings and the final stakeholder meeting on January 30, 2013.

Following the December 19, 2012 stakeholder meeting, and with the benefit of written stakeholder comments received on January 7, 2013, the ICT and workgroups continued working to develop interregional proposals for an ICT meeting in Portland, Oregon on January 16-17, 2013. On January 16, 2013, team members, including representatives of the Applicants who would work on the common tariff language, finalized the proposals for planning coordination and cost allocation that would be presented to stakeholders at the final public stakeholder meeting scheduled for January 30, 2013. The ICT formed a drafting team that would develop the common tariff language to be filed by the Applicants.

Prior to the January 30, 2013 public stakeholder meeting in Folsom, California, the ICT posted the draft “FERC Order No. 1000 Compliance Proposed Interregional Coordination Approach” (the “final proposal”). At the January 30, 2013 meeting, the ICT presented the final proposal, sought comments, and advised parties that the work of the group would shift to the tariff drafting team, with ongoing guidance from the ICT.

Applicants’ tariff drafting representatives met in Portland, Oregon on February 4-5, 2013 to develop tariff language that would be presented for final revisions and consensus approval by the Applicants’ representatives at a joint meeting with the ICT in Salt Lake City, Utah on February 13-14, 2013. Following Applicant approval, on March 4, 2013, the ICT posted the Common Language on the ColumbiaGrid website. On March 11, 2013, the ICT held a public stakeholder conference call, and stakeholders were given an opportunity to ask questions and provide comments on the proposed tariff language.

As noted earlier, the Applicants structured the process and timeline for developing the final proposal to meet the Commission’s initial April 11, 2013 compliance date. While the Commission extended the compliance date, given the robust and inclusive scope of the interregional stakeholder process to date, the Applicants concluded that additional input from stakeholders was unnecessary.

## **B. Stakeholder Comment Synopsis**

In developing and refining the final proposal, the ICT provided stakeholders with eight separate opportunities to provide comment on the draft and final proposals, including five stakeholder meetings and three windows for submitting written comments.

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In general, stakeholders raised questions and concerns about specific elements of the proposal as it evolved, and the ICT carefully considered these comments and assessed whether they were consistent with the Order No. 1000 requirements. The ICT discussed stakeholder comments and resulting modifications to the proposal at the next public meeting, rather than providing written responses to comments.

The following is a short summary of some of the major issues raised in stakeholder comments, and a description of how the Planning Regions responded to each of these issues.

**1. *Need for Transparent Coordination Process and Alignment of Regional Planning Processes***

In the first two rounds of stakeholder comments, stakeholders emphasized that interregional collaboration needed to be well defined and provide for robust stakeholder participation. Stakeholders also suggested methods by which interregional project proponents could submit projects into each regional process and the evaluation criteria by which regions could assess sponsor qualifications. Another stakeholder suggested that Planning Regions should collaborate to determine whether an interregional solution would be more efficient and cost effective than regional solutions in their regional plans. A stakeholder suggested that the process include an opportunity for projects to be submitted directly for evaluation into the interregional process. One stakeholder, whose representative participated on the ICT, also advocated that evaluation of interregional projects should include projects not seeking interregional cost allocation. Several stakeholders, particularly independent transmission developers, requested more clarity about the coordination process and more certainty about the time that it would take for interregional project assessment and to reach the ultimate approval decision.

The Planning Regions considered these comments and incorporated many of the suggestions into the final proposal and Common Language. The ICT developed a process framework that provides for an annual exchange of planning data followed by an annual coordination meeting at which Planning Regions and their stakeholders may consider potential interregional solutions that might meet regional needs.<sup>21</sup> The annual coordination meeting is to be held during the first quarter of the year, preferably in February but no later than March 31. This schedule was specifically established in response to stakeholder comments and provides interested parties with the opportunity to attend the annual coordination meeting and still have time to submit an interregional project into the regional planning processes by the March 31 deadline (in even-numbered years).

Although some stakeholders requested that the Planning Regions establish a completely separate interregional process, the ICT concluded that adopting this proposal would go well

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<sup>21</sup> Any interregional conceptual solutions that are identified at this meeting will be subject to consideration in the regional transmission planning processes of the Relevant Planning Regions if a proponent or sponsor submits the conceptual solution into the regional planning processes of all Relevant Planning Regions.

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beyond the requirements of Order No. 1000.<sup>22</sup> Nonetheless, the ICT considered the planning cycles of all four Planning Regions to provide a common interregional project submission period and two-year evaluation timeframe. The process contemplates that project sponsors may seek joint evaluation regardless of whether interregional cost allocation is requested. The Applicants believe that this framework, including an annual coordination meeting and a joint evaluation process layered on top of the regional processes and regional stakeholder activities, addresses stakeholder concerns about transparency and certainty.

## 2. Coordination with Western Electricity Coordinating Council (“WECC”)

Several stakeholders encouraged the Planning Regions to explicitly incorporate WECC’s Transmission Expansion Planning Policy Committee (“TEPPC”) planning process, transmission plans and solutions as part of the interregional evaluation process. The Applicants declined to incorporate the TEPPC process based on concerns that the data, criteria, and methods used in evaluating regional (and local) transmission projects would differ from those used in a Planning Region, preventing the evaluation of projects within that Planning Region on a comparable basis.<sup>23</sup> In addition, as explained to stakeholders at the December 19, 2012 meeting, Order No. 1000 does not require interconnection-wide planning.<sup>24</sup>

Nonetheless, all Planning Regions benefit from their participation in WECC activities, and WECC data are collected from its members and, in turn, are used by each Planning Region in its planning activities. In addition, some Planning Regions use the WECC study process to meet certain Order No. 890 compliance obligations. Certain of the Applicants’ Attachment Ks provide for interconnection-wide planning through TEPPC. Based on current practices, the Planning Regions intend to continue utilizing WECC data gathering and study services after Order No. 1000 implementation.

## 3. Common Cost Allocation Process and a Path Forward for Interregional Transmission Project Development

In several sets of comments, one stakeholder raised two general areas of concern: (1) that Order No. 1000, paragraph 578, requires regions and neighboring regions to have a common methodology for allocating interregional project costs to the beneficiaries in the neighboring regions; and (2) that the proposed interregional process lacks a path forward for interregional projects that are found by the relevant regions to meet regional needs.

The Applicants believe that the proposed cost allocation process for interregional projects is entirely consistent with paragraph 578 and the spirit of Order No. 1000. When an

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<sup>22</sup> See Order No. 1000 at App. C (“The Transmission Provider, through its regional transmission planning process, must coordinate with the public utility transmission providers in each neighboring transmission planning region within its interconnection to address transmission planning coordination issues related to interregional transmission facilities.”).

<sup>23</sup> See *Pub. Serv. Co. of Colorado, et al.*, 142 FERC ¶ 61,206, at P 319 (2013).

<sup>24</sup> *Id.* P 660.

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interregional project is properly submitted to the Relevant Planning Regions, the regions are to confer about the inputs and assumptions, including common cost estimates, to be used in each regional process to determine the dollar value of benefits to the region and are to seek to resolve any differences in data or other information.<sup>25</sup> Each Planning Region is to then calculate its *pro rata* share of the project costs by multiplying its share of the total benefits identified by all the Planning Regions by the total project costs. This is a consistent and common process by which each Planning Region is to then be able to determine whether the interregional project is a more cost effective or efficient solution to a regional transmission need.

Once two or more Planning Regions have found that the interregional solution provides regional benefits, the *pro rata* share of the costs assigned to the Planning Region is to be allocated to the beneficiaries in accordance with each regional cost allocation methodology, which may vary by Planning Region. This process is clearly contemplated by the language of Order No. 1000 at paragraph 578, which states:

As we discuss further below, the cost allocation method or methods used by the pair of neighboring transmission regions can differ from the cost allocation method or methods used by each region to allocate the cost of a new interregional transmission facility within that region. For example, region A and region B could have a cost allocation method for the allocation of the costs of an interregional transmission facility between regions A and B (the interregional cost allocation method) that could differ from the respective regional cost allocation method that either region A or region B uses to further allocate its share of the costs of an interregional transmission facility.

The Applicants understand and appreciate the concerns expressed by stakeholders about the path forward for interregional projects once approved in regional plans. While implementation details such as ownership, construction, permitting, operational control and other issues are not required elements of the Order No. 1000 transmission coordination and cost allocation directives, where the Relevant Planning Regions find the proposed project to be a more cost effective or efficient solution for a regional need there may exist a strong interest in seeing that the project moves forward on a schedule that meets these needs. Furthermore, the status of previously approved projects will be the topic of discussion and stakeholder input at the annual interregional coordination meeting, and details about project implementation issues can be addressed at that time.<sup>26</sup>

In summary, the design and development of the interregional transmission coordination and cost allocation process for Order No. 1000 compliance, that began in August 2012 and concluded with Common Language finalized by the Planning Regions in early April 2013, included multiple opportunities for stakeholder comment and input. The ICT took all stakeholder concerns into consideration while undertaking the rather complex task of developing

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<sup>25</sup> Common Language at § 5.2.

<sup>26</sup> *Id.* § 3(iii).

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a coordinated interregional approach that meets the interregional requirements of Order No. 1000 and could be supported by Planning Regions with very diverse membership and transmission planning processes. To the extent that stakeholders made suggestions that were beyond the scope of Order No. 1000, the ICT considered such comments but did not include them in the proposals and recommendations unless they were acceptable to all of the Planning Regions. By coming to a consensus on all of the Order No. 1000 interregional requirements, the ICT was able to craft a framework with broad support from all the Planning Regions. The Applicants believe that the common interregional transmission evaluation and cost allocation processes developed through this process is in the best interests of stakeholders and ratepayers, will serve to promote interregional projects, and will encourage participation by independent transmission providers.

### **C. Description of the Regional Stakeholder Outreach Processes**

In addition to the joint interregional collaboration process described above, CAISO and the Northern Tier Transmission Group Applicants conducted additional regional stakeholder outreach processes. The WestConnect Applicants conducted their stakeholder outreach through the interregional process.

#### **1. California Independent System Operator**

The CAISO initiated its stakeholder process with the posting of an issue paper<sup>27</sup> on September 17, 2012 in which the CAISO identified and described the interregional requirements of Order No. 1000 and proposed a process to develop a compliance proposal. The CAISO held a stakeholder web conference on September 25, 2012 to discuss the issue paper with stakeholders and solicit input. Written stakeholder comments were received on October 2, 2012. In their written comments, stakeholders indicated that the CAISO's description of the interregional requirements of Order No. 1000 was indeed accurate and complete. Stakeholders also commented that in the effort to develop conceptual policies and procedures to address the interregional requirements of Order No. 1000, stakeholder representation should be comparable among the planning regions. After considering this, the CAISO asked its participating transmission owners to participate in the discussions with the other planning regions' representatives.

The CAISO subsequently held a second stakeholder web conference on October 11, 2012 during which the CAISO presented its initial ideas on a possible framework for interregional transmission planning coordination and an approach for developing a framework for interregional cost allocation. The CAISO also briefed stakeholders on the formation of the ICT and discussions with the neighboring planning regions which had commenced by that point in time. Written stakeholder comments were received on October 18, 2012. In their written comments stakeholders acknowledged that this would be a challenging effort requiring extensive coordination among the planning regions in a short period of time. Stakeholders expressed both appreciation and support for the level of stakeholder engagement proposed by the CAISO and the other planning regions. Stakeholders also recommended that the CAISO develop draft

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<sup>27</sup> See CAISO website: <http://www.caiso.com/Documents/FERCOrder1000ComplianceInterregionalIssuePaper.pdf>

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proposals as a basis for further stakeholder discussion. The CAISO subsequently did this as described below.

On November 5, 2012, the CAISO held a third stakeholder web conference during which the CAISO presented two preliminary straw proposals—one on interregional planning coordination and another on interregional cost allocation. These two preliminary straw proposals represented a refinement of the CAISO's initial thinking based both on feedback the CAISO had received from stakeholders following the October 11, 2012 stakeholder meeting and on discussions the CAISO had with the planning regions through the ICT. The CAISO also provided an update during the web conference on ICT activities. Written stakeholder comments were due by November 21, 2012.

Based on stakeholder input and interregional discussions up to that point, the CAISO continued to further refine its ideas on interregional planning coordination and cost allocation and combined them into its straw proposal<sup>28</sup> posted on November 21, 2012. The CAISO subsequently held a fourth stakeholder meeting on November 28, 2012 to discuss its proposals in detail with stakeholders. The CAISO received written comments from stakeholders on December 5, 2012. Having an in-depth discussion with stakeholders at that point benefitted the CAISO's participation in ICT discussions and development of the ICT's draft proposal for interregional coordination and cost allocation.<sup>29</sup>

Throughout January and the first half of February the ICT completed an intensive effort to complete development of a draft proposed approach for interregional coordination and cost allocation. The CAISO utilized this draft approach in developing its draft final proposal<sup>30</sup> posted on February 21, 2013. The CAISO subsequently held a fifth stakeholder meeting on February 27, 2013 to discuss the proposal with stakeholders. The CAISO received written comments from stakeholders on March 7, 2013. The CAISO presented the draft final proposal to the CAISO Board of Governors at its March 21-22, 2013 meeting where it was approved.

Throughout March and April the CAISO consulted with stakeholders in the development of draft tariff language. Stakeholders were given an opportunity to comment on two versions of the draft tariff sections that will implement the Common Language and better align the CAISO's regional process with the interregional coordination process. The CAISO's proposed tariff language is described in detail in Section VI.A. below.

The activities discussed above are summarized in **Table 2** below.

<sup>28</sup> See CAISO website: <http://www.caiso.com/Documents/StrawProposal-FERCOrder1000ComplianceInterregionalRequirements.pdf>

<sup>29</sup> This draft proposal was presented at the ICT's interregional stakeholder meeting on December 19, 2012.

<sup>30</sup> See CAISO website: <http://www.caiso.com/Documents/DraftFinalProposal-FERCOrder1000Compliance-InterregionalRequirements.pdf>

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**Table 2 – CAISO Stakeholder Activity Summary**

Date	ISO Stakeholder Process
Sep. 17	CAISO posts issue paper
Sep. 25	CAISO stakeholder web conference
Oct. 2	Stakeholder comments due to CAISO
Oct. 11	CAISO stakeholder web conference
Oct. 18	Stakeholder comments due to CAISO
Nov. 5	CAISO stakeholder web conference
Nov. 21	Stakeholder comments due to CAISO
Nov. 21	CAISO posts straw proposal
Nov. 28	CAISO stakeholder meeting
Dec. 5	Stakeholder comments due to CAISO
Feb. 20	CAISO posts draft final proposal
Feb 27	CAISO stakeholder web conference
Mar. 7	Stakeholder comments due to CAISO
Mar. 13	CAISO posts draft tariff language
Mar. 20	Stakeholder comments due to CAISO
Mar. 21- 22	CAISO presents proposal to CAISO Board of Governors
Mar. 25	CAISO stakeholder web conference
Apr. 8	CAISO posts revised draft tariff language
Apr. 15	Stakeholder comments due to CAISO
Apr. 22	CAISO stakeholder web conference

2. *Northern Tier Transmission Group*

The Northern Tier Transmission Group (“NTTG”), jointly with ColumbiaGrid, CAISO and WestConnect, shared hosting responsibilities and participated in the interregional Order No. 1000 stakeholder meetings previously described in Section III-A above.

In addition, NTTG reviewed the proposals for interregional Order No. 1000 compliance at the October 2012 through March 2013 Planning and Steering Committee meetings and at the February 2013 NTTG Semi-Annual Stakeholder meeting. These meetings were open public

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meetings with additional opportunities for stakeholder comment and input. The dates of these meetings and key discussion topics are described in **Table 3** below.

**Table 3 – Northern Tier Interregional Meetings and Key Discussion Topics**

Date	Meeting / Key Discussion Topics
Oct. 3	NTTG Planning Committee Meeting <ul style="list-style-type: none"> <li>• Briefing on initial October 1<sup>st</sup> ICT meeting               <ul style="list-style-type: none"> <li>○ Workgroup structure for coordinated interregional cost allocation &amp; transmission coordination proposal development</li> <li>○ Interregional principles, process and schedule</li> </ul> </li> </ul>
Nov. 14	NTTG Planning Committee Meeting <ul style="list-style-type: none"> <li>• Order 1000 interregional requirements</li> </ul>
Dec. 4	NTTG Steering Committee meeting <ul style="list-style-type: none"> <li>• Order No. 1000 requirements</li> <li>• Coordinated interregional principles, process and schedule</li> <li>• Initial cost allocation options</li> </ul>
Dec. 12	NTTG Planning Committee Meeting <ul style="list-style-type: none"> <li>• Overview of the draft cost allocation and transmission coordination proposals</li> <li>• Schedule for upcoming joint interregional stakeholder meetings</li> </ul>
Jan. 9	NTTG Planning Committee Meeting <ul style="list-style-type: none"> <li>• Proposals for defining an interregional transmission facility, joint study team and joint evaluation</li> <li>• January 30<sup>th</sup> interregional stakeholder meeting: final proposal for stakeholder review</li> </ul>
Feb. 7	NTTG Semi-Annual Stakeholder Meeting <ul style="list-style-type: none"> <li>• High level briefing on the Interregional Order No. 1000 compliance activities</li> </ul>

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Date	Meeting / Key Discussion Topics
Feb. 12	<p>NTTG Steering Committee meeting</p> <ul style="list-style-type: none"> <li>• Interregional Order No. 1000 process and schedule update</li> <li>• Key elements of the Interregional Proposal for Order No. 1000 compliance <ul style="list-style-type: none"> <li>◦ Utilization of regional methodologies as the foundation for interregional compliance</li> <li>◦ Cost allocation proposal</li> <li>◦ Definition of an interregional transmission facility, Interregional data exchange and joint evaluation</li> <li>◦ Stakeholder comments and input</li> </ul> </li> </ul>
Mar. 13	<p>NTTG Planning Committee meeting</p> <ul style="list-style-type: none"> <li>• Interregional Order No. 1000 common tariff language</li> </ul>
Mar. 15	<p>NTTG Steering Committee meeting</p> <ul style="list-style-type: none"> <li>• Interregional Order No. 1000 common tariff language</li> <li>• NTTG Steering Committee vote to support the proposed approach for Interregional Order No. 1000 compliance and the conforming common interregional tariff language</li> </ul>

### 3. WestConnect

WestConnect achieved stakeholder participation in the interregional compliance development process by affording all stakeholders in the WestConnect region direct participation in interregional discussions, meetings, and direct access and review of interregional written work product. This level of direct involvement by regional stakeholders in the interregional compliance development process eliminated the need for a separate regional process.

## IV. REQUIREMENTS FOR IMPLEMENTING INTERREGIONAL TRANSMISSION COORDINATION

In Order No. 1000, the Commission required that each public utility transmission provider ensure that the following requirements are included in the applicable interregional transmission coordination procedures: (1) a commitment to coordinate and share the results of each transmission planning region's regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities, as well as a procedure for doing so; (2) a formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions; (3) an agreement to exchange, at least annually, planning data and information; and (4) a commitment to maintain a website or e-mail list for the

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communication of information related to the coordinated planning process.<sup>31</sup> The Applicants respectfully submit that each of these requirements is satisfied with the Planning Regions' approach to interregional transmission coordination.

**A. Commitment and Procedures to Coordinate and Share the Results of Each Region's Regional Transmission Plans**

The Commission required each public utility transmission provider, through its regional transmission planning process, to establish procedures with each of its neighboring transmission planning regions for the purpose of coordinating and sharing the results of regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities.<sup>32</sup> In addition to committing to share regional transmission planning information, the Commission directed each public utility transmission provider to develop and implement additional procedures that provide for the sharing of information regarding the respective transmission needs of each neighboring transmission planning region, and potential solutions to those needs, as well as the identification and joint evaluation of interregional transmission alternatives to those regional needs.<sup>33</sup>

The Applicants have each committed to sharing each Planning Region's regional transmission plan in order to jointly identify and evaluate whether proposed interregional transmission projects would address regional transmission needs more efficiently or cost-effectively than separate regional transmission projects. In furtherance of this commitment, and as described in this compliance filing, the Applicants have developed the requisite procedures governing the sharing of regional transmission planning information and needs and the identification and joint evaluation of potential interregional transmission solutions. These procedures are embodied in the Common Language (Attachment 1) and are discussed in detail below.

**B. Procedures to Identify and Jointly Evaluate Interregional Transmission Facilities**

The Commission required each public utility transmission provider to develop a formal procedure to identify and jointly evaluate interregional transmission facilities that are proposed to be located in neighboring transmission planning regions.<sup>34</sup> Regarding the applicable procedures, the Commission stated that the developer of an interregional transmission project must first propose its project in the regional transmission planning processes of each of the planning regions in which the transmission facility is proposed to be located.<sup>35</sup> In addition, the

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<sup>31</sup> Order No. 1000 at App. C, pp. 613-14.

<sup>32</sup> *Id.* P 396.

<sup>33</sup> *Id.* P 398.

<sup>34</sup> *Id.* P 435.

<sup>35</sup> *Id.* PP 436 & 442.

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neighboring transmission planning regions must jointly evaluate the proposed transmission project within the same general timeframe as each planning region's individual consideration of the proposed transmission project.<sup>36</sup> Finally, each public utility transmission provider, through its transmission planning region, must develop procedures by which differences in the data, models, assumptions, planning horizons, and study criteria can be identified and resolved for purposes of jointly evaluating the proposed interregional transmission facility.<sup>37</sup>

The Applicants have developed procedures to identify and jointly evaluate transmission facilities that are proposed to be located in more than one Planning Region. For consideration and joint evaluation in the interregional transmission planning process, the proponent of an ITP must submit the project to the Relevant Planning Regions<sup>38</sup> no later than March 31<sup>st</sup> of any even-numbered calendar year in accordance with the requirements of each Planning Region's regional transmission planning process.<sup>39</sup> In its submittal, to facilitate joint evaluation, the ITP proponent must include a list of all Planning Regions to which the project is submitted.<sup>40</sup>

For properly submitted ITPs, the Relevant Planning Regions are to initiate joint evaluation of the proposed ITP in conjunction with their individual consideration of the proposed project pursuant to their regional transmission planning processes.<sup>41</sup> When conducting the joint evaluation, the Relevant Planning Regions are to confer with each other regarding the data and costs associated with the proposed ITP and the study assumptions and methodologies to use in evaluating the project in each regional transmission planning process.<sup>42</sup> The Relevant Planning Regions are to identify the appropriate transmission studies in each of their regional planning processes, based in part upon a consideration of experiences in prior planning cycles and the availability of new transmission study tools. Each Relevant Planning Region is to seek to resolve any differences it has with the other Relevant Planning Regions regarding the ITP if those differences would affect the evaluation of the project.<sup>43</sup> During the second year of the interregional transmission planning process, each Relevant Planning Region is to determine if

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<sup>36</sup> *Id.* PP 436, 438 & 440. The Commission expects the public utility transmission providers to develop a time line that "provides a meaningful opportunity to review and evaluate through the interregional transmission coordination procedures information developed through the regional transmission planning process and, similarly, provides a meaningful opportunity to review and use in the regional transmission planning process information developed in the interregional transmission coordination procedures." *Id.* at P 439.

<sup>37</sup> *Id.* P 437.

<sup>38</sup> "Relevant Planning Region" means, with respect to an ITP, the Planning Region 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 4.2, at which time it shall no longer be considered a Relevant Planning Region. Common Language at § 1.

<sup>39</sup> *Id.* § 4.1. For projects seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region, the proponent of the ITP must submit the project to each such Planning Region in accordance with the applicable regional transmission planning processes. *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> *Id.* § 4.2.

<sup>42</sup> *Id.*

<sup>43</sup> *Id.* § 4.2(a).

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the proposed ITP is more cost effective or efficient than other projects in its regional transmission planning process.<sup>44</sup> If a Relevant Planning Region determines that the ITP would not satisfy any of its regional transmission needs, it is to notify the other Relevant Planning Region(s), and it is not obligated to continue the joint evaluation of the proposed project.<sup>45</sup> In accordance with its regional transmission planning process, each Relevant Planning Region is to provide stakeholders with an opportunity to participate during the evaluation of the ITP.<sup>46</sup>

### **C. Annual Exchange of Planning Data and Information**

The Commission required each public utility transmission provider to adopt interregional transmission coordination procedures that provide for the exchange of planning data and information between transmission planning regions at least annually.<sup>47</sup> The Commission stated that these procedures must include the specific obligations for sharing planning data and information rather than only an agreement to do so.<sup>48</sup>

As set forth in the Common Language, each Planning Region is to participate in an Annual Interregional Coordination Meeting, which should be convened in February, but not later than March 31, of each year.<sup>49</sup> Prior to the Annual Interregional Coordination Meeting, each Planning Region is “to make available by posting on its 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 [that Planning Region’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 ...”<sup>50</sup>

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<sup>44</sup> *Id.* § 4.2(d).

<sup>45</sup> *Id.* § 4.2(c).

<sup>46</sup> *Id.* § 4.2(b).

<sup>47</sup> Order No. 1000 at P 454.

<sup>48</sup> *Id.* P 455.

<sup>49</sup> Common Language at § 3. The Applicants note that the Annual Interregional Coordination Meeting is the minimum requirement. The Planning Regions expect to have additional meetings as needed to evaluate the ITPs under consideration and as dictated by the unique circumstances of each regional transmission plan. Any additional meetings are to occur pursuant to each Planning Region’s rules and procedures.

<sup>50</sup> *Id.* § 2.

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At the Annual Interregional Coordination Meeting, or during additional meetings as needed, the Planning Regions may discuss each Planning Region's most recent Annual Interregional Information, interregional solutions that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently, and updates of the status of ITPs being evaluated or previously included in a Planning Region's regional transmission plan.<sup>51</sup> The Annual Interregional Coordination Meeting is to be open to stakeholder attendance.<sup>52</sup>

#### **D. Maintenance of a Website or E-mail List for Communication of Information**

The Commission required public utility transmission providers to maintain a website or e-mail list for the communication of information related to interregional transmission coordination procedures.<sup>53</sup> The Commission indicated that this information could be maintained on an existing public utility transmission provider's website or on a regional transmission planning website, and must be posted in a manner allowing stakeholders to distinguish between interregional and regional transmission planning information.<sup>54</sup>

Accordingly, each Planning Region is to post its Annual Interregional Information on its website in accordance with its regional transmission planning process.<sup>55</sup> A Planning Region is not required to post information that is not developed by the Planning Region, information that is to be provided by another Planning Region, or information that would violate the Commission's Standards of Conduct or other applicable legal requirements.<sup>56</sup> In addition, pursuant to the Planning Region's regional transmission planning process, any Annual Interregional Information posted by a Planning Region shall be subject to applicable confidentiality and Critical Energy Infrastructure Information restrictions, and any other applicable laws.<sup>57</sup>

#### **V. SATISFACTION OF PRINCIPLES FOR INTERREGIONAL COST ALLOCATION**

In Order No. 1000, the Commission required each public utility transmission provider to demonstrate that its interregional cost allocation method is just and reasonable and not unduly discriminatory or preferential by demonstrating that it satisfies the following six cost allocation principles: (1) costs must be allocated in a way that is roughly commensurate with benefits; (2) there must be no involuntary allocation of costs to non-beneficiaries; (3) a benefit to cost

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<sup>51</sup> *Id.* § 3.

<sup>52</sup> *Id.* Stakeholder involvement in any additional planning meetings will follow each Planning Region's rules and procedures.

<sup>53</sup> Order No. 1000 at P 458.

<sup>54</sup> *Id.*

<sup>55</sup> Common Language at § 2.

<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

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threshold ratio cannot exceed 1.25; (4) costs must be allocated solely within the transmission planning region or pair of regions unless those outside the region or pair of regions voluntarily assume costs; (5) there must be a transparent method for determining benefits and identifying beneficiaries; and (6) there may be different methods for different types of transmission facilities.<sup>58</sup> As described below,<sup>59</sup> the Applicants respectfully submit that their interregional cost allocation process satisfies each of the Commission's six cost allocation principles in a manner that best suits regional needs.<sup>60</sup>

**A. Cost Allocation Principle No. 1: Costs are to be allocated among regions in a way that is roughly commensurate with benefits.**

The Commission required that “[t]he costs of a new interregional transmission facility must be allocated to each transmission planning region in which that transmission facility is located in a manner that is at least roughly commensurate with the estimated benefits of that transmission facility in each of the transmission planning regions. In determining the beneficiaries of interregional transmission facilities, transmission planning regions may consider benefits including, but not limited to, those associated with maintaining reliability and sharing reserves, production cost savings and congestion relief, and meeting Public Policy Requirements.”<sup>61</sup>

To be eligible for Interregional Cost Allocation, an ITP must be submitted into and request Interregional Cost Allocation from each Relevant Planning Region in accordance with its regional transmission planning process.<sup>62</sup> Each Relevant Planning Region is to first evaluate whether the ITP meets a regional need, and, if so, then identify its regional benefits associated with an ITP through the application of its regional cost allocation methodology.<sup>63</sup> Each Relevant Planning Region is to calculate its assigned *pro rata* share of the projected ITP costs, which is equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP.<sup>64</sup> After sharing with the other Relevant Planning Regions information regarding what its regional benefit would be if it were to select the ITP for Interregional Cost Allocation, the Relevant Planning Region may use such information from all Relevant Planning Regions to identify its total share of the projected ITP costs in order to

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<sup>58</sup> Order No. 1000 at PP 587, 603; Order No. 1000-A at P 524. These six interregional cost allocation principles only apply to “a new transmission facility that is located in two neighboring transmission planning regions and accounted for in the interregional transmission coordination procedure in an OATT.” Order No. 1000 at P 603.

<sup>59</sup> In addition, in Section II of this transmittal letter, the Applicants describe the interregional cost allocation process and provide an example of its application, and in Section III of this transmittal letter, the Applicants describe the process by which they sought to reach consensus on the interregional cost allocation process set forth in the Common Language.

<sup>60</sup> The Commission provided jurisdictional transmission providers with “the flexibility to develop cost allocation methods that best suit regional needs.” Order No. 1000-A at P 647.

<sup>61</sup> Order No. 1000 at P 622; Order No. 1000-A at P 654.

<sup>62</sup> Common Language at § 5.1.

<sup>63</sup> *Id.* § 5.2(c).

<sup>64</sup> *Id.* § 5.2(d).

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determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation based upon its regional transmission planning process.<sup>65</sup> Accordingly, and as shown in Attachment 3, by allocating ITP costs on a *pro rata* basis based upon the projected benefits in a Relevant Planning Region, the Applicants' Interregional Cost Allocation process ensures that costs are allocated in a manner that is roughly commensurate with estimated benefits.

**B. Cost Allocation Principle No. 2: No involuntary allocation of costs to non-beneficiary regions.**

The Commission requires that “[a] transmission planning region that receives no benefit from an interregional transmission facility that is located in that region, either at present or in a likely future scenario, must not be involuntarily allocated any of the costs of that transmission facility.”<sup>66</sup>

The Applicants ensure that non-benefiting Planning Regions are not involuntarily allocated costs associated with an ITP that is located in that region. Costs of a proposed ITP can only be allocated to a Relevant Planning Region when it would directly interconnect with the ITP, and the ITP would meet the Relevant Planning Region's transmission needs.<sup>67</sup> If a Relevant Planning Region determines that a proposed ITP will not meet any of its regional transmission needs,<sup>68</sup> it ceases being a Relevant Planning Region, has no further obligation to participate in the evaluation of the ITP, and will not be allocated costs attributable to that ITP.<sup>69</sup> Further, a Relevant Planning Region will only be allocated costs attributable to the ITP if the ITP is selected in that Relevant Planning Region's regional transmission plan.<sup>70</sup>

**C. Cost Allocation Principle No. 3: Use of benefit-to-cost threshold ratio.**

The Commission requires that “[i]f a benefit-cost threshold ratio is used to determine whether an interregional transmission facility has sufficient net benefits to qualify for interregional cost allocation, this ratio must not be so large as to exclude a transmission facility with significant positive net benefits from cost allocation. ... If adopted, such a threshold may not include a ratio of benefits to costs that exceeds 1.25 unless the pair of regions justifies and the Commission approves a higher ratio.”<sup>71</sup>

The Applicants' Interregional Cost Allocation process relies upon a *pro rata* allocation of ITP costs among the benefitting Relevant Planning Regions, and does not use a benefit-cost

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<sup>65</sup> *Id.* §§ 5.2(e) & (f).

<sup>66</sup> Order No. 1000 at P 637; Order No. 1000-A at P 684.

<sup>67</sup> Common Language at § 1 (“Relevant Planning Region”),

<sup>68</sup> *Id.* § 4.2(c).

<sup>69</sup> *Id.* §§ 1 (“Relevant Planning Region”), 4.2(c) & 5.

<sup>70</sup> Common Language at § 6.

<sup>71</sup> Order No. 1000 at P 646; Order No. 1000-A at P 692.

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threshold.<sup>72</sup> As a result, Cost Allocation Principle No. 3 does not apply. Notwithstanding, a Relevant Planning Region may use a benefit-cost threshold to determine whether to select an ITP as the more efficient or cost-effective solution to a regional transmission need. If a Relevant Planning Region's regional methodology includes the use of a benefit-cost threshold ratio, the Relevant Planning Region would have to secure Commission approval that Principle No. 3 is satisfied with respect to its proposed regional cost allocation method.

**D. Cost Allocation Principle No. 4: Costs for an interregional transmission project are to be assigned only to the regions in which the project is located.**

The Commission requires that “[c]osts allocated for an interregional transmission facility must be assigned only to transmission planning regions in which the transmission facility is located. Costs cannot be assigned involuntarily under this rule to a transmission planning region in which that transmission facility is not located.”<sup>73</sup>

Pursuant to the Applicants' Interregional Cost Allocation process, costs can only be allocated to Relevant Planning Regions.<sup>74</sup> A Relevant Planning Region is defined, in part, as “the Planning Regions that would directly interconnect with such ITP.”<sup>75</sup> Further, an ITP is defined, in part, as “a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions.”<sup>76</sup> Accordingly, consistent with the Commission's requirement, a Planning Region can only be allocated costs for an ITP located within the Planning Region.

**E. Cost Allocation Principle No. 5: Transparent method for determining benefits and identifying beneficiaries.**

The Commission requires that “[t]he cost allocation method and data requirements for determining benefits and identifying beneficiaries for an interregional transmission facility must be transparent with adequate documentation to allow a stakeholder to determine how they were applied to a proposed interregional transmission facility.”<sup>77</sup>

Pursuant to the Interregional Cost Allocation process, the proponent of an ITP must submit the ITP, along with all required data, into the regional transmission planning process of each Relevant Planning Region.<sup>78</sup> When assessing an ITP, each Relevant Planning Region is to use its regional planning process and regional cost allocation methodology to determine the

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<sup>72</sup> Common Language at § 5.2(d) & (e).

<sup>73</sup> Order No. 1000 at P657; Order No. 1000-A at P 696.

<sup>74</sup> Common Language at §§ 5 & 6.

<sup>75</sup> *Id.* § 1.

<sup>76</sup> *Id.*

<sup>77</sup> Order No. 1000 at P 668.

<sup>78</sup> Common Language at § 4.1.

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regional benefits resulting from the ITP and identify beneficiaries.<sup>79</sup> Stakeholders are afforded opportunities to participate in these regional planning processes.<sup>80</sup> These regional processes of stakeholder participation with information dissemination procedures ensure a transparent cost allocation process with sufficient documentation regarding the identification of benefits and beneficiaries for proposed ITPs.

**F. Cost Allocation Principle No. 6: Different cost allocation methods may apply to different types of interregional projects.**

The Commission requires that “[t]he public utility transmission providers located in neighboring transmission planning regions may choose to use a different cost allocation method for different types of interregional transmission facilities, such as transmission facilities needed for reliability, congestion relief, or to achieve Public Policy Requirements. Each cost allocation method must be set out clearly and explained in detail in the compliance filing for this rule.”<sup>81</sup>

The Applicants have adopted one Interregional Cost Allocation process that applies to all ITPs in the United States portion of the Western Interconnection. Specifically, as shown in Attachment 3, the Applicants rely upon a *pro rata* method to allocate the costs of a selected ITP among the Relevant Planning Regions based upon each region’s share of the benefits.<sup>82</sup> However, at the regional level, each Planning Region has its own unique regional transmission planning process, which may include different cost allocation methods. The Applicants’ regional processes are currently pending Commission approval, and the Common Language does not disturb those regional allocation methods.<sup>83</sup>

**VI. TARIFF CHANGES NECESSARY TO INCORPORATE THE INTERREGIONAL PROVISIONS**

This section provides an explanation of each Applicant’s tariff modifications necessary to incorporate the interregional provisions discussed above.

**A. California Independent System Operator Corporation**

As part of the stakeholder process, the CAISO posted proposed modifications to tariff Section 24 and Appendix A that both implement and incorporate the Common Language. In addition, several revisions to existing tariff language were required to align the CAISO’s regional process with proposed interregional process and to provide clarification. The clean

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<sup>79</sup> *Id.* § 5.2(c).

<sup>80</sup> *Id.* §§ 4.2(b) & 5.2(b).

<sup>81</sup> Order No. 1000 at P 685.

<sup>82</sup> Common Language at § 5.2(d).

<sup>83</sup> *Id.* §§ 5.2(c) & 6.1.

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tariff language is set forth at Attachment 4 and the black-line version can be found at Attachment 5.<sup>84</sup>

1. *New Section 24.18- Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language*

The CAISO proposes to incorporate the Common Language as new Section 24.18. The new common definitions have been incorporated into Appendix A. The CAISO chose to use the common definition for the Order No. 1000 Common Interregional Coordination and Cost Allocation Tariff Language, but did not incorporate the warranty limitation provision in Section 2 of the common tariff language.<sup>85</sup>

The CAISO made one other change to the Common Language. Because the CAISO is both a tariff filing entity and a Planning Region, the CAISO modified the Common Language to be prescriptive rather than passive. In contrast, because the other three Planning Regions are not tariff filing entities, the common tariff provisions do not contain prescriptive language as to activities that the Planning Regions are expected to undertake. The common tariff provisions, however, will obligate the other Applicants to jointly administer the Planning Regions in a manner consistent with the tariff provisions. Thus, the tariff language in Section 24.18 describes the activities in which the CAISO, as a Planning Region, *will* participate.<sup>86</sup>

2. *New Section 24.17 and Subsections- Interregional Coordination Implementation Details*

Proposed section 24.17 sets forth the steps that CAISO will take to implement the interregional coordination and cost allocation processes. In response to stakeholder concerns, the CAISO explained in this section that the CAISO will conduct its evaluation of ITPs in a two year cycle but that it may conclude the evaluation earlier if the Relevant Planning Regions complete their assessments in time for an earlier decision.

Consistent with the Common Language, sections 24.17.1 and 24.17.2 provide that ITPs must be submitted by March 31 in the first even-numbered calendar year after the effective date of the tariff sections and must satisfy the CAISO's filing requirements set forth in the Business

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<sup>84</sup> On April 18, 2013, the Commission issued an Order on Compliance Filing ("Regional Order") that addressed the CAISO's Order No. 1000 regional compliance filing. California Independent System Operator Corporation, et. al. 143 FERC ¶61,057 (2013). In the Regional Order, the Commission directed the CAISO to make a second compliance filing within 120 days of the Order date. Several of the tariff sections that the CAISO is modifying to align its regional and interregional processes contain modifications that were approved in the Regional Order, and also will be further modified in the second compliance filing. To avoid confusion, the version of the CAISO tariff used for the purposes of this compliance filing contains both the tariff changes approved in the Regional Order and those that the CAISO will propose in the second compliance filing.

<sup>85</sup> See Attachment 1.

<sup>86</sup> See, for example, CAISO tariff section 24.18.1, which states that "(A)nnually, prior to the Annual Interregional Coordination Meeting, the CAISO will make available..." (Attachment 4). In contrast, Section 2 of the Common Language states that "(A)nnually, prior to the Annual Interregional Coordination Meeting, [[Planning Region]] is to make available..." (Attachment 1).

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Practice Manual for Transmission Planning (“TPP BPM”). Section 24.17.2 describes the CAISO’s preliminary evaluation of the interregional project in more detail, including a description of the topics that will be considered in deciding whether to further study the project in the second year.<sup>87</sup>

In proposed section 24.17.3 the CAISO describes the factors that the CAISO will take into account as part of the in-depth analysis of an ITP during the second cycle, and the coordination efforts that will take place if the CAISO and other regions approve such a project in their respective regional transmission plans. This section, of course, will only apply if the CAISO’s preliminary analysis determines that the ITP potentially could meet a regional need for which a solution is not urgent, so that the CAISO has time in which to evaluate the ITP in more detail. In determining whether the ITP is a more cost efficient or effective solution, the CAISO will consider whether it can be constructed in the same timeframe as the regional solution. If the CAISO finds the ITP to be the preferred solution, the CAISO will identify the regional solution that it initially identified, but which the ITP replaced.

Once CAISO concludes that the ITP is found to be the better solution and two or more Relevant Planning Regions include it in their transmission plans, the CAISO will seek to coordinate with the project proponent, the Relevant Planning Regions and all affected transmission providers to address project implementation issues. These issues could include cost overruns, ownership and operational control, scheduling rights and other matters.

Proposed section 24.17.4 provides for the recovery of the CAISO’s assigned cost share of the project by the designated owner of an ITP. Consistently with the existing procedures for recovery of a transmission owner’s costs, the transmission owner will include the cost in its regional transmission revenue requirement, which the CAISO collects through its access charge and wheeling access charge. To implement this procedure, the CAISO’s proposal also amends Appendix F, Schedule 3, Section 6.1, and provides more detail on the calculation of a PTO’s regional revenue requirement, which is the sum of the PTO’s transmission revenue requirement and the annual high voltage transmission revenue balancing account adjustment. The transmission revenue requirement is net of revenues received from Existing Contracts (i.e., contractual scheduling rights that preceded this ISO). The revision specifies that it is also net of revenues received from other regions for ITPs. Once the interregional process is implemented and the Planning Regions gain experience from evaluating ITPs, it is possible that additional stakeholder consultation and tariff changes could be required. The CAISO will also consider making changes to its business practice manuals through the established change management procedures if additional clarification on cost recovery details is warranted.

Southern California Edison Company requested that the CAISO include more detail in the tariff regarding how costs will be recovered from the other planning regions. This is not an appropriate matter for the CAISO Tariff, however; rather, it is a matter that the designated owner of an ITP must address with the utilities in the other regions that will share the costs.

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<sup>87</sup> Stakeholders specifically requested that the urgency of the regional need be taken into consideration in the evaluation process.

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The CAISO recognizes that there may be circumstances in which the proposed tariff mechanism for recovery of the CAISO's share might not be suitable for a designated owner of an ITP that is not an existing participating transmission owner in the CAISO and does not wish to become one. The CAISO believes that it is more appropriate to address such circumstances if and when they arise, in the context of the specific facts presented.

Proposed sections 24.17.5 and 24.17.6 describe the steps that the CAISO will take to monitor the progress of an ITP that has been selected in the CAISO's transmission plan. Should the CAISO determine that ITP completion and energization has been delayed beyond the regional solution need date, the CAISO will take steps, in conjunction with the applicable PTO, to address potential NERC reliability concerns and possibly to select a regional solution that would supplant the ITP. Section 24.17.6 provides that the CAISO will use best efforts to select a regional solution in the same planning cycle in which the ITP was found to be delayed beyond the regional need date.

### 3. Other Tariff Revisions

The CAISO's current regional transmission planning process contains procedures for coordination with neighboring systems and balancing authority areas. Some of these procedures and tariff references will be superseded by the common tariff language and the proposed interregional process. There are other sections of the current tariff that needed to be clarified, enhanced or deleted to provide consistency between the regional and interregional processes.

Section 24.2 provides an overview of the regional transmission planning process. At 24.2.(c) the CAISO proposes to delete references to coordination with regional and sub-regional planning processes and to clarify that, as part of the regional process, the CAISO will continue to coordinate not only with the Planning Regions but also with interconnected balancing authority areas. Proposed new subsection 24.2(f) clarifies that the regional process will now provide an opportunity for project sponsors to submit ITPs into the CAISO's process to be evaluated as potential regional solutions.

At Section 24.3.1(m), the CAISO proposes to clarify that it will consider the Annual Interregional Information in the development of the unified planning assumptions and study plan. The revision eliminates language referring to consideration of sub-regional or regional proposals by other balancing authority areas from the Phase 2 request window requirements.<sup>88</sup> The CAISO also proposes to add references to ITP submission and assessment as additional topics that could be addressed in the comprehensive transmission plan and to add ITPs to the list of projects and elements that could be approved as part of the comprehensive transmission plan.<sup>89</sup> The CAISO also proposes minor modification to Sections 24.8.4 and 24.12 to reflect changes in nomenclature from "sub-regional" and "regional" to "regional" and "interregional" brought about by Order No. 1000.

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<sup>88</sup> Section 24.4.3(b)(iii).

<sup>89</sup> Section 24.4.8 (8) and (9).

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Sections 24.13.1 and 24.13.2 set forth a structure for sub-regional and regional data exchange and process coordination that has been completely superseded by the common tariff language and therefore the CAISO proposes to eliminate these sections. However, during the stakeholder process it became clear that parties were somewhat confused about CAISO regional transmission solutions that might interconnect to a neighboring Planning Region but would be eligible for cost recovery according to the CAISO's regional cost allocation process and not submitted to the other Planning Regions for cost allocation purposes. To provide clarification on this point, the CAISO is proposing new language for Section 24.13, which was supported by the stakeholders.

Specifically, proposed Section 24.13 refers to the three points in the regional process at which parties may suggest interregional solutions that could meet regional needs.<sup>90</sup> These points are (1) during the development of the study plan when parties can submit economic planning study requests, (2) into the Phase 2 request window as a solution to reliability or other concerns, or (3) as comments on the statewide conceptual plan. These proposals will be evaluated in the regional process on the basis of need for the entire facility, including the costs of the entire facility. If approved through the regional process, the project sponsor will be selected through the CAISO's competitive solicitation process.<sup>91</sup> The project sponsor is free to then submit the project to the Relevant Planning Regions for evaluation or cost allocation through the interregional process, if so desired.

Section 24.13 also contains language clarifying that, to the extent the CAISO concludes that a potential interregional solution could provide benefits to other planning regions, the CAISO may identify the potential interregional solution to the relevant planning regions prior to fully assessing and approving a regional solution in its transmission planning process.

## **B. Northern Tier Transmission Group Applicants**

In order to incorporate and implement the Common Language, the Northern Tier Transmission Group Applicants made several revisions to their respective Attachment Ks. First, the Northern Tier Transmission Group Applicants incorporated the Common Language into each of their Attachment Ks in a new part or section in between the regional and interconnection-wide planning processes.<sup>92</sup> The Common Language provides two sections of optional language: a definition that references the entire Common Language and a warranty limitation on the Annual Interregional Information made available to the other Planning Regions. All of the Northern Tier Transmission Group Applicants incorporated the latter provision into their Attachment Ks, while none of them incorporated the former provision.

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<sup>90</sup> These proposals would not be referred to as ITPs.

<sup>91</sup> Section 24.5.

<sup>92</sup> Deseret § C - Introduction; Idaho Power § C - Introduction; NorthWestern § 4 - Introduction; PacifiCorp § 4 – Introduction; Portland General § C – Introduction. Note that, in addition to the changes described herein, Portland General is updating the numbering of its Attachment K to correct inadvertent numbering changes that occurred in the conversion of its Attachment K to .rtf format when Portland General submitted its regional Order 1000 compliance filing on October 10, 2012.

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Second, the Northern Tier Transmission Group Applicants revised existing sections of their respective Attachment Ks to incorporate the Common Language as follows:

- The preamble,<sup>93</sup> the introduction of the regional planning process,<sup>94</sup> and the introduction to the interconnection-wide planning process<sup>95</sup> were modified to reference the incorporation of the Common Language.
- A footnote was added to the definition section indicating that definitions specific to interregional transmission coordination and cost allocation are found within the Common Language section.<sup>96</sup>
- In the local planning provisions, a reference(s) to interregional transmission planning was added.<sup>97</sup>
- In the regional planning provisions, references to interregional transmission planning were added in various locations. The information required to be submitted by project sponsors was revised to incorporate the information needed for ITPs,<sup>98</sup> and the procedures for curing deficiencies in information were clarified to provide for an end date to the cure provisions.<sup>99</sup> An end date is needed to ensure complete information is available for interregional transmission coordination and the interregional annual coordination meeting. The description of the Biennial Study Plan was revised to specifically provide that it will include “analysis tools” and “local, regional and interregional projects.”<sup>100</sup>

### C. WestConnect Applicants

The WestConnect Applicants incorporated the Common Language into each of their Attachment Ks as a new part or section and made other minor conforming changes to various

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<sup>93</sup> Deseret § Preamble; Idaho Power § Preamble; NorthWestern § Preamble; PacifiCorp § Preamble; Portland General § Preamble.

<sup>94</sup> Deseret § B – Introduction; Idaho Power § B – Introduction; NorthWestern § 3.1; PacifiCorp § 3.1; Portland General § B – Introduction.

<sup>95</sup> Deseret § D – Introduction; Idaho Power § D – Introduction; NorthWestern § 5.1; PacifiCorp § 5.1; Portland General § D - Introduction.

<sup>96</sup> Deseret § Definitions n1; Idaho Power § 1 n1; NorthWestern § Definitions n1; PacifiCorp § 1 n1; Portland General § Definitions n1.

<sup>97</sup> Deseret § A7; Idaho Power § A8; NorthWestern § 2.4.6 and 2.4.9; PacifiCorp § 2.8; Portland General § A8 - Recovery of Planning Costs.

<sup>98</sup> Deseret § B2.2; Idaho Power § B13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § B13.2 – Study Process.

<sup>99</sup> Deseret § B2.2; Idaho Power § B13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § B13.2 – Study Process.

<sup>100</sup> Deseret § B2.3; Idaho Power § B13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § B13.3 – Study Process.

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sections of their Attachment K's, identified in redline in their individual filings.<sup>101</sup> The Common Language provides two separate elections of optional language: (1) a definition that references the entire Common Language part or section, and (2) a warranty limitation on the Annual Interregional Information made available to the other Planning Regions. The WestConnect Applicants incorporated this provision into their Attachment Ks.

## VII. EFFECTIVE DATE

Each of the Applicants respectfully requests an effective date of October 1, 2013 for the revisions to their respective Attachment Ks set forth in this filing, provided that the two events set forth below have occurred. Otherwise, the Applicants request an effective date of October 1, 2015.

The Applicants believe that certain events must occur in order for this October 1, 2013 effective date to be workable without disrupting their respective transmission planning cycles. First, the Applicants request that the Commission issue order(s) accepting the substantive elements of this interregional compliance filing of the Applicants in their respective Planning Regions by October 1, 2013. Second, Northern Tier Transmission Group Applicants request that the Commission issue orders accepting the substantive elements of each of their Order No. 1000 regional compliance filings in advance of the date the Commission issues order(s) with respect to this interregional compliance filing.<sup>102</sup>

Commencement of the activities under the interregional transmission planning processes contained in the Common Language depends upon the prior or contemporaneous implementation of the regional transmission planning processes. The regional transmission planning cycles for each of the Planning Regions commence on January 1<sup>st</sup> of each even-numbered calendar year. Accordingly, January 1, 2014 and January 1, 2016 mark the commencement of the next two regional transmission planning cycles. However, in their regional compliance filings, certain Planning Regions have proposed pre-qualification requirements that apply during the eighth quarter of the preceding planning cycle (*i.e.*, beginning October 1<sup>st</sup>) to the submission of transmission projects for the next planning cycle. An October 1, 2013 effective date for this filing therefore allows project sponsors to satisfy the applicable regional pre-qualification requirements for the 2014-2015 planning cycle.

If the Commission cannot issue orders on each respective Planning Region's interregional and regional compliance filings by October 1, 2013, then the Applicants request an October 1, 2015 effective date. Imposition of a mid-cycle effective date would disrupt the Applicants' local and regional planning processes, impede decisions relating to interregional

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<sup>101</sup> The regional transmission planning process for Public Service Company of Colorado is incorporated into Attachment R-PSCo to the Xcel Energy OATT. The regional transmission planning process for Arizona Public Service Company is incorporated into Attachment E of its OATT.

<sup>102</sup> The Commission accepted, subject to a compliance filing, the WestConnect and CAISO regional compliance filings. *Pub. Serv. Co. of Colorado, et al.*, 142 FERC ¶ 61,206 (2013); *Cal. Indep. Sys. Operator Corp.*, 143 FERC ¶ 61,057 (2013).

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projects, and make it difficult for stakeholders to participate effectively in the Applicants' regional and interregional processes.

The schedule set out above therefore permits the earliest date possible for implementation of interregional transmission coordination and cost allocation, as contemplated by Order No. 1000. The Applicants wish to make clear that, to the extent the Commission can issue orders with respect to the regional and interregional compliance filings of two or more of the Planning Regions by October 1, 2013, those regions will commence with interregional transmission coordination and cost allocation on the requested effective date of October 1, 2013, with the other regions joining the interregional process in the next planning cycle, commencing October 1, 2015.

## **VIII. EACH APPLICANT'S FILING PACKAGE**

For each Applicant, its compliance filing consists of this transmittal letter, the Common Language (Attachment 1), the process diagram (Attachment 2), the cost allocation explanation (Attachment 3), a clean version of the Applicant's tariff (Attachment 4), and a red-lined version of the Applicant's tariff (Attachment 5).

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**X. CONCLUSION**

For the reasons set forth above, the Applicants request that the Commission find the changes to each Applicant's tariff provisions submitted herewith to be in full compliance with the interregional provisions of Order No. 1000 and permit the proposed changes to become effective as set forth above.

Ms. Kimberly D. Bose  
May 10, 2013  
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Respectfully submitted this 10th day of May, 2013.

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### **Attachment 3**

#### **Example of a Pro Rata Cost Assignment**

### Example of a Pro Rata Cost Assignment

An Interregional Transmission Project estimated to cost \$45 million is submitted for consideration for Interregional Cost Allocation in the regional transmission planning processes of the three of the Western Interconnection's four regions in which the Applicants are located.

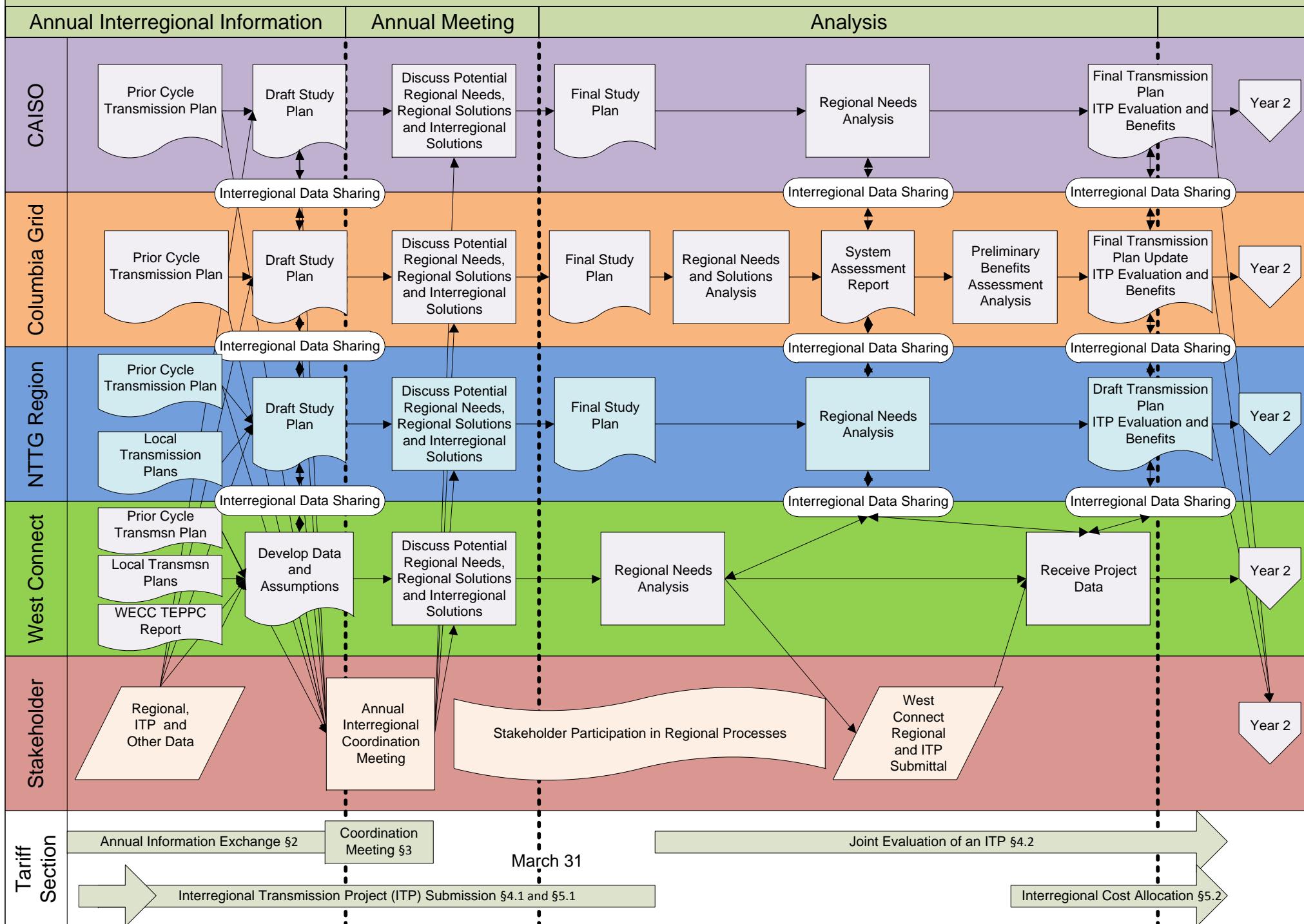
- One region determines that the project does not meet any need within that region, and is permitted to disengage from the joint evaluation process under Section 4.2 of the Common Language.
- Two regions select the project in their regional transmission plans and determine that the project satisfies one or more regional needs and creates benefits<sup>103</sup> for the region, as follows:
  - Region X determines that the project would create \$35 million in benefits for its region.
  - Region Y determines that the project would create \$42 million in benefits for its region.
- Under the Common Language, the *pro rata* assignment would result in:
  - An assignment of project costs to Region X of \$20 million
    - \$35 million divided by \$77 million equals a 45% share of project benefits
    - 45% of the project's \$45 million estimated total cost equals \$20 million
  - An assignment of project costs to Region Y of \$25 million
    - \$42 million divided by \$77 million equals a 55% share of project benefits
    - 55% of the project's \$45 million estimated total cost equals \$25 million
- Given the use of a *pro rata* assignment method, both Region X and Region Y experience benefits greater than its assigned share of costs:
  - Region X: \$20 million in assigned costs versus \$35 million in quantified benefits
  - Region Y: \$25 million in assigned costs versus \$42 million in quantified benefits

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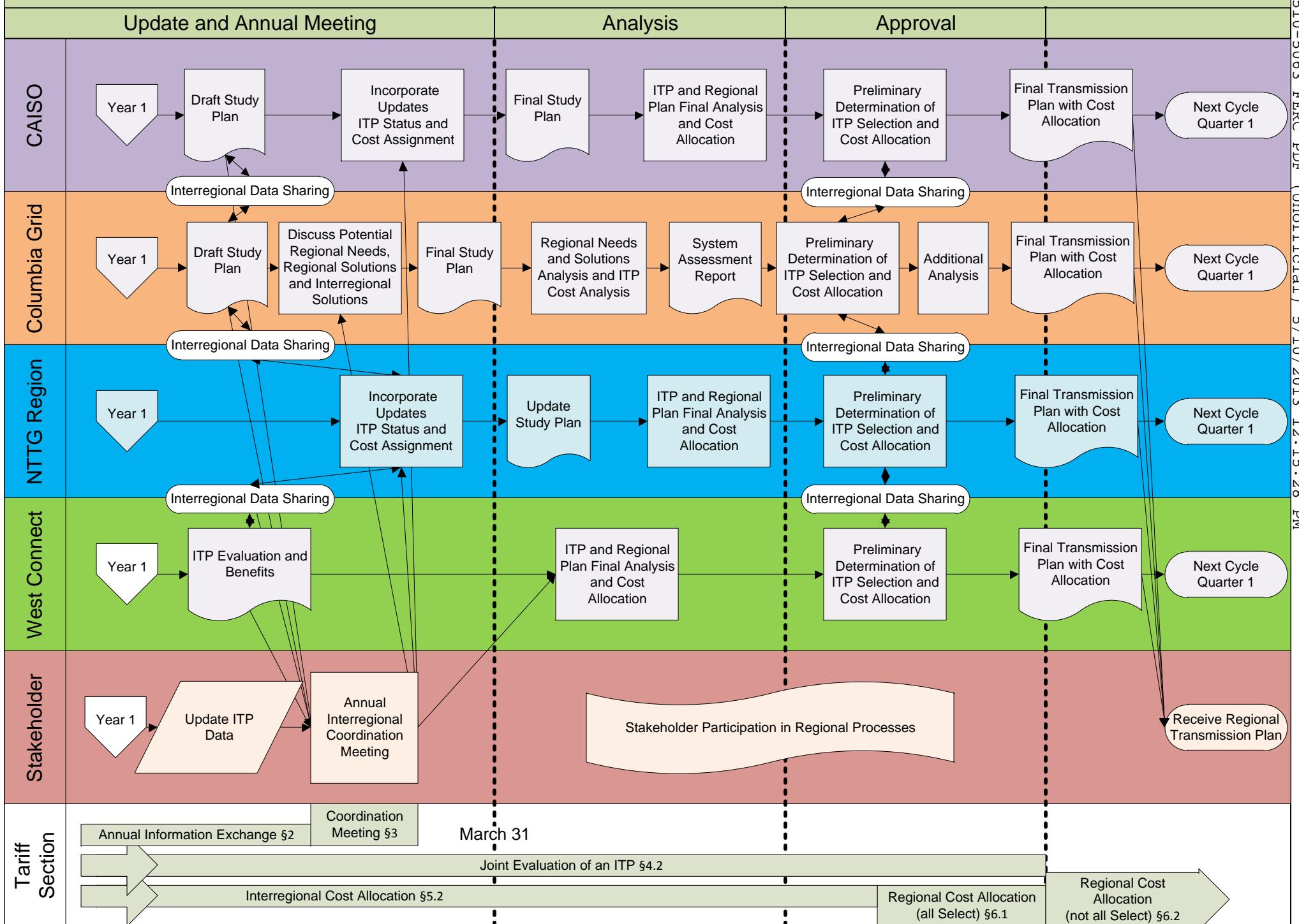
<sup>103</sup> To the extent an individual planning region uses a Commission-approved benefit-to-cost threshold in assessing whether a project creates sufficient net benefits to warrant inclusion in its regional plan, the region would employ its approved threshold in quantifying net benefits of an interregional transmission project proposed for interregional cost allocation.

**Attachment 2**  
**Interregional Process Diagram**

# Interregional Coordination Process Representative Schedule (Year 1)



# Interregional Coordination Process Representative Schedule (Year 2)



## **Attachment 1**

### **Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language**

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[[insert name/number of this part of Attachment K/Tariff]]

## Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language

*[Note: While the majority of the following is intended to be common language used by all four Planning Regions, in some instances the Planning Regions have discretion on whether to address a topic and what language to use. Those instances have been noted. In addition, the language may be formatted or capitalized differently to match individual Planning Region style.]*

*Where there are bracketed references to “[[Planning Region]]”, each Planning Region is to insert its name.*

*ColumbiaGrid, Northern Tier, and WestConnect will reflect the following language in their Attachment Ks (and will use the term “part” or “Part”). CA ISO does not have an Attachment K and will add this to its general tariff (and will use the term “section” or “Section”).*

### Introduction

*[Note: Introductory language will be at the discretion of each Planning Region.]*

This [[insert name/number of this part of Attachment K/Section \_\_\_\_]] 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. [[Planning Region]] is to conduct the activities and processes set forth in this [[insert name/number of this part of [[Attachment K/Section \_\_\_\_]]] in accordance with the provisions of this [[insert name/number of this part of Attachment K/Section \_\_\_\_]] and the other provisions of this [[Attachment K/tariff]].

Nothing in this [[part/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 [part/section] to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

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## Section 1. Definitions

The following capitalized terms where used in this Part [\*\*\*] of Attachment K, are defined as follows: *[Note – CA ISO will incorporate definitions into its tariff's general definition section]*

**Annual Interregional Coordination Meeting:** shall have the meaning set forth in Section 3 below.

**Annual Interregional Information:** shall have the meaning set forth in Section 2 below.

**Interregional Cost Allocation:** means the assignment of ITP costs between or among Planning Regions as described in Section 5.2 below.

**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 4.1.

*[Optional Language]* **Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language:** means this [[Section \_\_\_\_/Part \_\_\_\_]], which relates to Order 1000 interregional provisions.

**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, Northern Tier Transmission Group, and WestConnect.

**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 4.2, at which time it shall no longer be considered a Relevant Planning Region.

## Section 2. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, [[Planning Region]] is to make available by posting on its 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 [[Planning Region'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;

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- (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”).

[[Planning Region]] is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process [[Planning Region’s]] Annual Interregional Information. [[Planning Region]] may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

[[Planning Region]] is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by [[Planning Region]] 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 [[Planning Region]] 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 [[Planning Region]] shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under [[Planning Region’s]] regional transmission planning process. [[Optional Language - Any Annual Interregional Information made available or otherwise provided by [[Planning Region]] 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 [[Planning Region]] or any [if this is used, Planning Region can put in the descriptor they want]] in [[Planning Region]], 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.]]

### **Section 3. Annual Interregional Coordination Meeting**

[[Planning Region]] is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. [[Planning Region]] 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 31<sup>st</sup>. The Annual Interregional Coordination Meeting is to be open to stakeholders. [[Planning Region]] is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

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

- (i) each Planning Region’s most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

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- (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 [[Planning Region's]] regional transmission plan.

## **Section 4. ITP Joint Evaluation Process**

### **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 4.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31<sup>st</sup> 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.

### **4.2 Joint Evaluation of an ITP**

For each ITP that meets the requirements of Section 4.1, [[Planning Region]] (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 4.1 or the immediately following calendar year. With respect to any such ITP, [Planning Region]] (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 4.1, [[Planning Region]] (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 [[Planning Region's]] evaluation of the ITP;

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- (b) is to provide stakeholders an opportunity to participate in [[Planning Region's]] activities under this Section 4.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if [[Planning Region]] determines that the ITP will not meet any of its regional transmission needs; thereafter [[Planning Region]] has no obligation under this Section 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 [[Planning Region's]] regional transmission needs.

## **Section 5. Interregional Cost Allocation Process**

### **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 4.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from [[Planning Region]] 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.

### **5.2 Interregional Cost Allocation Process**

For each ITP that meets the requirements of Section 5.1, [[Planning Region]] (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) [[Planning Region'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 6.2 below) to each Relevant Planning Region using the methodology described in this section 5.2.

For each ITP that meets the requirements of Section 5.1, [[Planning Region]] (if it is a Relevant Planning Region):

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- (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 [[Planning Region's]] analysis;
- (b) is to provide stakeholders an opportunity to participate in [[Planning Region's]] activities under this Section 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 [[Planning Region]], [[Planning Region]] 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; [[Planning Region]] may use such information to identify its total share of the projected costs of the ITP to be assigned to [[Planning Region]] in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in [[Planning Region]];
- (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 5.2 in the same general time frame as its joint evaluation activities pursuant to Section 4.2.

## **Section 6. Application of Regional Cost Allocation Methodology to Selected ITP**

### **6.1 Selection by All Relevant Planning Regions**

If [[Planning Region]] (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, [[Planning Region]] is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

*March 18, 2013*

## **6.2 Selection by at Least Two but Fewer than All Relevant Regions**

If the [[Planning Region]] (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, [[Planning Region]] is to evaluate (or reevaluate, as the case may be) pursuant to Sections 5.2(d), 5.2(e), and 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 [[Planning Region]] and at least one other Relevant Planning Region, [[Planning Region]] is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

## **Attachment 5**

### **Marked Version of Attachment K – Transmission Planning Process**

**NorthWestern Corporation (Montana)**

**FERC Electric Tariff  
Volume No. 5**

**Open Access Transmission Tariff**

## ATTACHMENT K

### Transmission Planning Process

#### **Preamble**

In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, regional (NTTG), interregional and interconnection-wide planning (WECC) basis. Section 2 of this Attachment K addresses the local planning process. Sections 3 and 4 of this Attachment K addresses Transmission Provider's regional planning coordination efforts and responsibilities. Section 4 of this Attachment K addresses interregional coordination with the other planning regions of the Western Interconnection. Section 5 of this Attachment K addresses regional and interconnection-wide planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's regional, interregional and interconnection-wide planning efforts is also contained within the separate agreements and practices of the NTTG and the WECC.

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<sup>1</sup>**

- 1.1. **Beneficiary:** shall mean any entity, including but not limited to transmission providers (both incumbent and non-incumbent), merchant developers, load serving entities, transmission customers or generators that utilize the regional transmission system to transmit energy or provide other energy-related services.
- 1.2. **Biennial Study Plan:** shall mean the regional transmission study plan, as approved by the NTTG steering committee.
- 1.3. **Demand Resources:** shall mean mechanisms to manage demand for power in response to supply conditions, for example, having electricity customers reduce their consumption at critical times or in response to market prices. For purposes of this Attachment K, this methodology is focused on curtailing demand to avoid the need to plan new sources of generation or transmission capacity.
- 1.4. **Economic Congestion Study:** shall mean 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.

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<sup>1</sup> Please note that additional definitions with respect to interregional coordination and cost allocation are contained in Section 4 of this Attachment K, which contains provisions that are common among each of the planning regions in the United States portion of the Western Interconnection.

- 1.5. **Economic Congestion Study Request:** shall mean a request by a Transmission 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 Transmission System Plan, to reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers.
- 1.6. **Local Planning Meeting:** shall mean the meetings held by Transmission Provider pursuant to Attachment K to the Tariff.
- 1.7. **Local Transmission System Plan or LTSP:** shall mean the Transmission Provider's transmission plan that identifies the upgrades and other investments to the Transmission System and Demand Resources necessary to reliably satisfy, over the planning horizon, 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.
- 1.8. **LTSP Re-Study Request:** shall mean 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.
- 1.9. **NTTG:** shall mean Northern Tier Transmission Group or its successor organization.
- 1.10. **Planning and Cost Allocation Practice:** shall mean the NTTG Regional Planning and Cost Allocation Practice document which may be accessed via direct links in Transmission Provider's transmission planning business practice available at [http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx) [http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc) [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc) [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc) [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc).
- 1.11. **Public Policy Considerations:** shall mean those public policy considerations that are not established by state or federal laws or regulations.
- 1.12. **Public Policy Requirements:** shall mean those public policy requirements that are established by 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.

- 1.13. **Regional Planning Cycle:** shall mean NTTG's eight-quarter biennial planning cycle that commences in even-numbered years and results in the Regional Transmission Plan.
- 1.14. **Regional Transmission Plan:** shall mean the current, final regional transmission plan, as approved by the NTTG steering committee.
- 1.15. **TRANSAC:** Shall mean 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.
- 1.16. **TEPPC:** shall mean Transmission Expansion Planning Policy Committee or its successor committee within WECC.
- 1.17. **TSP Re-Study Request:** shall mean a request by an Eligible Customer to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the draft 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.
- 1.18. **WECC:** shall mean Western Electricity Coordinating Council or its successor organization.

## 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)  
[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc).
- 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx) [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe).

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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx) [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe)

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 Those transmission needs driven by Public Policy Requirements to 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 evaluation process and selection criteria for inclusion of transmission needs driven by Public Policy Requirements in the LTSP will be the same as those used for any other local project in the LTSP. In its technical analysis, the Transmission Provider will include the transmission needs driven by Public Policy Requirements in the transmission planning process to be jointly evaluated with other local projects, rather than considering transmission needs driven by Public Policy Requirements separately from other transmission needs.
- 2.1.10.5 The process by which transmission needs driven by Public Policy Requirements and Considerations will be received, reviewed and evaluated is described in the “LTSP 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.osti.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.osti.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)  
[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe).

## 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 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.osti.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.osti.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe).

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.osti.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.osti.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe).

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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx) <http://www.oatioasi>

[s.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe.](#)

- 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.

2.3.2.1.52.3.2.1.6 [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 Response and generation data received pursuant to 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 and submit the LTSP to regional and interconnection-wide planning entities conducting similar studies.
- 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.

## 2.4. 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 and interconnection wide 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.osti.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.osti.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe).
- 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)  
[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc)

- 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)  
[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc)
- 2.7.2 Economic Congestion Study Request: A form for submitting Economic Congestion Study Requests shall be maintained on the Transmission Provider’s OASIS 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 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: Local Transmission Provider shall study valid requests for Economic Congestion Studies 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. Economic Congestion Study Requests should be submitted to the Transmission Provider during the first two (2) months of the Economic Congestion Study twelve (12) month study cycle by using the 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. 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe).
- 2.7.4 Clustering of local Economic Congestion Study Requests. Requests can be clustered if the point-of-receipt and point-of-delivery of the Economic Congestion Study Requests are on opposite sides of a common or a potentially common transmission path(s) or if a potentially common solution is created by the requests or, in the alternative, it is reasonably determined by the Transmission Provider that the Economic Congestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group. 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\\_Pht](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Pht)  
[http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Pract](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Pract)  
[ice\\_Links.docx](ice_Links.docx)[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe).

2.7.5 Classification of Requests. Transmission Provider shall classify a request for Economic Congestion Study as a Local Transmission Provider Economic Congestion Study Request, Regional Economic Congestion Study Request, or interconnection wide Economic Congestion Study Request. If the Local Transmission Provider Economic Congestion Study Request is regional or interconnection wide, the Transmission Provider will notify the requesting party and forward the Economic Congestion Study Request to NTTG for consideration and processing under NTTG's procedures.

2.7.5.1 Local Transmission Provider Economic Congestion Study Request: Local Transmission Provider Economic Congestion Study Request identifies (1) Point(s) of Receipt and Point(s) of Delivery that are all within the Transmission Provider's scheduling system footprint and the Point of Receipt(s) and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, or (2) is otherwise reasonably determined 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, the study request will be considered local and will be prioritized under this Section (i.e., Section 2).

2.7.5.2 Regional Economic Congestion Study Request: If the Economic Congestion Study Request identifies (1) Point(s) of Receipt and Point(s) of Delivery that are all within the NTTG scheduling system footprint, as determined by the NTTG Transmission Use Committee, and the Point(s) of Receipt and Point of Delivery utilize only NTTG Funding Agreement members scheduling paths, or (2) is otherwise reasonably determined by the Transmission Provider to be a regional request from a geographical and electrical perspective, including, but not limited to, an evaluation as to whether the study request utilizes the interconnected transmission systems of NTTG Funding Agreement members, the study request will be considered regional and will be processed under the next Section, Section 3.

2.7.5.3 Interconnection wide Economic Congestion Study Request: If the Economic Congestion Study Request identifies a Point of Receipt or Point of Delivery within the NTTG scheduling system footprint as determined by the NTTG Transmission Use Committee and (1) the Point(s) of Receipt and Point(s) of Delivery are all within the WECC scheduling system footprint; and (2) the Point(s) of Receipt and Points(s) of Delivery utilize only WECC members scheduling paths, the study request will be considered interconnection wide and will be processed under Section 4 of this document. In the alternative, if the Economic Congestion Study Request is reasonably determined by the Transmission Provider to be an interconnection wide request from a geographical and electrical perspective, including, but not

limited to, an evaluation as to whether the study request utilizes only WECC member interconnected transmission systems, the study request will be considered interconnection wide and will be processed under Section 45.

- 2.7.5.4 Economic Congestion Study Request Not Applicable: To be considered by the Transmission Provider, any Economic Congestion Study Request must (1) contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint, or (2) be reasonably determined by the Transmission Provider to be geographically located within the Transmission Provider's scheduling footprint.
- 2.7.6 Priority of Requests: The Transmission Provider shall identify up to two (2) high priority Local Transmission Provider Economic Congestion Study Requests for study per year.
  - 2.7.6.1 Transmission Provider, with input from stakeholders, will cluster study requests as appropriate and prioritize the requests, including clustered requests, based on alleviating congestion 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 by evaluating transmission upgrades necessary to connect major new areas of generation resource and/or load.
  - 2.7.6.2 Sponsors of Economic Congestion Studies not prioritized as a high priority study may re-submit the Economic Congestion Study Request for study consideration in the next Economic Congestion Study cycle or may fund the Economic Congestion Study as an Additional Economic Congestion Study.
- 2.7.7 Economic Congestion Study Contents: Local Transmission Provider Economic Congestion Studies 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. 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doe](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doe).

- 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-part of a generation interconnection or transmission service request, all costs of the Transmission Provider related to the Local Transmission Plan process or as part of regional, interregional or interconnection wide planning process shall be included in the Transmission Provider's transmission rate base. Transmission Provider will capture the planning costs for the OATT using traditional test period requirements in the next FERC tariff filing.

## 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.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.doc](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc)  
[http://www.oasis.osti.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.osti.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

### 3. Regional Planning Process

#### 3.1. Introduction

3.1.1 NTTG is a trade name for the efforts of participating utilities and state representatives to develop a Regional Transmission Plan that evaluates whether transmission needs may be satisfied on a regional and interregional basis more efficiently and cost effectively than through the NTTG transmission providers' respective local planning processes. NTTG has four standing committees: the steering committee, planning committee, cost allocation committee, and transmission use committee. The steering committee, which operates pursuant to the steering committee charter, governs the activities of NTTG. The planning committee, which is governed by the planning committee charter, is responsible for preparing Regional Transmission Plans, in collaboration with stakeholders, in coordination with neighboring transmission planning regions, and conducting regional Economic Congestion Studies requested by stakeholders. The cost allocation committee, whose actions are governed by the cost allocation committee charter, is responsible for applying the cost allocation principles and practices, while developing cost allocation recommendations for transmission projects selected into Regional Transmission Plans. Additionally, the transmission use committee, whose actions are governed by the transmission use committee charter, is responsible for increasing the efficiency of the existing member utility transmission systems through commercially reasonable initiatives and increasing customer knowledge of, and transparency into, the transmission systems of the member utilities.

The Planning and Cost Allocation Practice, developed and reviewed with stakeholders, describes the process by which NTTG prepares the Regional Transmission Plans (including cost allocation). Local transmission planning processes are described in this Attachment K rather than the Planning and Cost Allocation Practice. This Attachment K also includes the processes by which NTTG coordinates its regional transmission planning processes with its neighboring transmission planning regions, and performs interregional project identification, evaluation, and cost allocation. See Section 4.

Stakeholders may participate in NTTG's activities and programs at their discretion; provided, however, stakeholders that intend to submit an Economic Congestion Study Request or engage in dispute resolution are expected to participate in the NTTG's planning and cost allocation processes.

Stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission System Plan.

While the resulting Regional Transmission Plans are not construction plans, they provide valuable regional insight and information for all stakeholders

(including developers) to consider and use to potentially modify their respective plans.

### 3.2. **Transmission Provider Coordination with NTTG.**

- 3.2.1 Transmission Provider shall engage in regional transmission planning (including interregional coordination and interregional cost allocation) as a member of NTTG. Transmission Provider shall support NTTG's planning and cost allocation processes through funding a share of NTTG and providing employee support of NTTG's planning, cost allocation, and administrative efforts.
- 3.2.2 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 cost effective and efficient from a regional perspective than the transmission projects identified in the Local Transmission System Plans developed by the participating transmission providers.
- 3.2.3 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 benefits and 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.
- 3.2.4 Transmission Provider will provide NTTG with:
  - a) its Local Transmission System Plan;
  - b) updates to information about new or changed circumstances or data contained in the Local Transmission System Plan;
  - c) Public Policy Requirements and Considerations; and
  - d) any other project proposed for the Regional Transmission Plan.
- 3.2.5 Subject to appropriate Critical Energy Infrastructure Information (CEII) or other applicable regulatory restrictions, Transmission Provider will post on its OASIS:
  - a) the Biennial Study Plan, which shall include: (1) planning and cost allocation criteria, methodology, and assumptions; (2) an explanation of which transmission needs driven by Public Policy Requirements and Considerations will and will not be evaluated in each biennial transmission planning process, along with an explanation of why particular transmission needs driven by Public Policy Requirements and

Considerations were or were not considered; and (3) updates on progress and commitments to build received by NTTG;

- 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.

### 3.3. **Study Process.**

Transmission Provider will support the NTTG processes as a member of NTTG to establish a coordinated regional study process, involving both economic and reliability components, as outlined in the Planning and Cost Allocation Practice, which is approved by the NTTG steering committee. The regional study process will also address NTTG's coordination with neighboring planning regions and any interregional projects under consideration by NTTG. As part of the regional study process, the NTTG planning committee will biennially prepare a long-term (ten year) bulk transmission expansion plan (the Regional Transmission Plan), while taking into consideration up to a twenty-year planning horizon. The comprehensive transmission planning process will comprise the following milestone activities during the Regional Planning Cycle as outlined below, and further described in the Planning and Cost Allocation Practice:

- 3.3.1 Pre-qualify for Cost Allocation: Sponsors who intend to submit a project for cost allocation must be pre-qualified by the NTTG planning committee, according to its criteria, process, and schedule.
- 3.3.2 Quarter 1 - Data Gathering: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon. Any stakeholder may submit data to be evaluated as part of the preparation of the draft Regional Transmission Plan, including transmission needs and associated facilities driven by Public Policy Requirements and Considerations, and alternate solutions to the identified needs set out in the Transmission Provider's Local Transmission System Plan and prior NTTG biennial Regional Transmission Plans.

A project sponsor that proposes a transmission project for the Regional Transmission Plan shall submit certain minimum information to the NTTG planning committee, including (to the extent appropriate for the project):

- a) load and resource data;
- b) forecasted transmission service requirements;
- c) whether the proposed project meets reliability or load service needs;

- d) economic considerations;
- e) whether the proposed project satisfies a transmission need driven by Public Policy Requirements;
- f) project location;
- g) voltage level (including whether AC or DC);
- h) structure type;
- i) conductor type and configuration;
- j) project terminal facilities;
- k) project cost, associated annual revenue requirements, and underlying assumptions and parameters in developing revenue requirement;
- l) project development schedule;
- m) current project development phase; and
  - nm) in-service date; and
- o) a list of all planning regions to which an interregional project has been submitted for evaluation.

For projects proposed for cost allocation, the project sponsor shall submit the following additional information:

- aa) state whether the proposed project was (i) selected to meet transmission needs driven by a reliability or Public Policy Requirement of a local transmission provider, and/or (ii) selected 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;
- bb) if the proposed project was selected to meet the transmission needs of a reliability or Public Policy Requirement of a local transmission provider, copies of all studies (i.e., engineering, financial, and economic) upon which selection of the project was based;
- cc) if the proposed project was selected as part of the planning of future resource development and operation within the footprint of a local transmission provider, copies of all studies upon which selection of the

project was based, including, but not limited to, any production cost model input and output used as part of the economic justification of the project;

dd) to the extent not already provided, copies of all studies performed by or in possession of the project sponsor that describe and/or quantify the estimated annual impacts (both beneficial and detrimental) of the proposed project on the project sponsor and other regional entities;

ee) to the extent not already provided, copies of any WECC or other regional, interregional, or interconnection-wide planning entity determinations relative to the project;

ff) to the extent not set forth in the material provided in response to items bb) – dd), the input assumptions and the range of forecasts incorporated in any studies relied on by the project sponsor in evaluating the efficiency and cost-effectiveness of the proposed project; and

gg) any proposal with regard to treatment of project cost overruns; and

hh) a list of all planning regions to which an interregional project has been submitted for the purposes of cost allocation.

Information submitted pursuant to items a) - mo) and aa) - gghh) above that is considered proprietary or commercially-sensitive should be marked appropriately.

Complete project material must be received by the NTTG planning committee by the end of quarter 1. The NTTG planning committee will review the project material for completeness. If a project sponsor fails to meet the information requirements set forth above, the NTTG planning committee shall notify the project sponsor of the reasons for such failure. The NTTG planning committee will attempt to remedy deficiencies in the submitted information through informal communications with the project sponsor. If such efforts are unsuccessful by the end of quarter 1, the NTTG planning committee shall return the project sponsor's information, and project sponsor's request shall be deemed withdrawn. During the next transmission planning cycle, a project sponsor may resubmit the project for consideration in the Regional Transmission Plan and may request cost allocation and work with the sponsor to provide complete information.

Stakeholders may submit Economic Congestion Study Requests, which the NTTG planning committee will collect, prioritize and select for evaluation.

For projects selected in the prior Regional Transmission Plan, the project sponsor must submit an updated project development schedule to the NTTG planning committee.

3.3.3 Quarter 2 - Evaluate the Data and Develop the Biennial Study Plan: Identify the loads, resources, transmission requests, desired flows, constraints and other technical data needed to be included and monitored during the development of the Regional Transmission Plan. 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. Solutions will be evaluated based on a comparison of their ability to meet reliability requirements, address economic considerations and/or meet transmission needs driven by Public Policy Requirements. During a quarter 2 NTTG planning committee meeting, the transmission needs and associated facilities driven by Public Policy Requirements and Considerations received in quarter 1 will be reviewed and winnowed using criteria documented in the Planning and Cost Allocation Practice.

The NTTG planning committee will develop the Biennial Study Plan, which describes

- a) the methodology;
- b) criteria;
- c) assumptions;
- d) databases;
- e) analysis tools;
- f) local, regional and interregional projects (as well as projects that are subject to the reevaluation process (which is described below); analysis tools, and
- g) public policy projects that are accepted into the Biennial Study Plan and a description of (including) why the public policy projects are or are not selected for analysis).

The Biennial Study Plan will be presented to stakeholders and NTTG planning committee members for comment and direction at a quarter 2 publically held NTTG planning committee meeting. The Biennial Study Plan will also include allocation scenarios, developed by the NTTG cost allocation committee with stakeholder input, for those parameters that will likely affect the amount of total benefits and their distribution among beneficiaries.

When developing the Biennial Study Plan, the NTTG planning committee will consider potential project delays for any project selected into the prior Regional Transmission Plan. In doing so, the NTTG planning committee will reevaluate whether the project's inability to meet its original in-service date, among other considerations, impacts reliability needs or service obligations

addressed by the delayed project. Under certain circumstances described in Section 3.8 below, projects selected in a prior Regional Transmission Plan may be reevaluated and potentially replaced or deferred.

The NTTG planning committee will recommend the Biennial Study Plan to the NTTG steering committee for approval.

- 3.3.4 **Quarters 3 and 4 - Transmission System Analysis:** Conduct modeling, using the methods documented in the Biennial Study Plan, and produce a draft Regional Transmission Plan for stakeholder comment and review.
- 3.3.5 **Quarter 5 - Stakeholder Review of Draft Plan:** 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. Any stakeholder may submit comments or additional information about new or changed circumstances relating to loads, resources, transmission projects or alternative solutions to be evaluated as part of the preparation of the Regional Transmission Plan, or submit identified changes to data it provided in quarter 1. The information provided by the stakeholder should likely lead to a material change, individually or in the aggregate, in the Regional Transmission Plan and match the level of detail described in quarter 1 above. 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.

The NTTG planning committee will collect, prioritize and select Economic Congestion Study Requests for consideration and determination of possible congestion and modification to the draft Regional Transmission Plan.

- 3.3.6 **Quarter 6 - Update Study Plan and Cost Allocation:** Conduct up to two Economic Congestion S~~production cost simulation~~ studies per biennial study cycle and document results.

The Biennial Study Plan will be updated based on the NTTG planning committee's review of stakeholder-submitted comments, 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.

The NTTG cost allocation committee will estimate the benefits, based upon the benefit metrics described in Section 3.7.2.2, associated with each project identified for cost allocation to determine if such projects are eligible for cost allocation.

- 3.3.7 **Quarter 7 - Regional Transmission Plan Review:** Facilitate stakeholder process for review and comment on the Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations and stakeholder comments.
- 3.3.8 **Quarter 8 – Regional Transmission Plan Approval:** Submit final Regional Transmission Plan to the NTTG steering committee for approval, completing the biennial process. Share the final plan for consideration in the local and interconnection-wide study processes.

**3.4. Stakeholder Participation**

- 3.4.1 **Public Meetings.** The NTTG planning committee shall convene a public meeting at the end of each quarter in the study cycle to present a status report on development of the Regional Transmission Plan, summarize the substantive results at each quarter, present drafts of documents and receive comments. The meetings shall be open to all stakeholders, including but not limited to Eligible Customers, other transmission providers, federal, state and local commissions and agencies, trade associations and consumer advocates. The date and time of the public meetings shall be posted on the NTTG website. The location of the public meeting, shall be as selected by the NTTG, or may be held telephonically or by video or Internet conference.
- 3.4.2 The NTTG planning committee charter shall define the NTTG planning committee's purpose, authority, operating structure, voting requirements and budget. Any stakeholder may participate in NTTG planning committee meetings without signing the NTTG Planning Agreement. In addition, pursuant to the NTTG planning committee charter, voting membership in the NTTG planning committee is open to membership by:
  - a) Transmission providers and transmission developers engaged in or intending to engage in the sale of electric transmission service within the NTTG footprint;
  - b) Transmission users engaged in the purchase of electric transmission service within the NTTG footprint, or other entities that have, or have the intention of entering into, an interconnection agreement with a transmission provider within the NTTG footprint; and
  - c) Regulators and other state agencies within the NTTG footprint that are interested in transmission development.

To become a voting member of the NTTG planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG Planning Agreement (attached as Exhibit A), consistent with its terms, and return the executed agreement to the Transmission

Provider. Upon receipt of the signed agreement, the Transmission Provider shall notify the chair of the NTTG planning committee. The chair of the NTTG planning committee shall direct NTTG to maintain a list of all entities that execute the Planning Agreement on its website. Each signatory to the NTTG Funding Agreement is a third-party beneficiary of the Planning Agreement. NTTG has developed rules governing access to, and disclosure of, regional planning data by members. Members of NTTG are required to execute standard non-disclosure agreements before regional transmission planning data are released.

- 3.4.3 Any stakeholders may comment on NTTG study criteria, assumptions or results at their discretion either through direct participation in NTTG or by submitting comments to Transmission Provider to be evaluated and consolidated with Transmission Provider's comments on the Regional Transmission Plan, criteria and assumptions. The Planning and Cost Allocation Practice identifies when stakeholders have the opportunity to provide input into the elements of the Regional Transmission Plan.

### **3.5. Economic Congestion Studies**

- 3.5.1 Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize and complete up to two regional Economic Congestion Studies per Regional Planning Cycle, as outlined in NTTG's standardized process for congestion studies. The regional Economic Congestion Studies will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers that are categorized as regional or interconnection-wide Economic Congestion Study Requests pursuant to Section 2.7. NTTG may submit requests for interconnection-wide Economic Congestion Studies to the WECC pursuant to NTTG and WECC processes.
- 3.5.2 Within each Regional Planning Cycle, any Eligible Customer or stakeholder may request additional Economic Congestion Studies, or Economic Congestion Studies that were not prioritized for completion by NTTG, to be paid for at the sole expense of the requesting party. The Eligible Customer or stakeholder shall make such requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K. Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion.
- 3.5.3 NTTG will cluster and study together Economic Congestion Studies 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 NTTG that the Economic Congestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.

- 3.5.4 For an Economic Congestion Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Congestion Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.
- 3.5.5 All Economic Congestion Study Requests received by the Transmission Provider will be categorized pursuant to Section 2.7 of this Attachment K. For an Economic Congestion Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee or sign the Economic Study Agreement, attached as Exhibit B.

### 3.6. **Dispute Resolution**

- 3.6.1 Transmission Provider, signatories to the Planning 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 disputes related to the integration of Transmission Provider's Local Transmission System Plan with the Regional Transmission Plan; to enforce compliance with the NTTG regional study process; and to challenge a decision within a milestone document.
- 3.6.2 Disputes shall be resolved according to the following process:
  - Step 1 – In the event of a dispute involving the NTTG planning or cost allocation committee (for disputes involving the NTTG steering committee, proceed to Step 2), the disputing entity shall provide written notice of the dispute to the applicable planning or cost allocation committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the NTTG planning 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.
  - Step 2 - The planning or cost allocation committee chair shall refer the dispute to the NTTG steering committee. In the event of a dispute involving the NTTG 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 NTTG steering committee to resolve the dispute. Upon declaration of an impasse by the state co-chair of the NTTG steering committee, the disputing entity shall proceed to Step 3.
  - 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.

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 pro forma Open Access Transmission Tariff to resolve the dispute

- 3.6.3 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.

### 3.7. **Cost Allocation.**

For those projects included in the Regional Transmission Plan, costs can be allocated at the project sponsor's election either through participant funding or NTTG's cost allocation process as set forth below, and further described in the Planning and Cost Allocation Practice.

#### 3.7.1 Participant Funding.

- 3.7.1.1 Open Season Solicitation of Interest. For any project identified in the Regional Transmission Plan in which Transmission Provider is a project sponsor, Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:

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

3.7.1.1.2 Schedule meeting(s) with stakeholders and/or state public utility commission staff.

3.7.1.1.3 Post information about the proposed project on its OASIS.

3.7.1.1.4 Guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

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.

3.7.1.2 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.

3.7.1.3 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.

### 3.7.2 Allocation of Costs

3.7.2.1 Project Qualification. To be selected for cost allocation by the NTTG planning committee, in cooperation with the NTTG cost allocation committee, a project must be:

- (a) either be proposed for such purpose by a pre-qualified sponsoring entity or be an unsponsored project identified in the regional planning process;
- (b) be selected in the Regional Transmission Plan;
- (c) have an estimated cost which exceeds the lesser of:

- (1) \$100 million, or
- (2) 5% of the project sponsor's net plant in service (as of the end of the calendar year prior to the submission of the project); and
- (d) have total estimated project benefits to regional entities (other than the project sponsor) that exceed \$10 million of the total estimated project benefits. For unsponsored projects, the regional entity estimated to receive the largest share of the project benefits is considered the project sponsor for this criterion.

3.7.2.2 Benefit Metrics. For all projects selected in the Regional Transmission Plan for purposes of cost allocation, the NTTG cost allocation committee will use, with input from stakeholders, benefit metrics to evaluate the project's benefits and beneficiaries for purposes of cost allocation. Those benefit metrics will be set forth in the Biennial Study Plan and may include (but are not limited to):

- (a) Change in annual capital-related costs;
- (b) Change in energy losses; and
- (c) Change in reserves.

Each benefit metric is expressed as an annual change in costs (or revenue or other appropriate metric). The annual changes are discounted to a net present value for those years within the 10-year study period that the benefit or cost accrues.

3.7.2.3 Allocation Scenarios. During quarters 1 and 2, the NTTG cost allocation committee will create allocation scenarios for those parameters that likely affect the amount of total benefits of a project and their distribution among beneficiaries. The NTTG cost allocation committee will develop these scenarios during regularly scheduled meetings and with input from stakeholders. The resulting allocation scenarios become part of the Biennial Study Plan in quarter 2.

3.7.2.4 Determination of Project Benefits and Allocation to Beneficiaries. The NTTG planning committee, in cooperation with the NTTG cost allocation committee, conducts the analyses of the benefit metrics and provides the initial, net benefits by Beneficiary for each transmission project that meets the criteria set forth in Sections 3.7.2.2 and 3.7.2.3. The initial net benefits are calculated for each transmission project for each allocation scenario. The net benefits of each scenario are the sum of the benefits (or costs) across each

benefit metric. The net benefits are calculated as both an overall total and a regional total, as well as by regional Beneficiary. The NTTG cost allocation committee initially identifies Beneficiaries as all those entities that may be affected by the proposed project based upon the benefit metric calculation. After the calculation of initial benefits, the NTTG cost allocation committee will remove those entities that do not receive a benefit from the project being evaluated.

While the estimation of the benefit metrics is generally not dependent or conditioned on future contractual rights of a Beneficiary, that is not necessarily true with regard to the benefits of deferred or replaced transmission projects. In such instances, in order to fulfill the function, and, therefore, fully realize the estimated benefits of deferring or replacing a transmission project, the affected transmission provider(s) may require ownership (or ownership-like) rights on the alternative transmission project or on the transmission system of the transmission provider within which the alternative transmission is embedded. Such contractual requirements are specific to the purpose(s) of the deferred or replaced transmission project. Transmission providers whose transmission project is deferred or replaced are consulted on a case-by-case basis to determine their contractual requirements.

Before their use in allocating a transmission project's cost, the NTTG 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 150% of the average of the unadjusted, net benefits across all allocation scenarios;
- (b) If the average of the net benefits, as adjusted by (a) above, across the allocation scenarios is negative, the average net benefit to that Beneficiary is set to zero; and
- (c) Based on the net benefits, as adjusted by (a) and (b) above, across the allocation scenarios, if the ratio of the standard deviation to the average is greater than 1.0, the average net benefit to that Beneficiary is set to zero.

Each of these adjustments is applied to each regional Beneficiary independent of other Beneficiaries. The initial (and adjusted) net benefits used for each scenario are the sum of the benefits (which numerically may be positive or negative) across each of the regional metrics. A Beneficiary will be included in the steps above even if

only one of the benefit metrics is applicable to that Beneficiary and the estimated benefits for the other benefit metrics are, by definition, zero.

The adjusted net benefits, as determined by applying the limits in the three conditions above, are used for allocating project costs proportionally to regional Beneficiaries. However, Beneficiaries other than the project sponsor 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 project sponsor, no less than 1.10). If a Beneficiary other than the project sponsor has an allocated cost of less than \$2 million, the costs allocated to that Beneficiary will be zero. After the allocation of costs to Beneficiaries, the project sponsor will be responsible for any remaining project costs.

3.7.3 Exclusions. The cost for projects undertaken in connection with requests for interconnection or transmission service under ~~Sections II, III, IV or V~~ of the Tariff will be governed solely by the applicable cost allocation methods associated with those requests under the Tariff.

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

NTTG expects the sponsor of a project selected in the Regional Transmission Plan to inform the NTTG 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 NTTG planning committee determines that a project cannot be constructed by its original in-service date, the NTTG planning committee will reevaluate the project using an updated in-service date.

“Committed” projects are those selected in the previous Regional Transmission Plan 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 Transmission Plan. Committed projects are not subject to reevaluation, unless the project fails to meet its development schedule milestones such that the needs of the region will not be met, in which case, the project may lose its designation as a committed project.

If not “committed,” a project selected in the previous Regional Transmission Plan - whether selected for cost allocation or not - shall be reevaluated, and potentially replaced or deferred, in subsequent Regional Planning Cycles 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 and/or cost effectively.

In the event of (a) as identified above in this Section 3.8, the NTTG planning committee may remove the transmission project from the initial Regional Transmission Plan. In the event of (b) or (c) identified above in this Section 3.8, an alternative project shall be considered to meet the needs of the region more efficiently and/or cost effectively if the total of its cost, plus costs for the project being replaced/deferred, incurred by the developer during the period the project was selected in the Regional Transmission Plan, is equal to or less than .85 of the replaced/deferred project's capital cost. If an alternative project meets the .85 threshold while absorbing the incurred costs of the replaced/deferred project, then the prior project will be replaced by the alternative project.

## 4. Common Interregional Coordination and Cost Allocation

### 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 3 below.
- 4.1.2. **Annual Interregional Information:** shall have the meaning set forth in Section 2 below.
- 4.1.3. **Interregional Cost Allocation:** means the assignment of ITP costs between or among Planning Regions as described in Section 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 4.1.
- 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, Northern Tier 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 4.2, 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 its 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 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 its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process NTTG Annual Interregional Information. NTTG may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

NTTG is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by NTTG in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if NTTG reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission’s Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by NTTG shall be subject to applicable confidentiality and CEII restrictions and other

applicable laws, under NTTG's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by NTTG shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of NTTG, Transmission Provider, or any entity supplying information in NTTG's regional transmission planning process, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

#### **4.3. Annual Interregional Coordination Meeting**

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

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

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

#### **4.4. ITP Joint Evaluation Process**

##### **4.4.1. Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section 4.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31<sup>st</sup> 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 4.1, 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 4.1 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 4.1, 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 4.2 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 4.2 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 4.1, 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 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 6.2 below) to each Relevant Planning Region using the methodology described in this section 5.2.

For each ITP that meets the requirements of Section 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 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 5.2 in the same general time frame as its joint evaluation activities pursuant to Section 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 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

If 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 5.2(d), 5.2(e), and 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 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

## **4.5. Interconnection-Wide Planning Process**

### **4.1.5.1. Introduction.**

Transmission Provider is a member of the WECC and supports the work of WECC TEPPC. NTTG may utilize WECC TEPPC for consolidation and completion of congestion and Economic Congestion Studies, base cases and other interconnection-wide planning. NTTG may coordinate with other neighboring regional planning groups directly, through joint study teams, or through the interconnection-wide process. Eligible Customers and stakeholders may participate directly in the WECC's processes, pursuant to participation requirements defined by WECC TEPPC, or participate indirectly through the Transmission Provider via development of the Local Transmission System Plan or through the NTTG process as outlined above in Section 3 and 4.

### **4.2.5.2. Transmission Provider Coordination.**

Transmission Provider will coordinate with WECC TEPPC for interconnection-wide planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring regional planning groups including the CAISO, WestConnect, NWPP and Columbia Grid. The goal of NTTG's coordination ~~on-an~~ interconnection-wide basis on behalf of Transmission Provider is to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data, and (2) identify system enhancements that could relieve congestion or integrate new resources. A description of the interconnection-wide planning process is located in the Transmission Provider's transmission planning-business practice, available-located at: [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

### **4.3.5.3. Study Process.**

WECC TEPPC's transmission planning protocol and information ~~are-in~~ available on the WECC website. A link to the WECC TEPPC process is maintained in the transmission planning business practice, available on the Transmission Provider's OASIS-business practices located at [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx) and on the Transmission Provider's OASIS.

### **4.4.5.4. Stakeholder Participation.**

Stakeholders have access to the interconnection-wide planning process through NTTG's public planning meetings, other regional planning groups and WECC at their discretion.

#### **4.5.5.5. Economic Congestion Studies Requests.**

Transmission Provider will support, directly and through its participation in NTTG, the WECC TEPPC processes to prioritize and complete ~~regional~~ Economic Congestion Studies requested by customers and stakeholders to each member transmission provider in each calendar year within the ~~Western Electricity Coordinating Council~~ WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic Congestion Study Requests to the Transmission Provider pursuant to [Section 2](#), Section 2.7 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic ~~Congestion~~ Study Requests received by the Transmission Provider will be categorized pursuant to [Section 2](#), Section 2.7 of this Attachment K.

#### **4.6.5.6. Dispute Resolution.**

Interconnection-wide dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this [Section 4](#), Section 4.6 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

#### **4.7.5.7. Cost Allocation.**

A Western Interconnection-~~wide~~-cost allocation methodology does not exist~~;~~, therefore, cost allocations for interconnection wide transmission projects, will be addressed on a case-by-case basis by parties participating in the project.



**Exhibit A**



This Planning 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,<sup>1</sup> and coordinating the transmission plan and its development with other regional planning groups and the interconnection-wide planning activities of the Western Electricity Coordinating Council ("WECC");
- 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](http://www.nttg.biz);
- C. The Planning Committee Charter provides that any stakeholder may attend and participate in any Planning Committee meeting but limits those entities that may formally vote to those entities that execute this Agreement;
- D. This Agreement is intended to document an entity's voting membership on the Planning Committee and commit the voting entity to act in a good faith manner to further the purpose of the Planning Committee, as described herein;
- 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 (["Funding Members"](#)).

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, 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 further the purpose of the Planning Committee Charter 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;

b. 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;

c. To the extent practicable, provide support from internal resources to achieve the purpose of the Planning Committee Charter;

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.

### **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 is 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.

Requested Membership Class \_\_\_\_\_ Date: \_\_\_\_\_  
(Print)

\_\_\_\_\_  
(Signature) \_\_\_\_\_ (Name of Company or  
Organization) \_\_\_\_\_ (Phone)

\_\_\_\_\_  
(Print Signature) \_\_\_\_\_ (Street Address) \_\_\_\_\_ (Fax)

\_\_\_\_\_  
(Title) \_\_\_\_\_ (City, State, Zip Code) \_\_\_\_\_ (Email)

<sup>1</sup> 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



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

### Recitals

A. The Northern Tier Transmission Group's (the "Northern Tier") Planning Committee (the "Planning Committee") is charged with the task of performing Economic Congestion Studies for the Northern Tier footprint<sup>1</sup> 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](http://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 Congestion Study Requests to the Transmission Provider during the Economic Congestion Study Request windows and provide the data required to perform the study;

- b. 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;
- c. 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;
- d. 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;
- e. 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;
- f. The extent practicable, provide support from internal resources to complete the Economic Congestion Study;
- g. Bear its own costs and expenses associated with participation in and support of the Economic Congestion Study; and
- h. 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 is 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)

<sup>1</sup> 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.

**Attachment 4**

**Attachment K – Transmission Planning Process**

**NorthWestern Corporation (Montana)**

**FERC Electric Tariff  
Volume No. 5**

**Open Access Transmission Tariff**

## ATTACHMENT K

### Transmission Planning Process

#### **Preamble**

In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, regional (NTTG), interregional and interconnection-wide planning (WECC) basis. Section 2 of this Attachment K addresses the local planning process. Section 3 of this Attachment K addresses Transmission Provider's regional planning coordination efforts and responsibilities. Section 4 of this Attachment K addresses interregional coordination with the other planning regions of the Western Interconnection. Section 5 of this Attachment K addresses interconnection-wide planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's regional, interregional and interconnection-wide planning efforts is also contained within the separate agreements and practices of the NTTG and the WECC.

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<sup>1</sup>**

- 1.1. **Beneficiary:** shall mean any entity, including but not limited to transmission providers (both incumbent and non-incumbent), merchant developers, load serving entities, transmission customers or generators that utilize the regional transmission system to transmit energy or provide other energy-related services.
- 1.2. **Biennial Study Plan:** shall mean the regional transmission study plan, as approved by the NTTG steering committee.
- 1.3. **Demand Resources:** shall mean mechanisms to manage demand for power in response to supply conditions, for example, having electricity customers reduce their consumption at critical times or in response to market prices. For purposes of this Attachment K, this methodology is focused on curtailing demand to avoid the need to plan new sources of generation or transmission capacity.
- 1.4. **Economic Congestion Study:** shall mean 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.

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<sup>1</sup> Please note that additional definitions with respect to interregional coordination and cost allocation are contained in Section 4 of this Attachment K, which contains provisions that are common among each of the planning regions in the United States portion of the Western Interconnection.

- 1.5. **Economic Congestion Study Request:** shall mean a request by a Transmission 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 Transmission System Plan, to reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers.
- 1.6. **Local Planning Meeting:** shall mean the meetings held by Transmission Provider pursuant to Attachment K to the Tariff.
- 1.7. **Local Transmission System Plan or LTSP:** shall mean the Transmission Provider's transmission plan that identifies the upgrades and other investments to the Transmission System and Demand Resources necessary to reliably satisfy, over the planning horizon, 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.
- 1.8. **LTSP Re-Study Request:** shall mean 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.
- 1.9. **NTTG:** shall mean Northern Tier Transmission Group or its successor organization.
- 1.10. **Planning and Cost Allocation Practice:** shall mean the NTTG Regional Planning and Cost Allocation Practice document which may be accessed via direct links in Transmission Provider's transmission planning business practice available at [http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 1.11. **Public Policy Considerations:** shall mean those public policy considerations that are not established by state or federal laws or regulations.
- 1.12. **Public Policy Requirements:** shall mean those public policy requirements that are established by 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.
- 1.13. **Regional Planning Cycle:** shall mean NTTG's eight-quarter biennial planning cycle that commences in even-numbered years and results in the Regional Transmission Plan.

- 1.14. **Regional Transmission Plan:** shall mean the current, final regional transmission plan, as approved by the NTTG steering committee.
- 1.15. **TRANSAC:** Shall mean 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.
- 1.16. **TEPPC:** shall mean Transmission Expansion Planning Policy Committee or its successor committee within WECC.
- 1.17. **WECC:** shall mean Western Electricity Coordinating Council or its successor organization.

## 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.loati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.loati.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.osti.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.osti.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](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 Those transmission needs driven by Public Policy Requirements to 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 evaluation process and selection criteria for inclusion of transmission needs driven by Public Policy Requirements in the LTSP will be the same as those used for any other local project in the LTSP. In its technical analysis, the Transmission Provider will include the transmission needs driven by Public Policy Requirements in the transmission planning process to be jointly evaluated with other local projects, rather than considering transmission needs driven by Public Policy Requirements separately from other transmission needs.

2.1.10.5 The process by which transmission needs driven by Public Policy Requirements and Considerations will be received, reviewed and evaluated is described in the “LTSP 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.osti.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.osti.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 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](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](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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 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 Response and generation data received pursuant to 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 and submit the LTSP to regional and interconnection-wide planning entities conducting similar studies.
- 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.

#### 2.4. 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 and interconnection wide 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](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](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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 2.7.2 Economic Congestion Study Request: A form for submitting Economic Congestion Study Requests shall be maintained on the Transmission Provider's OASIS 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 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: Local Transmission Provider shall study valid requests for Economic Congestion Studies 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. Economic Congestion Study Requests should be submitted to the Transmission Provider during the first two (2) months of the Economic Congestion Study twelve (12) month study cycle by using the 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. 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 2.7.4 Clustering of local Economic Congestion Study Requests. Requests can be clustered if the point-of-receipt and point-of-delivery of the Economic Congestion Study Requests are on opposite sides of a common or a potentially common transmission path(s) or if a potentially common solution is created by the requests or, in the alternative, it is reasonably determined by the Transmission Provider that the Economic Congestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group. 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](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 Transmission Provider Economic Congestion Study Request, Regional Economic Congestion Study Request, or interconnection wide Economic Congestion Study Request. If the Local Transmission Provider Economic Congestion Study Request is regional or interconnection wide, the Transmission Provider will notify the requesting party and forward the Economic Congestion Study Request to NTTG for consideration and processing under NTTG’s procedures.

- 2.7.5.1 Local Transmission Provider Economic Congestion Study Request: Local Transmission Provider Economic Congestion Study Request identifies (1) Point(s) of Receipt and Point(s) of Delivery that are all within the Transmission Provider's scheduling system footprint and the Point of Receipt(s) and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, or (2) is otherwise reasonably determined 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, the study request will be considered local and will be prioritized under this Section (i.e., Section 2).
- 2.7.5.2 Regional Economic Congestion Study Request: If the Economic Congestion Study Request identifies (1) Point(s) of Receipt and Point(s) of Delivery that are all within the NTTG scheduling system footprint, as determined by the NTTG Transmission Use Committee, and the Point(s) of Receipt and Point of Delivery utilize only NTTG Funding Agreement members scheduling paths, or (2) is otherwise reasonably determined by the Transmission Provider to be a regional request from a geographical and electrical perspective, including, but not limited to, an evaluation as to whether the study request utilizes the interconnected transmission systems of NTTG Funding Agreement members, the study request will be considered regional and will be processed under the next Section, Section 3.
- 2.7.5.3 Interconnection wide Economic Congestion Study Request: If the Economic Congestion Study Request identifies a Point of Receipt or Point of Delivery within the NTTG scheduling system footprint as determined by the NTTG Transmission Use Committee and (1) the Point(s) of Receipt and Point(s) of Delivery are all within the WECC scheduling system footprint; and (2) the Point(s) of Receipt and Points(s) of Delivery utilize only WECC members scheduling paths, the study request will be considered interconnection wide and will be processed under Section 4 of this document. In the alternative, if the Economic Congestion Study Request is reasonably determined by the Transmission Provider to be an interconnection wide request from a geographical and electrical perspective, including, but not limited to, an evaluation as to whether the study request utilizes only WECC member interconnected transmission systems, the study request will be considered interconnection wide and will be processed under Section 5.
- 2.7.5.4 Economic Congestion Study Request Not Applicable: To be considered by the Transmission Provider, any Economic Congestion Study Request must (1) contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint,

or (2) be reasonably determined by the Transmission Provider to be geographically located within the Transmission Provider's scheduling footprint.

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

2.7.6.1 Transmission Provider, with input from stakeholders, will cluster study requests as appropriate and prioritize the requests, including clustered requests, based on alleviating congestion 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 by evaluating transmission upgrades necessary to connect major new areas of generation resource and/or load.

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

2.7.7 Economic Congestion Study Contents: Local Transmission Provider Economic Congestion Studies 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. 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.osti.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.osti.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 regional, interregional or interconnection wide planning process shall be included in the Transmission Provider's transmission rate base. Transmission Provider will capture the planning costs for the OATT using traditional test period requirements in the next FERC tariff filing.

**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\\_Practices\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practices_Links.docx).

### 3. Regional Planning Process

#### 3.1. Introduction

3.1.1 NTTG is a trade name for the efforts of participating utilities and state representatives to develop a Regional Transmission Plan that evaluates whether transmission needs may be satisfied on a regional and interregional basis more efficiently and cost effectively than through the NTTG transmission providers' respective local planning processes. NTTG has four standing committees: the steering committee, planning committee, cost allocation committee, and transmission use committee. The steering committee, which operates pursuant to the steering committee charter, governs the activities of NTTG. The planning committee, which is governed by the planning committee charter, is responsible for preparing Regional Transmission Plans, in collaboration with stakeholders, in coordination with neighboring transmission planning regions, and conducting regional Economic Congestion Studies requested by stakeholders. The cost allocation committee, whose actions are governed by the cost allocation committee charter, is responsible for applying the cost allocation principles and practices, while developing cost allocation recommendations for transmission projects selected into Regional Transmission Plans. Additionally, the transmission use committee, whose actions are governed by the transmission use committee charter, is responsible for increasing the efficiency of the existing member utility transmission systems through commercially reasonable initiatives and increasing customer knowledge of, and transparency into, the transmission systems of the member utilities.

The Planning and Cost Allocation Practice, developed and reviewed with stakeholders, describes the process by which NTTG prepares the Regional Transmission Plans (including cost allocation). Local transmission planning processes are described in this Attachment K rather than the Planning and Cost Allocation Practice. This Attachment K also includes the processes by which NTTG coordinates its regional transmission planning processes with its neighboring transmission planning regions, and performs interregional project identification, evaluation, and cost allocation. See Section 4.

Stakeholders may participate in NTTG's activities and programs at their discretion; provided, however, stakeholders that intend to submit an Economic Congestion Study Request or engage in dispute resolution are expected to participate in the NTTG planning and cost allocation processes. Stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission System Plan.

While the resulting Regional Transmission Plans are not construction plans, they provide valuable regional insight and information for all stakeholders

(including developers) to consider and use to potentially modify their respective plans.

### **3.2. Transmission Provider Coordination with NTTG.**

- 3.2.1 Transmission Provider shall engage in regional transmission planning (including interregional coordination and interregional cost allocation) as a member of NTTG. Transmission Provider shall support NTTG's planning and cost allocation processes through funding a share of NTTG and providing employee support of NTTG's planning, cost allocation, and administrative efforts.
- 3.2.2 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 cost effective and efficient from a regional perspective than the transmission projects identified in the Local Transmission System Plans developed by the participating transmission providers.
- 3.2.3 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.
- 3.2.4 Transmission Provider will provide NTTG with:
  - a) its Local Transmission System Plan;
  - b) updates to information about new or changed circumstances or data contained in the Local Transmission System Plan;
  - c) Public Policy Requirements and Considerations; and
  - d) any other project proposed for the Regional Transmission Plan.
- 3.2.5 Subject to appropriate Critical Energy Infrastructure Information (CEII) or other applicable regulatory restrictions, Transmission Provider will post on its OASIS:
  - a) the Biennial Study Plan, which shall include: (1) planning and cost allocation criteria, methodology, and assumptions; (2) an explanation of which transmission needs driven by Public Policy Requirements and Considerations will and will not be evaluated in each biennial transmission planning process, along with an explanation of why particular transmission needs driven by Public Policy Requirements and

Considerations were or were not considered; and (3) updates on progress and commitments to build received by NTTG;

- 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.

### 3.3. **Study Process.**

Transmission Provider will support the NTTG processes as a member of NTTG to establish a coordinated regional study process, involving both economic and reliability components, as outlined in the Planning and Cost Allocation Practice, which is approved by the NTTG steering committee. The regional study process will also address NTTG's coordination with neighboring planning regions and any interregional projects under consideration by NTTG. As part of the regional study process, the NTTG planning committee will biennially prepare a long-term (ten year) bulk transmission expansion plan (the Regional Transmission Plan), while taking into consideration up to a twenty-year planning horizon. The comprehensive transmission planning process will comprise the following milestone activities during the Regional Planning Cycle as outlined below, and further described in the Planning and Cost Allocation Practice:

- 3.3.1 **Pre-qualify for Cost Allocation:** Sponsors who intend to submit a project for cost allocation must be pre-qualified by the NTTG planning committee, according to its criteria, process, and schedule.
- 3.3.2 **Quarter 1 - Data Gathering:** Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon. Any stakeholder may submit data to be evaluated as part of the preparation of the draft Regional Transmission Plan, including transmission needs and associated facilities driven by Public Policy Requirements and Considerations, and alternate solutions to the identified needs set out in the Transmission Provider's Local Transmission System Plan and prior NTTG biennial Regional Transmission Plans.

A project sponsor that proposes a transmission project for the Regional Transmission Plan shall submit certain minimum information to the NTTG planning committee, including (to the extent appropriate for the project):

- a) load and resource data;
- b) forecasted transmission service requirements;
- c) whether the proposed project meets reliability or load service needs;

- d) economic considerations;
- e) whether the proposed project satisfies a transmission need driven by Public Policy Requirements;
- f) project location;
- g) voltage level (including whether AC or DC);
- h) structure type;
- i) conductor type and configuration;
- j) project terminal facilities;
- k) project cost, associated annual revenue requirements, and underlying assumptions and parameters in developing revenue requirement;
- l) project development schedule;
- m) current project development phase;
- n) in-service date; and
- o) a list of all planning regions to which an interregional project has been submitted for evaluation.

For projects proposed for cost allocation, the project sponsor shall submit the following additional information:

- aa) state whether the proposed project was (i) selected to meet transmission needs driven by a reliability or Public Policy Requirement of a local transmission provider, and/or (ii) selected 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;
- bb) if the proposed project was selected to meet the transmission needs of a reliability or Public Policy Requirement of a local transmission provider, copies of all studies (i.e., engineering, financial, and economic) upon which selection of the project was based;
- cc) if the proposed project was selected as part of the planning of future resource development and operation within the footprint of a local transmission provider, copies of all studies upon which selection of the

project was based, including, but not limited to, any production cost model input and output used as part of the economic justification of the project;

- dd) to the extent not already provided, copies of all studies performed by or in possession of the project sponsor that describe and/or quantify the estimated annual impacts (both beneficial and detrimental) of the proposed project on the project sponsor and other regional entities;
- ee) to the extent not already provided, copies of any WECC or other regional, interregional, or interconnection-wide planning entity determinations relative to the project;
- ff) to the extent not set forth in the material provided in response to items bb) – dd), the input assumptions and the range of forecasts incorporated in any studies relied on by the project sponsor in evaluating the efficiency and cost-effectiveness of the proposed project;
- gg) any proposal with regard to treatment of project cost overruns; and
- hh) a list of all planning regions to which an interregional project has been submitted for the purposes of cost allocation.

Information submitted pursuant to items a) - o) and aa) - hh) above that is considered proprietary or commercially-sensitive should be marked appropriately.

Complete project material must be received by the NTTG planning committee by the end of quarter 1. The NTTG planning committee will review the project material for completeness. If a project sponsor fails to meet the information requirements set forth above, the NTTG planning committee shall notify the project sponsor of the reasons for such failure. The NTTG planning committee will attempt to remedy deficiencies in the submitted information through informal communications with the project sponsor. If such efforts are unsuccessful by the end of quarter 1, the NTTG planning committee shall return the project sponsor's information, and project sponsor's request shall be deemed withdrawn. During the next transmission planning cycle, a project sponsor may resubmit the project for consideration in the Regional Transmission Plan and may request cost allocation.

Stakeholders may submit Economic Congestion Study Requests, which the NTTG planning committee will collect, prioritize and select for evaluation.

For projects selected in the prior Regional Transmission Plan, the project sponsor must submit an updated project development schedule to the NTTG planning committee.

- 3.3.3 Quarter 2 - Evaluate the Data and Develop the Biennial Study Plan: Identify the loads, resources, transmission requests, desired flows, constraints and

other technical data needed to be included and monitored during the development of the Regional Transmission Plan. 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. Solutions will be evaluated based on a comparison of their ability to meet reliability requirements, address economic considerations and/or meet transmission needs driven by Public Policy Requirements. During a quarter 2 NTTG planning committee meeting, the transmission needs and associated facilities driven by Public Policy Requirements and Considerations received in quarter 1 will be reviewed and winnowed using criteria documented in the Planning and Cost Allocation Practice.

The NTTG planning committee will develop the Biennial Study Plan, which describes

- a) the methodology;
- b) criteria;
- c) assumptions;
- d) databases;
- e) analysis tools;
- f) local, regional and interregional projects (as well as projects that are subject to the reevaluation process which is described below); and
- g) public policy projects that are accepted into the Biennial Study Plan (including why the public policy projects are or are not selected for analysis).

The Biennial Study Plan will be presented to stakeholders and NTTG planning committee members for comment and direction at a quarter 2 publicly held NTTG planning committee meeting. The Biennial Study Plan will also include allocation scenarios, developed by the NTTG cost allocation committee with stakeholder input, for those parameters that will likely affect the amount of total benefits and their distribution among beneficiaries.

When developing the Biennial Study Plan, the NTTG planning committee will consider potential project delays for any project selected into the prior Regional Transmission Plan. In doing so, the NTTG planning committee will reevaluate whether the project's inability to meet its original in-service date, among other considerations, impacts reliability needs or service obligations addressed by the delayed project. Under certain circumstances described in Section 3.8 below, projects selected in a prior Regional Transmission Plan may be reevaluated and potentially replaced or deferred.

The NTTG planning committee will recommend the Biennial Study Plan to the NTTG steering committee for approval.

- 3.3.4 **Quarters 3 and 4 - Transmission System Analysis:** Conduct modeling, using the methods documented in the Biennial Study Plan, and produce a draft Regional Transmission Plan for stakeholder comment and review.
- 3.3.5 **Quarter 5 - Stakeholder Review of Draft Plan:** 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. Any stakeholder may submit comments or additional information about new or changed circumstances relating to loads, resources, transmission projects or alternative solutions to be evaluated as part of the preparation of the Regional Transmission Plan, or submit identified changes to data it provided in quarter 1. The information provided by the stakeholder should likely lead to a material change, individually or in the aggregate, in the Regional Transmission Plan and match the level of detail described in quarter 1 above. 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.

The NTTG planning committee will collect, prioritize and select Economic Congestion Study Requests for consideration and determination of possible congestion and modification to the draft Regional Transmission Plan.

- 3.3.6 **Quarter 6 - Update Study Plan and Cost Allocation:** Conduct up to two Economic Congestion Studies per biennial study cycle and document results.

The Biennial Study Plan will be updated based on the NTTG planning committee's review of stakeholder-submitted comments, 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.

The NTTG cost allocation committee will estimate the benefits, based upon the benefit metrics described in Section 3.7.2.2, associated with each project identified for cost allocation to determine if such projects are eligible for cost allocation.

- 3.3.7 **Quarter 7 - Regional Transmission Plan Review:** Facilitate stakeholder process for review and comment on the Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process. Document and

consider simultaneous feasibility of identified projects, cost allocation recommendations and stakeholder comments.

3.3.8 **Quarter 8 – Regional Transmission Plan Approval:** Submit final Regional Transmission Plan to the NTTG steering committee for approval, completing the biennial process. Share the final plan for consideration in the local and interconnection-wide study processes.

### 3.4. **Stakeholder Participation**

3.4.1 **Public Meetings.** The NTTG planning committee shall convene a public meeting at the end of each quarter in the study cycle to present a status report on development of the Regional Transmission Plan, summarize the substantive results at each quarter, present drafts of documents and receive comments. The meetings shall be open to all stakeholders, including but not limited to Eligible Customers, other transmission providers, federal, state and local commissions and agencies, trade associations and consumer advocates. The date and time of the public meetings shall be posted on the NTTG website. The location of the public meeting, shall be as selected by the NTTG, or may be held telephonically or by video or Internet conference.

3.4.2 The NTTG planning committee charter shall define the NTTG planning committee's purpose, authority, operating structure, voting requirements and budget. Any stakeholder may participate in NTTG planning committee meetings without signing the NTTG Planning Agreement. In addition, pursuant to the NTTG planning committee charter, voting membership in the NTTG planning committee is open to membership by:

- a) Transmission providers and transmission developers engaged in or intending to engage in the sale of electric transmission service within the NTTG footprint;
- b) Transmission users engaged in the purchase of electric transmission service within the NTTG footprint, or other entities that have, or have the intention of entering into, an interconnection agreement with a transmission provider within the NTTG footprint; and
- c) Regulators and other state agencies within the NTTG footprint that are interested in transmission development.

To become a voting member of the NTTG planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG Planning Agreement (attached as Exhibit A), consistent with its terms, and return the executed agreement to the Transmission Provider. Upon receipt of the signed agreement, the Transmission Provider shall notify the chair of the NTTG planning committee. The chair of the NTTG planning committee shall direct NTTG to maintain a list of all entities that execute the Planning Agreement on its website. Each signatory to the

NTTG Funding Agreement is a third-party beneficiary of the Planning Agreement. NTTG has developed rules governing access to, and disclosure of, regional planning data by members. Members of NTTG are required to execute standard non-disclosure agreements before regional transmission planning data are released.

- 3.4.3 Any stakeholders may comment on NTTG study criteria, assumptions or results at their discretion either through direct participation in NTTG or by submitting comments to Transmission Provider to be evaluated and consolidated with Transmission Provider's comments on the Regional Transmission Plan, criteria and assumptions. The Planning and Cost Allocation Practice identifies when stakeholders have the opportunity to provide input into the elements of the Regional Transmission Plan.

### **3.5. Economic Congestion Studies**

- 3.5.1 Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize and complete up to two regional Economic Congestion Studies per Regional Planning Cycle, as outlined in NTTG's standardized process for congestion studies. The regional Economic Congestion Studies will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers that are categorized as regional or interconnection-wide Economic Congestion Study Requests pursuant to Section 2.7. NTTG may submit requests for interconnection-wide Economic Congestion Studies to the WECC pursuant to NTTG and WECC processes.
- 3.5.2 Within each Regional Planning Cycle, any Eligible Customer or stakeholder may request additional Economic Congestion Studies, or Economic Congestion Studies that were not prioritized for completion by NTTG, to be paid for at the sole expense of the requesting party. The Eligible Customer or stakeholder shall make such requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K. Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion.
- 3.5.3 NTTG will cluster and study together Economic Congestion Studies 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 NTTG that the Economic Congestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.
- 3.5.4 For an Economic Congestion Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Congestion Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.

3.5.5 All Economic Congestion Study Requests received by the Transmission Provider will be categorized pursuant to Section 2.7 of this Attachment K. For an Economic Congestion Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee or sign the Economic Study Agreement, attached as Exhibit B.

### 3.6. **Dispute Resolution**

3.6.1 Transmission Provider, signatories to the Planning 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 disputes related to the integration of Transmission Provider's Local Transmission System Plan with the Regional Transmission Plan; to enforce compliance with the NTTG regional study process; and to challenge a decision within a milestone document.

3.6.2 Disputes shall be resolved according to the following process:

Step 1 – In the event of a dispute involving the NTTG planning or cost allocation committee (for disputes involving the NTTG steering committee, proceed to Step 2), the disputing entity shall provide written notice of the dispute to the applicable planning or cost allocation committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the NTTG planning 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.

Step 2 - The planning or cost allocation committee chair shall refer the dispute to the NTTG steering committee. In the event of a dispute involving the NTTG 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 NTTG steering committee to resolve the dispute. Upon declaration of an impasse by the state co-chair of the NTTG steering committee, the disputing entity shall proceed to Step 3.

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.

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 pro forma Open Access Transmission Tariff to resolve the dispute

- 3.6.3 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.

### 3.7. **Cost Allocation.**

For those projects included in the Regional Transmission Plan, costs can be allocated at the project sponsor's election either through participant funding or NTTG's cost allocation process as set forth below, and further described in the Planning and Cost Allocation Practice.

#### 3.7.1 Participant Funding.

- 3.7.1.1 Open Season Solicitation of Interest. For any project identified in the Regional Transmission Plan in which Transmission Provider is a project sponsor, Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:

- 3.7.1.1.1 Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- 3.7.1.1.2 Schedule meeting(s) with stakeholders and/or state public utility commission staff.
- 3.7.1.1.3 Post information about the proposed project on its OASIS.

3.7.1.1.4 Guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

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.

3.7.1.2 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.

3.7.1.3 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.

### 3.7.2 Allocation of Costs

3.7.2.1 Project Qualification. To be selected for cost allocation by the NTTG planning committee, in cooperation with the NTTG cost allocation committee, a project must:

- (a) either be proposed for such purpose by a pre-qualified sponsoring entity or be an unsponsored project identified in the regional planning process;
- (b) be selected in the Regional Transmission Plan;
- (c) have an estimated cost which exceeds the lesser of:
  - (1) \$100 million, or
  - (2) 5% of the project sponsor's net plant in service (as of the end of the calendar year prior to the submission of the project); and

(d) have total estimated project benefits to regional entities (other than the project sponsor) that exceed \$10 million of the total estimated project benefits. For unsponsored projects, the regional entity estimated to receive the largest share of the project benefits is considered the project sponsor for this criterion.

3.7.2.2 Benefit Metrics. For all projects selected in the Regional Transmission Plan for purposes of cost allocation, the NTTG cost allocation committee will use, with input from stakeholders, benefit metrics to evaluate the project's benefits and beneficiaries for purposes of cost allocation. Those benefit metrics will be set forth in the Biennial Study Plan and may include (but are not limited to):

- (a) Change in annual capital-related costs;
- (b) Change in energy losses; and
- (c) Change in reserves.

Each benefit metric is expressed as an annual change in costs (or revenue or other appropriate metric). The annual changes are discounted to a net present value for those years within the 10-year study period that the benefit or cost accrues.

3.7.2.3 Allocation Scenarios. During quarters 1 and 2, the NTTG cost allocation committee will create allocation scenarios for those parameters that likely affect the amount of total benefits of a project and their distribution among beneficiaries. The NTTG cost allocation committee will develop these scenarios during regularly scheduled meetings and with input from stakeholders. The resulting allocation scenarios become part of the Biennial Study Plan in quarter 2.

3.7.2.4 Determination of Project Benefits and Allocation to Beneficiaries. The NTTG planning committee, in cooperation with the NTTG cost allocation committee, conducts the analyses of the benefit metrics and provides the initial, net benefits by Beneficiary for each transmission project that meets the criteria set forth in Sections 3.7.2.2 and 3.7.2.3. The initial net benefits are calculated for each transmission project for each allocation scenario. The net benefits of each scenario are the sum of the benefits (or costs) across each benefit metric. The net benefits are calculated as both an overall total and a regional total, as well as by regional Beneficiary. The NTTG cost allocation committee initially identifies Beneficiaries as all those entities that may be affected by the proposed project based upon the benefit metric calculation. After the calculation of initial

benefits, the NTTG cost allocation committee will remove those entities that do not receive a benefit from the project being evaluated.

While the estimation of the benefit metrics is generally not dependent or conditioned on future contractual rights of a Beneficiary, that is not necessarily true with regard to the benefits of deferred or replaced transmission projects. In such instances, in order to fulfill the function, and, therefore, fully realize the estimated benefits of deferring or replacing a transmission project, the affected transmission provider(s) may require ownership (or ownership-like) rights on the alternative transmission project or on the transmission system of the transmission provider within which the alternative transmission is embedded. Such contractual requirements are specific to the purpose(s) of the deferred or replaced transmission project. Transmission providers whose transmission project is deferred or replaced are consulted on a case-by-case basis to determine their contractual requirements.

Before their use in allocating a transmission project's cost, the NTTG 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 150% of the average of the unadjusted, net benefits across all allocation scenarios;
- (b) If the average of the net benefits, as adjusted by (a) above, across the allocation scenarios is negative, the average net benefit to that Beneficiary is set to zero; and
- (c) Based on the net benefits, as adjusted by (a) and (b) above, across the allocation scenarios, if the ratio of the standard deviation to the average is greater than 1.0, the average net benefit to that Beneficiary is set to zero.

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

The adjusted net benefits, as determined by applying the limits in the three conditions above, are used for allocating project costs proportionally to regional Beneficiaries. However, Beneficiaries other than the project sponsor 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 project sponsor, no less than 1.10). If a Beneficiary other than the project sponsor has an allocated cost of less than \$2 million, the costs allocated to that Beneficiary will be zero. After the allocation of costs to Beneficiaries, the project sponsor will be responsible for any remaining project costs.

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

**3.8. Reevaluation of Projects Selected in the Regional Transmission Plan.**

NTTG expects the sponsor of a project selected in the Regional Transmission Plan to inform the NTTG 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 NTTG planning committee determines that a project cannot be constructed by its original in-service date, the NTTG planning committee will reevaluate the project using an updated in-service date.

“Committed” projects are those selected in the previous Regional Transmission Plan 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 Transmission Plan. Committed projects are not subject to reevaluation, unless the project fails to meet its development schedule milestones such that the needs of the region will not be met, in which case, the project may lose its designation as a committed project.

If not “committed,” a project selected in the previous Regional Transmission Plan - whether selected for cost allocation or not - shall be reevaluated, and potentially replaced or deferred, in subsequent Regional Planning Cycles 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 and/or cost effectively.

In the event of (a) as identified above in this Section 3.8, the NTTG planning committee may remove the transmission project from the initial Regional Transmission Plan. In the event of (b) or (c) identified above in this Section 3.8, an

alternative project shall be considered to meet the needs of the region more efficiently and/or cost effectively if the total of its cost, plus costs for the project being replaced/deferred, incurred by the developer during the period the project was selected in the Regional Transmission Plan, is equal to or less than .85 of the replaced/deferred project's capital cost. If an alternative project meets the .85 threshold while absorbing the incurred costs of the replaced/deferred project, then the prior project will be replaced by the alternative project.

#### 4. **Common Interregional Coordination and Cost Allocation**

##### **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 3 below.
- 4.1.2. **Annual Interregional Information:** shall have the meaning set forth in Section 2 below.
- 4.1.3. **Interregional Cost Allocation:** means the assignment of ITP costs between or among Planning Regions as described in Section 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 4.1.
- 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, Northern Tier 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 4.2, 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 its 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 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 its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process NTTG Annual Interregional Information. NTTG may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

NTTG is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by NTTG in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if NTTG reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission’s Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by NTTG shall be subject to applicable confidentiality and CEII restrictions and other

applicable laws, under NTTG's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by NTTG shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of NTTG, Transmission Provider, or any entity supplying information in NTTG's regional transmission planning process, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

#### **4.3. Annual Interregional Coordination Meeting**

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

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

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

#### **4.4. ITP Joint Evaluation Process**

##### **4.4.1. Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section 4.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31<sup>st</sup> 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 4.1, 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 4.1 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 4.1, 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 4.2 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 4.2 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 4.1, 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 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 6.2 below) to each Relevant Planning Region using the methodology described in this section 5.2.

For each ITP that meets the requirements of Section 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 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 5.2 in the same general time frame as its joint evaluation activities pursuant to Section 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 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

If 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 5.2(d), 5.2(e), and 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 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

## **5. Interconnection-Wide Planning Process**

### **5.1. Introduction.**

Transmission Provider is a member of the WECC and supports the work of WECC TEPPC. NTTG may utilize WECC TEPPC for consolidation and completion of congestion and Economic Congestion Studies, base cases and other interconnection-wide planning. NTTG may coordinate with other neighboring regional planning groups directly, through joint study teams, or through the interconnection-wide process. Eligible Customers and stakeholders may participate directly in the WECC's processes, pursuant to participation requirements defined by WECC TEPPC, or participate indirectly through the Transmission Provider via development of the Local Transmission System Plan or through the NTTG process as outlined above in Section 3 and 4.

### **5.2. Transmission Provider Coordination.**

Transmission Provider will coordinate with WECC TEPPC for interconnection-wide planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring regional planning groups including the CAISO, WestConnect, NWPP and Columbia Grid. The goal of NTTG's coordination a interconnection-wide basis on behalf of Transmission Provider is to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data, and (2) identify system enhancements that could relieve congestion or integrate new resources. A description of the interconnection-wide planning process is located in the Transmission Provider's business practice, located at:

[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

### **5.3. Study Process.**

WECC TEPPC's transmission planning protocol and information in available on the WECC website. A link to the WECC TEPPC process is maintained in the transmission planning business practice, available on the Transmission Provider's business practices located at

[http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx) and on the Transmission Provider's OASIS.

### **5.4. Stakeholder Participation.**

Stakeholders have access to the interconnection-wide planning process through NTTG's public planning meetings, other regional planning groups and WECC at their discretion.

**5.5. Economic Congestion Study Requests.**

Transmission Provider will support, directly and through its participation in NTTG, the WECC TEPPC processes to prioritize and complete Economic Congestion Studies requested by customers and stakeholders to each member transmission provider in each calendar year within the WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic Congestion Study Requests to the Transmission Provider pursuant to Section 2, Section 2.7 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic Study Requests received by the Transmission Provider will be categorized pursuant to Section 2, Section 2.7 of this Attachment K.

**5.6. Dispute Resolution.**

Interconnection-wide dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Section 4, Section 4.6 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

**5.7. Cost Allocation.**

A Western Interconnection cost allocation methodology does not exist, therefore cost allocations for interconnection wide transmission projects, will be addressed on a case-by-case basis by parties participating in the project.



**Exhibit A**



This Planning 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,<sup>1</sup> and coordinating the transmission plan and its development with other regional planning groups and the interconnection-wide planning activities of the Western Electricity Coordinating Council ("WECC");

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](http://www.nttg.biz);

C. The Planning Committee Charter provides that any stakeholder may attend and participate in any Planning Committee meeting but limits those entities that may formally vote to those entities that execute this Agreement;

D. This Agreement is intended to document an entity's voting membership on the Planning Committee and commit the voting entity to act in a good faith manner to further the purpose of the Planning Committee, as described herein;

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, 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 further the purpose of the Planning Committee Charter 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;

b. 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;

c. To the extent practicable, provide support from internal resources to achieve the purpose of the Planning Committee Charter;

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.

### **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 is 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.

Requested Membership Class \_\_\_\_\_ Date: \_\_\_\_\_  
(Print)

\_\_\_\_\_  
(Signature) \_\_\_\_\_ (Name of Company or  
Organization) \_\_\_\_\_ (Phone)

\_\_\_\_\_  
(Print Signature) \_\_\_\_\_ (Street Address) \_\_\_\_\_ (Fax)

\_\_\_\_\_  
(Title) \_\_\_\_\_ (City, State, Zip Code) \_\_\_\_\_ (Email)

<sup>1</sup> 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



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

### Recitals

A. The Northern Tier Transmission Group's (the "Northern Tier") Planning Committee (the "Planning Committee") is charged with the task of performing Economic Congestion Studies for the Northern Tier footprint<sup>1</sup> 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](http://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 Congestion Study Requests to the Transmission Provider during the Economic Congestion Study Request windows and provide the data required to perform the study;

- b. 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;
- c. 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;
- d. 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;
- e. 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;
- f. The extent practicable, provide support from internal resources to complete the Economic Congestion Study;
- g. Bear its own costs and expenses associated with participation in and support of the Economic Congestion Study; and
- h. 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 is 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)

<sup>1</sup> 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.

FERC rendition of the electronically filed tariff records in Docket No. ER13-01448-000

Filing Data:

CID: C001789

Filing Title: OATT Order No. 1000 Interregional Compliance Filing - MT

Company Filing Identifier: 431

Type of Filing Code: 80

Associated Filing Identifier:

Tariff Title: NorthWestern Corporation - Electric Utility

Tariff ID: 10

Payment Confirmation:

Suspension Motion: N

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment K, Transmission Planning Process, 2.0.0, A

Record Narrative Name:

Tariff Record ID: 125

Tariff Record Collation Value: 960357091 Tariff Record Parent Identifier: 63

Proposed Date: 2013-10-01

Priority Order: 550

Record Change Type: Change

Record Content Type: 1

Associated Filing Identifier:

## ATTACHMENT K

### Transmission Planning Process

#### Preamble

s planning Transmission Provider' ,In accordance with the Commission's regulations wide-interregional and interconnection ,(NTTG)regional ,process is performed on a local of this Attachment K addresses the local planning 2Section .basis (WECC)planning of this Attachment K addresses Transmission Provider's 3Section .processregional planning coordination efforts and responsibilities. Section 4 of this Attachment K addresses interregional coordination with the other planning regions of the Western Interconnection. Section 5 of this Attachment K addresses wide planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's regional, interregional and interconnection-wide planning efforts is also contained within the separate agreements and practices of the NTTG and the WECC.

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

#### 1. Definitions

- 1.1. **Beneficiary:** shall mean any entity ,including but not limi ,(incumbent-both incumbent and non)transmission providers transmission customers or ,load serving entities ,merchant developers

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

- 1.2. **Biennial Study Plan** shall mean the regional transmission study : .as approved by the NTTG steering committee ,plan
- 1.3. **Demand Resources:** shall mean mechanisms to manage demand for power in response to supply conditions, for example, having electricity customers reduce their consumption at critical times or in response to market prices. For purposes of this Attachment K, this methodology is focused on curtailing demand to avoid the need to plan new sources of generation or transmission capacity.
- 1.4. **Economic Congestion Study:** shall mean 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
- 1.5. **Economic Congestion Study Request:** shall mean a request by a Transmission 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 System Plan, to reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers.
- 1.6. **Local Planning Meeting:** shall mean the meetings held by Transmission Provider to Attachment K to the Tariff.
- 1.7. **Local Transmission System Plan or LTSP:** shall mean the Transmission Provider's transmission plan that identifies the upgrades and other investments to the 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.
- 1.8. **LTSP Re-Study Request:** shall mean a request by an Eligible Customer or stakeholder to model the ability of specific upgrades or other investments to the Transmission System or Demand not otherwise considered in the draft Local ,Resources of 2ursuant to Section produced p)Transmission System Plan

**to reduce the cost of reliably serving the ,(Attachment K  
**forecasted needs of the Transmission Provider and its customers**  
**.set forth in the Transmission System Plan****

- 1.9. **NTTG:** shall mean Northern Tier Transmission Group or its successor .
- 1.10. **Planning and Cost Allocation Practice:** shall mean the NTTG Regional Planning Cost Allocation Practice document which may be accessed via direct links in Transmission Provider's transmission planning business practice available at [http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).
- 1.11. **Public Policy Considerations:** shall mean those public policy considerations that are not by state or federal laws or regulations.
- 1.12. **Public Policy Requirements:** shall mean those public policy requirements that are by 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.
- 1.13. **Regional Planning Cycle:** shall mean NTTG's eight-quarter biennial planning cycle commences in even-numbered years and results in the Regional Transmission Plan.
- 1.14. **Regional Transmission Plan:final ,shall mean the current as approved by the NTTG steering ,regional transmission plan .committee**
- 1.15. **TRANSAC:** Shall mean NWE's ion Advisory Transmiss alone advisory committee comprised of-Committee that is a stand consumer ,to include state regulators)eligible stakeholders council transmission developers) who will provide input to the Transmission Provider regarding its Local Transmission Plan.
- 1.16. **TEPPC:shall mean Transmission Expansion Planning Policy Committee or its successor committee within WECC**
- 1.17. **WECC:** mean Western Electricity Coordinating Council or its successor organization.

## 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](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 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 .Comparability Between Resources including ,between resourcessimilarlysited will be accomplished ,identified projects-customer .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) willbe 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. 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 a process by which stakeholders or propose ,question ,scusscan di 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](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](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 Those transmission needs driven by Public Policy Requirements to 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 Consideration** will not be revised during the development of the LTSP unless unforeseen circumstances require a modification to those Public Policy Requirements and Consideration 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 Consideration** are modified.

2.1.10.4 The evaluation process and selection criteria for inclusion of transmission needs driven by Public Policy Requirements in the LTSP will be the same as those used for any other local project in the LTSP. In its technical

analysis, the Transmission Provider will include the transmission needs driven by Public Policy Requirements in the transmission planning process to be jointly evaluated with other local projects, rather than considering transmission needs driven by Public Policy Requirements separately from other transmission needs.

2.1.10.5 The process by which transmission needs driven by Public Policy Requirements and Considerations will be received, reviewed and evaluated is described in the “LTSP 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](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 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](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](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 which has an accepted reservation in the**

*ion queue transmission 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 forth 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 “I.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/NWM\\_Tdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWM_Tdocs/Attachment_K_Business_Practice_Links.docx).

#### **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 Response and generation data received pursuant to 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*

**2.3.2.2.4.2**

*Transmission*

**2.3.2.2.4.3**

*Transmission*

**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 and submit the LTSP to regional and interconnection-wide planning entities conducting similar studies.*

**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.*

**2.4. 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 and interconnection wide 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](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        *Aggregate d 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 Costs and :Proportional Allocation associated transmission rights for new local projects that fall outside Transmission Provider's OATTwill be allocated on a proportional allocation requested (MW)based on the capacity quantified as MW)or benefit received upon benefit or other agreed unless a mutually agreeable ,(measure 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 Allocation of costs and .agreement ts for network upgradesbenefi required by the local project will be rated share of the-allocated on a pro ,use (MW)network facility capacity 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/NWMT\\_docs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMT_docs/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 and may contract with a qualified ,Congestion Studies 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)**

**2.7.2 Economic Congestion Study Request:** *A form for submitting Economic Congestion Study Requests shall be maintained on the Transmission Provider's OASIS 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 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:** *Local Transmission Provider shall study valid requests for Economic Congestion Studies 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. Economic Congestion Study Requests should be submitted to the Transmission Provider during the first two (2) months of the Economic Congestion Study twelve (12) month study cycle by using the 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. 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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx)

2.7.4 *Clustering of local Economic Congestion Study Requests. Requests can be clustered if the point-of-receipt and point-of-delivery of the Economic Congestion Study Requests are on opposite sides of a common or a potentially common transmission path(s) or if a potentially common solution is created by the requests or, in the alternative, it is reasonably determined by the Transmission Provider that the Economic Congestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group. 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\\_Phttp://www.oasis.oati.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Phttp://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 Transmission Provider Economic Congestion Study Request, Regional Economic Congestion Study Request, or interconnection wide Economic Congestion Study Request. If the Local Transmission Provider Economic Congestion Study Request is regional or interconnection wide, the Transmission Provider will notify the requesting party and forward the Economic Congestion Study Request to NTTG for consideration and processing under NTTG's procedures.*

2.7.5.1 *Local Transmission Provider Economic Congestion Study Request: Local Transmission Provider Economic Congestion Study Request identifies (1) Point(s) of Receipt and Point(s) of Delivery that are all within the Transmission Provider's scheduling system*

*footprint and the Point of Receipt(s) and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, or (2) is otherwise reasonably determined 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, the study request will be considered local and will be prioritized under this Section (i.e., Section 2).*

**2.7.5.2 Regional Economic Congestion Study Request:** *If the Economic Congestion Study Request identifies (1) Point(s) of Receipt and Point(s) of Delivery that are all within the NTTG scheduling system footprint, as determined by the NTTG Transmission Use Committee, and the Point(s) of Receipt and Point of Delivery utilize only NTTG Funding Agreement members scheduling paths, or (2) is otherwise reasonably determined by the Transmission Provider to be a regional request from a geographical and electrical perspective, including, but not limited to, an evaluation as to whether the study request utilizes the interconnected transmission systems of NTTG Funding Agreement members, the study request will be considered regional and will be processed under the next Section, Section 3.*

**2.7.5.3 Interconnection wide Economic Congestion Study Request:** *If the Economic Congestion Study Request identifies a Point of Receipt of Point of Delivery within the NTTG scheduling system footprint as*

*determined by the NTTG Transmission Use Committee and (1) the Point(s) of Receipt and Point(s) of Delivery are all within the WECC scheduling system footprint; and (2) the Point(s) of Receipt and Points(s) of Delivery utilize only WECC members scheduling paths, the study request will be considered interconnection wide and will be processed under Section 4 of this document. In the alternative, if the Economic Congestion Study Request is reasonably determined by the Transmission Provider to be an interconnection wide request from a geographical and electrical perspective, including, but not limited to, an evaluation as to whether the study request utilizes only WECC member interconnected transmission systems, the study request will be considered interconnection wide and will be processed under Section 5.*

**2.7.5.4 Economic Congestion Study Request**  
*Not Applicable: To be considered by the Transmission Provider, any Economic Congestion Study Request must (1) contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint, or (2) be reasonably determined by the Transmission Provider to be geographically located within the Transmission Provider's scheduling footprint.*

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

**2.7.6.1 Transmission Provider, with input from stakeholders, will cluster study**

*requests as appropriate and prioritize the requests, including clustered requests, based on alleviating congestion 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 by evaluating transmission upgrades necessary to connect major new areas of generation resource and/or load.*

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

2.7.7 *Economic Congestion Study Contents: Local Transmission Provider Economic Congestion Studies 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. 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](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 *RightsNothing 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 regional, interregional or interconnection wide planning process shall be included in the Transmission Provider's transmission rate base. Transmission Provider will*

*capture the planning costs for the OATT using traditional test period requirements in the next FERC tariff filing.*

**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](http://www.oasis.oati.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).*

### **3. Regional Planning Process**

#### **3.1. Introduction**

**3.1.1** *NTTG is a trade name for the efforts of participating utilities and state representatives to develop a Regional Transmission Plan that evaluates whether transmission needs may be satisfied on a regional and interregional basis more efficiently and cost effectively than through the NTTG transmission providers' respective local planning processes. NTTG has four standing committees: the steering committee, planning committee, cost allocation committee, and transmission use committee. The steering committee, which operates pursuant to the steering committee charter, governs the activities of NTTG. The planning committee, which is governed by the planning committee charter, is responsible for preparing Regional Transmission Plans, in collaboration with stakeholders, in coordination with neighboring transmission planning regions, and conducting regional Economic Congestion Studies requested by stakeholders. The cost allocation committee, whose actions are governed by the cost allocation committee charter, is responsible for applying the cost allocation principles and practices, while developing cost allocation recommendations for transmission projects selected into Regional Transmission Plans. Additionally, the transmission use committee, whose actions are governed by the transmission use committee charter, is responsible for increasing the efficiency of the existing member utility transmission systems through commercially reasonable initiatives and increasing customer knowledge of, and transparency into, the transmission systems of the member utilities.*

*The Planning and Cost Allocation Practice, developed and reviewed with stakeholders, describes the process by which NTTG prepares the Regional Transmission Plans (including cost allocation). Local transmission planning processes are described in this Attachment K rather than the Planning and Cost Allocation Practice. This Attachment K also includes the processes by which NTTG coordinates its regional transmission planning processes with its neighboring transmission planning regions, and performs interregional project identification, evaluation, and cost allocation. See Section 4.*

*Stakeholders may participate in NTTG's activities and programs at their discretion; provided, however, stakeholders that intend to submit an Economic Congestion Study Request or engage in dispute resolution are expected to participate in the NTTG planning and cost allocation processes. Stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission System Plan.*

*While the resulting Regional Transmission Plans are not construction plans, they provide valuable regional insight and information for all stakeholders (including developers) to consider and use to potentially modify their respective plans.*

**3.2. *Transmission Provider Coordination with NTTG.***

- 3.2.1 *Transmission Provider shall engage in regional transmission planning (including interregional coordination and interregional cost allocation) as a member of NTTG. Transmission Provider shall support NTTG's planning and cost allocation processes through funding a share of NTTG and providing employee support of NTTG's planning, cost allocation, and administrative efforts.*
- 3.2.2 *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 cost effective and efficient from a regional perspective than the transmission projects identified in the Local Transmission System Plans developed by the participating transmission providers.*
- 3.2.3 *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.*
- 3.2.4 *Transmission Provider will provide NTTG with:*
  - a) *its Local Transmission System Plan;*
  - b) *updates to information about new or changed circumstances or data contained in the Local Transmission System Plan;*

- c) *Public Policy Requirements and Considerations; and*
- d) *any other project proposed for the Regional Transmission Plan.*

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

- a) *the Biennial Study Plan, which shall include: (1) planning and cost allocation criteria, methodology, and assumptions; (2) an explanation of which transmission needs driven by Public Policy Requirements and Considerations will and will not be evaluated in each biennial transmission planning process, along with an explanation of why particular transmission needs driven by Public Policy Requirements and Considerations were or were not considered; and (3) updates on progress and commitments to build received by NTTG;*
- 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.*

### 3.3. **Study Process.**

*Transmission Provider will support the NTTG processes as a of NTTG to establish a coordinated regional study process, involving both economic and reliability components, as outlined in the Planning and Cost Allocation Practice, which is approved by the NTTG steering committee. The regional study process will also address NTTG's coordination with neighboring planning regions and any interregional projects under consideration by NTTG. As part of the regional study process, the NTTG planning committee will biennially prepare a long-term (ten year) bulk transmission expansion plan (the Regional Transmission Plan), while taking into consideration up to a twenty-year planning horizon. The comprehensive transmission planning process will comprise the following milestone activities during the Regional Planning Cycle as outlined below, and further described in the Planning and Cost Allocation Practice:*

3.3.1 **Pre-qualify for Cost Allocation:** *Sponsors who intend to submit a project for cost allocation must be pre-qualified by the NTTG planning committee, according to its criteria, process, and schedule.*

3.3.2 **Quarter 1 - Data Gathering:** *Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon. Any stakeholder may submit data to be evaluated as part of the*

*preparation of the draft Regional Transmission Plan, including transmission needs and associated facilities driven by Public Policy Requirements and Considerations, and alternate solutions to the identified needs set out in the Transmission Provider's Local Transmission System Plan and prior NTTG biennial Regional Transmission Plans.*

*A project sponsor that proposes a transmission project for the Regional Transmission Plan shall submit certain minimum information to the NTTG planning committee, including (to the extent appropriate for the project):*

- a) load and resource data;*
- b) forecasted transmission service requirements;*
- c) whether the proposed project meets reliability or load service needs;*
- d) economic considerations;*
- e) whether the proposed project satisfies a transmission need driven by Public Policy Requirements;*
- f) project location;*
- g) voltage level (including whether AC or DC);*
- h) structure type;*
- i) conductor type and configuration;*
- j) project terminal facilities;*
- k) project cost, associated annual revenue requirements, and underlying assumptions and parameters in developing revenue requirement;*
- l) project development schedule;*
- m) current project development phase;*
- n) in-service date; and*
- o) a list of all planning regions to which an interregional project has been submitted for evaluation.*

*For projects proposed for cost allocation, the project sponsor shall submit the following additional information:*

- aa) state whether the proposed project was (i) selected to meet transmission needs driven by a reliability or Public Policy Requirement of a local transmission provider, and/or (ii) selected 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;*
- bb) if the proposed project was selected to meet the transmission needs of a reliability or Public Policy Requirement of a local transmission provider, copies of all studies (i.e.,*

*engineering, financial, and economic) upon which selection of the project was based;*

*cc) if the proposed project was selected as part of the planning of future resource development and operation within the footprint of a local transmission provider, copies of all studies upon which selection of the project was based, including, but not limited to, any production cost model input and output used as part of the economic justification of the project;*

*dd) to the extent not already provided, copies of all studies performed by or in possession of the project sponsor that describe and/or quantify the estimated annual impacts (both beneficial and detrimental) of the proposed project on the project sponsor and other regional entities;*

*ee) to the extent not already provided, copies of any WECC or other regional, interregional, or interconnection-wide planning entity determinations relative to the project;*

*ff) to the extent not set forth in the material provided in response to items bb) – dd), the input assumptions and the range of forecasts incorporated in any studies relied on by the project sponsor in evaluating the efficiency and cost-effectiveness of the proposed project;*

*gg) any proposal with regard to treatment of project cost overruns; and*

*hh) a list of all planning regions to which an interregional project has been submitted for the purposes of cost allocation.*

*Information submitted pursuant to items a) - o) and aa) - hh) above that is considered proprietary or commercially-sensitive should be marked appropriately.*

*Complete project material must be received by the NTTG planning committee by the end of quarter 1. The NTTG planning committee will review the project material for completeness. If a project sponsor fails to meet the information requirements set forth above, the NTTG planning committee shall notify the project sponsor of the reasons for such failure. The NTTG planning committee will attempt to remedy deficiencies in the submitted information through informal communications with the project sponsor. If such efforts are unsuccessful by the end of quarter 1, the NTTG planning committee shall return the project sponsor's information, and project sponsor's request shall be deemed withdrawn. During the next transmission planning cycle, a project sponsor may resubmit the project for consideration in the Regional Transmission Plan and may request cost allocation.*

*Stakeholders may submit Economic Congestion Study Requests, which the NTTG planning committee will collect, prioritize and select for evaluation.*

*For projects selected in the prior Regional Transmission Plan, the project sponsor must submit an updated project development schedule to the NTTG planning committee.*

**3.3.3 Quarter 2 - Evaluate the Data and Develop the Biennial Study Plan: Identify the loads, resources,**

*transmission requests, desired flows, constraints and other technical data needed to be included and monitored during the development of the Regional Transmission Plan. 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. Solutions will be evaluated based on a comparison of their ability to meet reliability requirements, address economic considerations and/or meet transmission needs driven by Public Policy Requirements. During a quarter 2 NTTG planning committee meeting, the transmission needs and associated facilities driven by Public Policy Requirements and Considerations received in quarter 1 will be reviewed and winnowed using criteria documented in the Planning and Cost Allocation Practice.*

*The NTTG planning committee will develop the Biennial Study Plan, which describes*

- a) the methodology;*
- b) criteria;*
- c) assumptions;*
- d) databases;*
- e) analysis tools;*
- f) local, regional and interregional projects (as well as projects that are subject to the reevaluation process which is described below); and*
- g) public policy projects that are accepted into the Biennial Study Plan (including why the public policy projects are or are not selected for analysis).*

*The Biennial Study Plan will be presented to stakeholders and NTTG planning committee members for comment and direction at a quarter 2 publicly held NTTG planning committee meeting. The Biennial Study Plan will also include allocation scenarios, developed by the NTTG cost allocation committee with stakeholder input, for those parameters that will likely affect the amount of total benefits and their distribution among beneficiaries.*

*When developing the Biennial Study Plan, the NTTG planning committee will consider potential project delays for any project selected into the prior Regional Transmission Plan. In doing so, the NTTG planning committee will reevaluate whether the project's inability to meet its original in-service date, among other considerations, impacts reliability needs or service obligations addressed by the delayed project. Under certain circumstances described in Section 3.8 below, projects selected in a prior Regional Transmission Plan may be reevaluated and potentially replaced or deferred.*

*The NTTG planning committee will recommend the Biennial Study Plan to the NTTG steering committee for approval.*

3.3.4 *Quarters 3 and 4 - Transmission System Analysis:*  
*Conduct modeling, using the methods documented in the Biennial Study Plan, and produce a draft Regional Transmission Plan for stakeholder comment and review.*

3.3.5 *Quarter 5 - Stakeholder Review of Draft Plan:*  
*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. Any stakeholder may submit comments or additional information about new or changed circumstances relating to loads, resources, transmission projects or alternative solutions to be evaluated as part of the preparation of the Regional Transmission Plan, or submit identified changes to data it provided in quarter 1. The information provided by the stakeholder should likely lead to a material change, individually or in the aggregate, in the Regional Transmission Plan and match the level of detail described in quarter 1 above. 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.*

*The NTTG planning committee will collect, prioritize and select Economic Congestion Study Requests for consideration and determination of possible congestion and modification to the draft Regional Transmission Plan.*

3.3.6 *Quarter 6 - Update Study Plan and Cost Allocation:*  
*Conduct up to two Economic Congestion Studies per biennial study cycle and document results.*

*The Biennial Study Plan will be updated based on the NTTG planning committee's review of stakeholder-submitted comments, 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.*

*The NTTG cost allocation committee will estimate the benefits, based upon the benefit metrics described in Section 3.7.2.2, associated with each project identified for cost allocation to determine if such projects are eligible for cost allocation.*

- 3.3.7 *Quarter 7 - Regional Transmission Plan Review:*  
*Facilitate stakeholder process for review and comment on the Regional Transmission Plan, including assessment of the benefits accruing from transmission facilities planned according to the transmission planning process. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations and stakeholder comments.*
- 3.3.8 *Quarter 8 – Regional Transmission Plan Approval:*  
*Submit final Regional Transmission Plan to the NTTG steering committee for approval, completing the biennial process. Share the final plan for consideration in the local and interconnection-wide study processes.*

#### **3.4. Stakeholder Participation**

- 3.4.1 *Public Meetings.* *The NTTG planning committee shall convene a public meeting at the end of each quarter in the study cycle to present a status report on development of the Regional Transmission Plan, summarize the substantive results at each quarter, present drafts of documents and receive comments. The meetings shall be open to all stakeholders, including but not limited to Eligible Customers, other transmission providers, federal, state and local commissions and agencies, trade associations and consumer advocates. The date and time of the public meetings shall be posted on the NTTG website. The location of the public meeting, shall be as selected by the NTTG, or may be held telephonically or by video or Internet conference.*
- 3.4.2 *The NTTG planning committee charter shall define the NTTG planning committee's purpose, authority, operating structure, voting requirements and budget. Any stakeholder may participate in NTTG planning committee meetings without signing the NTTG Planning Agreement. In addition, pursuant to the*

*NTTG planning committee charter, voting membership in the NTTG planning committee is open to membership by:*

- a) Transmission providers and transmission developers engaged in or intending to engage in the sale of electric transmission service within the NTTG footprint;*
- b) Transmission users engaged in the purchase of electric transmission service within the NTTG footprint, or other entities that have, or have the intention of entering into, an interconnection agreement with a transmission provider within the NTTG footprint; and*
- c) Regulators and other state agencies within the NTTG footprint that are interested in transmission development.*

*To become a voting member of the NTTG planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG Planning Agreement (attached as Exhibit A), consistent with its terms, and return the executed agreement to the Transmission Provider. Upon receipt of the signed agreement, the Transmission Provider shall notify the chair of the NTTG planning committee. The chair of the NTTG planning committee shall direct NTTG to maintain a list of all entities that execute the Planning Agreement on its website. Each signatory to the NTTG Funding Agreement is a third-party beneficiary of the Planning Agreement. NTTG has developed rules governing access to, and disclosure of, regional planning data by members. Members of NTTG are required to execute standard non-disclosure agreements before regional transmission planning data are released.*

*3.4.3 Any stakeholders may comment on NTTG study criteria, assumptions or results at their discretion either through direct participation in NTTG or by submitting comments to Transmission Provider to be evaluated and consolidated with Transmission Provider's comments on the Regional Transmission Plan, criteria and assumptions. The Planning and Cost Allocation Practice identifies when stakeholders have the opportunity to provide input into the elements of the Regional Transmission Plan.*

### **3.5. *Economic Congestion Studies***

*3.5.1 Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize and complete up to two regional Economic*

*Congestion Studies per Regional Planning Cycle, as outlined in NTTG's standardized process for congestion studies. The regional Economic Congestion Studies will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers that are categorized as regional or interconnection-wide Economic Congestion Study Requests pursuant to Section 2.7. NTTG may submit requests for interconnection-wide Economic Congestion Studies to the WECC pursuant to NTTG and WECC processes.*

- 3.5.2 *Within each Regional Planning Cycle, any Eligible Customer or stakeholder may request additional Economic Congestion Studies, or Economic Congestion Studies that were not prioritized for completion by NTTG, to be paid for at the sole expense of the requesting party. The Eligible Customer or stakeholder shall make such requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K. Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion.*
- 3.5.3 *NTTG will cluster and study together Economic Congestion Studies 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 NTTG that the Economic Congestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.*
- 3.5.4 *For an Economic Congestion Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Congestion Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.*
- 3.5.5 *All Economic Congestion Study Requests received by the Transmission Provider will be categorized pursuant to Section 2.7 of this Attachment K. For an Economic Congestion Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG*

*planning committee or sign the Economic Study Agreement, attached as Exhibit B.*

### **3.6. *Dispute Resolution***

**3.6.1** *Transmission Provider, signatories to the Planning 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 disputes related to the integration of Transmission Provider's Local Transmission System Plan with the Regional Transmission Plan; to enforce compliance with the NTTG regional study process; and to challenge a decision within a milestone document.*

**3.6.2** *Disputes shall be resolved according to the following process:*

*Step 1 – In the event of a dispute involving the NTTG planning or cost allocation committee (for disputes involving the NTTG steering committee, proceed to Step 2), the disputing entity shall provide written notice of the dispute to the applicable planning or cost allocation committee chair. An executive representative from the disputing entity shall participate in good faith negotiations with the NTTG planning 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.*

*Step 2 - The planning or cost allocation committee chair shall refer the dispute to the NTTG steering committee. In the event of a dispute involving the NTTG 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 NTTG steering committee to resolve the dispute. Upon declaration of an impasse by the state co-chair of the NTTG steering committee, the disputing entity shall proceed to Step 3.*

*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.*

*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 pro forma Open Access Transmission Tariff to resolve the dispute*

*3.6.3 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.*

### **3.7. Cost Allocation.**

*For those projects included in the Regional Transmission Plan, costs can be allocated at the project sponsor's election either through participant funding or NTTG's cost allocation process as set forth below, and further described in the Planning and Cost Allocation Practice.*

#### **3.7.1 Participant Funding.**

*3.7.1.1 Open Season Solicitation of Interest. For any project identified in the Regional Transmission Plan in which Transmission Provider is a project sponsor, Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:*

*3.7.1.1.1 Announce and solicit interest in the project through*

*informational meetings, its website and/or other means of dissemination as appropriate.*

**3.7.1.1.2** *Schedule meeting(s) with stakeholders and/or state public utility commission staff.*

**3.7.1.1.3** *Post information about the proposed project on its OASIS.*

**3.7.1.1.4** *Guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.*

*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.*

**3.7.1.2 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.*

**3.7.1.3 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.*

### **3.7.2 Allocation of Costs**

**3.7.2.1 Project Qualification.** *To be selected for cost allocation by the NTTG planning committee, in cooperation with the NTTG cost allocation committee, a project must:*

- (a) either be proposed for such purpose by a pre-qualified sponsoring entity or be an unsponsored project identified in the regional planning process;*
- (b) be selected in the Regional Transmission Plan;*
- (c) have an estimated cost which exceeds the lesser of:*
  - (1) \$100 million, or*
  - (2) 5% of the project sponsor's net plant in service (as of the end of the calendar year prior to the submission of the project); and*
  - (d) have total estimated project benefits to regional entities (other than the project sponsor) that exceed \$10 million of the total estimated project benefits. For unsponsored projects, the regional entity estimated to receive the largest share of the project benefits is considered the project sponsor for this criterion.*

**3.7.2.2 Benefit Metrics.** *For all projects selected in the Regional Transmission Plan for purposes of cost allocation, the NTTG cost allocation committee will use, with input from stakeholders,*

*benefit metrics to evaluate the project's benefits and beneficiaries for purposes of cost allocation. Those benefit metrics will be set forth in the Biennial Study Plan and may include (but are not limited to):*

- (a) Change in annual capital-related costs;*
- (b) Change in energy losses; and*
- (c) Change in reserves.*

*Each benefit metric is expressed as an annual change in costs (or revenue or other appropriate metric). The annual changes are discounted to a net present value for those years within the 10-year study period that the benefit or cost accrues.*

**3.7.2.3 Allocation Scenarios.** *During quarters 1 and 2, the NTTG cost allocation committee will create allocation scenarios for those parameters that likely affect the amount of total benefits of a project and their distribution among beneficiaries. The NTTG cost allocation committee will develop these scenarios during regularly scheduled meetings and with input from stakeholders. The resulting allocation scenarios become part of the Biennial Study Plan in quarter 2.*

**3.7.2.4 Determination of Project Benefits and Allocation to Beneficiaries.** *The NTTG planning committee, in cooperation with the NTTG cost allocation committee, conducts the analyses of the benefit metrics and provides the initial, net benefits by Beneficiary for each transmission project that meets the criteria set forth in Sections 3.7.2.2 and 3.7.2.3. The initial net benefits are calculated for each transmission project for each allocation scenario. The net benefits of each scenario are the sum of the*

*benefits (or costs) across each benefit metric. The net benefits are calculated as both an overall total and a regional total, as well as by regional Beneficiary. The NTTG cost allocation committee initially identifies Beneficiaries as all those entities that may be affected by the proposed project based upon the benefit metric calculation. After the calculation of initial benefits, the NTTG cost allocation committee will remove those entities that do not receive a benefit from the project being evaluated.*

*While the estimation of the benefit metrics is generally not dependent or conditioned on future contractual rights of a Beneficiary, that is not necessarily true with regard to the benefits of deferred or replaced transmission projects. In such instances, in order to fulfill the function, and, therefore, fully realize the estimated benefits of deferring or replacing a transmission project, the affected transmission provider(s) may require ownership (or ownership-like) rights on the alternative transmission project or on the transmission system of the transmission provider within which the alternative transmission is embedded. Such contractual requirements are specific to the purpose(s) of the deferred or replaced transmission project. Transmission providers whose transmission project is deferred or replaced are consulted on a case-by-case basis to determine their contractual requirements.*

*Before their use in allocating a transmission project's cost, the NTTG 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 150% of the average of the unadjusted, net benefits across all allocation scenarios;*
- (b) If the average of the net benefits, as adjusted by (a) above, across the allocation scenarios is negative, the average net benefit to that Beneficiary is set to zero; and*
- (c) Based on the net benefits, as adjusted by (a) and (b) above, across the allocation scenarios, if the ratio of the standard deviation to the average is greater than 1.0, the average net benefit to that Beneficiary is set to zero.*

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

*The adjusted net benefits, as determined by applying the limits in the three conditions above, are used for allocating project costs proportionally to regional Beneficiaries. However, Beneficiaries other than the project sponsor 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 project sponsor, no less than 1.10). If a Beneficiary other than the project sponsor has an allocated cost of less than \$2 million, the costs allocated to that Beneficiary will be zero. After the allocation of costs to Beneficiaries, the project sponsor will be responsible for any remaining project costs.*

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

**3.8. *Reevaluation of Projects Selected in the Regional Transmission Plan.***

*NTTG expects the sponsor of a project selected in the Regional Transmission Plan to inform the NTTG planning committee of any project delay that would potentially 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 NTTG planning committee determines that a project cannot be constructed by its original in-service date, the NTTG planning committee will reevaluate the project using an updated in-service date.*

*“Committed” projects are those selected in the previous Regional Transmission Plan 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 Transmission Plan. Committed projects are not subject to reevaluation, unless the project fails to meet its development schedule milestones such that the needs of the region will not be met, in which case, the project may lose its designation as a committed project.*

*If not “committed,” a project selected in the previous Regional Transmission Plan - whether selected for cost allocation or not - shall be reevaluated, and potentially replaced or deferred, in subsequent Regional Planning Cycles 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 and/or cost effectively.*

*In the event of (a) as identified above in this Section 3.8, the NTTG planning committee may remove the transmission project from the initial Regional Transmission Plan. In the event of (b) or (c) identified above in this Section 3.8, an alternative project shall be considered to meet the needs of the region more efficiently and/or cost effectively if the total of its cost, plus costs for the project being replaced/deferred, incurred by the developer during the period the project was selected in the Regional Transmission Plan, is equal to or less than .85 of the replaced/deferred project's capital cost. If an alternative project meets the .85 threshold while absorbing the incurred costs of the replaced/deferred project, then the prior project will be replaced by the alternative project.*

#### **4. Common Interregional Coordination and Cost Allocation**

##### ***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 3 below.
- 4.1.2. Annual Interregional Information:** shall have the meaning set forth in Section 2 below.
- 4.1.3. Interregional Cost Allocation :** means the assignment of ITP costs between or among Planning Regions as described in Section 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 4.1.
- 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, Northern Tier 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 4.2, 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 its 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 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 its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process NTTG Annual Interregional Information. NTTG may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

NTTG is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by NTTG in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with

respect to such other Planning Region, or (iii) any information if NTTG reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by NTTG shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under NTTG's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by NTTG shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of NTTG, Transmission Provider, or any entity supplying information in NTTG's regional transmission planning process, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

#### **4.3. Annual Interregional Coordination Meeting**

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

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

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

#### **4.4. ITP Joint Evaluation Process**

#### **4.4.1. Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section 4.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than

March 31<sup>st</sup> 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 4.1, 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 4.1 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 4.1, 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 4.2 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 4.2 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 4.1, 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 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 6.2 below) to each Relevant Planning Region using the methodology described in this section 5.2.

For each ITP that meets the requirements of Section 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 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 5.2 in the same general time frame as its joint evaluation activities pursuant to Section 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 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

If the NTTG(if it is a Relevant Planning Region) at least one, but fewer than all, of the other Relevant Planning Regions select the ITP their respective regional transmission plans for purposes of Interregional Cost Allocation, is to evaluate (or reevaluate, as the case may be) pursuant to Sections 5.2(d), 5.2(e), and 5.2(f) ,above whether selecting Relevant Planning-without the participation of the non (as the case may be ,or remains selected)the ITP is selected ,<sup>(s)</sup>Region ses for Interregional Costin its regional transmission plan for purpo .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 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 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

## **5. Interconnection-Wide Planning Process**

### **5.1. Introduction.**

Transmission Provider is a member of the WECC and supports the work of WECC TEPPC. NTTG may utilize WECC TEPPC for consolidation and completion of congestion and Economic Congestion Studies, base cases and other interconnection-wide planning. NTTG may coordinate with other neighboring regional planning groups directly, through joint study teams, or through the interconnection-wide process. Eligible Customers and stakeholders may participate directly in the WECC's processes, pursuant to participation requirements defined by WECC TEPPC, or participate indirectly through the Transmission Provider via development of the Local Transmission System Plan or through the NTTG process as outlined above in Section 3 and 4.

### **5.2. Transmission Provider Coordination.**

Transmission Provider will coordinate with WECC TEPPC for interconnection-wide planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring regional planning groups including the CAISO, WestConnect, NWPP and Columbia Grid. The goal of NTTG's coordination a interconnection-wide basis on behalf of Transmission Provider is to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data, and (2) identify system enhancements that could relieve congestion or integrate new resources. A description of the interconnection-wide planning process is located in the Transmission Provider's business practice, located at: [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx).

### **5.3. Study Process.**

WECC TEPPC's transmission planning protocol and information in available on the WECC website. A link to the WECC TEPPC process is maintained in the transmission planning business practice, available on the Transmission Provider's business practices located at [http://www.oatioasis.com/NWMT/NWMTdocs/Attachment\\_K\\_Business\\_Practice\\_Links.docx](http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.docx) and on the Transmission Provider's OASIS.

### **5.4. Stakeholder Participation.**

Stakeholders have access to the interconnection-wide planning process through NTTG's public planning meetings, other regional planning groups and WECC at their discretion.

**5.5. Economic Congestion Study Requests.**

Transmission Provider will support, directly and through its participation in NTTG, the WECC TEPCC processes to prioritize and complete Economic Congestion Studies requested by customers and stakeholders to each member transmission provider in each calendar year within the WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic Congestion Study Requests to the Transmission Provider pursuant to Section 2, Section 2.7 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic Study Requests received by the Transmission Provider will be categorized pursuant to Section 2, Section 2.7 of this Attachment K.

**5.6. Dispute Resolution.**

Interconnection-wide dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Section 4, Section 4.6 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

**5.7. Cost Allocation.**

A Western Interconnection cost allocation methodology does not exist, therefore cost allocations for interconnection wide transmission projects, will be addressed on a case-by-case basis by parties participating in the project.

## **Exhibit A**

### **Planning Agreement**

This Planning between the Transmission Provider and the (“tnemeergA”) Agreement 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,<sup>1</sup> and coordinating the transmission plan and its development with other regional planning groups and the interconnection-wide planning activities of the Western Electricity Coordinating Council (“WECC”);

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](http://www.nttg.biz);

C. The Planning Committee Charter provides that any stakeholder may attend and participate in any Planning Committee meeting but limits those entities that may formally vote to those entities that execute this Agreement;

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

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, 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 further the purpose of the Planning Committee Charter 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;
- b. 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;
- c. To the extent practicable, provide support from internal resources to achieve the purpose of the Planning Committee Charter;
- 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.

## **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 is 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.

Requested Membership Class \_\_\_\_\_  
(Print)

Date: \_\_\_\_

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

\_\_\_\_\_  
(Name of Company or  
Organization)

\_\_\_\_\_  
(Phone)

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

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

\_\_\_\_\_  
(Fax)

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

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Email)

<sup>1</sup> 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**

### **Economic Study Agreement**

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

#### **Recitals**

A. The Northern Tier Transmission Group’s (the “Northern Tier”) Planning Committee (the “Planning Committee”) is charged with the task of performing Economic Congestion Studies for the Northern Tier footprint<sup>1</sup> 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](http://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 Congestion Study Requests to the Transmission Provider during the Economic Congestion Study Request windows and provide the data required to perform the study;

- b. 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;
- c. 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;
- d. 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;
- e. 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;
- f. To the extent practicable, provide support from internal resources to complete the Economic Congestion Study;
- g. Bear its own costs and expenses associated with participation in and support of the Economic Congestion Study; and
- h. 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 is 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)

<sup>1</sup> 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.

Document Content(s)

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