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October 15, 2012

VIA ELECTRONIC FILING

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

**Re: Order No. 1000 Attachment K Joint Compliance Filing of the
Jurisdictional Transmission Providers of the Northern Tier
Transmission Group; Idaho Power Company**

Idaho Power Company
Docket No. OA13-_____

Dear Secretary Bose:

On October 11, 2012, Idaho Power Company ("Idaho Power") submitted its Order No. 1000 Compliance Filing, Docket No. ER13-106-000. That filing was submitted under an incorrect filing code and the redlined document was in the incorrect format. In order to rectify those mistakes, pursuant to 18 CFR 35.17(a)-(b), Idaho Power withdrew its submittal in ER13-106-000 and hereby resubmits its compliance filing, which is attached hereto.

Respectfully submitted,

Julia A. Hilton

JAH:csb
Attachment



October 10, 2012

VIA ELECTRONIC FILING

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

**RE: Order No. 1000 Attachment K Joint Compliance Filing of the
Jurisdictional Transmission Providers of the Northern Tier Transmission
Group**

Deseret Generation & Transmission Co-operative, Inc.
Docket No. OA13-_____

Idaho Power Company
Docket No. OA13-_____

NorthWestern Corporation
Docket No. OA13-_____

PacifiCorp
Docket No. OA13-_____

Portland General Electric Company
Docket No. OA13-_____

Dear Secretary Bose:

Pursuant to Section 206 of the Federal Power Act ("FPA"),¹ Order No. 1000 of the Federal Energy Regulatory Commission (the "Commission"),² and 18 C.F.R. Part 35 (2012), Deseret Generation & Transmission Co-operative, Inc. ("Deseret"), Idaho Power Company ("Idaho Power"), NorthWestern Corporation ("NorthWestern"), PacifiCorp ("PacifiCorp"), and Portland General Electric Company ("Portland General") (individually, an "Applicant" or, collectively, the "Applicants"), hereby submit their joint compliance filing in the above-captioned proceedings. While the Applicants are submitting a common filing letter, each Applicant is separately submitting the revised Attachment K to their respective Open Access

¹ 16 U.S.C. § 824e.

² *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).

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Transmission Tariff (“OATT”), through eTariff. With the Commission’s acceptance of the tariff revisions set out herein, together with the further explanations provided in this transmittal letter, the Applicants submit, and request that the Commission find, that they are each in compliance with the regional and local requirements of Order No. 1000.

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

I. INTRODUCTION AND OVERVIEW OF FILING

A. Structure of this Transmittal Letter

Just as the Commission has previously addressed each Applicant’s Attachment K in a coordinated fashion, the Applicants seek to include in a single compliance filing *all* matters related to each of their Attachment K tariff provisions that were required to be addressed in Order No. 1000. It is important to the Applicants that their Attachment Ks be consistent with one another, and approved contemporaneously such that coordinated regional, inter-regional and interconnection-wide efforts can be conducted in the most efficient manner. To accomplish this goal, this joint transmittal letter is structured as follows:

First, Section I.B of this transmittal letter describes the Applicants and Northern Tier Transmission Group (“NTTG” or “Northern Tier”). It includes a description of membership in and funding of NTTG as well as the NTTG committees involved in the regional planning process. Section I.C describes NTTG’s biennial planning cycle for regional transmission planning.

Second, Section II of this transmittal letter describes the process employed by the Applicants to reach consensus on a cost allocation method that complies with the requirements of Order No. 1000.³ As described therein, the Applicants reached consensus on the applicable cost allocation methodology. Accordingly, Section II documents the efforts undertaken by the Applicants to comply with the requirements of Order No. 1000.

Third, Section III.A of this transmittal letter addresses the modifications common to all of the Applicants’ Attachment K provisions of their respective OATTs that are necessary to satisfy the Commission’s requirements regarding the regional transmission planning process. Section III.A explains how the Applicants’ regional transmission planning process satisfies the Commission’s seven regional transmission planning principles and provides an overview of the modifications made to reflect the requirements of Order No. 1000.

Fourth, Section III.B of this transmittal letter addresses the modifications common to all of the Applicants’ Attachment K provisions of their respective OATTs that are necessary to satisfy the Commission’s requirements regarding the regional cost allocation process. Section III.B provides an overview of the Applicants’ regional cost allocation process following modifications made to reflect the requirements of Order No. 1000. It also explains how the modifications are consistent with the Commission’s six regional cost allocation principles.

³ Order No. 1000 at P 607.

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Fifth, Section III.C of this transmittal letter addresses the modifications to all of the Applicants' Attachment K provisions of their respective OATTs that are necessary to satisfy the Commission's requirements regarding the local transmission planning process. Section III.D identifies other changes necessitated by Order No. 1000.

Sixth, Section IV of this transmittal letter specifies the requested effective date for the modifications to the Applicants' Attachment K provisions of their respective OATTs. The Applicants also explain how the requested effective date of October 1, 2013 will be applied to implement the requirements of Order No. 1000.⁴

Section V of this transmittal letter provides a list of the attachments to the filing. Section VI of this transmittal letter identifies the representatives of each Applicant to whom any communications should be directed.

B. Description of the Applicants and NTTG

Each Applicant owns and operates transmission facilities within a portion of the Northwest and Mountain States, and is subject to the FPA jurisdiction of the Commission. While local, single system planning efforts are performed individually, each Applicant has committed, through agreement and by providing funding, to participation in NTTG.

NTTG is, in essence, a trade name for the collaborative efforts of those participating utilities and state representatives to implement NTTG charters and agreements. Through these regional commitments to NTTG and in conjunction with each of their respective set of planning commitments embodied in Attachment Ks to their respective OATTs, the Applicants, together with the additional NTTG members as well as stakeholders, carry out an open, transparent, coordinated transmission planning process for service and facilities involving the combined systems within NTTG and ultimately, through participation by the NTTG in the Western Electricity Coordinating Council ("WECC") processes, the entire Western Interconnection.⁵

1. Membership and Participation in NTTG

NTTG benefits from a diverse group of members and participation from a broad range of stakeholders. NTTG's activities are directed by the Steering Committee, with membership comprised of: (1) one state regulatory utility commissioner appointed by each state's respective regulatory utility commission⁶ in the NTTG Footprint,⁷ (2) one representative from each of the

⁴ *Id.* at P 162.

⁵ The Applicants' Order No. 890 compliance filings and their currently accepted OATTs use the term "sub-regional" to refer to NTTG and "regional" to refer to WECC. This document conforms to the Order No. 1000 naming convention; as such NTTG is now referred to as a "region" and WECC is now referred to as the "interconnection-wide" entity.

⁶ The following state regulatory utility commissions are represented: Idaho Public Utilities Commission, Montana Public Service Commission, Public Utility Commission of Oregon, Utah Public Service Commission, and Wyoming Public Service Commission.

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Funding Members,⁸ and (3) one representative appointed from each state customer advocacy agency⁹ within the NTTG Footprint (the “NTTG Members”).

NTTG’s regional planning process is conducted by the NTTG Planning Committee, which is currently comprised of 20 members who have signed the NTTG Planning Agreement and may vote during Planning Committee meetings.¹⁰ NTTG’s cost allocation process is conducted by the Cost Allocation Committee. Each NTTG Member’s representative on the Steering Committee will be able to appoint a representative to the Cost Allocation Committee.

In addition, the Steering, Planning and Cost Allocation Committee meetings are open for all stakeholders to participate, in accordance with the standards of conduct and the need to protect critical infrastructure and confidential and proprietary information, as applicable. Accordingly, irrespective of membership in the Planning and/or Cost Allocation Committees, any stakeholder is invited to attend meetings and comment on NTTG planning and cost allocation criteria, assumptions or results throughout the regional planning process.

2. Funding of NTTG Activities

The Applicants are signatories to the 2012-2013 NTTG Funding Agreement (“Funding Agreement”),¹¹ which specifies the entities that are funding current NTTG activities, the quantity of funding, the allocation of the funding obligation among the funding entities, and the terms and conditions upon which funding is provided. More specifically, in the Funding Agreement, the signatories thereto committed funds according to an estimated budget for two years of NTTG activities. The Funding Agreement also establishes a process for revising the budget and approving budget increases, identifies the process by which funds for NTTG activities are called for and delivered, and specifies how the designated custodian of NTTG funds will obtain approval to pay NTTG expenses.

⁷ The “NTTG Footprint” is defined by the service territories of those entities that have executed the NTTG Funding Agreement, as may be amended from time to time.

⁸ The “Funding Members” are the signatories to the 2012-2013 NTTG Funding Agreement, consisting of the Applicants (*i.e.*, jurisdictional entities that are transmission providers with OATTs on file with the Commission) and the Utah Association of Municipal Power Systems (“UAMPS”) (an entity that is not a “public utility” as defined in Section 201(e) of the FPA (18 U.S.C. § 824(e))).

⁹ The following state customer advocacy groups are represented: Montana Consumer Counsel and Utah Office of Consumer Services.

¹⁰ The members of the NTTG Planning Committee are: Idaho Power; PacifiCorp; Idaho Office of Energy Resources; NextEra Energy Resources, Inc.; Idaho Public Utilities Commission; Montana Public Service Commission; UAMPS; TransCanada; Portland General; Riverbank Power Corp.; NorthWestern; Sea Breeze Pacific - Regional Transmission System; Utah Public Service Commission; Basin Electric; Deseret; Wyoming Public Service Commission; Avista Corporation; Gaelectric, LLC; Black Hills Power; and Grasslands Renewable Energy.

¹¹ The Commission accepted this agreement in a letter order dated February 27, 2012. *See Portland General Electric Co., et al.*, Docket No. ER12-719-000 *et al.* (Feb. 27, 2012).

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3. Steering Committee

The NTTG Steering Committee is governed by the Steering Committee Charter,¹² and provides governance and direction on the initiatives undertaken by NTTG Members. In part, the Steering Committee is responsible for approving the biennial Regional Transmission Plan, approval of which shall represent an acknowledgement of the completion of full, robust, and open transmission planning and cost allocation processes producing a plan meeting regional planning requirements. The Steering Committee also provides a forum for facilitation of dispute resolution.

4. Planning Committee

The Applicants, as well as other interested customers, stakeholders and parties, engage in regional planning conducted by NTTG's Planning Committee. The Planning Committee reports to the Steering Committee and is governed by the Planning Committee Charter.¹³ NTTG neither imposes a fee for membership in the Planning Committee, nor does it require funding contributions from non-transmission providers. The Planning Agreement is attached as Exhibit A to each Applicant's Attachment K and has been previously approved by the Commission.¹⁴

The Planning Committee will be responsible for: (1) reviewing and accepting the planning and cost allocation data submitted by project sponsors; (2) developing and updating the Biennial Study Plan for each biennial cycle; (3) obtaining Steering Committee approval of the Biennial Study Plan; (4) performing and documenting the assessments as defined in the Biennial Study Plan; (5) developing regional economic study plans and conducting stakeholder-requested regional economic studies for the NTTG; (6) coordinating transmission planning with adjacent regional planning groups and WECC planning committees; and (7) publishing, on a biennial basis, a Steering Committee-approved Regional Transmission Plan.

5. Cost Allocation Committee

NTTG's cost allocation process is conducted by the Cost Allocation Committee. The Cost Allocation Committee reports to the Steering Committee and is governed by the Cost Allocation Charter.¹⁵ The Cost Allocation Committee will be responsible for: (1) reviewing and accepting the cost allocation data submitted by project sponsors and determining applicable confidentiality protections; (2) advising the Planning Committee on robustness test scenarios and introducing additional scenarios for cost allocation use; (3) providing input regarding public

¹² NTTG is revising the Steering, Planning, and Cost Allocation Committee Charters to reflect modifications to its regional planning and cost allocation practices. NTTG will finalize and post the revised Charters after the Commission issues its final order on the Applicants' compliance with the regional and local requirements of Order No. 1000. If necessary, NTTG will make subsequent revisions to its Charters to reflect compliance with the interregional requirements of Order No. 1000. The current Steering Committee Charter is available at NTTG's website: http://nttg.biz/site/index.php?option=com_docman&task=cat_view&gid=236&Itemid=31.

¹³ The current Planning Committee Charter is available at NTTG's website:

http://nttg.biz/site/index.php?option=com_docman&task=cat_view&gid=236&Itemid=31.

¹⁴ *Deseret Generation & Transmission Co-operative, Inc., et al.*, 129 FERC ¶ 61,118 (2009).

¹⁵ The current Cost Allocation Committee Charter is available at NTTG's website:

http://nttg.biz/site/index.php?option=com_docman&task=cat_view&gid=236&Itemid=31.

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policy requirements for use in the Biennial Study Plan development; (4) obtaining Steering Committee approval of the Biennial Study Plan; (5) developing and revising cost allocation recommendations for projects selected for cost allocation in the Biennial Study Plan; (6) preparing a detailed report to the Steering Committee explaining whether cost allocation recommendations were made for individual projects; and (7) representing NTTG in regional, interregional, interconnection-wide and national transmission pricing, regulatory, and cost allocation forums when appropriate.

C. NTTG's Biennial Planning Cycle Schedule

Beginning in 2008, NTTG has conducted a biennial transmission planning process for the NTTG Footprint located within the Western Interconnection. Initiated in even-numbered years, the biennial planning process consists of an eight-quarter planning cycle, which includes two sequential four-quarter economic congestion study cycles,¹⁶ that culminates in a ten-year transmission plan that coordinates the bulk electric system transmission plans of member transmission providers, provides for the integration of new generation, and reduces transmission congestion. To date, NTTG has completed two biennial planning and cost allocation cycles.¹⁷ NTTG is currently in the midst (Quarter 4) of its third biennial planning cycle, which will conclude at the end of 2013. Accordingly, as discussed below, NTTG is proposing an effective date for the changes to each Applicant's respective Attachment K required by Order No. 1000 that does not interfere with the completion of the current biennial planning cycle or the timely preparation of the Regional Transmission Plan.

II. COST ALLOCATION DEVELOPMENT PROCESS

NTTG engaged in a robust and thorough process to develop a cost allocation methodology that is consistent with Order No. 1000's mandate. Given NTTG's diverse membership, this effort required a unique level of cooperation, negotiation, and compromise.

This diversity of perspectives proved particularly challenging with regard to areas within Order No. 1000 where the Applicants were unable to determine a clear direction from the Commission, and those matters for which the Commission deliberately deferred to the planning regions' discretion. These include the absence of Commission-mandated or widely-accepted industry tools or metrics for determining transmission benefits, how to define "roughly commensurate," the link between cost allocation and cost recovery, the meaning or value of being selected for cost allocation (*i.e.*, whether cost allocation is binding rather than merely informational), the "shelf life" of a cost allocation determination, and eligibility of unsponsored projects to be selected for cost allocation, among others.

¹⁶ In response to stakeholder comments requesting more opportunities to submit economic congestion study requests, a new Exhibit B to Attachment K was created to enable the submission of economic congestion study requests without the need to become a member of the Planning Committee.

¹⁷ The 2008-2009 Biennial Transmission Plan is located at http://nttg.biz/site/index.php?option=com_docman&task=doc_download&gid=913&Itemid=31, and information regarding the 2010-2011 planning cycle is located at http://nttg.biz/site/index.php?option=com_docman&task=cat_view&gid=234&Itemid=31.

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Where agreement by consensus was not possible, agreement by compromise was achieved. While NTTG believes it has crafted processes compliant with Order No. 1000, these processes represent a more conservative approach than some NTTG Members would have preferred, yet go further than some NTTG Members feel the Order specifically requires. Stakeholder input was solicited throughout this effort. The following is a description of the process undertaken by NTTG Members, and a summary of the negotiated compromises necessary, to reach agreement on a cost allocation methodology.

NTTG formed a Cost Allocation Working Group (“CAWG”) to review and analyze various cost allocation options and to develop NTTG’s cost allocation process. To start, in October 2011, the CAWG conducted a compliance analysis examining NTTG’s current cost allocation process as compared to the requirements of Order No. 1000. While the CAWG determined that NTTG was substantially compliant in some respects, the CAWG recognized that the procedures defining benefits measurement and cost allocation represented the most significant compliance gaps. To address these perceived deficiencies, the CAWG met individually and jointly with the Transmission Planning Work Group more than 60 times, and conducted two benefits workshops. In addition, the CAWG exchanged information with regional and interconnection-wide stakeholders in an open and transparent process.

A. Consideration of Existing Regional Cost Allocation Methodologies

To develop a NTTG cost allocation methodology, the CAWG convened a workshop in February 2012 for the presentation, review and consideration of existing, Commission-approved cost allocation methodologies. NTTG considered presentations by representatives from the New York Independent System Operator (“NYISO”), California Independent System Operator (“CAISO”), Southwest Power Pool (“SPP”), and Midwest Independent System Operator (“MISO”), and a presentation by a NTTG Member on the distribution factor (“DFAX”) model used by PJM Interconnection (“PJM”). While informative, the CAWG preliminarily determined that adopting similar methodologies may be inappropriate because NTTG is not an organized market or an Independent System Operator (“ISO”) or Regional Transmission Organization (“RTO”).

In March 2012, the CAWG delivered detailed reports on the cost allocation methodologies of SPP, PJM, and MISO in an effort to examine in more detail the evolution of ISO/RTO allocation methodologies and to identify benefit metrics which could be employed by NTTG. The CAWG generally observed that most regions struggled with early versions of a calculated, granular approach to cost allocation, and eventually adopted more simplified versions of a “postage stamp” methodology based on load-ratio share and/or voltage levels. While some NTTG Members advocated for replicating or adapting one of the studied models for use by NTTG given the limited time to design a new process, the majority of NTTG Members felt strongly that, without the framework of an RTO/ISO or tight power pool institutional structure, transmission benefits would not flow comparably and a postage-stamp allocation methodology could not meet the test of “roughly commensurate” and, therefore, would be inappropriate for NTTG.

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B. Evaluation of Benefit Metrics

In April 2012, to pursue a more measured, granular approach to cost allocation, as compared to a postage-stamp method, the following benefit metrics were proposed and considered for potential use in NTTG's cost allocation methodology:

1. Adjusted production costs;
2. Improvement in reliability;
3. Increased generating plant effective capacity factors;
4. Reduced transmission congestion;
5. Change in operating reserves;
6. Positive impact on capacity losses;
7. Improved available transfer capability ("ATC");
8. Export/import improvements;
9. Reduction of emission rates;
10. Generation resource diversity; and
11. Energy not served.

For each metric, the CAWG considered: (1) whether the metric could be accurately measured and monetized, and (2) whether the metric was appropriate for use in cost allocation by NTTG. Some NTTG Members advocated for using as many metrics as possible to inform NTTG's cost allocation determinations, while others expressed concern that several of the metrics were duplicative of one another, or would depend on production cost modeling ("PCM"), and that available PCM tools do not sufficiently reflect the contractual obligations and the granularity of available information in NTTG's Footprint. NTTG's technical committee conducted a scenario test using available PCM data to monetize benefits and identify beneficiaries. A majority of NTTG Members viewed the results as too uncertain over any long-term horizon and/or were poorly modeled to be used for allocating costs, unless and until the model could be fine-tuned to more accurately reflect the operational and contractual realities of the NTTG Footprint. A majority of NTTG Members supported further exploration of PCM for use as a benefit metric for cost allocation, but concluded that there was insufficient time to perform the necessary model customization before the October 2012 compliance deadline. Moreover, Applicants did not desire to seek a delay, with the hope that Commission action accepting their filing can be obtained with ample time in advance of the next full planning cycle. See Section IV, below.

Given the time required to compile the necessary information on generation and transmission entitlement and implement this information in input data and model modification to prepare an appropriate PCM methodology, NTTG compromised on a two-step approach for this compliance filing. Initially, NTTG developed a methodology that would limit cost allocation to instances of a project replacing or deferring another project. Subsequently recognizing that relying on a single benefit metric (cost-savings associated with a displaced project) was potentially overly prescriptive, NTTG established a metrics workgroup to explore additional methods of benefits measurement. After a series of meetings analyzing the robustness of a variety of potential metrics, the metrics workgroup recommended the following benefit metrics:

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1. Change in annual capital-related costs;
2. Change in losses; and
3. Change in reserves.¹⁸

Second, NTTG committed to further explore various metrics and tools, including a more robust PCM-based metric, for capturing benefits for potential use in cost allocation. The Applicants will provide this report to the Commission by mid-2013. The Applicants will make any tariff changes regarding economic benefits for cost allocation prior to the start of the 2014 biennial planning cycle.

C. Benefits Variability Screen

Some NTTG Members advocated for an additional screen to ensure that project benefits do not vary widely across a variety of future scenarios. These NTTG Members suggested that benefits that were not reasonably constant in all scenarios could not meet the requirement that costs be allocated roughly commensurate with benefits; other NTTG Members suggested that Order No. 1000-A (at P 683) contradicted this assertion, and that the “roughly commensurate” requirement could be satisfied even if the distribution of benefits varied considerably over the long depreciation life of the transmission facilities amid changing conditions. Ultimately, NTTG agreed to keep this screen and developed three criteria to adjust, as appropriate, the initial net benefits for a regional beneficiary before allocating a project’s costs. The adjustment criteria are:

1. The net benefits attributed in any scenario are capped at 150% of the average of the unadjusted, net benefits across all allocation scenarios;
2. If the average of the net benefits (as adjusted in (1) above) across the allocation scenarios is negative, the average net benefit to that beneficiary is set to zero; and
3. Based on the net benefits (as adjusted in (1) and (2) 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.

D. Selection Criteria for Cost Allocation Projects

Following a compromise to treat the capital cost of displaced/deferred projects as a metric for assigning benefits rather than as a qualifier for a project to be selected for cost allocation, the CAWG developed a new process by which a project could be selected in the Regional Transmission Plan for cost allocation. The CAWG determined that a project proposed by a sponsor for regional cost allocation would have to satisfy the following three qualifications:

1. The sponsor itself would have to be qualified under the criteria set out by the Planning Committee;
2. The project cost would have to be greater than a defined threshold; and

¹⁸ NTTG recognized that capturing 100% of the benefits resulting from a project (including marketable surplus transmission capacity) would not be feasible at the regional level due to difficulty in measuring, predicting, or assigning benefits, among other challenges.

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3. The estimated benefits to regional entities other than the project sponsor – based on the then-current set of benefits metrics used for cost allocation – would have to be greater than a defined threshold.

E. Reevaluation of Projects

The CAWG also developed, in coordination with the NTTG Planning Working Group (“PWG”), a process for reevaluating projects selected in a Regional Transmission Plan. As initially proposed, projects selected in one biennial cycle for cost allocation would be reevaluated in each subsequent biennial cycle and potentially displaced irrespective of whether the project sponsors were meeting proposed permitting or construction milestones. Some CAWG members raised concerns with this approach, including that: (1) perpetual reevaluation failed to provide any certainty to project sponsors receiving cost allocation that the presumed funding for their project would remain stable and enable project financing, and (2) the system would overreact to small changes in regional planning needs and unnecessarily change course in response. While these concerns were originally specific to projects selected for cost allocation, CAWG and PWG members generally felt the same concerns applied to reevaluation of any project selected in the Regional Transmission Plan, not just those selected for cost allocation.

To address those concerns, the CAWG and PWG reached a compromise regarding the conditions under which a project could be reevaluated. The resulting compromise defines the point at which a project is considered “committed” and no longer subject to reevaluation, the conditions that may trigger reevaluation of a non-committed project in subsequent plans, and the terms under which a replacement/deferral project may be considered more cost effective. The triggers for reevaluation are: (1) failure to meet the project development schedule such that the needs of the region will not be met (whether attributable to the developer or to permitting delays), and (2) changes in regional need from one plan to the next, such that a distinct project meets the needs of the region more efficiently and/or cost effectively. The compromise also articulates NTTG’s intention that if a project is replaced/deferred, it should be equally eligible for recovery of costs incurred during the period it was selected in NTTG’s Regional Transmission Plan as the project that took its place.

III. COMPLIANCE FILING

A. NTTG Regional Transmission Planning

In Order No. 1000, the Commission adopted several reforms to improve regional transmission planning. Building on the requirements of Order No. 890, the Commission required each public utility transmission provider to participate in a regional transmission planning process that produces a Regional Transmission Plan that complies with seven of the transmission planning principles established in Order No. 890. In addition, the Commission required the local and regional transmission planning processes to consider transmission needs driven by public policy requirements. The Commission also included other modifications to the regional transmission planning process, as described below.

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Previously, and as explained further below, in response to Order No. 890, the Applicants adopted a process created within NTTG that produced a Regional Transmission Plan in compliance with the relevant transmission planning principles. In response to Order No. 1000, the Applicants propose revisions to their transmission planning process to address the additional modifications required by the Commission. A detailed description of the NTTG regional transmission planning process is provided in the Regional Planning and Cost Allocation Practice, available at: http://nttg.biz/site/index.php?option=com_docman&task=doc_download&gid=1871&Itemid=31 (“Practice Document”).

1. Regional Transmission Planning Process

In Order No. 1000, the Commission required that each public utility transmission provider participate in a regional transmission planning process that produces a regional transmission plan that complies with the following transmission planning principles of Order No. 890: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; and (7) economic planning.¹⁹ In addition, the regional planning process must also respond to requests by stakeholders to perform studies that evaluate potential upgrades or other investments that could reduce congestion or integration of new resources or loads on an aggregated or regional basis.²⁰

In response to Order No. 890, the Applicants implemented a regional transmission planning process that integrates the individual, local transmission plans of each Applicant and other participating organizations into one comprehensive ten-year Regional Transmission Plan for the NTTG Footprint.²¹ This comprehensive plan, which is developed on a biennial basis over eight quarters, is intended to take into account all participating transmission providers’ current and anticipated service commitments to network, native load, and point-to-point customers. It also addresses strategic transmission options (economic and reliability projects) and alternatives for reinforcing the transmission system, as well as integration of new generation, reducing congestion, and non-transmission alternatives. Through the biennial planning process, NTTG’s Regional Transmission Plan compiles needs and then identifies least cost expansion project alternatives, technical benefits, projected costs, and an allocation of costs. NTTG’s regional transmission planning process also allows stakeholders to submit requests for economic studies and includes a four-step dispute resolution procedure.

In their compliance filings in response to Order No. 890, the Applicants described how their regional transmission planning process satisfied the applicable transmission planning principles. The Commission ultimately accepted the Applicants’ regional transmission planning

¹⁹ Order No. 1000 at PP 146 & 151; Order No. 1000-A at P 269.

²⁰ Order No. 1000 at P 147.

²¹ While the Commission noted that Order No. 890 did not require development of a transmission plan by each transmission planning region, and that it did not require regional transmission planning activities to comply with the transmission planning principles established in Order No. 890, the Commission recognized that some transmission planning regions implemented processes for the development of a regional transmission plan that identifies those transmission facilities that are needed to meet the needs of regional stakeholders. Order No. 1000 at PP 70 & 80.

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process.²² Notwithstanding, as discussed below, the Applicants have made several modifications to their regional transmission process to address the requirements and clarifications provided in Order No. 1000. The Applicants' regional transmission planning process, as revised, remains consistent with the Commission's transmission planning principles.

2. Removal of Federal Right of First Refusal for Incumbent Transmission Provider

The Commission directed public utility transmission providers "to eliminate provisions in Commission-jurisdictional tariffs and agreements that establish a federal right of first refusal for an incumbent transmission provider with respect to transmission facilities selected in a regional transmission plan for purposes of cost allocation."²³ The Applicants have each determined that their respective Commission-jurisdictional tariffs and agreements contain no provisions granting a federal right of first refusal.²⁴

3. Submission of Data to Regional Transmission Planning Process

The Commission required that "each public utility transmission provider revise its OATT to identify: (a) the information that must be submitted by a prospective transmission developer in support of a transmission project it proposes in the regional transmission planning process; and (b) the date by which such information must be submitted to be considered in a given transmission planning cycle."²⁵ In addition, the Commission concluded that merchant transmission developers must provide "adequate information and data" to allow for the assessment of potential reliability and operational impacts of the merchant's proposed transmission facilities on other systems in the region.²⁶ While the Commission did not require the development of a specific form for the submittal of this information, it did require that each public utility transmission provider have in its OATT the same information requirements as the other public utility transmission providers in the same transmission planning region.²⁷

The Applicants have revised their Attachment Ks to require the sponsor (*i.e.*, transmission provider, non-incumbent transmission developer, merchant transmission developer, or any other stakeholder) of a transmission project proposed for inclusion in the Regional Transmission Plan to submit certain minimum information.²⁸ The required information, identified in consultation with stakeholders, provides basic modeling data for NTTG's power system planning models, and includes the following: (a) load and resource data; (b) forecasted transmission service requirements; (c) whether the proposed project meets reliability or load

²² *Idaho Power Company, et al.*, 124 FERC ¶ 61,053 (July 17, 2008); *Portland General Electric Company*, 125 FERC ¶ 61,067 (Oct. 16, 2008); *Idaho Power Company, et al.*, 128 FERC ¶ 61,064 (July 16, 2009); *Idaho Power Company, et al.*, Docket No. OA8-55-005 et al. (letter order dated Apr. 8, 2010).

²³ Order No. 1000 at P 313.

²⁴ *Id.* at P 314 n.294 ("If no such provisions are contained in a public utility transmission provider's tariff or other Commission-jurisdictional agreement, it should state so in its compliance filing.").

²⁵ *Id.* at P 325.

²⁶ *Id.* at P 164.

²⁷ *Id.* at P 325.

²⁸ Deseret § B.2.2; Idaho Power § 13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § 13.2.

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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; (h) structure type; (i) conductor type and configuration; (j) project terminal facilities; (k) project costs, associated annual revenue requirements, and underlying assumptions and parameters in developing revenue requirements; (l) project development schedule; (m) current project development phase; and (n) in-service date.²⁹ 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.³⁰

As described in the Practice Document, the Applicants are preparing a data collection form, which will be available on the NTTG website, which must be substantially completed and submitted to the local transmission provider or to the NTTG Planning Committee with a copy to the local transmission provider(s). The project sponsor must submit the data collection form prior to the end of Quarter 1 of the biennial planning cycle. The NTTG Planning Committee will review the submitted material for completeness and work with the project sponsor to provide complete information. In Quarter 5 of the biennial planning cycle, a project sponsor may submit additional information about new or changed circumstances relating to loads, resources, transmission projects or alternative solutions to be evaluated during the preparation of the draft Regional Transmission Plan.³¹

4. Transmission Needs Driven by Public Policy Requirements

The Commission required “each public utility transmission provider to amend its OATT to explicitly provide for consideration of transmission needs driven by public policy requirements in both local and regional transmission planning processes.”³² Specifically, the Commission required public utility transmission providers to establish, in consultation with stakeholders, the procedures by which transmission needs driven by Public Policy Requirements will be identified.³³ The Commission noted that all stakeholders, including state regulatory authorities, must have an opportunity to provide input and offer proposals regarding the transmission needs they believe should be identified.³⁴ In addition, the Commission required public utility transmission providers to establish a process to identify a subset of those transmission needs for which transmission solutions will be evaluated.³⁵ To ensure that requests to include transmission needs are reviewed in a fair and non-discriminatory manner, the Commission required public utility transmission providers to post on their websites: (a) an explanation of those transmission needs driven by public policy requirements that have been identified for evaluation, and (b) an explanation of how other transmission needs driven by

²⁹ *Id.*

³⁰ Deseret § B.2.3; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § 13.3.

³¹ Deseret § B.2.5; Idaho Power § 13.5; NorthWestern § 3.3.5; PacifiCorp § 3.3.5; Portland General § 13.5.

³² Order No. 1000 at PP 82 & 203. The Applicants are addressing the regional requirement in this Section of this letter, and are addressing the local requirement in Section III.C.

³³ Order No. 1000 at PP 205 & 206.

³⁴ *Id.* at PP 209 & 212.

³⁵ *Id.* at P 209.

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Public Policy Requirements were considered during the identification stage and why they were not selected for further evaluation.³⁶

The Applicants have revised their Attachment Ks to specify how transmission needs driven by Public Policy Requirements will be collected and identified.³⁷ First, each Applicant is obligated to collect customer data, including transmission needs driven by Public Policy Requirements, as part of its local planning process.³⁸ In Quarter 1 of the biennial planning cycle, each Applicant will provide NTTG with its local transmission plan, which includes transmission service forecasts reflective of Public Policy Requirements and public policy projects, and transmission needs driven by Public Policy Requirements and Public Policy Considerations for consideration in the regional transmission planning process.³⁹ Also, in Quarter 1, any stakeholder may submit data to be evaluated as part of the preparation of the Regional Transmission Plan, including transmission needs and associated facilities driven by Public Policy Requirements and Public Policy Considerations.⁴⁰ As explained in the Practice Document, stakeholders may use the data request form for NTTG's Quarter 1 data submittal process to submit this information directly to one of the Applicants or to the NTTG Planning Committee with a copy to the Applicant.⁴¹

NTTG's Regional Transmission Plan includes consideration of only transmission needs driven by Public Policy Requirements, and may use additional study analysis to consider other transmission needs driven by Public Policy Considerations as agreed upon by the Planning Committee, with stakeholder input.⁴² In Quarter 2 of the biennial planning cycle, the NTTG Planning Committee will meet to review and winnow the transmission needs and associated facilities driven by Public Policy Requirements and Considerations received in Quarter 1 using the criteria established in the Practice Document.⁴³ The Planning Committee meeting will 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.⁴⁴

³⁶ *Id.*; Order No. 1000-A at P 325. However, public utility transmission providers are not required to research and post every transmission need that is conceivably driven by a Public Policy Requirement and explain why each one will not be evaluated. *Id.*

³⁷ The Applicants are adopting the following definitions: "Public Policy Requirements" are "those public policy requirements 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"; and "Public Policy Considerations" are "those public policy considerations that are not established by state or federal laws or regulations." Deseret - Definitions (page K-2); Idaho Power § 1.10-1.11; NorthWestern § 1.11-1.12; PacifiCorp §§ 1.11-1.12; Portland General § 1.10.-1.11.

³⁸ Order No. 1000 at P 6.

³⁹ Deseret § B.1.4; Idaho Power §§ 12.4 & 13.4; NorthWestern §§ 3.2.4 & 3.3.2; PacifiCorp § 3.2.4; Portland General § 12.2.

⁴⁰ Deseret § B.2.2; Idaho Power § 13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § 13.2.

⁴¹ Practice Document at § II.3.4.

⁴² *Id.* at § II.3.4.1.

⁴³ Deseret § B.2.3; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § 13.3.

⁴⁴ Deseret § B.3.1; Idaho Power § 14.1; NorthWestern § 3.4.1; PacifiCorp § 3.4.1; Portland General § 14.1. The date and time of the public meeting will be posted on NTTG's website, and the location will be determined by NTTG or the meeting may be held telephonically or by video or internet conference. *Id.*

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During Quarter 2, as part of the preparation of the Biennial Study Plan, the Planning Committee will prepare an explanation for why certain transmission needs driven by Public Policy Requirements and Considerations were or were not selected.⁴⁵ NTTG and each Applicant will post this information on their websites.⁴⁶

As part of the regional planning process, NTTG determines if there is a more efficient or cost-effective regional solution to meet the transmission needs driven by Public Policy Requirements submitted by stakeholders and transmission providers. When evaluating potential solutions to the identified transmission needs driven by Public Policy Requirements, the Planning Committee includes the solutions in its technical analysis along with other regional projects.⁴⁷ NTTG applies the same criteria and selection process as those used for any other project chosen for NTTG's Regional Transmission Plan.⁴⁸

5. Alternative Transmission Solutions

The Commission required public utility transmission providers to evaluate, in consultation with stakeholders, alternative transmission solutions that might meet the needs of the transmission planning region more efficiently or cost-effectively than solutions identified by individual public utility transmission providers in their local transmission planning process.⁴⁹ The Commission stated that, when evaluating the merits of such alternative transmission solutions, public utility transmission providers in the transmission planning region also must consider proposed non-transmission alternatives on a comparable basis.⁵⁰

The Applicants revised their Attachment Ks to reflect that NTTG will conduct its regional planning process using identified regional transmission service needs, transmission, and non-transmission alternatives to define benefits and projected costs that meet the regional transmission needs more cost effectively and efficiently than the combined local transmission system plans developed by the Applicants.⁵¹ In Quarter 1 of the biennial planning process, any stakeholder may submit alternative solutions to meet the identified needs set out in an Applicant's local transmission system plan, prior NTTG Regional Transmission Plans and, as appropriate, results from prior economic study requests.⁵² In Quarters 3 and 4, NTTG will conduct modeling of the system loads, resources and improvements to evaluate preliminary feasibility, reliability and efficiency of the system and any proposed alternatives.⁵³ In Quarter 5, during review of the draft Regional Transmission Plan, any stakeholder may submit comments or additional information about new or changed circumstances related to alternative transmission

⁴⁵ Deseret § B.2.3; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § 13.3; Practice Document at § II.3.4.1.

⁴⁶ Deseret § B.1.5; Idaho Power § 12.5; PacifiCorp § 3.2.5; Portland General § 12.3; Practice Document at §§ II.3.4.1 & II.3.4.2.

⁴⁷ Practice Document at § II.3.4.3.

⁴⁸ *Id.*; Deseret §§ B.2.3. & B.2.5; Idaho Power §§ 13.3 & 13.5; NorthWestern §§ 3.3.3 & 3.2.5; PacifiCorp §§ 3.3.3 & 3.3.5; Portland General §§ 13.3 & 13.5.

⁴⁹ Order No. 1000 at P 148.

⁵⁰ *Id.* at PP 148 & 155.

⁵¹ Deseret § B.1.2; Idaho Power § 12.2; NorthWestern § 3.2.2; PacifiCorp § 3.2.2; Portland General § 12.

⁵² Deseret § B.2.2; Idaho Power § 13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § 13.2.

⁵³ Deseret § B.2.4; Idaho Power § 13.4; NorthWestern § 3.3.4; PacifiCorp § 3.3.4; Portland General § 13.4.

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solutions.⁵⁴ In Quarter 6, the Biennial Study Plan will be revised to reflect any new or changed circumstances related to alternative solutions.⁵⁵

As explained in the Practice Document, NTTG's biennial regional transmission planning process begins with a "bottom up" approach to developing an initial Regional Transmission Plan.⁵⁶ The initial Regional Transmission Plan is comprised of the previously approved NTTG Regional Transmission Plan and a "roll up" of the Applicants' local transmission plans.⁵⁷ This initial Regional Transmission Plan forms the basis from which alternative transmission projects and non-transmission alternatives (incorporating stakeholder projects submitted during Quarters 1 and 5) are analyzed.⁵⁸ The intent of the analysis is to define, if possible, a draft Regional Transmission Plan that meets the needs of the NTTG Footprint more efficiently and/or cost effectively than the initial plan.⁵⁹ In general, the planning process examines the reliability of the transmission system, as well as capital costs, capital-related costs (*i.e.*, annual revenue requirements), and net production costs, as appropriate, to determine which transmission projects and non-transmission alternatives improve upon the initial Regional Transmission Plan.⁶⁰ In conducting this analysis, NTTG considers transmission projects and non-transmission alternatives on a comparable basis.

6. Methodology, Criteria, and Processes for Preparation of Regional Transmission Plan

The Commission stated that "public utility transmission providers should provide sufficient information to 'enable customers, other stakeholders, or an independent third party to replicate the results of planning studies and thereby reduce the incidence of after-the-fact disputes regarding whether planning has been conducted in an unduly discriminatory fashion.'"⁶¹ This information includes the basic methodology, criteria, and processes used to develop transmission plans, and the methods used to disclose the criteria, data, and assumptions that underlie its transmission system plans.⁶²

In Quarter 2 of the biennial regional planning process, the NTTG Planning Committee will develop a Biennial Study Plan which will guide the preparation of the Regional Transmission Plan throughout the biennial planning cycle.⁶³ In general, and as explained in more detail in the Practice Document, the Biennial Study Plan will describe the methodology, criteria, assumptions, databases, projects subject to reevaluation, analysis tools, and public policy

⁵⁴ Deseret § B.2.5; Idaho Power § 13.5; NorthWestern § 3.3.5; PacifiCorp § 3.3.5; Portland General § 13.5.

⁵⁵ Deseret § B.2.6; Idaho Power § 13.6; NorthWestern § 3.3.6; PacifiCorp § 3.3.6; Portland General § 13.6.

⁵⁶ Practice Document at § II.3.0.

⁵⁷ *Id.* at § II.2.2.

⁵⁸ *Id.* at § II.3.6.

⁵⁹ *Id.* Whether a transmission plan is "more efficient and cost-effective" is defined in the Biennial Study Plan (described below) and is based on evaluation of the criteria developed by the Planning Committee, with input from stakeholders, as described in the Practice Document. *Id.* at § II.3.6.1.

⁶⁰ *Id.* at § II.3.7.2.1.

⁶¹ Order No. 1000-A at P 281.

⁶² *Id.*

⁶³ Deseret § B.2.3; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § 13.3; Practice Document at § II.3.7.

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projects used and/or analyzed during preparation of the Regional Transmission Plan.⁶⁴ The Biennial Study Plan will also include cost allocation scenarios developed by the NTTG Cost Allocation Committee and, when developing the Biennial Study Plan, the Planning Committee will also consider the impacts of project delays for any project previously selected in the Regional Transmission Plan.⁶⁵ The Planning Committee will present the Biennial Study Plan for comment by stakeholders and Planning Committee members at a publically held Planning Committee meeting in Quarter 2.⁶⁶ The NTTG Steering Committee must approve the Biennial Study Plan prior to its implementation.⁶⁷ Following the stakeholder submission process in Quarter 5,⁶⁸ in Quarter 6, the Planning Committee will update the Biennial Study Plan, as necessary, based upon the stakeholder-submitted comments, additional information about new or changed circumstances related to loads, resources, transmission projects or alternative solutions, or other identified changes to previously submitted data.⁶⁹

7. Posting Transmission Status on Website

The Commission noted that “public utility transmission providers already are required to make available information regarding the status of transmission upgrades identified in transmission plan, including posting appropriate status information on its website, consistent with the Commission’s CEII requirements and regulations.”⁷⁰ The Commission required that “[t]o the extent an entity has undertaken a commitment to build a transmission facility in a regional transmission plan, that information should be included in such postings.”⁷¹

The Applicants have revised their Attachment Ks to reflect an obligation to post, subject to CEII restrictions, the Biennial Study Plan and the Regional Transmission Plan.⁷² The Biennial Study Plan contains the planning and cost allocation criteria, methodology, and assumptions; an explanation of why certain transmission needs driven by Public Policy Requirements and Considerations were or were not considered; and updates on progress and commitments to build for transmission upgrades identified in the Regional Transmission Plan.⁷³

8. Reevaluation of Projects Selected in the Regional Transmission Plan

The Commission recognized that delays in the development of transmission facilities could adversely affect the ability of incumbent transmission providers to meet reliability or

⁶⁴ Deseret § B.2.3; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § 13.3; Practice Document at § II.3.7.2.

⁶⁵ Deseret § B.2.3; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § 13.3; Practice Document at §§ II.3.9 & II.4.2.3.

⁶⁶ Deseret § B.2.3; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § 13.3; Practice Document at § II.3.7.

⁶⁷ Deseret § B.2.3; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § 13.3; Practice Document at § II.3.7.1.

⁶⁸ Deseret § B.2.5; Idaho Power § 13.3; NorthWestern § 3.3.5; PacifiCorp § 3.3.5; Portland General § 13.5.

⁶⁹ Deseret § B.2.6; Idaho Power § 13.6; NorthWestern § 3.3.6; PacifiCorp § 3.3.6; Portland General § 13.6.

⁷⁰ Order No. 1000 at P 159.

⁷¹ *Id.*

⁷² Deseret § B.2.5; Idaho Power § 12.5; NorthWestern § 3.2.5; PacifiCorp § 3.2.5; Portland General § 12.3.

⁷³ *Id.*

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service obligations.⁷⁴ The Commission required “each public utility transmission provider to amend its OATT to describe the circumstances and procedures under which public utility transmission providers in the regional transmission planning process will reevaluate the regional transmission plan to determine if delays in the development of a transmission facility selected in a regional transmission plan for purposes of cost allocation require evaluation of alternative solutions, including those the incumbent transmission provider proposes, to ensure the incumbent can meet its reliability needs or service obligations.”⁷⁵

For a transmission project selected in the Regional Transmission Plan, NTTG requires that the project sponsor submit to the Planning Committee a project development schedule in Quarter 1 of the subsequent biennial planning cycle.⁷⁶ In the quarter following the submission of this development schedule (i.e., Quarter 2), the Planning Committee will establish a date by which all permits and rights of way required for project construction must be achieved, based on the required in-service date of the project and its estimated construction period.⁷⁷ As long as the project remains in the Regional Transmission Plan, prior to the end of Quarter 1 of each subsequent biennial cycle, the project sponsor must submit to the Planning Committee a milestone progress report and any adjustments of the project development schedule until the project is considered “committed.”⁷⁸ To remain eligible for cost allocation determinations in subsequent planning cycles, the project sponsor must submit qualification data during Quarter 8 of the biennial planning cycle and remain qualified, as determined in Quarter 1 of the following planning cycle.⁷⁹ If the project sponsor no longer meets the sponsor qualification criteria, the project may remain in the Regional Transmission Plan, but will not be eligible for cost allocation.⁸⁰

NTTG requires the sponsor of a project selected in the Regional Transmission Plan to inform the Planning Committee of any project delay as soon as it is known and, at a minimum, when the project sponsor submits its project development schedule during each Quarter 1.⁸¹ The Planning Committee will evaluate the effect of any delay on the Regional Transmission Plan during Quarters 2 and 6 of the biennial planning cycle and will, with input from stakeholders and other affected entities, determine whether the delay will cause the project to miss the original in-service date.⁸²

⁷⁴ Order No. 1000 at P 263.

⁷⁵ *Id.*

⁷⁶ Practice Document at § II.3.9. The development schedule must include all major project development milestones (including, but not limited to: granting of all federal and state permits; acquisition of rights of way; progress of engineering, materials, equipment, and construction contracts; and date of substantial project completion) necessary to develop and build the transmission project to meet the timing requirements identified in the prior biennial planning cycle. *Id.* at § II.3.10. *See also* Order No. 1000-A at P 442.

⁷⁷ Practice Document at § II.3.10. *See also* Order No. 1000-A at P 442.

⁷⁸ Practice Document at § II.3.10. “Committed” projects are those selected in the previous 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 plan. *Id.* at § II.3.9.

⁷⁹ *Id.* at § II.3.10.

⁸⁰ *Id.*

⁸¹ *Id.* at § II.3.9.

⁸² *Id.*

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If a project is selected in a previous Regional Transmission Plan, either for planning purposes only or for planning and cost allocation, but is not yet “committed,” the project will be reevaluated, and potentially replaced or deferred, in subsequent planning cycles only in the event that: (a) the developer of the project fails to meet its project development schedule such that the needs of the region will not be met, (b) the developer of the project 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.⁸³

In the event that the criterion in (a) applies, the Planning Committee may remove the project from the Regional Transmission Plan. In the event that the criteria in (b) or (c) apply, the Planning Committee will replace the project with an alternative project if the total cost of the alternative project plus the costs incurred by the replaced or deferred project while it was selected in the Regional Transmission Plan are equal to or less than 85% of the replaced or deferred project’s capital cost.⁸⁴

While Order No. 1000 only required reevaluation of projects selected in a Regional Transmission Plan for cost allocation, the Applicants will reevaluate the effects caused by the delay or deferral of any project selected in the Regional Transmission Plan. The Applicants recognize that the delay or deferral of any selected project will require a reassessment of whether the Regional Transmission Plan continues to meet the needs of the region on a more efficient and cost-effective basis. Further, applying the reevaluation process to all selected projects, whether for inclusion in the Regional Transmission Plan or for cost allocation, will ensure that all projects are treated on a comparable basis.

9. Dispute Resolution Procedures

The Commission noted that the dispute resolution requirements of Order No. 890 also apply to the Order No. 1000 regional transmission planning process.⁸⁵ The Commission recognized that it may be necessary to enhance existing dispute resolution procedures to comply with the current transmission planning reforms.⁸⁶

The Applicants have revised the dispute resolution procedures in their respective Attachment Ks to reflect the more robust regional transmission planning process required by Order No. 1000.⁸⁷ Given the involvement of the Steering, Planning, and Cost Allocation

⁸³ *Id.*; Deseret § B.7; Idaho Power § 13.3; NorthWestern § 3.3.3; PacifiCorp § 3.8; Portland General § 13.3.

⁸⁴ Practice Document at § II.3.9. While NTTG’s process does not intend to address cost recovery, NTTG’s Cost Allocation Committee Charter states that cost allocations will result in a reasonable opportunity for the transmission owner(s) to achieve full recovery of the costs of the project, but no more. It is NTTG’s intention that costs for the replaced or deferred project, incurred during the period it was selected in NTTG’s plan should be equally eligible for cost recovery as the incurred costs for the project that replaced or deferred it, as those costs were incurred for a project identified by NTTG as the most efficient and/or cost effective solution to regional needs at the time, and such a project would only be replaced if a more efficient and/or cost effective solution, in aggregate, was identified.

⁸⁵ Order No. 1000 at P 330 n.306.

⁸⁶ *Id.* at P 750.

⁸⁷ Deseret § B.5; Idaho Power § 16; NorthWestern § 3.6; PacifiCorp § 3.6; Portland General § 16.

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Committees in the NTTG regional transmission planning process, the Applicants revised their dispute resolution procedures to identify how a disputing entity can seek resolution of a dispute involving each committee. To ensure a consistent process, NTTG will also revise the applicable committee charters to direct disputing entities to the dispute resolution provisions in each Applicant's Attachment K.

B. NTTG Regional Cost Allocation

1. Overview of Regional Cost Allocation Process

The Commission required that all public utility transmission providers adopt a method or methods for allocating the costs of new transmission facilities selected in the regional transmission plan for purposes of cost allocation.⁸⁸ In developing the cost allocation methodology, the public utility transmission providers must consult with stakeholders and ensure that all projects are eligible to be considered for selection in the regional transmission plan for purposes of cost allocation.⁸⁹ Further, each public utility transmission provider located in a non-RTO/ISO transmission planning region must include in its OATT the same language regarding the cost allocation methodology used in its transmission planning region.⁹⁰ The cost allocation methodology must treat incumbent and non-incumbent transmission developers comparably,⁹¹ and be consistent with six regional cost allocation principles.⁹²

To date, the Applicants and NTTG have relied upon participant funding to fund regional transmission projects. While the Commission noted that participant funding is still permitted, it cannot serve as the regional cost allocation method.⁹³ Accordingly, the Applicants are amending their Attachment Ks to provide project sponsors with the option of using participant funding or the Order No. 1000 cost allocation methodology.⁹⁴

In developing their cost allocation methodology, the Applicants utilized a transparent process whereby they conducted numerous meetings, through the NTTG CAWG and other work groups, with regional stakeholders and entities in other transmission planning regions. The Applicants have revised their Attachment Ks to include the same language regarding the proposed cost allocation methodology,⁹⁵ and NTTG includes a description of the cost allocation process in the Practice Document. The proposed cost allocation methodology treats all project sponsors on a comparable basis and satisfies the Commission's cost allocation principles.

⁸⁸ Order No. 1000 at P 558.

⁸⁹ *Id.* at P 336.

⁹⁰ *Id.* at PP 500 & 558.

⁹¹ *Id.* at P 332.

⁹² *Id.* at P 558.

⁹³ *Id.* at P 723 ("The Commission finds that participant funding is permitted, but not as a regional or interregional cost allocation method.").

⁹⁴ Deseret § B.6; Idaho Power § 17; NorthWestern § 3.7; PacifiCorp § 3.7; Portland General § 17. The Applicants have consolidated and revised their participant funding requirements to enable incorporation of the cost allocation methodology. Deseret § B.6.1; Idaho Power § 17.1; NorthWestern § 3.7.1; PacifiCorp § 3.7.1; Portland General § 17.1.

⁹⁵ Deseret § B.6.2; Idaho Power § 17.2; NorthWestern § 3.7.2; PacifiCorp § 3.7.2; Portland General § 17.2.

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a. Project Sponsors Are Required to Submit Qualification and Project Data

The Commission required “each public utility transmission provider to revise its OATT to demonstrate that the regional transmission planning process in which it participates has established appropriate qualification criteria for determining an entity’s eligibility to propose a transmission project for selection in the regional transmission plan for purposes of cost allocation.”⁹⁶ The qualification criteria must allow each potential transmission developer to demonstrate that it has the “necessary financial resources and technical expertise to develop, construct, own, operate and maintain transmission facilities.”⁹⁷ Further, the qualification criteria should be “fair and not unreasonably stringent” and allow any transmission developer the opportunity to remedy any deficiency.⁹⁸

The Applicants have revised their Attachment Ks to require all project sponsors⁹⁹ seeking inclusion in the Regional Transmission Plan for purposes of cost allocation to submit certain information to be reviewed by the Planning Committee and Cost Allocation Committee. The required information consists of three categories: (1) sponsor qualification data, (2) physical and cost data related to the proposed project, and (3) additional data utilized for cost allocation.¹⁰⁰ Sponsors submit project information using the data request form that will be posted on NTTG’s website.¹⁰¹ In addition, sponsors of projects selected in the Regional Transmission Plan for cost allocation must submit a development schedule listing the steps necessary to develop and build the transmission project.¹⁰²

A project sponsor that plans to submit its regional transmission project into NTTG’s regional planning process for cost allocation consideration must submit sponsor qualification data to the Planning and Cost Allocation Committees during October of Quarter 8 of the prior biennial planning cycle.¹⁰³ NTTG will use this information to determine if a project sponsor is eligible to submit a project into the regional planning process for selection in the Regional Transmission Plan for purposes of cost allocation. In general, the qualification information consists of the following categories: (a) project sponsor description; (b) project summary; (c) project sponsor demonstration of technical expertise to develop, construct, and own the proposed facility; (d) project sponsor financial expertise to develop, construct, and own the proposed facility; (e) investors; and (f) project sponsor ability to maintain and operate the proposed facility.¹⁰⁴ The Practice Document contains a detailed description of the information required to

⁹⁶ Order No. 1000 at P 323.

⁹⁷ *Id.*

⁹⁸ *Id.* at P 324.

⁹⁹ Projects submitted by sponsors meeting the qualification criteria and which are submitted for purposes of cost allocation may include: 1) a project “rolled-up” from one or more local transmission providers’ transmission plan(s), but has a potential regional impact; 2) a project sponsored by a non-incumbent transmission developer; or 3) an interregional project.

¹⁰⁰ Practice Document at § II.4.1.

¹⁰¹ *Id.*

¹⁰² *Id.* at § II.3.10.

¹⁰³ Deseret § B.2.1; Idaho Power § 13.1; NorthWestern § 3.3.1; PacifiCorp § 3.3.1; Portland General § 13.1.

¹⁰⁴ Practice Document at § II.4.1.1.

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be submitted for each category and summarizes how NTTG will evaluate the information.¹⁰⁵ NTTG will apply the sponsor qualification criteria in a comparable, non-discriminatory manner to both incumbent and non-incumbent transmission developers.¹⁰⁶

The qualification information will be evaluated by the NTTG Planning and Cost Allocation Committees, in consultation with stakeholders, at a regularly scheduled meeting before the start of the biennial planning cycle.¹⁰⁷ If it is determined that the submitted qualification information is deficient, NTTG will notify the project sponsor and provide additional time to remedy the defect pursuant to the schedule in Figure 6 of the Practice Document.¹⁰⁸ If the project sponsor cannot cure the deficiency, or chooses not to, the project sponsor may submit the project into the regional planning process without cost allocation or withdraw the project from further consideration.¹⁰⁹

In addition to the sponsor qualification information, sponsors of projects for cost allocation are required to submit additional information during Quarter 1 of the biennial planning cycle. First, the project sponsor must submit the same information as required for proposed transmission projects that are not seeking cost allocation.¹¹⁰ In general, the sponsor of a project for cost allocation must submit additional information consisting of the following categories: (a) define the project purpose (e.g., reliability, Public Policy Requirements, or economical resource development); (b) provide copies of all studies (*i.e.*, planning, engineering, financial, and economic); and (c) provide proposals addressing the treatment of project cost overruns.¹¹¹

b. Eligibility Requirements for Cost Allocation

The Commission required “each public utility transmission provider to amend its OATT to describe a transparent and not unduly discriminatory process for evaluating whether to select a proposed transmission facility in the regional transmission plan for purposes of cost allocation.”¹¹² Selection in the regional transmission plan for purposes of cost allocation requires “a determination that the transmission project is an efficient or cost-effective solution pursuant to the processes the transmission providers in the region have put in place, including consultation with stakeholders.”¹¹³ The evaluation process must comply with the Order No. 890 transmission planning principles, ensuring transparency and stakeholder coordination, and culminate in a determination that is sufficiently detailed for stakeholders to understand why a particular project was selected, or not selected, for cost allocation.¹¹⁴

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* at Figure 6; Deseret § B.2.1; Idaho Power § 13.1; NorthWestern § 3.3.1; PacifiCorp § 3.3.1; Portland General § 13.1.

¹⁰⁹ Practice Document at Figure 3 & § II.4.1.1.

¹¹⁰ Deseret § B.2.2; Idaho Power § 13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § 13.2. These requirements are discussed above in this filing letter at Section III.A.3.

¹¹¹ Deseret § B.2.2; Idaho Power § 13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § 13.2; Practice Document at § II.4.1.2.

¹¹² Order No. 1000 at P 328.

¹¹³ *Id.* at P 563.

¹¹⁴ *Id.* at P 328.

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In NTTG's regional planning process, to be selected for cost allocation, a project must: (1) either be proposed for such purpose by a sponsoring entity that meets the qualification requirements set forth above, or be an unsponsored project identified in the regional planning process; (2) be selected by the Planning Committee for inclusion in the Regional Transmission Plan; (3) have an estimated cost which exceeds the lesser of (i) \$100 million or (ii) 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 (4) have total estimated project benefits to regional entities, other than the project sponsor, which exceed \$10 million.¹¹⁵ If the project is unsponsored, the regional entity estimated to receive the largest share of the project benefits is deemed the "project sponsor" for the sole purpose of determining whether this fourth criterion is met.¹¹⁶

The first criterion establishes that, to be eligible for consideration for cost allocation, the project sponsor must possess the requisite financial resources and technical expertise. In addition, NTTG recognizes that the regional transmission planning process may identify a previously unidentified project that would satisfy some regional transmission need. While this project would not have a sponsor for qualification purposes, NTTG would include it in the planning process for cost allocation if it satisfied the other criteria for selection.

The second criterion establishes that the proposed project must be selected for inclusion in the Regional Transmission Plan before it can be considered for cost allocation. The Regional Transmission Plan will identify projects that meet regional needs more efficiently and cost-effectively than those projects in the initial Regional Transmission Plan. Accordingly, NTTG will only provide cost allocation to those projects that result in efficient or cost-effective solutions.

Because the NTTG represents a region without a regional transmission tariff or organized power markets, the burden of developing, tracking, and administering the process of cost allocation must be weighed against the likely value of ensuring that beneficial transmission projects are constructed in a timely manner (and not delayed or lost due to "free riders" not funding a proportionate share of the project). In this weighing of burden versus value, NTTG relies on two criteria. The third criterion above addresses the overall scope of the proposed project in terms of (i) absolute investment and (ii) size relative to the assets of the project sponsor. This combination in this third criterion ensures that a project selected for cost allocation involves significant investment that potentially has significant value to the region, but does not preclude consideration of smaller-scale projects with regional benefits from being sponsored by entities with relatively few transmission assets.

In completing the balance of burden versus value of cost allocation, the fourth criterion establishes that a proposed project must have a substantial level of its benefits received by entities other than the project sponsor. Establishing a significant threshold of regional benefits beyond the project sponsor is especially important given that NTTG is allowing any project,

¹¹⁵ Deseret § B.6.2.1; Idaho Power § 17.2.1; NorthWestern § 3.7.2.1; PacifiCorp § 3.7.2.1; Portland General § 17.2.1; Practice Document at § II.4.2.2.

¹¹⁶ Practice Document at § II.4.2.2.

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including those contained in the local transmission plans of transmission providers, to request to be included in the regional plan for purposes of cost allocation. Without the fourth criterion, NTTG could be overwhelmed with requests for cost allocation in which the regional benefits being allocated (and, therefore, any project costs) are *de minimis* in nature.

c. Methodology to Quantify Benefits for Cost Allocation

The Commission required that “a public utility transmission provider must have a regional cost allocation method for any transmission facility selected in a regional transmission plan for purposes of cost allocation.”¹¹⁷ If a transmission facility serves several functions, the cost allocation methodology must take the benefits of those functions into account in allocating costs roughly commensurate with benefits.¹¹⁸ To be compliant, the public utility transmission providers must “clearly and definitively specify the benefits and the class of beneficiaries.”¹¹⁹

To evaluate the benefits associated with projects selected in the Regional Transmission Plan for purposes of cost allocation, the CAWG, in consultation with stakeholders, has identified the following benefit metrics:

- (a) Change in annual capital-related costs. This metric captures the financial and economic impact of deferring or replacing a transmission project in the initial Regional Transmission Plan as a result of another transmission project or non-transmission alternative.
- (b) Change in energy losses. This metric captures the change in energy generated to serve a given amount of load.
- (c) Change in reserves. This metric is based on savings that may result when two or more balancing areas could economically share a reserve resource when unused transmission capacity remains in a proposed transmission project.¹²⁰

The first metric, change in annual capital-related costs, addresses benefits related to both reliability and Public Policy Requirements.¹²¹ The metric captures the extent to which a transmission project (or non-transmission alternative) may displace one or more transmission projects required to meet reliability standards in the initial Regional Transmission Plan with lower capital-related costs, while continuing to meet all reliability standards. This same metric

¹¹⁷ Order No. 1000 at P 690. The Commission noted that a “transmission facility proposed to address a Public Policy Requirement must be eligible for selection in a regional transmission plan for purposes of cost allocation and must not be designated as a type of transmission facility for which the cost allocation method must be determined only on a project-specific basis. *Id.*

¹¹⁸ *Id.* at P 690.

¹¹⁹ Order No. 1000-A at P 678.

¹²⁰ Deseret § B.6.2.2; Idaho Power § 17.2.2; NorthWestern § 3.7.2.2; PacifiCorp § 3.7.2.2; Portland General § 17.2.2; Practice Document at § II.4.2.3. The Cost Allocation Committee, with input from stakeholders, may modify or augment the benefit metrics in Quarter 2 when developing the Biennial Study Plan applicable to each biennial regional planning cycle. Deseret § B.6.2.2; Idaho Power § 17.2.2; NorthWestern § 3.7.2.2; PacifiCorp § 3.7.2.2; Portland General § 17.2.2.

¹²¹ Practice Document at § II.4.2.3.

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also captures the extent to which a transmission project (or non-transmission alternative) may displace one or more transmission projects in the initial Regional Transmission Plan for purposes of meeting Public Policy Requirements because it is determined to have lower capital-related costs, while still meeting the same Public Policy Requirements. The remaining two benefit metrics capture benefits related to economic projects—those projects that are determined to provide overall economic value, but are not strictly required to meet reliability standards in serving existing and new service obligations or Public Policy Requirements.¹²²

As explained in the Practice Document,¹²³ the Cost Allocation Committee will express each benefit metric as an annual change in costs (or revenue or other appropriate metric). The annual changes will be discounted to a net present value for those years within the 10-year study period that the benefit or cost accrues. The cost of capital and other parameters used in developing annual, capital-related costs will be based on data specific to the project sponsor.

To estimate the benefits associated with each benefit metric, during Quarters 1 and 2 of the biennial regional planning cycle, the Cost Allocation Committee will create allocation scenarios for those parameters that likely affect the amount of total benefits and their distribution among beneficiaries.¹²⁴ The variables in these scenarios may include, but are not limited to, load levels by load-serving entity and geographic location, fuel prices, and fuel and resource availability. Recognizing that estimates of the amount and distribution of benefits may be highly uncertain and subject to key assumptions and projections, the Cost Allocation Committee will use allocation scenarios that incorporate data for a range of potential outcomes for each scenario which will serve to estimate and incorporate the potential impact of these uncertainties in the calculation of net benefits.¹²⁵ The Cost Allocation Committee will develop the allocation scenarios with input from stakeholders during regularly scheduled meetings.¹²⁶ The resulting allocation scenarios will become part of the Biennial Study Plan during its development in Quarter 2.¹²⁷

d. Allocation of Costs to Beneficiaries

The Commission required that, for any cost allocation method, there must be a “demonstrated link between the costs imposed through a cost allocation method and the benefits received by beneficiaries that must pay those costs.”¹²⁸ In addition, the Commission required that “every cost allocation method or methods provide for allocation of the entire prudently incurred cost of a transmission project to prevent stranded costs.”¹²⁹ Further, the costs must be

¹²² *Id.*

¹²³ *Id.* See also Deseret § B.6.2.2; Idaho Power § 17.2.2; NorthWestern § 3.7.2.2; PacifiCorp § 3.7.2.2; Portland General § 17.2.2.

¹²⁴ Deseret § B.6.2.3; Idaho Power § 17.2.3; NorthWestern § 3.7.2.3; PacifiCorp § 3.7.2.3; Portland General § 17.2.3; Practice Document at § II.4.2.3.

¹²⁵ Practice Document at § II.4.2.3.

¹²⁶ Deseret § B.6.2.3; Idaho Power § 17.2.3; NorthWestern § 3.7.2.3; PacifiCorp § 3.7.2.3; Portland General § 17.2.3; Practice Document at § II.4.2.3.

¹²⁷ Practice Document at § II.4.2.3.

¹²⁸ Order No. 1000 at P 724.

¹²⁹ *Id.* at P 640.

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allocated in a manner that is “roughly commensurate” with benefits, and costs cannot be allocated for “benefits that are trivial in relation to those costs.”¹³⁰

In Quarter 6 of the regional planning cycle, the Cost Allocation Committee will estimate the initial net benefits for each allocation scenario associated with each project identified for cost allocation to determine if such project is eligible for cost allocation.¹³¹ The net benefits of each scenario are the sum of the benefits or costs across each benefit metric.¹³² The net benefits are calculated as both an overall total and a regional total, as well as by regional beneficiary.¹³³

The Cost Allocation Committee uses a three-step process to allocate the costs of a project to beneficiaries. First, the Cost Allocation Committee identifies the beneficiaries of a project proposed for cost allocation as those entities that may be affected by the project based upon the initial benefit metric calculation.¹³⁴ Following this calculation, the Cost Allocation Committee will remove those entities that do not receive a benefit from the evaluated project from consideration as a beneficiary.

Second, the Cost Allocation Committee will adjust, as appropriate, the calculated initial net benefits for a regional beneficiary using 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 above adjusted net benefits across the allocation scenarios is negative, the average net benefit to that beneficiary is set to zero; and
- (c) Based on the above adjusted net benefits 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.¹³⁵

Under the first criteria, the benefits attributable to a potential beneficiary in each allocation scenario are capped at 150% of the average benefits across all allocation scenarios to remove outlying values. NTTG adopted the 150% value, in consultation with stakeholders, to ensure that one or two scenarios would not inappropriately influence the results. Alternatively, NTTG considered a process of weighting scenarios that could limit the impact of scenarios producing “outliers” in the results, but determined that such weighting process, in the guise of rigor, would be as much or more arbitrary than implementing a cap and would have the additional drawback of creating a time-consuming step in the development of each Biennial

¹³⁰ Order No. 1000-A at P 580.

¹³¹ Deseret §§ B.2.6 & B.6.2.4; Idaho Power §§ 13.6 & 17.2.4; NorthWestern §§ 3.3.6 & 3.7.2.4; PacifiCorp §§ 3.3.6 & 3.7.2.4; Portland General §§ 13.6 & 17.2.4.

¹³² Deseret § B.6.2.4; Idaho Power § 17.2.4; NorthWestern § 3.7.2.4; PacifiCorp § 3.7.2.4; Portland General § 17.2.4; Practice Document at § II.4.2.4.

¹³³ Practice Document at § II.4.2.4.

¹³⁴ *Id.*

¹³⁵ Deseret § B.6.2.4; Idaho Power § 17.2.4; NorthWestern § 3.7.2.4; PacifiCorp § 3.7.2.4; Portland General § 17.2.4; Practice Document at § II.4.2.4.

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Study Plan. Without a cap mechanism, a single scenario out of five total which forecasts net benefits, for example, fivefold higher than the average of the other four scenarios could result in a 4 in 5 chance that a beneficiary is allocated costs that exceed its benefits by more than 60%; with the cap, that risk of cost exceeding benefits is reduced to about a 20% margin.

Under the second criteria, if the average net benefit of all allocation scenarios is negative, it will be set to zero for that beneficiary. As a result of this adjustment, a potential beneficiary that has negative impacts from a project will not be allocated any project costs, nor will it be able to recover damages for any impacts from other beneficiaries or the project sponsor.

Under the third criteria, if the ratio of the standard deviation to the average net benefit is greater than 1.0, the average net benefit to a beneficiary will be set to zero. Because an elevated standard deviation reflects uncertainty regarding the project benefits attributable to a beneficiary, this criteria is intended to provide further assurance that a supposed beneficiary is not allocated project cost when there remains a significant likelihood – based on evaluation of the range of allocation scenarios -- that it will not receive any net benefits, but will, instead, incur net costs (even before consideration of project cost allocated to that beneficiary). NTTG adopted the 1.0 value, in consultation with stakeholders, as a reasonable means of calculating net benefits for each entity when variation in scenario results creates a significant risk of allocating project cost to an entity as a supposed beneficiary that would, in fact, receive no net benefit. The Practice Document explains the application of these criteria in greater detail.¹³⁶

Third, the Cost Allocation Committee uses the adjusted net benefits calculated above to allocate project costs proportionally to each identified beneficiary.¹³⁷ 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 1.10.¹³⁸ Limiting allocated costs based on the 1.10 ratio is based on two considerations. First, NTTG recognized that the benefit metrics to be used in regional cost allocation address and, therefore, will capture only a portion of the potential benefits of a project. For example, since regional cost allocation is not an integrated resource planning process, the regional benefit metrics will – by design – neither address nor capture, the benefits of a project in regard to effects on resource plans, which may often represent the preponderance of project benefits. Accordingly, in allocating project cost based on a set of benefit metrics which are almost certainly biased in favor of project sponsors and against non-sponsors, it was appropriate to provide an offset to this methodological bias. Second, in limiting allocated cost to 0.91 of estimated benefits (the reciprocal value to the 1.10 allocated costs), NTTG recognized the uncertainty in forecasting future benefits to non-sponsors of a project.¹³⁹ In addition, 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 set to zero.¹⁴⁰ This \$2 million threshold is a reasonable limit on the logistical burden of administering and potentially tracking small

¹³⁶ Practice Document at § II.4.2.4.

¹³⁷ Deseret § B.6.2.4; Idaho Power § 17.2.4; NorthWestern § 3.7.2.4; PacifiCorp § 3.7.2.4; Portland General § 17.2.4; Practice Document at § II.4.2.4.

¹³⁸ Practice Document at § II.4.2.4.

¹³⁹ Order No. 1000-A at P 580.

¹⁴⁰ Deseret § B.6.2.4; Idaho Power § 17.2.4; NorthWestern § 3.7.2.4; PacifiCorp § 3.7.2.4; Portland General § 17.2.4; Practice Document at § II.4.2.4.

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allocations of project costs that would have no practical effect on the ability or willingness of a project sponsor to move forward with a project. After the allocation of costs to beneficiaries, the project sponsor will be responsible for any remaining project costs.¹⁴¹

2. Compliance with Regional Cost Allocation Principles

The Commission required each public utility transmission provider to demonstrate that its regional cost allocation method is just and reasonable and not unduly discriminatory or preferential by demonstrating that it satisfies the six cost allocation principles.¹⁴² The six regional cost allocation principles are: (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 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.¹⁴³ The Applicants respectfully submit that each of the six principles are satisfied with NTTG's approach to regional cost allocation.

a. Regional Cost Allocation Principle 1: Costs Allocated in a Way that is Roughly Commensurate with Benefits

In Order No. 1000 the Commission describes Regional Cost Allocation Principle 1 as "The cost of transmission facilities must be allocated to those within the transmission planning region that benefit from those facilities in a manner that is at least roughly commensurate with estimated benefits. In determining the beneficiaries of transmission facilities, a regional transmission planning process may consider benefits including, but not limited to the extent to which transmission facilities, individually or in the aggregate, provide for maintaining reliability and sharing reserves, production cost savings and congestion relief, and/or meeting Public Policy Requirements."¹⁴⁴

In determining the beneficiaries of transmission facilities that qualify for regional cost allocation, NTTG's cost allocation methodology includes three benefit metrics designed to quantify the benefits associated with a variety of functions that could be served by the transmission facility.¹⁴⁵ For example, as described above in Section III.B.1.c, the first metric, change in annual capital-related costs, captures benefits related to both reliability and Public Policy Requirements. The other two metrics capture benefits related to economic projects.

To ensure that costs of transmission facilities are allocated in a manner that is roughly commensurate with benefits, NTTG applies several adjustment criteria to the initial calculation

¹⁴¹ Practice Document at § II.4.2.4.

¹⁴² Order No. 1000 at P 603.

¹⁴³ Order No. 1000-A at P 524.

¹⁴⁴ Order No. 1000 at P 662.

¹⁴⁵ Deseret § B.6.2.2; Idaho Power § 17.2.2; NorthWestern § 3.7.2.2; PacifiCorp § 3.7.2.2; Portland General § 17.2.2; Practice Document at § II.4.2.3.

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of benefits before allocating the associated costs to beneficiaries.¹⁴⁶ First, the net benefits attributable to any beneficiary in a particular allocation scenario are capped at 150% of the average of the net benefits to that beneficiary across all allocation scenarios. This serves to limit, but not entirely exclude, the effect of outlying benefit values calculated in particular allocation scenarios. Second, if the average of net benefits for all allocation scenarios is negative, the average net benefit is set to zero for that beneficiary. This ensures that a potential beneficiary that is negatively affected by a project will not be allocated costs. Third, if the ratio of the standard deviation to the average net benefits across all allocation scenarios is greater than 1.0, the average net benefits to that beneficiary is set to zero. By preventing a beneficiary from being allocated costs based on excessively wide variation in benefits, NTTG is ensuring that benefits to a supposed beneficiary are reasonably certain to occur and not, in actuality, net costs (rather than benefits). Finally, the costs allocated to an entity other than the project sponsor is limited such that the ratio of net benefits to allocated costs is no less than 1.10.¹⁴⁷ This ensures that beneficiaries are not allocated costs that exceed actual benefits. Collectively, these measures ensure that a beneficiary is allocated costs that are roughly commensurate with benefits.

b. Regional Cost Allocation Principle 2: No Involuntary Allocation of Costs to Non-Beneficiaries

In Order No. 1000 the Commission describes Regional Cost Allocation Principle 2 as “Those that receive no benefit from transmission facilities, either at present or in a likely future scenario, must not be involuntarily allocated any of the costs of those transmission facilities.”¹⁴⁸

Through its cost allocation methodology, NTTG ensures that non-beneficiaries are not involuntarily allocated costs associated with transmission facilities that qualify for cost allocation. After quantifying the benefits associated with a project using the benefit metrics and allocation scenarios, the Cost Allocation Committee initially identifies beneficiaries as all those entities that may be affected by the proposed project. Entities that do not receive a benefit from the proposed project will be removed from consideration.¹⁴⁹ Further, applying the adjustment criteria described above, if the average of the adjusted net benefits across all allocation scenarios is negative, that beneficiary will not be allocated any costs associated with the project.¹⁵⁰ Likewise, beneficiaries who may see wide variations across multiple allocation scenarios are assigned zero benefits and are not allocated any project costs.¹⁵¹

¹⁴⁶ Deseret § B.6.2.4; Idaho Power § 17.2.4; NorthWestern § 3.7.2.4; PacifiCorp § 3.7.2.4; Portland General § 17.2.4; Practice Document at § II.4.2.4.

¹⁴⁷ Deseret § B.6.2.4; Idaho Power § 17.2.4; NorthWestern § 3.7.2.4; PacifiCorp § 3.7.2.4; Portland General § 17.2.4; Practice Document at § II.4.2.4.

¹⁴⁸ Order No. 1000 at P 637.

¹⁴⁹ Practice Document at § II.4.2.4.

¹⁵⁰ Deseret § B.6.2.4; Idaho Power § 17.2.4; NorthWestern § 3.7.2.4; PacifiCorp § 3.7.2.4; Portland General § 17.2.4; Practice Document at § II.4.2.4.

¹⁵¹ Practice Document at § II.4.2.4.

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c. Regional Cost Allocation Principle 3: Benefit to Cost Threshold Ratio

In Order No. 1000 the Commission describes Regional Cost Allocation Principle 3 as “[i]f a benefit to cost threshold is used to determine which facilities have sufficient net benefits to be selected in a regional transmission plan for the purpose of cost allocation, it must not be so high that transmission facilities with significant positive net benefits are excluded from cost allocation. A public utility transmission provider in a transmission planning region may choose to use such a threshold to account for uncertainty in the calculation of benefits and costs. If adopted, such a threshold may not include a ratio of benefits to costs that exceeds 1.25 unless the transmission planning region or public utility transmission provider justifies and the Commission approves a higher ratio.”¹⁵²

NTTG has not adopted a benefit to cost threshold ratio to determine which projects may be selected in a Regional Transmission Plan for purposes of cost allocation. Instead, NTTG is utilizing certain minimum requirements for both the costs and benefits associated with a project. Specifically, to be selected for cost allocation, a project must have an estimated cost which exceeds the lesser of \$100 million or 5% of the project sponsor’s net plant in service (to be calculated as of the end of the calendar year prior to the submission of the project). In addition, a project must have total estimated benefits to regional entities, other than the project sponsor, that exceed \$10 million.

When allocating costs to beneficiaries, NTTG is requiring that the ratio of adjusted net benefits to allocated costs is no less than 1.10. This ensures that non-sponsors of a project are allocated costs no greater than expected benefits, with a margin of safety, given that there are likely additional benefits received by the project sponsor (*e.g.*, related to resource planning, surplus transmission capacity to be marketed in the future, etc.) that are not captured by the regional benefit metrics.

d. Regional Cost Allocation Principle 4: Allocation to be Solely within Transmission Planning Region(s) Unless Those Outside Voluntarily Assume Costs

In Order No. 1000 the Commission describes Regional Cost Allocation Principle 4 as “The allocation method for the cost of a transmission facility selected in a regional transmission plan must allocate costs solely within that transmission planning region unless another entity outside the region or another transmission planning region voluntarily agrees to assume a portion of those costs. However, the transmission planning process in the original region must identify consequences for other transmission planning regions, such as upgrades that may be required in another region and, if the original region agrees to bear costs associated with such upgrades, then the original region’s cost allocation method or methods must include provisions for allocating the costs of the upgrades among the beneficiaries in the original region.”¹⁵³

¹⁵² Order No. 1000 at P 646.

¹⁵³ Order No. 1000 at P 657.

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Through its cost allocation methodology, NTTG will not involuntarily allocate costs of a project selected for cost allocation to beneficiaries located outside the planning region.¹⁵⁴ The Applicants have defined beneficiary as “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.”¹⁵⁵ Accordingly, NTTG limits beneficiaries to those entities that use the NTTG regional transmission system, and does not allocate costs to beneficiaries located outside the NTTG Footprint.¹⁵⁶ An entity that is located outside the NTTG Footprint that benefits from a regional project would initially be treated the same as a regional entity for purposes of cost allocation. However, NTTG would request that a non-regional beneficiary voluntarily accept an allocation of costs based upon the estimated mean benefits. If the non-regional beneficiary does not agree to voluntary cost allocation, NTTG would allocate those costs to the project sponsor.

e. Regional Cost Allocation Principle 5: Transparent Method for Determining Benefits and Identifying Beneficiaries

In Order No. 1000 the Commission describes Regional Cost Allocation Principle 5 as “The cost allocation method and data requirements for determining benefits and identifying beneficiaries for a transmission facility must be transparent with adequate documentation to allow a stakeholder to determine how they were applied to a proposed transmission facility.”¹⁵⁷

NTTG has identified the benefit metrics to be applied to projects selected for regional cost allocation and the methodology used to quantify project benefits and allocate costs to beneficiaries based upon certain allocation scenarios.¹⁵⁸ During Quarter 2 of the biennial regional planning process, the Planning Committee will develop the Biennial Study Plan, with participation of the Cost Allocation Committee and in consultation with stakeholders. For purposes of cost allocation, this Biennial Study Plan describes the processes for: (i) determining that a project meets the qualification criteria to be selected in the plan for purposes of cost allocation; (ii) if there is a project sponsor, determining whether that sponsor meets the qualification criteria to propose a project for cost allocation; (iii) developing scenarios to be used for cost allocation; (iv) calculating the benefits accruing to regional beneficiaries associated with selected benefit metrics; and (v) applying the net benefits estimated for regional beneficiaries to allocate all of the cost of a project selected for cost allocation. The Biennial Study Plan will be posted on each Applicant’s OASIS,¹⁵⁹ and will allow a stakeholder to determine how the cost allocation method and data requirements for determining benefits and identifying beneficiaries were applied to a proposed project.

¹⁵⁴ Practice Document at § II.4.2.4.

¹⁵⁵ Deseret – Definitions (page K-1); Idaho Power § 1.1; NorthWestern § 1.1; PacifiCorp § 1.1; Portland General § 1.1.

¹⁵⁶ Deseret § B.6.2.4; Idaho Power § 17.2.4; NorthWestern § 3.7.2.4; PacifiCorp § 3.7.2.4; Portland General § 17.2.4.

¹⁵⁷ Order No. 1000 at P 668.

¹⁵⁸ Practice Document at §§ II.4.2.3 & II.4.2.4

¹⁵⁹ Deseret § B.1.5; Idaho Power § 12.5; NorthWestern § 3.2.5; PacifiCorp § 3.2.5; Portland General § 12.3.

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f. Regional Cost Allocation Principle 6: Different Methods for Different Types of Facilities

In Order No. 1000 the Commission describes Regional Cost Allocation Principle 6 as “A transmission planning region may choose to use a different cost allocation method for different types of transmission facilities in the regional transmission plan, 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.”¹⁶⁰

NTTG has adopted one cost allocation method that applies to all types of transmission facilities in the Regional Transmission Plan. As part of this method, and in recognition that a transmission facility can serve several functions, NTTG has identified several benefit metrics that will take the benefits of those functions into account in allocating costs to beneficiaries.¹⁶¹ For example, as explained in Section III.B.1.c above and in Section 4.0 of the Practice Document, the benefits of a project that displaces locally planned facilities designed to meet reliability standards or Public Policy Requirements, are measured by reductions in annual capital and operating costs to the transmission provider who needed and planned the displaced projects. Benefits that accrue in the form of reduced peak load or energy losses, lowered contingency reserve needs, or other benefits as defined by the Cost Allocation Committee with input from the Planning Committee and stakeholders, would be measured through appropriate modeling and savings metrics. All benefits would be estimated for each beneficiary, including the project sponsor, and would be used, following adjustment as described above, for proportional cost allocation to the beneficiaries.

C. Modifications to Local Planning Process of Applicant’s Attachment Ks in Response to Order No. 1000

Each Applicant’s Attachment K includes a revised local planning process to suit each Applicant’s individual and specific needs to develop a Local Transmission System Plan (as defined in Attachment K). Nonetheless, the nature of the modifications made by each Applicant to their respective local planning process is similar insofar as such modifications were limited to those necessary to satisfy the Commission’s requirements in Order No. 1000.

To that end, with some individual differences in the language proposed among Applicants, Section II of each Attachment K includes modifications to provide an explicit, transparent, and just and reasonable process for: (i) all stakeholders to provide input on and bring forth those transmission needs driven by Public Policy Requirements and, in turn, (ii) each Applicant to identify those needs, out of the larger set of needs, for which potential transmission solutions will be evaluated in the local planning process. Each Applicant’s local planning process requires the Applicant to post on its website an explanation of which transmission needs driven by Public Policy Requirements will be evaluated for potential solutions in the local

¹⁶⁰ Order No. 1000 at P 685.

¹⁶¹ Deseret § B.6.2.2; Idaho Power § 17.2.2; NorthWestern § 3.7.2.2; PacifiCorp § 3.7.2.2; Portland General § 17.2.2; Practice Document at § II.4.2.3.

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planning process, as well as an explanation of why other suggested transmission needs will not be evaluated. Further, each Applicant's modified local planning process includes an OASIS posting requirement for information to the extent the transmission provider has undertaken a commitment to build a transmission facility included in NTTG's Regional Transmission Plan. Each local planning process also commits the Applicant to participation in a regional transmission planning process resulting in a Regional Transmission Plan.

D. Other Changes Necessitated by Order No. 1000

Changes in naming conventions triggered by Order No. 1000 (*e.g.*, changing reference to NTTG from the "sub-regional" to "regional" entity and WECC from the "regional" to the "interconnection-wide" entity) necessitated certain modifications throughout each Applicant's Attachment K. In particular, a conforming change was made to the *pro forma* NTTG Planning Agreement, serving as Exhibit A to each Applicant's Attachment K, to indicate that NTTG is tasked with producing a Regional Transmission Plan, rather than a sub-regional transmission plan, for the footprint.

IV. EFFECTIVE DATE

NTTG conducts its regional transmission planning process on a biennial cycle starting in even-numbered years. Accordingly, NTTG's next regional transmission planning cycle begins on January 1, 2014. For sponsors of regional projects to be considered for cost allocation, the sponsors must submit to NTTG certain pre-qualification data during Quarter 8 of the preceding regional transmission planning cycle.¹⁶² Because the requirements of Order No. 1000 are intended to apply prospectively to new transmission facilities,¹⁶³ and so as to permit NTTG's ongoing work on its existing planning cycle to be completed without disruption as Commission action is pending, the Applicants request an effective date of October 1, 2013 for the revisions to their Attachment Ks to be applied to the 2014-15 transmission planning cycle. An October 1, 2013, effective date allows the submission of pre-qualification data that will be used in the next transmission planning cycle that commences on January 1, 2014.

V. ADDITIONAL INFORMATION RELATED TO COMPLIANCE FILING

This compliance filing consists of this transmittal letter, a clean version of the Applicant's Attachment K (Attachment 1), and a red-lined version of the Applicant's Attachment K (Attachment 2).

¹⁶² Deseret § B.2.1; Idaho Power § 13.1; NorthWestern § 3.3.1; PacifiCorp § 3.3.1; Portland General § 13.1.

¹⁶³ Order No. 1000 at P 162. *See also id.* at P 562 ("requir[ing] the development of a cost allocation method or a set of methods in advance of particular transmission facilities being proposed so that developers have greater certainty about cost allocation and other stakeholders will understand the cost impacts of the transmission facilities proposed for cost allocation in transmission planning").

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VI. COMMUNICATIONS

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

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

VII. CONCLUSION

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

Respectfully submitted this 10th day of October, 2012.

DESERET GENERATION &
TRANSMISSION CO-OPERATIVE, INC.

NORTHWESTERN CORPORATION

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

By /s/ M. Andrew McLain
M. Andrew McLain
Attorney for NorthWestern
Corporation

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IDAHO POWER COMPANY

By /s/ Julia Hilton
Julia Hilton
Attorney for Idaho Power Company

PACIFICORP

By /s/ Mark M. Rabuano
Mark M. Rabuano
Attorney for PacifiCorp

PORTLAND GENERAL ELECTRIC
COMPANY

By /s/ Donald J. Light
Donald J. Light
Attorney for Portland General
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cc: Christopher Thomas, FERC



JULIA A. HILTON
Corporate Counsel
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October 11, 2012

VIA ELECTRONIC FILING

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

**Re: Order No. 1000 Attachment K Joint Compliance Filing of the
Jurisdictional Transmission Providers of the Northern Tier
Transmission Group; Idaho Power Company**

Idaho Power Company
Docket No. OA13-_____

Dear Secretary Bose:

As described in the letter with other applicants from the Northern Tier Transmission Group, Idaho Power Company ("Idaho Power") jointly submits a compliance filing in the above-captioned proceeding. Idaho Power has a pending filing at the Federal Energy Regulatory Commission ("Commission"), Docket No. ER12-2620, which reflects Commission-approved tariff changes that were inadvertently omitted from the baseline tariff filings submitted in compliance with Order No. 714. Idaho Power used the pending tariff filing as a baseline for its Order No. 1000 compliance filing changes.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read 'Julia A. Hilton', written in a cursive style.

Julia A. Hilton

JAH:csb

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) and interconnection-wide planning (WECC) basis. Part A of this Attachment K addresses the local planning process. Parts B and C of this Attachment K address Transmission Provider's regional and interconnection-wide planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's regional 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 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

- 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.
- 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 (as an Economic Study Request), 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 quarterly 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 obligations for Public Policy Requirements; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's Point-to-Point Transmission Customers' projected service needs including obligations for rollover rights.
- 1.8 **NTTG:** shall mean Northern Tier Transmission Group or its successor organization.
- 1.9 **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 [http://www.oasis.oati.com/IPCO/IPCOdocs/Section 21 Transmission Planning.pdf](http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf).
- 1.10 **Public Policy Considerations:** shall mean those public policy considerations that are not established by state or federal laws or regulations.
- 1.11 **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.
- 1.12 **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.
- 1.13 **Regional Transmission Plan:** shall mean the current, final regional transmission plan, as approved by the NTTG steering committee.
- 1.14 **TEPPC:** shall mean Transmission Expansion Planning Policy Committee or its successor committee within WECC.

1.15 **WECC**: shall mean Western Electricity Coordinating Council or its successor organization.

Part A. Local Planning Process

2. Preparation of a Local Transmission System Plan

- 2.1 With the input of affected stakeholders, Transmission Provider shall prepare one (1) Local Transmission System Plan during each two-year study cycle. The Transmission Provider shall evaluate the Local Transmission System Plan by modeling the effects of Economic Study Requests timely submitted by Eligible Customers and stakeholders in accordance with Sections 3 and 7, below. The Local Transmission System Plan shall study a twenty (20) year planning horizon
- 2.2 The Local Transmission System Plan on its own does not effectuate any transmission service requests. A transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in the Tariff and posted on the Transmission Provider's OASIS. The Local Transmission System Plan 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.
- 2.3 The Transmission Provider shall take the Local Transmission System Plan into consideration, to the extent required by state law, when preparing its next state required integrated resource plan and, as appropriate, when preparing System Impact Studies, Facilities Studies, and other feasibility studies.
- 2.4 The Transmission Provider shall have an open planning process that provides all affected stakeholders the opportunity to provide input at defined points in the Local Transmission System Plan cycle into the transmission needs driven by Public Policy Requirements and Public Policy Considerations.

3. Coordination

- 3.1 Study Cycle. Transmission Provider shall prepare the Local Transmission System Plan during an eight (8) quarter study cycle. The responsibility for the Local Transmission System 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 as part of the Local Transmission System Plan records kept on OASIS as described in Section 5 and subsection 5.2.7.
- 3.2 Sequence of Events

3.2.1 Quarter 1: 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 Native Load Customers (based on its state mandated integrated resource plan, to the extent that such an obligation exists, or through other planning resources); point-to-point transmission service customers' projections for service at each Point of Receipt and Point of Delivery (based on information submitted by the customer to the Transmission Provider) including projected use of rollover rights; information from all Transmission Customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned Demand Resources and their impacts on demand and peak demand; and transmission needs driven by Public Policy Requirements and Public Policy Considerations submitted by stakeholders. 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. Any stakeholder may submit data to be evaluated as part of the preparation of the draft Local Transmission System Plan, including alternate solutions to the identified needs set out in prior Local Transmission System Plans and transmission needs driven by Public Requirements and Public Policy Considerations. In doing so, the stakeholder shall submit the data as specified in "Section 21 – Transmission Planning" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf. During Quarter 1, the Transmission Provider will accept Economic Study Requests in accordance with Section 7. Economic Study Requests received outside Quarter 1 will only be considered during Quarters 2, 3, and 4 if the Transmission Provider can accommodate the request without delaying completion of the draft Local Transmission System Plan, or as otherwise provided for in Sections 7.4 and 7.5.

In Quarter 1, the Transmission Provider will separate the transmission needs driven by the public policy into the following categories:

- 3.2.1.1 Those needs driven by Public Policy Requirements that will be evaluated in the process to develop the Local Transmission System Plan.
- 3.2.1.2 Those needs driven by Public Policy Requirements and Public Policy Considerations that will be used in the development of sensitivity analyses.

3.2.1.3 Those needs driven by Public Policy Considerations that will not otherwise be evaluated or used to develop the Local Transmission System Plan.

Transmission Provider will post on its OASIS website an explanation of such determinations.

Once identified, the Public Policy Requirements driving transmission needs will not be revised by the Transmission Provider during the development of the Local Transmission System Plan unless unforeseen circumstances require a modification to the identified Public Policy Requirements driving transmission needs. In this instance, stakeholders will be consulted before the Public Policy Requirements driving transmission needs are modified.

The evaluation process and selection criteria for inclusion of transmission needs driven by Public Policy Requirements in the Local Transmission System Plan will be the same for, and jointly evaluated with, all local projects under consideration.

The process by which transmission needs driven by Public Policy Requirements and Public Policy Considerations will be received, reviewed, and evaluated is described in the Transmission Provider's "Business Practice: Transmission Planning Pursuant to OATT Attachment K," available on Transmission Provider's OASIS at:

http://www.oasis.oati.com/IPCO/IPCOfdocs/Section_21_Transmission_Planning.pdf.

3.2.2 Quarter 2: Transmission Provider will define and post on OASIS the basic methodology, criteria, assumptions, databases, and processes the Transmission Provider will use to prepare the Local Transmission System Plan. The Transmission Provider will also select appropriate base cases from the databases maintained by the WECC, and determine the appropriate changes needed for the Local Transmission System Plan development. Transmission Provider will model the Economic Study Requests selected in Quarter 1 using the previous biennial cycle's Local Transmission System Plan as a reference. All stakeholder submissions will be evaluated on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers, solutions, and transmission needs driven by Public Policy Requirements and Public Policy Considerations submitted by all stakeholders will be evaluated based on a comparison of their relative economics and ability to meet reliability criteria.

3.2.3 Quarters 3 and 4: Transmission Provider will prepare and post on OASIS a draft Local Transmission System Plan. The Transmission Provider may

elect to post interim iterations of the draft Local Transmission System Plan, consider economic modeling results, and solicit public comment prior to the end of the applicable quarter.

- 3.2.4 Quarter 5: During Quarter 5, the Transmission Provider will accept Economic Study Requests in accordance with Section 7. Any stakeholder may submit comments; additional information about new or changed circumstances relating to loads, resources, transmission projects, transmission needs driven by Public Policy Requirements and Public Policy Considerations, or alternative solutions to be evaluated as part of the preparation of the draft transmission plan; or submit identified changes to the data provided in Quarter 1. The level of detail provided by the stakeholder should match the level of detail described in Quarter 1 above. Requests received outside Quarter 5 will only be considered during Quarters 6, 7, and 8 if the Transmission Provider can accommodate the request without delaying completion of the Local Transmission System Plan, or as otherwise provided for in Sections 7.4 and 7.5. All stakeholder submissions, including transmission solutions driven by Public Policy Requirements and Public Policy 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.
- 3.2.5 Quarter 6: Transmission Provider will model the Economic Study Requests selected in Quarter 5 using the draft Local Transmission System Plan as a reference.
- 3.2.6 Quarter 7: Transmission Provider will finalize and post on OASIS the Local Transmission System Plan taking into consideration the Economic Study Request modeling results, written comments received by the owners and operators of interconnected transmission systems, written comments received by Transmission Customers and other stakeholders, and timely comments submitted during public meetings at study milestones, as set forth in Section 3.3, below.
- 3.2.7 Quarter 8: The Local Transmission System Plan shall be transmitted to the regional and interconnection-wide entities conducting similar planning efforts, interested stakeholders, and the owners and operators of the neighboring interconnected transmission system.

- 3.3 Public Meetings at Study Milestones (end of each quarter). The Transmission Provider shall conduct a public meeting at the end of each quarter in the study

cycle to present a status report on development of the Local Transmission System 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 meeting shall be posted on Transmission Provider's OASIS, and may be held on no less than ten (10) business days notice. The location of the public meeting shall be as selected by the Transmission Provider, or may be held telephonically or by video or internet conference.

4. Information Exchange

4.1 Forecasts

4.1.1 Each Transmission Customer taking service under Part II of the Tariff, or which has an accepted reservation in the transmission queue to take service in a future period under Part II of the Tariff shall, during Quarter 1 of each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year forecast of the actual energy to be moved in each direction across each posted transmission path, including anticipated termination, expiration, or exercising of rollover rights for each service. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period. If prior to Quarter 1 of the planning cycle, the Transmission Customer has recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Transmission Customer may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle.

4.1.2 Each Network Customer shall, during Quarter 1 of each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year load forecast including existing and planned Demand Resources and their impacts on demand and peak demand. Network Customers may satisfy this obligation through submission of annual updates as required by the Tariff. If prior to Quarter 1 of the planning cycle, the Network Customer has recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Network Customer may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period.

4.1.3 The Transmission Provider on behalf of Native Load Customers shall, during each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year load forecast including existing and planned Demand Resources and their impacts on demand and peak demand. The Transmission Provider may satisfy this obligation through submission of annual updates. If prior to Quarter 1 of the planning cycle, the Transmission Provider on behalf of Native Load Customers has recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Transmission Provider may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period.

4.2 Participation in the Planning Process. If any Eligible Customer or stakeholder fails to provide data or otherwise participate as required by any part of this Attachment K, the Transmission Provider cannot effectively include such needs in the Transmission Provider's planning process. If any Network Customer or the Transmission Provider on behalf of Native Load Customers fails to timely provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based upon the most recent data available subject to review and modification by other participants.

5. Transparency

5.1 OASIS Requirements

5.1.1 The Transmission Provider shall maintain transmission planning business practices along with the procedures for modifying the business practices.

5.1.2 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.

5.1.3 The Transmission Provider shall maintain on the publicly accessible portion of OASIS a subscription service whereby any person may register to receive e-mail notices and materials related to the Local Transmission System Plan process.

5.2 Content of OASIS Postings. Transmission Provider shall maintain, in "Section 21 – Transmission Planning" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:

http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf, the following information or links to the following documents:

- 5.2.1 Study cycle timeline;
- 5.2.2 A form to submit an Economic Study Request, each such Economic Study Request received, and any response from the Transmission Provider to the requesting party;
- 5.2.3 The details of each public meeting required by this Attachment K, or any other public meeting related to transmission planning conducted by the Transmission Provider;
- 5.2.4 In advance of its discussion at any public meeting, all materials to be discussed;
- 5.2.5 As soon as reasonably practical after the conclusion of each public meeting, notes of the transmission information discussed at the public meeting;
- 5.2.6 Written comments submitted in relation to the Local Transmission System Plan, and any explanation regarding acceptance or rejection of such comments;
- 5.2.7 The draft, interim (if any), and final versions of the Local Transmission System Plan;
- 5.2.8 At a minimum, the final version of all completed Local Transmission System Plans for previous study periods;
- 5.2.9 Aggregated forecasts representing the Transmission Provider's total transmission service forecast for its transmission system;
- 5.2.10 Summary list of Critical Energy Infrastructure Information submitted or used during the planning process;
- 5.2.11 Maintain a link to the NTTG and WECC websites;
- 5.2.12 The evaluation of Public Policy Requirements and Public Policy Considerations described in Section 3.2.1; and
- 5.2.13 Information describing the extent that the Transmission Provider has undertaken a commitment to build a transmission facility included in a Regional Transmission Plan conducted pursuant to Part B of this Attachment K.

- 5.3 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 System 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.

6. Cost Allocation

Cost allocation principles expressed here are applied in a planning context of transparency 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, or Direct Assignment Facilities, or as may be determined by any state having jurisdiction over the Transmission Provider.

- 6.1 Individual Transmission Service Request Costs Not Considered. The costs of upgrades or other transmission investments subject to an existing transmission service request pursuant to the Tariff are evaluated in the context of that transmission service 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.
- 6.2 Rate Recovery. Notwithstanding any other section of this Attachment K, Transmission Provider will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.
- 6.3 Categories of Included Costs. The Transmission Provider shall categorize projects set forth in the Local Transmission System Plan for allocation of costs into the following types:
- 6.3.1 Type 1: Type 1 transmission line costs are those related to the provision of service to the Transmission Provider's Native Load Customers. Type 1 costs include, to the extent such agreements exist, costs related to service to others pursuant to grandfathered transmission agreements that are considered by the Transmission Provider to be Native Load Customers.
- 6.3.2 Type 2: Type 2 costs are those related to the sale or purchase of power at wholesale to non-Native Load Customers.
- 6.3.3 Type 3: Type 3 costs are those incurred specifically as alternatives to (or deferrals of) transmission line costs (typically Type 1 projects), such as the

installation of distributed resources (including distributed generation, load management and energy efficiency). Type 3 costs do not include Demand Resources projects which do not have the effect of deferring or displacing Type 1 costs.

- 6.4 Cost Allocation Principles. Unless an alternative cost allocation process is utilized and described in the Local Transmission System Plan, the Transmission Provider shall identify anticipated cost allocations in the Local Transmission System Plan based upon the end-use characteristics of the project according to categories of costs set forth above and the following principles:

- 6.4.1 Principle 1: The Commission's regulations, policy statements and precedent on transmission pricing shall be followed.
- 6.4.2 Principle 2: To the extent not in conflict with Principle 1, costs will be allocated consistent with the provisions of Section 17 of this Attachment K.

7. Economic Planning Studies

- 7.1 Processing and Performing Studies. As part of each study cycle described in Section 3 above, the Transmission Provider will categorize and consider reliability and Economic Study Requests separately. The Transmission Provider may not have or maintain the individual capability to conduct certain economic planning studies, and may contract with a qualified third party of its choosing to perform such work.
- 7.2 Economic Study Requests. A form for submitting Economic Study Requests shall be maintained on the Transmission Provider's OASIS. Any Eligible Customer or stakeholder may submit an Economic Study Request to the Transmission Provider, along with all available data supporting the request to be modeled. The party submitting the Economic 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, as set out in Section 11 below.
- 7.3 Categorization of Economic Study Requests. The Transmission Provider will categorize each Economic Study Request as local, regional, or interconnection-wide. If the Economic Study Request is categorized as regional or interconnection-wide, the Transmission Provider will notify the requesting party and forward the Economic Study Request to NTTG for consideration and processing under NTTG's procedures.

- 7.3.1 **Local Economic Study Requests.** If the Economic Study Request (1) identifies Point(s) of Receipt and Point(s) of Delivery that are all within the Transmission Provider's scheduling system footprint and the Point(s) of Receipt and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, or (2) is otherwise reasonably determined by the 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 Part A.
- 7.3.2 **Regional Economic Study Requests.** If the Economic 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(s) of Delivery utilize only NTTG Funding Agreement member 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 determining that 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 Part B.
- 7.3.3 **Interconnection-wide Economic Study Requests.** If the Economic 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 of Receipt and Point of Delivery are all within the WECC scheduling system footprint; and (2) the Point of Receipt and Point of Delivery utilize only WECC member scheduling paths, the study request will be considered interconnection-wide and will be processed under Part C. In the alternative, if the Economic 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 determining that the study request utilizes only WECC member interconnected transmission systems, the study request will be considered interconnection-wide and will be processed under Part C.
- 7.3.4 **Economic Study Requests Not Applicable.** To be considered by the Transmission Provider, any Economic 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.

- 7.4 Prioritization and Conducting Studies. Up to two (2) economic studies will be performed by the Transmission Provider (or its agent) within a two-year LTP study cycle as set out in Section 3.2 above. In the event that more than two studies are requested within a single study cycle, the Transmission Provider shall determine which studies will be performed based on (i) evaluation of requests that present the most significant opportunities to reduce overall costs of the Local Transmission System Plan while reliably serving the load growth needs being studied in the Local Transmission System Plan, (ii) the date and time of the request, (iii) interaction with all stakeholders at the public meetings required by this Attachment K, and (iv) other regional and interconnection-wide practices and criteria developed pursuant to Parts B and C of this Attachment K.
- 7.5 Notification to Requesting Party. The Transmission Provider shall notify the party making an Economic Study Request within ten (10) business days of receipt of a completed Economic Study Request whether or not the study request will be included and prioritized as part of the Local Transmission System Plan evaluation during Quarter 1 or Quarter 5 of the study cycle, or whether additional information is required to make an appropriate determination. If during Quarter 1 or Quarter 5 of the study cycle it is determined that the Economic Study Request will not be modeled as part of the current Local Transmission System Plan study cycle, or if the requester desires that the study be conducted outside of the normal study cycle, the Transmission Provider shall offer, and the requesting party may agree, to directly fund the modeling.
- 7.6 Unaccommodated Economic Study Requests. All requests not accommodated within the current study cycle will automatically be carried forward to the next study cycle, unless withdrawn by the requesting party.
- 7.7 Clustering of Economic Study Requests. If the Transmission Provider can feasibly cluster or batch Economic Study Requests, it will make efforts to do so. Economic Study Requests will be clustered and studied together if all of the Point(s) of Receipt and Point(s) of Delivery match one another or, in the alternative, it is reasonably determined by the Transmission Provider that the Economic Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.
- 7.8 Results. Results of the economic studies shall be reported as part of the draft and final Local Transmission System Plan, and provided to the requesting party.

8. Recovery of Planning Costs

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as set out herein, or as otherwise permitted under the Tariff, all costs incurred by the Transmission Provider related to the Local Transmission System Plan process or the regional or interconnection-wide planning process shall be included in the Transmission Provider's transmission rate base.

9. Dispute Resolution

9.1 **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:

9.1.1 **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.

9.1.2 **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.

9.2 **Confidential Nature of Negotiations.** 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.

9.3 **Timely Submission of Disputes to Ensure Completion of the Local Transmission System Plan.** Disputes over any matter shall be raised timely; provided, however, to facilitate timely completion of the Local Transmission System Plan, in no case shall a dispute as set forth in Section 9.1.1 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.

- 9.4 Rights. Nothing contained in this Section 9 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

10. Transmission Business Practices.

The Transmission Provider will develop and post on OASIS transmission business practices that provide additional detail explaining how the Transmission Provider will implement this Attachment K. To the extent necessary, as determined by the Transmission Provider, the detail shall include: forms for submitting an Economic Study Request; a schedule and sequence of events for preparing the Local Transmission System Plan; additional details associated with cost allocation; a description of the regional and interconnection-wide planning process to which the Local Transmission System Plan will support; a description of how the Local Transmission System Plan will be considered in the Transmission Provider's next state required integrated resource plan; a list of the transmission systems to which the Transmission System is directly interconnected; and contact information for the individual responsible for implementation of this Attachment K. 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.

11. Openness

- 11.1 Participation. All affected stakeholders may attend Local Transmission System Plan meetings and/or submit comments, submit Economic Study Requests, submit information concerning Public Policy Requirements and/or Public Policy Considerations, or provide other information relevant to the planning process. Committees or working groups may be established as part of the planning process to facilitate specific planning efforts.
- 11.2 Critical Energy Infrastructure Information (CEII). Any stakeholder and the Transmission Provider must agree to adhere to the Commission's guidelines concerning Critical Energy Infrastructure Information (CEII), as set out in the Commission's regulations in 18 C.F.R. Part 388 (or any successor thereto) and associated orders issued by the Commission. Additional information concerning CEII, including a summary list of data that is determined by the supplying party to be deemed CEII, shall be posted on the Transmission Provider's OASIS, and updated regularly.
- 11.3 Confidential Information. In the event that any party claims that planning-related information is confidential, any party seeking access to such information must agree to adhere to the terms of a confidentiality agreement. The form of Transmission Provider's confidentiality agreement shall be developed initially by the Transmission Provider and posted on its OASIS. Thereafter, stakeholders

shall have an opportunity to submit comments on the confidentiality agreement form. Confidential information shall be disclosed in compliance with Standards of Conduct, and provided only to those participants in the planning process that require such information and that execute the confidentiality agreement; provided, however, any such information may be supplied to (i) federal, state or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations, or (ii) upon order of a court of competent jurisdiction.

Part B. Regional Planning Process

Introduction

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 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, 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 system planning processes are described in this Attachment K rather than the Planning and Cost Allocation Practice.

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 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.

12. Transmission Provider Coordination with NTTG

12.1. Transmission Provider shall engage in regional transmission planning 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.

12.2. 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 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.

12.3. 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 allocate benefits and costs of projects selected for cost allocation.

12.4. 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.

12.5. 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.

13. 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. 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:

13.1. 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.

13.2. 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
- n) in-service date.

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.

Information submitted pursuant to items a) - n) and aa) - gg) 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 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.

13.3. Quarter 2 – Evaluate the Data and Develop 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 the methodology, criteria, assumptions, databases, projects subject to reevaluation (which is described below), analysis tools, public policy projects that are accepted into the Biennial Study Plan and a description of 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.

13.4. 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.

13.5. 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.

13.6. 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 17.2.2, associated with each project identified for cost allocation to determine if such projects are eligible for cost allocation.

13.7 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.

13.8 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.

14. Stakeholder Participation

14.1. 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.

14.2. 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.

- 14.3. 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.

15. Economic Congestion Studies

- 15.1. Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize and complete up to two regional Economic Cogestion Studies per Regional Planning Cycle, as outlined in NTTG's standardized process for cogestion studies. The regional Economic Congestion Studies will address those requests submitted by Eligible Customer and stakeholders to member Transmission Providers that are categorized as regional or interconnection-wide Economic Congestion Study Requests pursuant to Section 7. NTTG may submit requests for interconnection-wide Economic Congestion Studies to the WECC pursuant to NTTG and WECC processes.
- 15.2. Within each Regional Planning Cycle, any Eligible Customer or stakeholder may request additional Economic Congestion Studies, or Economic Cogestion 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 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.
- 15.3. NTTG will cluster and study together Economic Cogestion 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 Cogestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.
- 15.4. For an Economic Cogestion Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Cogestion Study Requests to the Transmission Provider pursuant to Section 7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.

15.5. All Economic Cogestion Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K. For an Economic Cogestion 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.

16. Dispute Resolution

16.1. 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 16 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.

16.2. 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 steering NTTG 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.

- 16.3. 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 16 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 16 shall restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.

17. 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.

17.1. Participant Funding.

17.1.1. 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:

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

17.1.1.2. Schedule meetings with stakeholders and/or state public utility commission staff.

17.1.1.3. Post information about the proposed project on its OASIS.

17.1.1.4. 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.

17.1.2 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.

17.1.3 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.

17.2. Allocation of Costs

17.2.1. 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 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.

17.2.2. 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.

17.2.3. 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.

17.2.4. 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 17.2.2 and 17.2.3. 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.

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

18. 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 18, 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 18, 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.

Part C. Interconnection-Wide Planning Process

Introduction

Transmission Provider is a member of 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 processes, pursuant to participation requirements defined by WECC TEPPC, or participate indirectly through the Transmission Provider via development of the Transmission System Plan or through the NTTG process as outlined above in Part B.

19. 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 ColumbiaGrid. 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 at:
http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

20. Study Process

WECC TEPPC's transmission planning protocol and information are available on the WECC website. A link to the WECC TEPPC process is maintained in the transmission planning business practice, available at:
http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

21. 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.

22. Economic Congestion Studies

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'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 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 7.3 of this Attachment K.

23. Dispute Resolution

Interconnection-wide dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Section 23 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

24. 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



Planning Agreement

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 sub-regional transmission plan for the Northern Tier footprint,¹ 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;

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 16 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)

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

Exhibit B**Economic Study Agreement**

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

Recitals

A. The Northern Tier Transmission Group’s (the “Northern Tier”) Planning Committee (the “Planning Committee”) is charged with the task of performing Economic Congestion Studies for the Northern Tier footprint¹ as requested by stakeholders following the process described in the Transmission Provider’s Attachment K;

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

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

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

Section 1 – Duration and Termination.

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

Section 2 – Obligations of the Undersigned

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

- a. Submit Economic 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)

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

(Print)

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

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

ATTACHMENT K**Transmission Planning Process****Preamble**

In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, ~~sub~~-regional (NTTG) and ~~regional~~-interconnection-wide planning (WECC) basis. Part A of this Attachment K addresses the ~~Local Planning Process~~local planning process. Parts B and C of this Attachment K address Transmission Provider's ~~sub~~-regional and ~~regional~~-interconnection-wide planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's ~~sub~~-regional and ~~regional~~-interconnection-wide planning efforts is also contained within the separate agreements and ~~business~~ 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 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

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.

1.4.43 **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. ~~This For purposes of this Attachment K, this methodology focuses on curtailment of is focused on curtailing demand thus avoiding to avoid the requirement 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.

- 1.25 Economic Congestion Study Request:** shall mean a request by ~~an~~ a ~~Transmission Customer 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 ~~Local~~ Transmission Plan (produced pursuant to Section 3.2.3 or Section 3.2.6 of Attachment K) ~~System Plan (as an Economic Study Request)~~, to reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its ~~customers set forth in the Local~~ Transmission Plan ~~Customers~~.
- 1.6 Local Planning Meeting:** shall mean the quarterly meetings held by Transmission Provider pursuant to Attachment K to the Tariff.
- 1.37 Local Transmission System Plan or LTSP:** shall mean ~~transmission plan of~~ 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 obligations for Public Policy Requirements; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's ~~point-to-point transmission service customers'~~ Point-to-Point Transmission Customers' projected service needs including obligations for rollover rights.
- 14.48 NTTG:** shall mean ~~the~~ Northern Tier Transmission Group or its successor organization.
- 1.9 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 [http://www.oasis.oati.com/IPCO/IPCOdocs/Section 21 Transmission Planning.pdf](http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf).
- 1.10 Public Policy Considerations:** shall mean those public policy considerations that are not established by state or federal laws or regulations.
- 1.11 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.
- 1.12 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.

1.13 Regional Transmission Plan: shall mean the current, final regional transmission plan, as approved by the NTTG steering committee.

1.14 TEPPC: shall mean Transmission Expansion Planning Policy Committee or its successor committee within WECC.

~~1.515~~ **WECC:** shall mean the Western Electricity Coordinating Council or its successor organization.

Part A. Local Planning Process

2. Preparation of a Local Transmission System Plan

- 2.1 With the input of affected stakeholders, Transmission Provider shall prepare one (1) Local Transmission System Plan during each two-year study cycle. The Transmission Provider shall evaluate the Local Transmission System Plan by modeling the effects of Economic Study Requests timely submitted by Eligible Customers and stakeholders in accordance with Sections 3 and 7, below. The Local Transmission System Plan shall study a twenty (20) year planning horizon
- 2.2 The Local Transmission System Plan on its own does not effectuate any transmission service requests. A transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in the Tariff and posted on the Transmission Provider's OASIS. The Local Transmission System Plan 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.
- 2.3 The Transmission Provider shall take the Local Transmission System Plan into consideration, to the extent required by state law, when preparing its next state required integrated resource plan and, as appropriate, when preparing System Impact Studies, Facilities Studies, and other feasibility studies.
- 2.4 The Transmission Provider shall have an open planning process that provides all affected stakeholders the opportunity to provide input at defined points in the Local Transmission System Plan cycle into the transmission needs driven by Public Policy Requirements and Public Policy Considerations.

3. Coordination

- 3.1 Study Cycle. Transmission Provider shall prepare the Local Transmission System Plan during an eight (8) quarter study cycle. The responsibility for the Local Transmission System 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 as part of the Local Transmission System Plan records kept on OASIS as described in Section 5 and subsection 5.2.7.
- 3.2 Sequence of Events

3.2.1 Quarter 1: 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 Native Load Customers (based on its state mandated integrated resource plan, to the extent that such an obligation exists, or through other planning resources); point-to-point transmission service customers' projections for service at each ~~receipt~~ Point of Receipt and ~~delivery point~~ Point of Delivery (based on information submitted by the customer to the Transmission Provider) including projected use 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 impacts on demand and peak demand; and transmission needs driven by Public Policy Requirements and Public Policy Considerations submitted by stakeholders. 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. Any stakeholder may submit data to be evaluated as part of the preparation of the draft Local Transmission System Plan, including alternate solutions to the identified needs set out in prior Local Transmission ~~Plans~~ System Plans and transmission needs driven by Public Requirements and Public Policy Considerations. In doing so, the stakeholder shall submit the data as specified in "Section 21 – Transmission Planning" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:

[http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission Plan_ning.pdf](http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Plan_ning.pdf) ~~[http://www.oatioasis.com/IPCO/IPCOdocs/Section_21_Transmission Planning.pdf](http://www.oatioasis.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf)~~. During Quarter 1, the Transmission Provider will accept Economic Study Requests in accordance with Section 7. Economic Study Requests received outside Quarter 1 will only be considered during Quarters 2, 3, and 4 if the Transmission Provider can accommodate the request without delaying completion of the draft Local Transmission System Plan, or as otherwise provided for in Sections 7.4 and 7.5.

In Quarter 1, the Transmission Provider will separate the transmission needs driven by the public policy into the following categories:

3.2.1.1 Those needs driven by Public Policy Requirements that will be evaluated in the process to develop the Local Transmission System Plan.

3.2.1.2 Those needs driven by Public Policy Requirements and Public Policy Considerations that will be used in the development of sensitivity analyses.

3.2.1.3 Those needs driven by Public Policy Considerations that will not otherwise be evaluated or used to develop the Local Transmission System Plan.

Transmission Provider will post on its OASIS website an explanation of such determinations.

Once identified, the Public Policy Requirements driving transmission needs will not be revised by the Transmission Provider during the development of the Local Transmission System Plan unless unforeseen circumstances require a modification to the identified Public Policy Requirements driving transmission needs. In this instance, stakeholders will be consulted before the Public Policy Requirements driving transmission needs are modified.

The evaluation process and selection criteria for inclusion of transmission needs driven by Public Policy Requirements in the Local Transmission System Plan will be the same for, and jointly evaluated with, all local projects under consideration.

The process by which transmission needs driven by Public Policy Requirements and Public Policy Considerations will be received, reviewed, and evaluated is described in the Transmission Provider's "Business Practice: Transmission Planning Pursuant to OATT Attachment K," available on Transmission Provider's OASIS at:
http://www.oasis.oati.com/IPCO/IPCODOCS/Section_21_Transmission_Planning.pdf.

3.2.2 Quarter 2: Transmission Provider will define and post on OASIS the basic methodology, criteria, assumptions, databases, and processes the Transmission Provider will use to prepare the Local Transmission System Plan. The Transmission Provider will also select appropriate base cases from the databases maintained by the WECC, and determine the appropriate changes needed for the Local Transmission System Plan development. Transmission Provider will model the Economic Study Requests selected in Quarter 1 using the previous biennial cycle's Local Transmission System Plan as a reference. All stakeholder submissions 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, and transmission needs driven by Public Policy

Requirements and Public Policy Considerations submitted by all stakeholders will be evaluated based on a comparison of their relative economics and ability to meet reliability criteria.

3.2.3 Quarters 3 and 4: Transmission Provider will prepare and post on OASIS a draft Local Transmission System Plan. The Transmission Provider may elect to post interim iterations of the draft Local Transmission System Plan, consider economic modeling results, and solicit public comment prior to the end of the applicable quarter.

3.2.4 Quarter 5: During Quarter 5, the Transmission Provider will accept Economic Study Requests in accordance with Section 7. Any stakeholder may submit comments; additional information about new or changed circumstances relating to loads, resources, transmission projects, transmission needs driven by Public Policy Requirements and Public Policy Considerations, or alternative solutions to be evaluated as part of the preparation of the draft transmission plan; or submit identified changes to the data provided in Quarter 1. The level of detail provided by the stakeholder should match the level of detail described in Quarter 1 above. Requests received outside Quarter 5 will only be considered during Quarters 6, 7, and 8 if the Transmission Provider can accommodate the request without delaying completion of the Local Transmission System Plan, or as otherwise provided for in Sections 7.4 and 7.5. All stakeholder submissions, including transmission solutions driven by Public Policy Requirements and Public Policy 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.

3.2.5 Quarter 6: Transmission Provider will model the Economic Study Requests selected in Quarter 5 using the draft Local Transmission System Plan as a reference.

3.2.6 Quarter 7: Transmission Provider will finalize and post on OASIS the Local Transmission System Plan taking into consideration the Economic Study Request modeling results, written comments received by the owners and operators of interconnected transmission systems, written comments received by Transmission Customers and other stakeholders, and timely comments submitted during public meetings at study milestones, as set forth in Section 3.3, below.

3.2.7 Quarter 8: The Local Transmission System Plan shall be transmitted to the ~~sub~~-regional and ~~regional~~-interconnection-wide entities conducting similar planning efforts, interested stakeholders, and the owners and operators of the neighboring interconnected transmission system.

3.3 Public Meetings at Study Milestones (end of each quarter). The Transmission Provider shall conduct a public meeting at the end of each quarter in the study cycle to present a status report on development of the Local Transmission System 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 meeting shall be posted on Transmission Provider's OASIS, and may be held on no less than ten (10) business days notice. The location of the public meeting shall be as selected by the Transmission Provider, or may be held telephonically or by video or internet conference.

4. Information Exchange

4.1 Forecasts

4.1.1 Each Transmission Customer taking service under Part II of the Tariff, or which has an accepted reservation in the transmission queue to take service in a future period under Part II of the Tariff shall, during Quarter 1 of each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year forecast of the actual energy to be moved in each direction across each posted transmission path, including anticipated termination, expiration, or exercising of rollover rights for each service. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period. If prior to Quarter 1 of the planning cycle, the Transmission Customer has recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Transmission Customer may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle.

4.1.2 Each Network Customer shall, during Quarter 1 of each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year load forecast including existing and planned Demand Resources and their impacts on demand and peak demand. Network Customers may satisfy this obligation through submission of annual updates as required by the Tariff. If prior to Quarter 1 of the planning cycle, the Network Customer has

recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Network Customer may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period.

4.1.3 The Transmission Provider on behalf of Native Load Customers shall, during each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year load forecast including existing and planned Demand Resources and their impacts on demand and peak demand. The Transmission Provider may satisfy this obligation through submission of annual updates. If prior to Quarter 1 of the planning cycle, the Transmission Provider on behalf of Native Load Customers has recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Transmission Provider may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period.

4.2 Participation in the Planning Process. If any Eligible Customer or stakeholder fails to provide data or otherwise participate as required by any part of this Attachment K, the Transmission Provider cannot effectively include such needs in the Transmission Provider's planning process. If any Network Customer or the Transmission Provider on behalf of Native Load Customers fails to timely provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based upon the most recent data available subject to review and modification by other participants.

5. Transparency

5.1 OASIS Requirements

5.1.1 The Transmission Provider shall maintain transmission planning business practices along with the procedures for modifying the business practices.

5.1.2 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.

5.1.3 The Transmission Provider shall maintain on the publicly accessible portion of OASIS a subscription service whereby any person may register to receive e-mail notices and materials related to the Local Transmission System Plan process.

5.2 Content of OASIS Postings. Transmission Provider shall maintain, in “Section 21 – Transmission Planning” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:
http://www.oatioasis.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf,
http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf, the following information or links to the following documents:

5.2.1 Study cycle timeline;

5.2.2 A form to submit an Economic Study Request, each such Economic Study Request received, and any response from the Transmission Provider to the requesting party;

5.2.3 The details of each public meeting required by this Attachment K, or any other public meeting related to transmission planning conducted by the Transmission Provider;

5.2.4 In advance of its discussion at any public meeting, all materials to be discussed;

5.2.5 As soon as reasonably practical after the conclusion of each public meeting, notes of the transmission information discussed at the public meeting;

5.2.6 Written comments submitted in relation to the Local Transmission System Plan, and any explanation regarding acceptance or rejection of such comments;

5.2.7 The draft, interim (if any), and final versions of the Local Transmission System Plan;

5.2.8 At a minimum, the final version of all completed Local Transmission System Plans for previous study periods;

5.2.9 Aggregated forecasts representing the Transmission Provider’s total transmission service forecast for its transmission system;

5.2.10 Summary list of Critical Energy Infrastructure Information submitted or used during the planning process; ~~and~~

5.2.11 Maintain a link to the NTTG and WECC websites~~;~~

5.2.12 The evaluation of Public Policy Requirements and Public Policy Considerations described in Section 3.2.1; and

5.2.13 Information describing the extent that the Transmission Provider has undertaken a commitment to build a transmission facility included in a Regional Transmission Plan conducted pursuant to Part B of this Attachment K.

5.3 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 System 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.

6. Cost Allocation

Cost allocation principles expressed here are applied in a planning context of transparency 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, or Direct Assignment Facilities, or as may be determined by any state having jurisdiction over the Transmission Provider.

6.1 Individual Transmission Service Request Costs Not Considered. The costs of upgrades or other transmission investments subject to an existing transmission service request pursuant to the Tariff are evaluated in the context of that transmission service 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.

6.2 Rate Recovery. Notwithstanding any other section of this Attachment K, Transmission Provider will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.

6.3 Categories of Included Costs. The Transmission Provider shall categorize projects set forth in the Local Transmission System Plan for allocation of costs into the following types:

6.3.1 Type 1: Type 1 transmission line costs are those related to the provision of service to the Transmission Provider's Native Load Customers. Type 1

costs include, to the extent such agreements exist, costs related to service to others pursuant to grandfathered transmission agreements that are considered by the Transmission Provider to be Native Load Customers.

6.3.2 Type 2: Type 2 costs are those related to the sale or purchase of power at wholesale to non-Native Load Customers.

6.3.3 Type 3: Type 3 costs are those incurred specifically as alternatives to (or deferrals of) transmission line costs (typically Type 1 projects), such as the installation of distributed resources (including distributed generation, load management and energy efficiency). Type 3 costs do not include Demand Resources projects which do not have the effect of deferring or displacing Type 1 costs.

6.4 Cost Allocation Principles. Unless an alternative cost allocation process is utilized and described in the Local Transmission System Plan, the Transmission Provider shall identify anticipated cost allocations in the Local Transmission System Plan based upon the end-use characteristics of the project according to categories of costs set forth above and the following principles:

6.4.1 Principle 1: The Commission's regulations, policy statements and precedent on transmission pricing shall be followed.

6.4.2 Principle 2: To the extent not in conflict with Principle 1, costs will be allocated consistent with the provisions of Section 17 of this Attachment K.

7. Economic Planning Studies

7.1 Processing and Performing Studies. As part of each study cycle described in Section 3 above, the Transmission Provider will categorize and consider reliability and Economic Study Requests separately. The Transmission Provider may not have or maintain the individual capability to conduct certain economic planning studies, and may contract with a qualified third party of its choosing to perform such work.

7.2 Economic Study Requests. A form for submitting Economic Study Requests shall be maintained on the Transmission Provider's OASIS. Any Eligible Customer or stakeholder may submit an Economic Study Request to the Transmission Provider, along with all available data supporting the request to be modeled. The party submitting the Economic 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, as set out in Section 11 below.

7.3 Categorization of Economic Study Requests. The Transmission Provider will categorize each Economic Study Request as local, ~~sub~~-regional, or ~~regional~~interconnection-wide. If the Economic Study Request is categorized as ~~sub~~-regional or ~~regional~~interconnection-wide, the Transmission Provider will notify the requesting party and forward the Economic Study Request to NTTG for consideration and processing under NTTG's procedures.

7.3.1 Local Economic Study Requests. If the Economic Study Request (1) identifies Point(s) of Receipt and Point(s) of Delivery that are all within the Transmission Provider's scheduling system footprint and the Point(s) of Receipt and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, or (2) is otherwise reasonably determined by the 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 Part A.

7.3.2 ~~Sub~~-Regional Economic Study Requests. If the Economic 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(s) of Delivery utilize only NTTG Funding Agreement member scheduling paths, or (2) is otherwise reasonably determined by the Transmission Provider to be a ~~sub~~-regional request from a geographical and electrical perspective, including, but not limited to, an evaluation determining that the study request utilizes the interconnected transmission systems of NTTG Funding Agreement members, the study request will be considered ~~sub~~-regional and will be processed under Part B.

7.3.3 ~~Regional~~-Interconnection-wide Economic Study Requests. If the Economic 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 of Receipt and Point of Delivery are all within the WECC scheduling system footprint; and (2) the Point of Receipt and Point of Delivery utilize only WECC member scheduling paths, the study request will be considered ~~regional~~interconnection-wide and will be processed under Part C. In the alternative, if the Economic Study Request is reasonably determined by the Transmission Provider to be a ~~regional~~an interconnection-wide request from a geographical and electrical perspective, including, but not limited to, an evaluation determining that the study request utilizes only WECC member interconnected transmission systems, the study request will be

considered ~~interconnection-wide~~regional and will be processed under Part C.

7.3.4 Economic Study Requests Not Applicable. To be considered by the Transmission Provider, any Economic 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.

7.4 Prioritization and Conducting Studies. Up to two (2) economic studies will be performed by the Transmission Provider (or its agent) within a two-year LTP study cycle as set out in Section 3.2 above. In the event that more than two studies are requested within a single study cycle, the Transmission Provider shall determine which studies will be performed based on (i) evaluation of requests that present the most significant opportunities to reduce overall costs of the Local Transmission ~~System~~ Plan while reliably serving the load growth needs being studied in the Local Transmission ~~System~~ Plan, (ii) the date and time of the request, (iii) interaction with all stakeholders at the public meetings required by this Attachment K, and (iv) other ~~sub~~-regional and ~~interconnection-wide~~regional practices and criteria developed pursuant to Parts B and C of this Attachment K.

7.5 Notification to Requesting Party. The Transmission Provider shall notify the party making an Economic Study Request within ten (10) business days of receipt of a completed Economic Study Request whether or not the study request will be included and prioritized as part of the Local Transmission ~~System~~ Plan evaluation during Quarter 1 or Quarter 5 of the study cycle, or whether additional information is required to make an appropriate determination. If during Quarter 1 or Quarter 5 of the study cycle it is determined that the Economic Study Request will not be modeled as part of the current Local Transmission ~~System~~ Plan study cycle, or if the requester desires that the study be conducted outside of the normal study cycle, the Transmission Provider shall offer, and the requesting party may agree, to directly fund the modeling.

7.6 Unaccommodated Economic Study Requests. All requests not accommodated within the current study cycle will automatically be carried forward to the next study cycle, unless withdrawn by the requesting party.

7.7 Clustering of Economic Study Requests. If the Transmission Provider can feasibly cluster or batch Economic Study Requests, it will make efforts to do so. Economic Study Requests will be clustered and studied together if all of the Point(s) of Receipt and Point(s) of Delivery match one another or, in the alternative, it is reasonably determined by the Transmission Provider that the

Economic Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.

- 7.8 Results. Results of the economic studies shall be reported as part of the draft and final Local Transmission System Plan, and provided to the requesting party.

8. Recovery of Planning Costs

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as set out herein, or as otherwise permitted under the Tariff, all costs incurred by the Transmission Provider related to the Local Transmission System Plan process or the ~~sub-regional~~ or interconnection-wide regional planning process shall be included in the Transmission Provider's transmission rate base.

9. Dispute Resolution

- 9.1 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:

9.1.1 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.

9.1.2 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.

- 9.2 Confidential Nature of Negotiations. 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.

9.3 Timely Submission of Disputes to Ensure Completion of the Local Transmission ~~System~~ Plan. Disputes over any matter shall be raised timely; provided, however, to facilitate timely completion of the Local Transmission ~~System~~ Plan, in no case shall a dispute as set forth in Section 9.1.1 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.

9.4 Rights. Nothing contained in this Section 9 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

10. Transmission Business Practices.

The Transmission Provider will develop and post on OASIS transmission business practices that provide additional detail explaining how the Transmission Provider will implement this Attachment K. To the extent necessary, as determined by the Transmission Provider, the detail shall include: forms for submitting an Economic Study Request; a schedule and sequence of events for preparing the Local Transmission ~~System~~ Plan; additional details associated with cost allocation; a description of the ~~sub-regional~~ and ~~interconnection-wide~~ regional planning process to which the Local Transmission ~~System~~ Plan will support; a description of how the Local Transmission ~~System~~ Plan will be considered in the Transmission Provider's next state required integrated resource plan; a list of the transmission systems to which the Transmission System is directly interconnected; and contact information for the individual responsible for implementation of this Attachment K. 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.

11. Openness

11.1 Participation. All affected stakeholders may attend Local Transmission ~~System~~ Plan meetings and/or submit comments, submit Economic Study Requests, submit information concerning Public Policy Requirements and/or Public Policy Considerations, or provide other information relevant to the planning process. Committees or working groups may be established as part of the planning process to facilitate specific planning efforts.

11.2 Critical Energy Infrastructure Information (CEII). Any stakeholder and the Transmission Provider must agree to adhere to the Commission's guidelines concerning Critical Energy Infrastructure Information (CEII), as set out in the Commission's regulations in 18 C.F.R. Part 388 (or any successor thereto) and

associated orders issued by the Commission. Additional information concerning CEII, including a summary list of data that is determined by the supplying party to be deemed CEII, shall be posted on the Transmission Provider's OASIS, and updated regularly.

- 11.3 Confidential Information. In the event that any party claims that planning-related information is confidential, any party seeking access to such information must agree to adhere to the terms of a confidentiality agreement. The form of Transmission Provider's confidentiality agreement shall be developed initially by the Transmission Provider and posted on its OASIS. Thereafter, stakeholders shall have an opportunity to submit comments on the confidentiality agreement form. Confidential information shall be disclosed in compliance with Standards of Conduct, and provided only to those participants in the planning process that require such information and that execute the confidentiality agreement; provided, however, any such information may be supplied to (i) federal, state or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations, or (ii) upon order of a court of competent jurisdiction.

Part B. ~~Sub~~-Regional Planning Process**Introduction**

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 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, 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 system planning processes are described in this Attachment K rather than the Planning and Cost Allocation Practice.

~~Transmission Provider is a member of NTTG, and uses the NTTG process for sub-regional planning, coordination with adjacent sub-regional groups and other planning entities, and proposals to WECC for regional planning. Participants in NTTG have committed to working with one another and with affected stakeholders and state officials, to increase efficient use of the grid and to develop the infrastructure needed to deliver new renewable and thermal power resources to consumers. Transmission Provider, as a member of NTTG, has committed to support the sub-regional planning process through funding NTTG and providing employee support of NTTG planning and administration efforts. 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 as set out in this Part B are expected to participate in the NTTG planning process through the NTTG's planning and cost allocation processes committee. Eligible Customers and sStakeholders may participate directly in the NTTG processes or participate~~

indirectly through the Transmission Provider via development of the Local Transmission System Plan. ~~Additional information, including a map containing the current geographic footprint of NTTG should be available on the NTTG website. A link to the NTTG website is maintained in “Section 21—Transmission Planning” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:~~
~~http://www.oatioasis.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.~~

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.

12. Transmission Provider Coordination with NTTG

~~The Transmission Provider will participate in the sub-regional planning process as described in “Section 21—Transmission Planning” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:~~
~~http://www.oatioasis.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.~~ ~~In accordance with this process, the Transmission Provider and NTTG will conform to the following obligations:~~

- ~~12.1 Transmission Provider will collect customer data and consolidate load service and other transmission service requests through the local planning process described in Part A above.~~
- ~~12.2 Transmission Provider will provide NTTG with its Local Transmission Plan incorporating all of the transmission service forecasts for its Transmission System.~~
- ~~12.3 Subject to appropriate CEH requirements, Transmission Provider will post on its OASIS or provide a link in “Section 21—Transmission Planning” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:~~
~~http://www.oatioasis.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf, to all planning criteria and assumptions adopted by NTTG, and all NTTG study results on Transmission Provider’s OASIS.~~
- ~~12.4 NTTG will conduct its planning process to identify needs, least cost expansion project alternatives, technical benefits and projected costs.~~
- ~~12.5 NTTG will select beneficial expansion sub-regional projects and address cost allocation among participating Transmission Providers.~~

12.1. Transmission Provider shall engage in regional transmission planning 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.

12.2. 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 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.

12.3. 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 allocate benefits and costs of projects selected for cost allocation.

12.4. 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.

12.5. 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.

13. Study Process

Transmission Provider will support the NTTG processes as a member of NTTG to establish a coordinated ~~sub~~-regional study process, involving both economic and reliability components, as outlined in the ~~NTTG planning committee charter~~ Planning and Cost Allocation Practice, which is approved by the NTTG ~~Steering Committee~~. ~~The NTTG planning steering committee. - charter is available via direct link contained in “Section 21—Transmission Planning” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:~~

~~http://www.oatiaoasis.com/IPCO/IPCODOcs/Section_21_Transmission_Planning.pdf~~. As part of the ~~sub~~-regional study process, the NTTG planning committee will biennially prepare a long-term (~~10~~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 ~~be comprised of~~ the following milestone activities during ~~an eight (8) quarter study cycle~~ the Regional Planning Cycle as outlined below, and further described in the Planning and Cost Allocation Practice:

13.1. 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.

13.2. 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 ~~plan,~~ including 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. ~~Plans and prior subregional and regional plans. In doing so, the stakeholder shall submit the data as specified in “Section 21—Transmission Planning” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:~~ http://www.oatiaoasis.com/IPCO/IPCODOcs/Section_21_Transmission_Planning.pdf.

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
- n) in-service date.

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.

Information submitted pursuant to items a) - n) and aa) - gg) 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 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.

13.3. Quarter 2 – Evaluate the Data and Develop Biennial Study Plan: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the ~~study period~~ 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, ~~and~~ Solutions will be evaluated based on a comparison of their ~~relative economics and~~ ability to meet reliability ~~criteria~~ 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 the methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by projects subject to reevaluation (which is described below), analysis tools, public policy projects that are accepted into the Biennial Study Plan and a description of 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.

13.4. Quarters 3 and 4 – Transmission System Analysis: Conduct ~~power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system modeling, using the methods documented in the Biennial Study Plan,~~ and produce a draft ~~transmission plan for public and Regional Transmission Plan for~~ stakeholder comment and review.

13.5. Quarter 5 – Stakeholder Review of Draft Plan: Facilitate stakeholder review and comment on the draft ~~plan~~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 ~~draft transmission plan;~~ Regional Transmission Plan, or submit identified changes to ~~the data~~ it provided in ~~Quarter~~ quarter 1. The ~~level of detail 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. ~~The NTTG planning committee will collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan 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 ~~criteria~~ 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.

13.6. Quarter 6 – Update Study Plan and Cost Allocation: Conduct up to two ~~(2)~~ production cost simulation studies Economic Congestion Studies per biennial study cycle. ~~Document results and identified benefits in the cost allocation process 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 17.2.2, associated with each project identified for cost allocation to determine if such projects are eligible for cost allocation.

13.7 Quarter 7 – Regional Transmission Plan Review: Facilitate stakeholder process for review and comment on the ~~plan~~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.

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

~~Transmission Provider shall post the dates of the current NTTG study cycle on its OASIS, along with notices for each upcoming sub-regional planning meeting which is open to all parties. Results of sub-regional and regional planning efforts will be considered in future Local Transmission Plan study cycles.~~

14. Stakeholder Participation

~~14.1~~——14.1. 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.

14.2. The NTTG planning committee charter shall define the NTTG planning committee's purpose, authority, operating structure, voting requirements, and budget, ~~and planning cycle.~~

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's planning committee is open to membership by: ~~transmission providers and transmission developers engaged in or intending to engage in the sale of electric transmission service within the NTTG footprint, transmission users engaged in the purchase of electric transmission service within the NTTG footprint, or other entities which have, or have the intention of entering into, an interconnection agreement with a transmission provider within the NTTG footprint, and regulators and other state agencies within the NTTG footprint that are interested in transmission development.~~

- 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 ~~cause direct~~ NTTG to maintain a list of all entities that execute the Planning Agreement on its website ~~at http://nttg.biz/site/index.php?option=com_content&task=view&id=13&Itemid=85~~. 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, ~~sub~~-regional planning data by members. Members of NTTG are required to execute standard non-disclosure agreements before ~~sub~~-regional transmission planning data are released.

~~14.2-14.3.~~ Any stakeholder~~s~~ may comment on NTTG study criteria, assumptions, or results at their discretion either through direct participation in NTTG or ~~indirectly~~ by submitting comments to Transmission Provider to be evaluated and consolidated with Transmission Provider's comments on the ~~sub-regional~~

Regional Transmission Plan, criteria, and assumptions. The Planning and Cost Allocation Practice ~~biennial planning process~~ identifies when stakeholders have the opportunity to provide input into the elements of the ~~sub-~~Regional Transmission Plan.

15. Economic Congestion Studies Requests

~~15.1-15.1.~~ Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize and complete up to two ~~(2) sub-regional studies pursuant to Economic Study Requests per NTTG planning cycle~~ Economic Cogestion Studies per Regional Planning Cycle, as outlined in NTTG's Planning Committee Charter. ~~The sub-~~standardized process for cogestion studies. The regional ~~studies pursuant to Economic Congestion Study Studies Requests~~ will address those requests submitted by Eligible Customer and stakeholders to member Transmission Providers that are categorized as ~~Sub-Regional or Regional regional or interconnection-wide~~ Economic Congestion Study Requests pursuant to Section 7 ~~of this Attachment K~~. NTTG may submit regional requests for interconnection-wide Economic Study Requests Cogestion Studies to the WECC pursuant to ~~the~~ NTTG and WECC processes.

~~15.2-15.2.~~ Within each ~~study cycle~~ Regional Planning Cycle, any Eligible Customer or stakeholder may ~~make request~~ additional Economic Cogestion Studies Study Requests, or Economic Cogestion Studies Study Requests that were not prioritized for completion by NTTG, ~~with such requests~~ to be paid for at the sole expense of the requesting party. ~~Such requests shall be made by~~ The Eligible Customer or stakeholder shall make such requests to the Transmission Provider pursuant to Section 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.

~~15.3-15.3.~~ NTTG will cluster and study together Economic Study Requests Cogestion 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 ~~the~~ NTTG that the Economic Cogestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.

~~15.4-15.4.~~ For an Economic Cogestion Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Cogestion Study Requests to the Transmission Provider pursuant to Section 7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.

~~15.5-15.5.~~ All Economic Cogestion Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K. For an

Economic Cogestion 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.

16. Dispute Resolution

~~16.1~~ 16.1. Transmission Provider, signatories to the Planning Agreement, and Eligible Customers and stakeholders that participate in the ~~sub~~-regional planning process shall utilize the dispute resolution process set forth in this Section 16 to resolve disputes related: to the integration of Transmission Provider's Local Transmission System Plan with the ~~sub-regional expansion plan and associated cost allocation~~ Regional Transmission Plan; to enforce compliance with the NTTG ~~sub~~-regional study process; and to challenge a decision within a milestone document.

~~16.2~~ 16.2. 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 steering NTTG 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.

~~16.3-16.3.~~ To facilitate the completion of the ~~sub-regional transmission plan~~ Regional Transmission Plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this Section 16 be raised more than 30 days after a decision is made ~~by the NTTG planning committee~~ in the study process or the posting of a milestone document, whichever is earlier. Nothing contained in this Section 16 shall restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.:-

17. Cost Allocation

~~The following approach will be utilized to allocate costs. 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.~~ NTTG sub-regional plan, based on the following principles:

~~17.1-17.1.~~ Participant Funding.

~~17.1.1. Open Season Solicitation of Interest.~~ For any project identified in ~~an NTTG planning study (for reliability and/or economic projects)~~ 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:

~~17.1.1-17.1.1.1.~~ 17.1.1.1. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.

~~17.1.1.2.~~ 17.1.1.2. —Schedule meeting(s) with stakeholders and/or state public utility commission staff.

~~17.1.3~~ 17.1.1.3. — Post information about the proposed project on its OASIS.

~~17.1.4~~ 17.1.1.4. — 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.

~~17.2 Projects without a Solicitation of Interest. 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.~~

~~17.3 Coordination within NTTG. Transmission Provider, whether as a project sponsor or a project participant, will support NTTG by preparing and submitting recommendations for cost allocation associated with the NTTG sub-regional plan projects to the NTTG Cost Allocation Committee and process, and ultimately the NTTG Steering Committee for approval. This Steering Committee approval will represent a non-binding sub-regional consensus of cost allocation. In addition, Transmission Provider will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into its Local Transmission Plan any planned project on or interconnected with its own system.~~

17.4 Allocation of Costs

17.4.1 Proportional Allocation.

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. ~~The cost allocation is subject to review by the NTTG Cost Allocation Committee and Steering Committee. The resulting participation agreement is subject to acceptance by the Commission. The review process conducted by the NTTG Cost Allocation Committee and the Steering Committee is described in detail in the NTTG Cost Allocation Committee Charter and the NTTG Steering Committee Charter, both of which can be accessed via direct links contained in “Section 21—Transmission Planning” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:~~

http://www.oatioasis.com/PCO/PCOdocs/Section_21_Transmission_Planning.pdf.

~~17.4.2~~ 17.1.2 .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.~~Negotiated Allocation. For any project entered into by Transmission Provider where an open season solicitation of interest process has not been used, project costs and associated transmission rights will be allocated as agreed to among prospective project participants and consistent with NTTG's Cost Allocation Principles, the direct link to which can be found in "Section 21—Transmission Planning" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:~~

~~http://www.oatioasis.com/PCO/PCOdocs/Section_21_Transmission_Planning.pdf, and also in NTTG's Cost Allocation Committee Charter. The cost allocation is subject to review by the NTTG Cost Allocation Committee and Steering Committee. The resulting participation agreement is subject to acceptance by the Commission. The review process conducted by the NTTG Cost Allocation Committee and the Steering Committee is described in detail in the NTTG Cost Allocation Committee Charter and the NTTG Steering Committee Charter, both of which can be accessed via direct links contained in "Section 21—Transmission Planning" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:~~

~~http://www.oatioasis.com/PCO/PCOdocs/Section_21_Transmission_Planning.pdf.~~

~~17.4.3~~ 17.1.3 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.~~Economic Benefits or Congestion Relief. For a project that is undertaken for economic reasons or congestion relief, the project costs will be allocated to the party or parties requesting the project.~~

17.2. Allocation of Costs

17.2.1. 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 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.

17.2.2. 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.

17.2.3. 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.

17.2.4. 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 17.2.2 and 17.2.3. 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.

~~17.4.4~~ 17.3 Exclusions. The cost for projects undertaken in connection with requests for interconnection or transmission service ~~on the transmission system of Transmission Provider, each of which are under Parts II or III of the Tariff will be governed solely by existing the applicable cost allocation methods within Transmission Provider's OATT, will continue to be so governed and will not be covered by the principles above associated with those requests under the Tariff.~~

18. 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 18, 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 18, 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.

Part C. Regional-Interconnection-Wide Planning Process**Introduction**

Transmission Provider is a member of WECC and supports the work of ~~the~~ WECC TEPPC. NTTG may utilize WECC TEPPC for consolidation and completion of congestion and ~~economic~~ Economic Congestions Studies, base cases, and other interconnection-wide regional planning. NTTG may coordinate with other neighboring ~~sub~~-regional planning groups directly, through joint study teams, or through the regional-interconnection-wide process. Eligible Customers and stakeholders may participate directly in the WECC 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 Part B.

189. Transmission Provider Coordination

Transmission Provider will coordinate with WECC TEPPC for regional-interconnection-wide planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring ~~sub~~-regional planning groups including the CAISO, WestConnect, NWPP, and ColumbiaGrid. The goal of NTTG's coordination on an regional-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 regional-interconnection-wide planning process is located in "~~Section 21—Transmission Planning~~" of the Transmission Provider's transmission planning business practices, available ~~on Transmission Provider's OASIS~~ at: http://www.oati.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

1920. Study Process

WECC TEPPC's transmission planning protocol and information ~~is~~ are available on the WECC website. A link to the WECC TEPPC process is ~~contained in "Section 21—Transmission Planning"~~ of the Transmission Provider's maintained in the transmission planning business practices, available ~~on Transmission Provider's OASIS~~ at: http://www.oasis.oati.oasis.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

201. Stakeholder Participation

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

212. Economic ~~Study Requests~~ Congestion Studies

Transmission Provider will support, directly and through its participation in NTTG, the WECC TEPPC processes to prioritize and complete regional Economic Congestion Studies ~~ies Requesteds submitted~~ by customers and stakeholders to each member transmission provider in each calendar year within the ~~WECC's Western Electricity Coordinating Council'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 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 7.3 of this Attachment K.

223. Dispute Resolution

~~Regional-Interconnection-wide~~ dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Section ~~22-23~~ shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

234. Cost Allocation

A Western Interconnection-~~wide-regional~~ cost allocation methodology does not exist; therefore, cost allocations for ~~regional-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 Agreement ("Agreement") between the Transmission Provider and the undersigned is entered into by signing below.

Recitals

A. The Northern Tier Transmission Group's ~~Transmission~~ (the "Northern Tier") Planning Committee (the "Planning Committee") is charged with the task of producing a sub-regional transmission plan for the Northern Tier footprint,¹ and coordinating the transmission plan and its development with other ~~sub~~-regional planning groups and the ~~Interconnection~~-wide planning activities of the Western Electricity Coordinating Council ("WECC");

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

C. 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 ~~website of the~~ Northern Tier ~~website~~ [Transmission Group](#) (~~"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:

¹ ~~The Northern Tier Transmission Group'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.~~

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 16 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)

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

Exhibit B**Economic Study Agreement**

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

Recitals

A. The Northern Tier Transmission Group’s (the “Northern Tier”) Planning Committee (the “Planning Committee”) is charged with the task of performing Economic Congestion Studies for the Northern Tier footprint¹ as requested by stakeholders following the process described in the Transmission Provider’s Attachment K;

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

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

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

Section 1 – Duration and Termination.

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

Section 2 – Obligations of the Undersigned

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

- a. Submit Economic 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)

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

(Print)

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

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

FERC rendition of the electronically filed tariff records in Docket No. ER13-00127-000

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ATTACHMENT K

Transmission Planning Process

Preamble

In accordance with the Commission's regulations, Transmission Provider's planning process is performed on a local, regional (NTTG) and interconnection-wide planning (WECC) basis. Part A of this Attachment K addresses the local planning process. Parts B and C of this Attachment K address Transmission Provider's regional and interconnection-wide planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's regional 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 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

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.
- 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 (as an Economic Study Request), 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 quarterly 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 obligations for Public Policy Requirements; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's Point-to-Point Transmission Customers' projected service needs including obligations for rollover rights.

- 1.8 **NTTG:** shall mean Northern Tier Transmission Group or its successor organization.
- 1.9 **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
http://www.oasis.oati.com/IPCO/IPCODOcs/Section_21_Transmission_Planning.pdf.
- 1.10 **Public Policy Considerations:** shall mean those public policy considerations that are not established by state or federal laws or regulations.
- 1.11 **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.
- 1.12 **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.
- 1.13 **Regional Transmission Plan:** shall mean the current, final regional transmission plan, as approved by the NTTG steering committee.
- 1.14 **TEPPC:** shall mean Transmission Expansion Planning Policy Committee or its successor committee within WECC.
- 1.15 **WECC:** shall mean Western Electricity Coordinating Council or its successor organization.

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Part A. Local Planning Process

2. Preparation of a Local Transmission System Plan

- 2.1 With the input of affected stakeholders, Transmission Provider shall prepare one (1) Local Transmission System Plan during each two-year study cycle. The Transmission Provider shall evaluate the Local Transmission System Plan by modeling the effects of Economic Study Requests timely submitted by Eligible Customers and stakeholders in

accordance with Sections 3 and 7, below. The Local Transmission System Plan shall study a twenty (20) year planning horizon

- 2.2 The Local Transmission System Plan on its own does not effectuate any transmission service requests. A transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in the Tariff and posted on the Transmission Provider's OASIS. The Local Transmission System Plan 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.
- 2.3 The Transmission Provider shall take the Local Transmission System Plan into consideration, to the extent required by state law, when preparing its next state required integrated resource plan and, as appropriate, when preparing System Impact Studies, Facilities Studies, and other feasibility studies.
- 2.4 The Transmission Provider shall have an open planning process that provides all affected stakeholders the opportunity to provide input at defined points in the Local Transmission System Plan cycle into the transmission needs driven by Public Policy Requirements and Public Policy Considerations.

3. Coordination

- 3.1 Study Cycle. Transmission Provider shall prepare the Local Transmission System Plan during an eight (8) quarter study cycle. The responsibility for the Local Transmission System 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 as part of the Local Transmission System Plan records kept on OASIS as described in Section 5 and subsection 5.2.7.
- 3.2 Sequence of Events
 - 3.2.1 Quarter 1: 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 Native Load Customers (based on its state mandated integrated

resource plan, to the extent that such an obligation exists, or through other planning resources); point-to-point transmission service customers' projections for service at each Point of Receipt and Point of Delivery (based on information submitted by the customer to the Transmission Provider) including projected use of rollover rights; information from all Transmission Customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned Demand Resources and their impacts on demand and peak demand; and transmission needs driven by Public Policy Requirements and Public Policy Considerations submitted by stakeholders. 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. Any stakeholder may submit data to be evaluated as part of the preparation of the draft Local Transmission System Plan, including alternate solutions to the identified needs set out in prior Local Transmission System Plans and transmission needs driven by Public Requirements and Public Policy Considerations. In doing so, the stakeholder shall submit the data as specified in "Section 21 - Transmission Planning" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf. During Quarter 1, the Transmission Provider will accept Economic Study Requests in accordance with Section 7. Economic Study Requests received outside Quarter 1 will only be considered during Quarters 2, 3, and 4 if the Transmission Provider can accommodate the request without delaying completion of the draft Local Transmission System Plan, or as otherwise provided for in Sections 7.4 and 7.5. In Quarter 1, the Transmission Provider will separate the transmission needs driven by the public policy into the following categories:

- 3.2.1.1 Those needs driven by Public Policy Requirements that will be evaluated in the process to develop the Local Transmission System Plan.
- 3.2.1.2 Those needs driven by Public Policy Requirements and Public Policy Considerations that will be used in the development of sensitivity analyses.
- 3.2.1.3 Those needs driven by Public Policy Considerations that will

not otherwise be evaluated or used to develop the Local Transmission System Plan.

Transmission Provider will post on its OASIS website an explanation of such determinations.

Once identified, the Public Policy Requirements driving transmission needs will not be revised by the Transmission Provider during the development of the Local Transmission System Plan unless unforeseen circumstances require a modification to the identified Public Policy Requirements driving transmission needs. In this instance, stakeholders will be consulted before the Public Policy Requirements driving transmission needs are modified.

The evaluation process and selection criteria for inclusion of transmission needs driven by Public Policy Requirements in the Local Transmission System Plan will be the same for, and jointly evaluated with, all local projects under consideration.

The process by which transmission needs driven by Public Policy Requirements and Public Policy Considerations will be received, reviewed, and evaluated is described in the Transmission Provider's "Business Practice: Transmission Planning Pursuant to OATT Attachment K," available on Transmission Provider's OASIS at: http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

3.2.2 Quarter 2: Transmission Provider will define and post on OASIS the basic methodology, criteria, assumptions, databases, and processes the Transmission Provider will use to prepare the Local Transmission System Plan. The Transmission Provider will also select appropriate base cases from the databases maintained by the WECC, and determine the appropriate changes needed for the Local Transmission System Plan development. Transmission Provider will model the Economic Study Requests selected in Quarter 1 using the previous biennial cycle's Local Transmission System Plan as a reference. All stakeholder submissions will be evaluated on a basis comparable to data and submissions required for planning the transmission system for both retail and wholesale customers, solutions, and transmission needs driven by Public Policy Requirements and Public Policy Considerations submitted by all stakeholders will be evaluated based on a comparison of their relative economics and ability to meet reliability criteria.

3.2.3 Quarters 3 and 4: Transmission Provider will prepare and post on

OASIS a draft Local Transmission System Plan. The Transmission Provider may elect to post interim iterations of the draft Local Transmission System Plan, consider economic modeling results, and solicit public comment prior to the end of the applicable quarter.

- 3.2.4 Quarter 5: During Quarter 5, the Transmission Provider will accept Economic Study Requests in accordance with Section 7. Any stakeholder may submit comments; additional information about new or changed circumstances relating to loads, resources, transmission projects, transmission needs driven by Public Policy Requirements and Public Policy Considerations, or alternative solutions to be evaluated as part of the preparation of the draft transmission plan; or submit identified changes to the data provided in Quarter 1. The level of detail provided by the stakeholder should match the level of detail described in Quarter 1 above. Requests received outside Quarter 5 will only be considered during Quarters 6, 7, and 8 if the Transmission Provider can accommodate the request without delaying completion of the Local Transmission System Plan, or as otherwise provided for in Sections 7.4 and 7.5. All stakeholder submissions, including transmission solutions driven by Public Policy Requirements and Public Policy 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.
- 3.2.5 Quarter 6: Transmission Provider will model the Economic Study Requests selected in Quarter 5 using the draft Local Transmission System Plan as a reference.
- 3.2.6 Quarter 7: Transmission Provider will finalize and post on OASIS the Local Transmission System Plan taking into consideration the Economic Study Request modeling results, written comments received by the owners and operators of interconnected transmission systems, written comments received by Transmission Customers and other stakeholders, and timely comments submitted during public meetings at study milestones, as set forth in Section 3.3, below.
- 3.2.7 Quarter 8: The Local Transmission System Plan shall be transmitted to the regional and interconnection-wide entities conducting similar planning efforts, interested stakeholders, and

the owners and operators of the neighboring interconnected transmission system.

- 3.3 Public Meetings at Study Milestones (end of each quarter). The Transmission Provider shall conduct a public meeting at the end of each quarter in the study cycle to present a status report on development of the Local Transmission System 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 meeting shall be posted on Transmission Provider's OASIS, and may be held on no less than ten (10) business days notice. The location of the public meeting shall be as selected by the Transmission Provider, or may be held telephonically or by video or internet conference.

4. Information Exchange

4.1 Forecasts

- 4.1.1 Each Transmission Customer taking service under Part II of the Tariff, or which has an accepted reservation in the transmission queue to take service in a future period under Part II of the Tariff shall, during Quarter 1 of each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year forecast of the actual energy to be moved in each direction across each posted transmission path, including anticipated termination, expiration, or exercising of rollover rights for each service. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period. If prior to Quarter 1 of the planning cycle, the Transmission Customer has recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Transmission Customer may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle.
- 4.1.2 Each Network Customer shall, during Quarter 1 of each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year load forecast including existing and planned Demand Resources and their impacts on demand and peak demand. Network Customers may satisfy this obligation through submission

of annual updates as required by the Tariff. If prior to Quarter 1 of the planning cycle, the Network Customer has recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Network Customer may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period.

4.1.3 The Transmission Provider on behalf of Native Load Customers shall, during each planning cycle, submit to the Transmission Provider its good-faith twenty (20) year load forecast including existing and planned Demand Resources and their impacts on demand and peak demand. The Transmission Provider may satisfy this obligation through submission of annual updates. If prior to Quarter 1 of the planning cycle, the Transmission Provider on behalf of Native Load Customers has recently submitted a valid forecast encompassing the current twenty (20) year planning horizon to the Transmission Provider, the Transmission Provider may provide a new forecast or provide any material changes or adjustments and reaffirm the existing forecast for use in the current planning cycle. The forecast shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period.

4.2 Participation in the Planning Process. If any Eligible Customer or stakeholder fails to provide data or otherwise participate as required by any part of this Attachment K, the Transmission Provider cannot effectively include such needs in the Transmission Provider's planning process. If any Network Customer or the Transmission Provider on behalf of Native Load Customers fails to timely provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based upon the most recent data available subject to review and modification by other participants.

5. Transparency

5.1 OASIS Requirements

5.1.1 The Transmission Provider shall maintain transmission planning business practices along with the procedures for modifying the business practices.

- 5.1.2 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.
- 5.1.3 The Transmission Provider shall maintain on the publicly accessible portion of OASIS a subscription service whereby any person may register to receive e-mail notices and materials related to the Local Transmission System Plan process.
- 5.2 Content of OASIS Postings. Transmission Provider shall maintain, in “Section 21 - Transmission Planning” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf., the following information or links to the following documents:
 - 5.2.1 Study cycle timeline;
 - 5.2.2 A form to submit an Economic Study Request, each such Economic Study Request received, and any response from the Transmission Provider to the requesting party;
 - 5.2.3 The details of each public meeting required by this Attachment K, or any other public meeting related to transmission planning conducted by the Transmission Provider;
 - 5.2.4 In advance of its discussion at any public meeting, all materials to be discussed;
 - 5.2.5 As soon as reasonably practical after the conclusion of each public meeting, notes of the transmission information discussed at the public meeting;
 - 5.2.6 Written comments submitted in relation to the Local Transmission System Plan, and any explanation regarding acceptance or rejection of such comments;
 - 5.2.7 The draft, interim (if any), and final versions of the Local Transmission System Plan;
 - 5.2.8 At a minimum, the final version of all completed Local Transmission System Plans for previous study periods;
 - 5.2.9 Aggregated forecasts representing the Transmission Provider’s total transmission service forecast for its transmission system;

- 5.2.10 Summary list of Critical Energy Infrastructure Information submitted or used during the planning process;
- 5.2.11 Maintain a link to the NTTG and WECC websites;
- 5.2.12 The evaluation of Public Policy Requirements and Public Policy Considerations described in Section 3.2.1; and
- 5.2.13 Information describing the extent that the Transmission Provider has undertaken a commitment to build a transmission facility included in a Regional Transmission Plan conducted pursuant to Part B of this Attachment K.

5.3 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 System 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.

6. Cost Allocation

Cost allocation principles expressed here are applied in a planning context of transparency 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, or Direct Assignment Facilities, or as may be determined by any state having jurisdiction over the Transmission Provider.

- 6.1 Individual Transmission Service Request Costs Not Considered. The costs of upgrades or other transmission investments subject to an existing transmission service request pursuant to the Tariff are evaluated in the context of that transmission service 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.
- 6.2 Rate Recovery. Notwithstanding any other section of this Attachment K, Transmission Provider will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.

6.3 Categories of Included Costs. The Transmission Provider shall categorize projects set forth in the Local Transmission System Plan for allocation of costs into the following types:

- 6.3.1 Type 1: Type 1 transmission line costs are those related to the provision of service to the Transmission Provider's Native Load Customers. Type 1 costs include, to the extent such agreements exist, costs related to service to others pursuant to grandfathered transmission agreements that are considered by the Transmission Provider to be Native Load Customers.
- 6.3.2 Type 2: Type 2 costs are those related to the sale or purchase of power at wholesale to non-Native Load Customers.
- 6.3.3 Type 3: Type 3 costs are those incurred specifically as alternatives to (or deferrals of) transmission line costs (typically Type 1 projects), such as the installation of distributed resources (including distributed generation, load management and energy efficiency). Type 3 costs do not include Demand Resources projects which do not have the effect of deferring or displacing Type 1 costs.

6.4 Cost Allocation Principles. Unless an alternative cost allocation process is utilized and described in the Local Transmission System Plan, the Transmission Provider shall identify anticipated cost allocations in the Local Transmission System Plan based upon the end-use characteristics of the project according to categories of costs set forth above and the following principles:

- 6.4.1 Principle 1: The Commission's regulations, policy statements and precedent on transmission pricing shall be followed.
- 6.4.2 Principle 2: To the extent not in conflict with Principle 1, costs will be allocated consistent with the provisions of Section 17 of this Attachment K.

7. Economic Planning Studies

7.1 Processing and Performing Studies. As part of each study cycle described in Section 3 above, the Transmission Provider will categorize and consider reliability and Economic Study Requests separately. The Transmission Provider may not have or maintain the individual capability to conduct certain economic planning studies, and may contract with a qualified third party of its choosing to perform such work.

- 7.2 Economic Study Requests. A form for submitting Economic Study Requests shall be maintained on the Transmission Provider's OASIS. Any Eligible Customer or stakeholder may submit an Economic Study Request to the Transmission Provider, along with all available data supporting the request to be modeled. The party submitting the Economic 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, as set out in Section 11 below.
- 7.3 Categorization of Economic Study Requests. The Transmission Provider will categorize each Economic Study Request as local, regional, or interconnection-wide. If the Economic Study Request is categorized as regional or interconnection-wide, the Transmission Provider will notify the requesting party and forward the Economic Study Request to NTTG for consideration and processing under NTTG's procedures.
- 7.3.1 Local Economic Study Requests. If the Economic Study Request (1) identifies Point(s) of Receipt and Point(s) of Delivery that are all within the Transmission Provider's scheduling system footprint and the Point(s) of Receipt and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, or (2) is otherwise reasonably determined by the 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 Part A.
- 7.3.2 Regional Economic Study Requests. If the Economic 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(s) of Delivery utilize only NTTG Funding Agreement member 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 determining that 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 Part B.
- 7.3.3 Interconnection-wide Economic Study Requests. If the Economic

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 of Receipt and Point of Delivery are all within the WECC scheduling system footprint; and (2) the Point of Receipt and Point of Delivery utilize only WECC member scheduling paths, the study request will be considered interconnection-wide and will be processed under Part C. In the alternative, if the Economic 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 determining that the study request utilizes only WECC member interconnected transmission systems, the study request will be considered interconnection-wide and will be processed under Part C.

7.3.4 Economic Study Requests Not Applicable. To be considered by the Transmission Provider, any Economic 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.

7.4 Prioritization and Conducting Studies. Up to two (2) economic studies will be performed by the Transmission Provider (or its agent) within a two-year LTP study cycle as set out in Section 3.2 above. In the event that more than two studies are requested within a single study cycle, the Transmission Provider shall determine which studies will be performed based on (i) evaluation of requests that present the most significant opportunities to reduce overall costs of the Local Transmission System Plan while reliably serving the load growth needs being studied in the Local Transmission System Plan, (ii) the date and time of the request, (iii) interaction with all stakeholders at the public meetings required by this Attachment K, and (iv) other regional and interconnection-wide practices and criteria developed pursuant to Parts B and C of this Attachment K.

7.5 Notification to Requesting Party. The Transmission Provider shall notify the party making an Economic Study Request within ten (10) business days of receipt of a completed Economic Study Request whether or not the study request will be included and prioritized as part of the Local Transmission System Plan evaluation during Quarter 1 or Quarter 5 of the study cycle, or whether additional information is required to make an

appropriate determination. If during Quarter 1 or Quarter 5 of the study cycle it is determined that the Economic Study Request will not be modeled as part of the current Local Transmission System Plan study cycle, or if the requester desires that the study be conducted outside of the normal study cycle, the Transmission Provider shall offer, and the requesting party may agree, to directly fund the modeling.

- 7.6 Unaccommodated Economic Study Requests. All requests not accommodated within the current study cycle will automatically be carried forward to the next study cycle, unless withdrawn by the requesting party.
- 7.7 Clustering of Economic Study Requests. If the Transmission Provider can feasibly cluster or batch Economic Study Requests, it will make efforts to do so. Economic Study Requests will be clustered and studied together if all of the Point(s) of Receipt and Point(s) of Delivery match one another or, in the alternative, it is reasonably determined by the Transmission Provider that the Economic Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.
- 7.8 Results. Results of the economic studies shall be reported as part of the draft and final Local Transmission System Plan, and provided to the requesting party.

8. Recovery of Planning Costs

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as set out herein, or as otherwise permitted under the Tariff, all costs incurred by the Transmission Provider related to the Local Transmission System Plan process or the regional or interconnection-wide planning process shall be included in the Transmission Provider's transmission rate base.

9. Dispute Resolution

- 9.1 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:
 - 9.1.1 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.

9.1.2 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.

9.2 Confidential Nature of Negotiations. 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.

9.3 Timely Submission of Disputes to Ensure Completion of the Local Transmission System Plan. Disputes over any matter shall be raised timely; provided, however, to facilitate timely completion of the Local Transmission System Plan, in no case shall a dispute as set forth in Section 9.1.1 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.

9.4 Rights. Nothing contained in this Section 9 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

10. Transmission Business Practices.

The Transmission Provider will develop and post on OASIS transmission business practices that provide additional detail explaining how the Transmission Provider will implement this Attachment K. To the extent necessary, as determined by the Transmission Provider, the detail shall include: forms for submitting an Economic

Study Request; a schedule and sequence of events for preparing the Local Transmission System Plan; additional details associated with cost allocation; a description of the regional and interconnection-wide planning process to which the Local Transmission System Plan will support; a description of how the Local Transmission System Plan will be considered in the Transmission Provider's next state required integrated resource plan; a list of the transmission systems to which the Transmission System is directly interconnected; and contact information for the individual responsible for implementation of this Attachment K. 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.

11. Openness

- 11.1 Participation. All affected stakeholders may attend Local Transmission System Plan meetings and/or submit comments, submit Economic Study Requests, submit information concerning Public Policy Requirements and/or Public Policy Considerations, or provide other information relevant to the planning process. Committees or working groups may be established as part of the planning process to facilitate specific planning efforts.
- 11.2 Critical Energy Infrastructure Information (CEII). Any stakeholder and the Transmission Provider must agree to adhere to the Commission's guidelines concerning Critical Energy Infrastructure Information (CEII), as set out in the Commission's regulations in 18 C.F.R. Part 388 (or any successor thereto) and associated orders issued by the Commission. Additional information concerning CEII, including a summary list of data that is determined by the supplying party to be deemed CEII, shall be posted on the Transmission Provider's OASIS, and updated regularly.
- 11.3 Confidential Information. In the event that any party claims that planning-related information is confidential, any party seeking access to such information must agree to adhere to the terms of a confidentiality agreement. The form of Transmission Provider's confidentiality agreement shall be developed initially by the Transmission Provider and posted on its OASIS. Thereafter, stakeholders shall have an opportunity to submit comments on the confidentiality agreement form. Confidential information shall be disclosed in compliance with Standards of Conduct, and provided only to those participants in the planning process that require such information and that execute the confidentiality agreement; provided, however, any such information may be supplied to (i) federal, state or local regulatory authorities that request such information and

protect such information subject to non-disclosure regulations, or (ii) upon order of a court of competent jurisdiction.

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Part B. Regional Planning Process

Introduction

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 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, 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 system planning processes are described in this Attachment K rather than the Planning and Cost Allocation Practice.

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 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.

12. Transmission Provider Coordination with NTTG

12.1. Transmission Provider shall engage in regional transmission planning 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.

12.2. 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 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.

12.3. 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 allocate benefits and costs of projects selected for cost allocation.

12.4. 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.

12.5. 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.

13. 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. 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:

13.1. 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.

13.2. 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
- n) in-service date.

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.

Information submitted pursuant to items a) - n) and aa) - gg) 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 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.

13.3. Quarter 2 - Evaluate the Data and Develop 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 the methodology, criteria, assumptions, databases, projects subject to reevaluation (which is described below), analysis tools, public policy projects that are accepted into the Biennial Study Plan and a description of 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.

13.4. 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.

13.5. 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.

13.6. 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 17.2.2, associated with each project identified for cost allocation to determine if such projects are eligible for cost allocation.

13.7 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.

13.8 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.

14. Stakeholder Participation

14.1. 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.

14.2. 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.

- 14.3. 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.

15. Economic Congestion Studies

- 15.1. Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize and complete up to two regional Economic Cogestion Studies per Regional Planning Cycle, as outlined in NTTG's standardized process for cogestion studies. The regional Economic Congestion Studies will address those requests submitted by Eligible Customer and stakeholders to member Transmission Providers that are categorized as regional or interconnection-wide Economic Congestion Study Requests pursuant to Section 7. NTTG may submit requests for interconnection-wide Economic Congestion Studies to the WECC pursuant to NTTG and WECC processes.
- 15.2. Within each Regional Planning Cycle, any Eligible Customer or stakeholder may request additional Economic Congestion Studies, or Economic Cogestion 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 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.
- 15.3. NTTG will cluster and study together Economic Cogestion 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 Cogestion Study Requests are geographically and electrically similar, and can be feasibly and meaningfully studied as a group.
- 15.4. For an Economic Cogestion Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Cogestion Study Requests to the Transmission Provider pursuant to Section 7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.

- 15.5. All Economic Cogestion Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K. For an Economic Cogestion 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.

16. Dispute Resolution

- 16.1. 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 16 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.

- 16.2. 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 steering NTTG 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.

16.3. 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 16 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 16 shall restrict the rights of any entity to file a complaint with the Commission under relevant provisions of the Federal Power Act.

17. 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.

17.1. Participant Funding.

17.1.1. 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:

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

17.1.1.2. Schedule meetings with stakeholders and/or state public utility commission staff.

17.1.1.3. Post information about the proposed project on its OASIS.

17.1.1.4. 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.

17.1.2 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.

17.1.3 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. 17.2. Allocation of Costs

17.2.1. 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 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.

17.2.2. 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.

17.2.3. 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.

17.2.4. 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 17.2.2 and 17.2.3. 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.

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

allocation methods associated with those requests under the Tariff.

18. 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 18, 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 18, 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.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
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Part C. Interconnection-Wide Planning Process

Introduction

Transmission Provider is a member of 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 processes, pursuant to participation requirements defined by WECC TEPPC, or participate indirectly through the Transmission Provider via development of the Transmission System Plan or through the NTTG process as outlined above in Part B.

19. 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 ColumbiaGrid. 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 at: http://www.oasis.oati.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

20. Study Process

WECC TEPPC's transmission planning protocol and information are available on the WECC website. A link to the WECC TEPPC process is maintained in the

transmission planning business practice, available at:
http://www.oasis.oati.com/IPCO/IPCODocs/Section_21_Transmission_Planning.pdf.

21. 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.

22. Economic Congestion Studies

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'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 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 7.3 of this Attachment K.

23. Dispute Resolution

Interconnection-wide dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Section 23 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

24. 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.

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Exhibit A



Planning Agreement

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 sub-regional transmission plan for the Northern Tier footprint,¹ 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 16 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)

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

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
NTTG Economic Study Agmt, Attachment K - NTTG Economic Study Agreement, 0.0.1, A
Record Narrative Name: Attachment K - NTTG Economic Study Agreement
Tariff Record ID: 3553
Tariff Record Collation Value: 159473984 Tariff Record Parent Identifier: 3207
Proposed Date: 2013-10-01
Priority Order: 1500000000
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

Exhibit B



Economic Study Agreement

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

Recitals

A. The Northern Tier Transmission Group’s (the “Northern Tier”) Planning Committee (the “Planning Committee”) is charged with the task of performing Economic Congestion Studies for the Northern Tier footprint¹ as requested by stakeholders following the process described in the Transmission Provider’s Attachment K;

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

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

(Print)

(Signature)

(Name of Company or
Organization)

(Phone)

(Print Signature)

(Street Address)

(Fax)

(Title)

(City, State, Zip Code)

(Email)

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Document Content(s)

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