

PPL Questions on
NTTG Attachment K "Strawman" Proposal

- **Dispute Resolution** - In the July 17, 2008 Order regarding the NTTG Agreement (at P 19), FERC specified that the dispute resolution process should ensure that parties retain any rights they have under FPA section 206 to file complaints with the Commission. The strawman proposal states that nothing contained in its dispute resolution procedures shall "limit the rights of a prevailing or non-prevailing party to a dispute pursuant to the process set forth herein to invoke any rights it may have to enforce or challenge, respectively, the outcome of the dispute resolution process through a filing pursuant to Section 206 of the Federal Power Act at FERC." How is the proposal consistent with FERC's directive since it appears to require that parties complete the dispute resolution process, which includes binding arbitration, before making a section 206 filing with FERC? Further, the strawman proposal appears to permit use of the FERC alternative dispute resolution process to only parties that are "unable, rather than unwilling," to avail themselves of the NTTG dispute resolution process. Again, how is the proposal consistent with FERC's directive that parties retain their rights to bring disputes to the Commission?
- **Regional Participation** - In the July 17, 2008 Order (at P 91), FERC found that the NTTG members have not provided "sufficient detail to allow customers and other interested stakeholders to fully understand how the data and inputs they provide on the local transmission plan will be integrated into the sub-regional plan being developed by NTTG and incorporated into WECC TEPPC studies." The strawman proposal would link to the Business Practice documents on the NTTG members' OASIS websites and links to the NTTG and WECC Documents. How does including website links without further explanation comply with FERC's directive?
- **Economic Planning Studies** - In the July 17, 2008 Order (at P 101), FERC indicated that the NTTG members have not described how clustering or batching of economic planning studies will be done. The strawman proposal indicates that economic/congestion studies will be clustered together "only if their PORs and PODs are exactly identical to one another." Why is clustering determined so narrowly? What if several projects have impacts on the same flowgates or parallel flows but do not have identical PORs and PODs?
- **Cost Allocation Methodology** - In the July 17, 2008 Order (at PP 117-118), FERC found that the NTTG members' proposed cost allocation methodologies "do not provide the degree of certainty required by participants seeking to pursue new investment" and "Order No. 890 requires a specific cost allocation methodology that is reflected up front in Attachment K, rather than considered on a case-by-case basis." The strawman proposal includes a three-part cost allocation: (a) proportional allocation of costs to project participants; (b) costs allocated to the requester for economic and congestion relief projects; and (c) exclusion of projects for interconnection or transmission service. These three general principles do not appear to provide the *ex ante* certainty necessary to encourage transmission investment. For example, is part (a) meant to apply only to open-season solicitations? What if non-participants benefit from a project under item (a)? If part (b) applies only to economic/congestion projects, what is

the cost allocation methodology for reliability projects? What if an economic project results in the acceleration of a project otherwise needed for reliability? What if parties other than the requester benefit from an economic/congestion project? What if an interconnection or transmission service request accelerates a project otherwise needed for reliability?

- **Next Steps** - When will NTTG provide interested parties a draft of the proposed changes to the NTTG Agreement for review? Will interested parties have an opportunity to comment on the proposed changes to the NTTG Agreement?