



Description of Meeting:	NTTG Cost Allocation Committee
Meeting Date:	Tuesday, July 1, 2008
Meeting Minutes Prepared By:	Christine Draper
Approved for Posting:	September 22, 2008

Attendee List: Rich Bayless, Brian DeKiep, Christine Draper, Marshall Empy, Sharon Helms, Sam Liu for Joni Zenger, Matt Muldoon, Jim Tucker, Lou Ann Westerfield, Curt Winterfield, Darrell Zlomke

Not in Attendance: Bryan Baldwin, Bryce Freeman, Marc Hellman, Jim Logan, Marcy Norby, Larry Nordell, Becky Wilson

1. Agenda:

- Standards of Conduct
- MSTI project
- PacifiCorp projects
- Stakeholder Meeting in Bozeman, MT
- Next Steps

2. Discussion Topics:

Discussion: Approval of 6-16-08 Minutes

- The approval of the minutes will be deferred to next week.

Discussion: MSTI Project

- Northwestern sent a formal answer to the data request as well as a copy of the comprehensive progress report phase 1. Has not filed with the Montana Commission and probably will not until they put the line in rate base or start construction. Need to check on the filing status.
- NorthWestern is the project sponsor and operator. There are 4 different parties that have requested transmission or interconnection. The comprehensive progress report is included, but there is no economic determination. It is noted that they have completed the phase 1 path rating process with WECC.
- There is a siting requirement in Montana where NorthWestern has noted Montana Major Facilities Siting Act. There will also be NEPA requirements in Idaho and Montana. There will need to be follow up on that process. On the Gateway West project, BLM has had public meetings on the federal land crossing issue in both Wyoming and Idaho. Will need to follow up with NorthWestern on that.
- Proposed Cost Allocation- NorthWestern has indicated that they will use the enhanced or pricing mechanism through FERC. It will be the higher or marginal cost through the



service. They plan to recover cost of line through transmission service requests. Need to follow up on negative load service.

- Risk & Benefit Analysis- They will recover the cost from transmission service request customers. Follow up on items J, K, & L. Need to follow up on negative load service.
- There are no cost overruns at this time, because they haven't started building yet. Have held a lot of stakeholder meetings, but it is not outlined in the request. Not an issue for Cost Allocation. The enhanced ore pricing mechanism will be treated as confidential. Need to do follow up on the meaning of "enhanced ore pricing".
- The Cost Allocation Committee will send a follow up letter thanking NorthWestern for the submission and asking additional follow up questions. Will also ask for quarterly updates on some information in addition to the answers for specific questions. Don't have details regarding the queue requests for the MSTI project at this time. It may not be clear what the Cost Allocation Committee will need until the economic studies are performed.
- Montana changed its law to allow NorthWestern to build or own generation again. Need to find out how that affects MSTI. Contact John Leland or Ray Brush to discuss the status.
- Comprehensive Progress Report- Need to know where they stand regarding their project milestones and timeline. If 765 lines were considered and whether the projects anticipated the high wind locations. Matt Muldoon will draft up the questions for NorthWestern.
- Idaho Power didn't respond at all to the data request letter. Lou Ann to follow up with Lisa Grow and Kip Sikes. Idaho Power may not have available last week to work on Hemingway to Boardman project due to meetings. Matt will try to talk to Adam Bless.
- Summary: send thank you, follow up questions drafted by Matt and Lou Ann, quarterly updates due 90 days from June 16th.
- NorthWestern filed with DEQ on facilities studies yesterday. Brian DeKiep will check on it. He will send email of the press release.

Discussion: PacifiCorp Projects

- Responded on 4 projects: Gateway West, Gateway South, Gateway Central and Hemingway to Captain Jack. They have not spoken to DOE at this time regarding the Captain Jack line. Responded on the technical side. Gateway Central is a current filing for both Utah and Idaho commissions. There is a request for a CPCN in Utah and a certificate request for Idaho. (Siting issues in Utah are handled by local governments and/or municipalities. There has never been a certificate request on a transmission line. It is not the job of the Cost Allocation Committee to get involved in the siting or certification processes required by law. Still trying to tie into the IRP and siting for information purposes. IRP's will be updated next year.
- The response includes a project outline for 5 states to increase reliability and bring in more resources to satisfy IRP requirements in queue requests. There are plans to build a wind farm in the Eastern terminus. There may be an additional unit constructed at Bridger, but that is on hold at this time. Need to follow up on the status of the IRP models. Existing coal resources need to be followed up on also. Basin has plans to get started on a coal plant in Wyoming.
- Decided to do a single circuit line or half of a double circuit line. Anticipating 1500 megawatts of capacity for network customers. No further information is needed at this time. Cost Allocation will ask for quarterly update response.
- Transmission study results will be provided by Idaho Power. Did the phase I study on the Populous to Terminal project. It is noted that the WECC economic and reliability determinations have not been completed.



- Proposed siting: Gateway South is a part of NEPA. Captain Jack to Hemingway is down the road. No progress at this time.
- Follow up on Energy Gateway base project whether it's part of the IRP or some other analysis. Needs to be updated.
- Cost Allocation- note split between network and point to point customers. The project supports an integrated resource plan. Need to follow up because they will be doing a new one next year.
- Need to follow up on Regulatory rulings. There are two filings at this time.
- Request a list like attachment 1F-2 in PacifiCorp's report from NorthWestern and Idaho Power to request a similar summary. Should document the process with the Steering Committee and send to FERC.

Discussion: Stakeholder Meeting in Bozeman, MT

- Have 1 hour for an update on CA process. Should walk through all responses, the quarterly update process, general concerns regarding the Cost Allocation process and shifting resources plans. Discuss the scope of the Cost Allocation Committee's duties.
- Workgroups won't be far enough along to present individually. Have Lou Ann as the chair speak about the general approach and process. Then have a short review of each project and the status. Then have committee members' comment and solicit questions and response from the Stakeholders. Discuss common criteria, each lead do a slide.

Discussion: Next Steps

- Next call will be on July 14th 2008 to discuss the follow up questions. Finalize outline presentation for Bozeman meeting. A draft follow up for NorthWestern and PacifiCorp outlining specific areas that are unknown and areas that need to be updated quarterly. Sharon and Lou Ann will circulate the letter early next week. The presentation will also be circulated.

3. Assignments:

Item #	Assignment	Owner	Target Date
1.	Follow up questions for NorthWestern: <ul style="list-style-type: none"> • Filing status with Montana. • NEPA requirements in Idaho and Montana. • Federal land crossing issue in both Wyoming and Idaho. • Status of the negative load service. • Definition of "enhanced ore pricing • How does the reinstating the Montana generation law for NorthWestern affect the MSTI project? • Status of project milestones and timeline. • Submit quarterly updates 90 days from June 16th. 	Matt Muldoon & Lou Ann Westerfield	
2.	Contact John Leland or Ray Brush to discuss the how does the reinstating the Montana generation law for NorthWestern affects the MSTI project?	Lou Ann	



3.	Follow up with Kip Sikes and Lisa Grow regarding Idaho's data request response.	Lou Ann Westerfield	
4.	Follow up with Adam Bless regarding Idaho's data request response.	Matt Muldoon	
5.	PacifiCorp Follow up questions: <ul style="list-style-type: none"> • Status of the IRP models. • Coal resources. • Follow up on Energy Gateway base project whether it's part of the IRP or some other analysis. • Integrated Resource Plan. • Regulatory Filings. 	Matt Muldoon & Lou Ann Westerfield	
6.	Request a list like attachment 1F-2 in PacifiCorp's report from NorthWestern and Idaho Power to request a similar summary.	Cost Allocation Committee	
7.	A draft letter of follow up for NorthWestern and PacifiCorp.	Lou Ann Westerfield and Sharon Helms	July 7

Next Meeting: The next Northern Tier Cost Allocation meeting is scheduled for Monday, July 14, at 1:00p PST/ 2:00p MST.

- Voice Conference Mtg. Call 503-813-5600 (toll free #800-503-3360)
- Mtg. ID: **688480** and password: **123456**