



NTTG Order 1000 Stakeholder Comment and Input Form Your input on Northern Tier's processes are important to us. Please submit comments to info @ nttg.biz			NTTG Response All responses are dynamic and based upon assumptions that may be adjusted as options are fleshed out and alternatives considered; Unless otherwise indicated, responses are subject to change.			
Received via info @ nttg on Febuary 2, 2012			NTTG Tracking Info Date Received: February 2, 2012 @ 8:49 AM (PST) Committee Assignment: Jointly to NTTG O1K Cost Allocation and Planning Date Assigned: April 18, 2012			
04-18-2012: Assigned Jointly to the NTTG O1K Planning and Cost Allocation Compliance Workgroups						
Commentor Contact Information						
Date: February 2, 2012 Name: Sharon Segner Organization: LS Power						
Comments			DRAFT RESPONSE			
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Transmission Developer Qualification Requirements (p. 256-257 of FERC Order 1000)		NTTG filing must demonstrate that its regional transmission planning process has established appropriate qualification criteria for determining an entity's eligibility to propose a transmission project. The criteria must not be unduly discriminatory or preferential. The qualification criteria must provide that each potential transmission owner demonstrate that it has the necessary financial resources and technical expertise to develop, construct, own, operate, and maintain transmission facilities. The qualification criteria should be fair and not unreasonably stringent. The qualification criteria should allow for the possibility that an existing public utility transmission owner already satisfies the criteria, and should allow any transmission developer the opportunity to remedy any deficiency. (p 256-257 of FERC Order 1000). The qualification criteria must apply to both existing incumbent utilities, any of their affiliates, and new entrants.	13	LSP 1	05.04.12	NTTG intends to develop procedures that comply with requirements of FERC Order 1000.
Transmission Developer Qualification Requirements		LS Power position (in LS Power Clarification Request filed related to FERC Order 1000) is that qualification criteria should be focused only on financial resources and technical experience.	29	LSP 2	05.04.13	NTTG presented draft sponsor financial and technical qualifications in a proposed qualification table in the Planning Practice at the April 25, 2012 NTTG Order 1000 Stakeholder meeting.
Transmission Developer Qualification Requirements		LS Power attaches Appendix A to these comments. Appendix A provides a comparison of how project proposal submittals have been implemented in various processes as it relates to Financial Qualifications, Qualifications and Technical Expertise, and Project Descriptions. This Appendix was also filed in LS Power Transmission's September 2010 comments in the FERC Transmission Planning NOPR proceeding under Docket No. RM10-23.	30	LSP 3	05.04.14	Attachment A was not provided. A request has been submitted to LS Power to provide the attachment.
Transmission Developer Qualification Requirements		LS Power recommends that appropriate criteria would be that Transmission Developers should demonstrate financial capability equal to or greater than the project they are proposing, and at the time of assignment that their then current financial situation has not experienced a material degradation from the time of project proposal.	31	LSP 4	05.04.15	NTTG presented draft sponsor financial qualifications in a proposed qualification table in the Planning Practice at the April 25, 2012 NTTG Order 1000 Stakeholder meeting. In that table, NTTG proposed that the sponsor have financial means of: 1. The project sponsor has been in existence for at least 5 years 2. Project sponsor's working capital has been positive for the last 3 years 3. The project sponsor's assets are at least five (5) times the total project capital cost 4. Project sponsor's total debt to assets ratio is less than 0.5

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Transmission Project Qualification and Evaluation Requirements (p. 258-259 of FERC Order 1000)		<p>The NTTG filing must 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 cycle. (p. 258 of FERC Order 1000).</p> <p>- The information requirements must identify in sufficient detail the information necessary to allow a proposed transmission project to be evaluated in the regional transmission planning process on a basis comparable to other transmission projects that are proposed in the regional transmission planning process. They may require, for example, relevant engineering studies and cost analyses and may request other reports or information from the transmission developer that are needed to facilitate evaluation of the transmission project in the regional planning process. Whether the region requires prima facie showings of need for a project should be addressed at the regional level. (p. 258-259 of FERC Order 1000).</p>	32	LSP 5	05.04.16	NTTG intends to develop procedures that comply with requirements of FERC Order 1000.
Transmission Project Qualification and Evaluation Requirements		<p>- LS Power believes that there are three viable options to award proposed transmission projects.</p> <ol style="list-style-type: none"> 1. Project Sponsorship 2. Competitive Solicitation 3. Combination of Sponsorship/Competitive Solicitation (LSP Preferred Opinion). 	33	LSP 6	05.04.17	<p>NTTG has not contemplated the need to award proposed transmission projects. (¶ 49 of Order 1000 states that FERC's intent is to continue to ensure that public utility transmission providers use just and reasonable transmission planning processes and procedures, as required by Order Nos. 888 and 890, to provide for the needs of their transmission customers. Such planning may require public utility transmission providers—in consultation with stakeholders—to determine what needs to be built, where it needs to be built, and who needs to build it, but the Commission is not making such determinations here. ¶ 49 of Order 1000 states that FERC declined to impose obligations to build or mandatory processes to obtain commitments to construct transmission facilities in the regional transmission plan) NTTG's assumption is that the regional transmission plan and cost allocation are informational, not binding and not a construction plan. The award of projects is much more like a construction plan.</p>
Transmission Project Qualification and Evaluation Requirements		<p>The NTTG Tariff filing must include a transparent and not unduly discriminatory or preferential process used by the region for evaluating whether to include a proposed transmission facility in the regional transmission plan (p.232 of FERC Order 1000).</p> <p>- The evaluation process must culminate in a determination that is sufficiently detailed for stakeholders to understand why a particular transmission project was selected or not selected in the regional transmission plan for purposes of cost allocation. (p.260 of FERC Order 1000).</p> <p>- LS Power believes that when using cost estimates as part of the selection criteria, the estimates and cost estimate methodology must be consistently applied to both new entrant and incumbent utility proposals.</p> <p>- LS Power believes that the best way to achieve this is through the use of an external transmission project selection administrator.</p> <p>- Independent Evaluator</p>	34	LSP 7	05.04.18	NTTG has discussed the use of the WECC project estimating information gathered by a TEPPC subcommittee, as the basis for an but have not committed to an independent evaluator of the cost estimates.
Cost Recovery and New Entrant (p. 264 of FERC Order 1000)		The NTTG filing must provide a comparable opportunity for incumbent and non-incumbent transmission project developers to recover the cost of a transmission facility through a regional cost allocation method. (p.264 of FERC Order 1000).	35	LSP 8	05.04.19	NTTG intends to develop procedures that comply with requirements of FERC Order 1000.

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Identify the timing, process, and circumstances for reevaluating transmission projects that were previously selected and approved in the regional transmission plan for purposes of cost allocation.		The NTTG filing must describe the circumstances and procedures under which its 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 proposed by the incumbent transmission provider, to ensure the incumbent transmission provider can meet its reliability or service obligations. (p.261 of FERC Order 1000)	36	LSP 9	05.04.20	NTTG intends to develop procedures that comply with requirements of FERC Order 1000.
Identify the timing, process, and circumstances for reevaluating transmission projects that were previously selected and approved in the regional transmission plan for purposes of cost allocation.		LS Power position (in LS Power Clarification request related to FERC Order 1000) is that the elimination of the right of first refusal is applicable to all planning cycles arising after July 1, 2012, or alternatively underway on the compliance filing date in October 2012.	37	LSP 10	05.04.21	NTTG will propose in the compliance filing how to deal with the present planning cycle. Presently, the members acknowledge that the information required for the Order 1000 cost allocation was not gathered in first quarter of the the 2012-2013 regional transmission planning cycle. Based on this, it is expected that NTTG will comply with and implement Order 1000 provisions with the 2014-2015 planning cycle.