



October 29, 2008

VIA ELECTRONIC FILING

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

**RE: Order No. 890 Attachment K Joint Compliance Filing of the
Funding Members of the Northern Tier Transmission Group**

Idaho Power Company
Docket No. OA08-23-_____

Deseret Generation & Transmission Co-operative, Inc.
Docket No. OA08-28-_____

NorthWestern Corporation
Docket No. OA08-31-_____

PacifiCorp
Docket No. OA08-40-_____

Portland General Electric Company
Docket No. OA08-45-_____

Dear Secretary Bose:

Pursuant to (i) Section 206 of the Federal Power Act, 16 U.S.C. § 824e, (ii) the “Order Accepting Compliance Filings Subject to Modifications and Directing Further Compliance Filings” issued by the Federal Energy Regulatory Commission (the “Commission”), in *Idaho Power Company, et al.*, 124 FERC ¶ 61,053 (July 17, 2008) (“July 17 Order”), (iii) the “Notice of Extension of Time” issued by the Commission in *Idaho Power Company, et al.*, Docket No. OA08-23 *et al* (unpublished letter order dated October 14, 2008), and (iv) the “Order on Compliance” issued by the Commission in *Portland General Electric Company*, 125 FERC ¶ 61,067 (October 16, 2008) (“October 16 Order”), Deseret Generation & Transmission Co-operative, Inc. (“Deseret”), Idaho Power Company (“Idaho Power”), NorthWestern Corporation

(“NorthWestern”), PacifiCorp (“PacifiCorp”), Portland General Electric Company (“PGE”), hereby submit their joint compliance filing in the above-captioned proceedings. Collectively, Deseret, Idaho Power, NorthWestern, PacifiCorp and PGE will be referred to in this joint compliance filing as the “Applicants” or, with reference to their financial commitment to the Northern Tier Transmission Group (“NTTG”) and its planning process, as the “Funding Members” of the NTTG.¹

This filing addresses all Attachment K compliance matters directed by the Commission for Deseret, Idaho Power, NorthWestern and PacifiCorp set out in the July 17 Order, with the limited exception of the modification required by Paragraph 19, relating to common modifications to the NTTG Planning Agreement. This filing also addresses all Attachment K compliance matters directed by the Commission for PGE set out in the October 16 Order. The Funding Members, together with Black Hills Power, Inc. (a non-Funding Member of NTTG, but a jurisdictional party to the NTTG Planning Agreement) will address the compliance obligations set out in Paragraph 19 of the July 17 Order in a separate filing submitted to the Commission on October 29, 2008 in Docket Nos. OA08-54, OA08-55, OA08-56, OA08-57, OA08-99 and OA08-118.

With the Commission’s acceptance of the tariff changes 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 July 17 Order or, in the case of PGE, the October 16 Order.

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

I. COMMUNICATIONS

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

¹ The original Funding Members of the NTTG are Deseret, Idaho Power, NorthWestern and PacifiCorp (i.e., jurisdictional entities that are transmission providers with OATTs on file with the Commission) and the Utah Association of Municipal Power System (an entity that is not a “public utility” as defined in Section 201 of the Federal Power Act (18 U.S.C. § 824)) and have executed the 2008 -2009 NTTG Funding Agreement. This agreement was accepted for filing as an initial rate schedule with respect to Deseret, Idaho Power, NorthWestern and PacifiCorp by the Commission as part of the July 17 Order. See July 17 Order at PP 11-12, 18-20. Subsequent to the July 17 Order, the Commission accepted for filing in a letter order dated October 8, 2008 a Second Revised 2008-2009 Funding Agreement, which added PGE as a Funding Member. See *Deseret Generation & Transmission Co-operative, Inc., et al.*, Docket No. ER08-1387-000 *et al.* (October 8, 2008).

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Deseret Generation & Transmission Co-operative, Inc.

James Tucker*
Director of Transmission Service
Deseret Generation & Transmission
Co-operative, Inc.
10714 South Jordan Gateway
South Jordan, Utah 84095
Telephone: 801-619-6511
Fax: 801-619-6599
Email: jtucker@deseretgt.com

Craig W. Silverstein*
Miller, Balis & O'Neil P.C.
Twelfth Floor
1015 Fifteenth Street, NW
Washington, DC 20005
Telephone: 202-303-3887
Fax: 202-296-0166
Email: csilverstein@mbolaw.com

Idaho Power Company

Tessia R. Park*
James L. Baggs
Idaho Power Company
1221 W. Idaho Street
Boise, ID 83702
Telephone: 208-388-2360 (T. Park)
Telephone: 208-388-2719 (J. Baggs)
Fax: 208-388-5504
E-mail: tpark@idahopower.com
jbaggs@idahopower.com

Malcolm McLellan*
Van Ness Feldman, P.C.
Millennium Tower
719 Second Avenue
Suite 1150
Seattle, WA 98104
Telephone: 206-829-1814
Fax: 206-623-4986
E-mail: mcm@vnf.com

NorthWestern Corporation

Michael R. Cashell*
Chief Transmission Officer
NorthWestern Corporation
40 E. Broadway
Butte, MT 59701
Telephone: 406-497-4575
Fax: 406-497-2054
E-mail:
michael.cashell@northwestern.com

Richard Garlish*
NorthWestern Corporation
40 E. Broadway
Butte, MT 59701
Telephone: 406-497-2210
Fax: 406-497-2054
E-mail: richard.garlish@northwestern.com

PacifiCorp

John Cupparo*
Vice President, Transmission
PacifiCorp
825 NE Multnomah, Suite 1600
Portland, OR 97232
Telephone: 503-813-7017
Fax: 503-813-6893
E-mail: john.cupparo@pacificorp.com

Ryan Flynn*
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
Telephone: 503-813-5854
Fax: 503-813-7262
E-mail: ryan.flynn@pacificorp.com

Portland General Electric Company

Rob Potter*
FERC Analyst
Portland General Electric Company
121 SW Salmon Street, 1WTC0408
Portland, OR 97204
Telephone: 503-464-8784
Fax: 503-464-2236
E-mail: rob.potter@pgn.com

Cece L. Coleman*
Assistant General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC1301
Portland, OR 97204
Telephone: 503-464-7831
Fax: 503-464-2200
E-mail: cece.coleman@pgn.com

*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.

II. INTRODUCTION AND OVERVIEW OF FILING

A. Description of the NTTG and the Applicants

Each of the Applicants owns and operates transmission facilities within a portion of the Northwest and Mountain States, and is subject to the Federal Power Act jurisdiction of the Commission. While local, single system planning efforts are performed individually, each of the Applicants has committed, through agreement and by providing funding, to participation in the 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 sub-regional commitments to the NTTG and in conjunction with each of their respective Attachment Ks, 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 Electric Coordination Council ("WECC") processes, the entire Western Interconnection.

On December 7, 2007, Deseret, Idaho Power, NorthWestern, PacifiCorp and PGE each submitted pursuant to FPA Section 206 a transmission planning process as a proposed Attachment K to their respective Open Access Transmission Tariffs (“OATT(s)” or “Tariff(s)”), as required by Order No. 890. Subsequently, on August 12, 2008, PGE amended its FPA Section 206 Attachment K filing to synchronize its local, sub-regional and regional planning obligations set out in its OATT with the other four NTTG Funding Members. The August 12, 2008, PGE filing further sought to incorporate some of the same modifications ordered by the Commission as to the other Funding Members in the July 17 Order, described below.

The Applicants are also the signatories to the NTTG Second Amended and Restated 2008-2009 Funding Agreement, which specifies the entities that are funding 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 NTTG Second Amended and Restated 2008-2009 Funding Agreement, the parties commit funds according to an estimated budget for two years of Northern Tier activities. The 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 Northern Tier funds (referred to therein as the Finance Agent) will obtain approval to pay NTTG expenses.

The Applicants, together with interested stakeholders are signatories to the NTTG Planning Agreement, which specifies the entities that are committed to working with one another, other stakeholders, and state officials to increase efficient use of the grid and to develop the infrastructure needed to meet commitments with existing and new transmission customers. Parties to the NTTG Planning Agreement provide the in-kind personnel resources necessary to develop a ten-year integrated regional transmission plan, which is performed on a biennial basis through the sub-regional planning process.

B. The July 17 Order

The July 17 Order accepted for filing, subject to certain limited modifications, separate but substantially similar proposals submitted by each of the original four (4) NTTG Funding Members (Deseret, Idaho Power, NorthWestern and PacifiCorp) to comply with Order No. 890’s requirement for an Attachment K planning process that considers local, sub-regional, and regional planning. The July 17 Order directed certain or, in most instances, *all* four of the original Funding Members of the NTTG to further address five of the nine planning principles set out in Order No. 890 and 890-A as part of its contemplated Attachment K planning process. These principles include: Principle # 5 - Comparability (*see* Paragraphs 63-64), Principle # 6 - Dispute Resolution (*see* Paragraphs 71-74), Principle # 7 - Regional Participation (*see* Paragraphs 90-95); Principle # 8 - Economic Planning Studies (*see* Paragraphs 101-102); and Principle # 9 - Cost Allocation for New Projects (*see* Paragraphs 115-119). Finally, as a procedural matter, the July 17 Order directed PacifiCorp to correct its Attachment K tariff pages to reflect an effective date of December 7, 2007.

The July 17 Order also accepted for filing rate schedules submitted by all five jurisdictional Funding Members of NTTG (inclusive of PGE), including the NTTG Planning Agreement, the NTTG Second Amended and Restated 2007 Funding Agreement, and the NTTG Amended and Restated 2008-2009 Funding Agreement. As explained in the July 17 Order, these three NTTG agreements serve as the foundation for the NTTG to perform the sub-regional planning described in each of the Applicant's individual Attachment K provisions, and to coordinate planning at the regional level through the WECC processes.

C. The Commission's September 9, 2008 Technical Conference

Upon review of the July 17 Order and the other Attachment K orders issued within the Western Interconnection, the Applicants observed similarities in the compliance obligations addressed in the various orders. To facilitate integration of the planning processes, the Applicants, after testing the concept with the WECC, ColumbiaGrid and WestConnect, suggested a technical conference so that responses to the Commission's orders could be discussed with Commission Staff and stakeholders prior to their submission. The Commission issued a notice for a public technical conference on August 26, 2008 to be held September 9, 2008 ("Technical Conference").

In preparation for the Technical Conference, proposed compliance language in response to the Applicants' Attachment K orders was made available to Commission Staff and stakeholders for review. On September 9, 2008, the Commission, with the assistance of the WECC's Transmission Expansion Planning Policy Committee, held the Technical Conference in Salt Lake City, Utah. Commission Staff and stakeholders provided valuable feedback to the Applicants and the other transmission providers that participated in the meeting. The feedback was utilized in preparing the response submitted by this joint compliance filing. The Applicants are grateful to the Commission Staff and stakeholders for taking the time to prepare for and attend the Technical Conference.

D. The October 16 Order

The October 16 Order likewise accepted for filing, subject to certain modifications, a proposal submitted by PGE that was substantially similar to those of the original Funding Members, to comply with Order No. 890's requirement for an Attachment K planning process that considers local, sub-regional, and regional planning.

The October 16 Order directed PGE to further address the same 5 planning principles the original Funding Members were directed to address, namely: Principle # 5 - Comparability (*see* Paragraphs 26-28); Principle # 6 - Dispute Resolution (*see* Paragraphs 29-31); Principle # 7 - Regional Participation (*see* Paragraphs 32-39); Principle # 8 - Economic Planning Studies (*see* Paragraphs 40-46); and Principle # 9 - Cost Allocation for New Projects (*see* Paragraphs 47-55).

E. Purpose and Structure of this Joint Compliance Filing

Just as the Commission has to date attempted to address all of the Applicants' Attachment Ks in a coordinated fashion, through substantially similar orders and at the Technical Conference, 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 the July 17 Order, or in the case of PGE, its October 16 Order. To accomplish this goal, this joint compliance filing is structured as follows:

First, Section III.A. of this joint compliance filing addresses the modifications common to several or all of the Applicants' Attachment K provisions of their respective OATTs that are necessary to satisfy the Commission's concerns with respect to Principles 5 through 9, as they are affected by the Applicants' collective approach to sub-regional and regional planning processes. Each Applicant's Attachment K is divided into three separate parts reflecting the local, sub-regional and regional planning processes. The changes described in Section III.A. generally affect only the sub-regional and regional tariff provisions. However, because the planning process must be coordinated at all levels and because interaction at the NTTG level begins with stakeholders' input at the local planning level, certain changes to the local planning process will also be common among the Applicants, as described in this section.

Additionally, the July 17 Order and the October 16 Order specifically required that the Applicants provide, in response to certain Order No. 890 planning principles, additional explanation (but not necessarily revised tariff language) that describes the coordinated planning process for the NTTG sub-region of the Western Interconnection. As part of the Technical Conference described above, the Commission made further suggestions regarding the narrative explanation to be included in the compliance filing transmittal letter to assist the Commission's processing of this filing. The Applicants include, in this section of their compliance filing, such additional language to satisfy the Commission's requirements and guidance.

Second, Section III.B. of this joint compliance filing addresses modifications to limited and specific aspects of each individual Applicant's Attachment K filing, as directed in the July 17 Order or the October 16 Order, that were found to require further modification, or which require clarifying modifications due to the compliance changes proposed herein. Because the Applicants desire to address with common language the sub-regional and regional planning process in each of their respective OATTs, the changes described in this section relate only to the directives of the July 17 Order or the October 16 Order addressing deficiencies in the local planning process. Section III.B also addresses PacifiCorp's obligation to re-submit tariff pages to its OATT with the proper effective date, as required by the July 17 Order.

Finally, Section IV. of this joint compliance filing provides a detailed list of all the attachments to the filing, the requested effective date, and a list of parties served with a copy of the filing.

To avoid any confusion and to expedite processing of this joint compliance filing, the names of each Applicant that is sponsoring the changes and narrative explanation in each section (or subsection) described above will be clearly identified in the section headings to this transmittal letter.

III. COMPLIANCE FILING

A. COMMON MODIFICATIONS TO THE APPLICANTS' ATTACHMENT K TARIFFS IN RESPONSE TO THE JULY 17 ORDER AND THE OCTOBER 16 ORDER

The Commission in the July 17 Order, the October 16 Order and in the Technical Conference in large part addressed the Attachment K proposals of the Applicants as requiring common changes to comply with Order No. 890/890-A and the nine principles relating to transmission planning. This was particularly true in the Commission's directives with respect to the sub-regional and regional portions of the Applicants' Tariffs. In certain limited instances, however, the Commission found some (but not all) NTTG members to be in full compliance with Order No. 890, and thus required changes to only a few of those entities' Tariffs. Thus, in response to the July 17 Order and October 16 Order, and the feedback provided at the Technical Conference, the Applicants offer this common response and compliance Tariff changes. As noted above, the sponsors of each set of Tariff changes will be noted in the heading of each subsection.

1. PRINCIPLE # 5 – COMPARABILITY

a. TREATMENT OF SIMILARLY-SITUATED CUSTOMERS (Sponsored by Deseret, Idaho Power and NorthWestern)²

Upon review, the Commission determined that each of the Applicants' Attachment Ks appeared to generally meet the comparability principle. However, the Commission expressed concern that a statement in three of the Applicants' transmittal letters (Deseret, Idaho Power and NorthWestern) appeared to misapprehend the requirement of the comparability principle that transmission plans must treat similarly-situated customers comparably.³ As a result, the Commission directed Deseret, Idaho Power and NorthWestern to submit a compliance filing clarifying the statement in their transmittal letters and, more specifically, how each of their transmission plans to treat similarly-situated customers comparably under Order No. 890.⁴

² PacifiCorp and PGE were not required to clarify treatment of similarly situated customers.

³ For example, Idaho Power's transmittal letter stated that "[t]he purpose of Idaho Power's Attachment K is to develop a transmission plan that meets the needs of its transmission customers on a comparable basis to its own merchant function's needs." Idaho Power Transmittal Letter at 10 (Dec. 7, 2007).

⁴ July 17 Order at P 63.

Deseret, Idaho Power and NorthWestern recognize that, pursuant to Order No. 890, transmission providers are obligated to ensure that transmission service is provided on a non-discriminatory basis. In furtherance of this purpose, in part, the Commission required that “transmission providers continue to plan their transmission systems such that their own interests are addressed without regard to, or ahead of, the interests of their customers.”⁵ As explained further below, Deseret, Idaho Power and NorthWestern’s transmission system planning process, as detailed in their respective Attachment Ks, satisfy the Commission’s comparability principle by ensuring that their transmission plans treat similarly-situated customers comparably.⁶

In their Attachment Ks, Deseret, Idaho Power and NorthWestern (in addition to PacifiCorp and PGE) each establish a transmission system planning process that provides comparable planning for similarly-situated customers. Each Attachment K allows all stakeholders to participate at every planning level – local, sub-regional, and regional.⁷ Further, under each Applicants’ Attachment K, the transmission provider is required to post the transmission plans as they are being developed along with underlying methodologies, criteria, assumptions, databases, and processes that the transmission provider uses to prepare the transmission plans so that all stakeholders have access to the same information at the same time.⁸ Each of the Applicants’ Attachment K also requires that point-to-point Transmission Customers, Network Customers and Native Load Customers all provide the same type of information about their future needs at the same time during the planning process.⁹ In addition, the Attachment Ks allow all stakeholders to submit Economic Study Requests¹⁰ for evaluation in the transmission plans.¹¹

In practice, the planning process has been open to all stakeholders, and those participants have been treated on a comparable basis. At the local planning level, each NTTG transmission provider has actively solicited, and some have received, input from stakeholders for

⁵ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 495.

⁶ *Id.*; Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 213 (“Comparability simply requires that a transmission provider engage in comparable planning for its similarly-situated customers.”).

⁷ Deseret Attachment K, Part A, sections 2.3 and 10.1, Part B, section 3.1, Part C, section 3; Idaho Power Attachment K, sections 3.3, 11.1, 14 and 20; NorthWestern Attachment K, sections 2.4.2, 3.3 and 4.3; PacifiCorp Attachment K, sections 2.1, 3.4 and 4; PGE Attachment K, sections 3.3, 11.1, 14 and 20.

⁸ Deseret Attachment K, Part A, sections 2.2.2 and 2.2.3, Part B, section 2, and Part C, section 2; Idaho Power Attachment K, sections 3.2.2, 3.2.3, 13, and 19; NorthWestern Attachment K, sections 2.4.3, 2.4.7, 3.2 and 4.2; PacifiCorp Attachment K, sections 2.2.2.2, 2.2.2.3, 3.3, and 4.3; PGE Attachment K, sections 3.2.2, 3.2.3, 3.2.5, 3.2.7, 13 and 19.

⁹ Deseret Attachment K, Part A, section 3.1, Part B, section 2, Part C, section 2; Idaho Power’s Attachment K sections 4.1, 13 and 19; NorthWestern Attachment K, sections 2.5, 3.2 and 4.2; PacifiCorp Attachment K, sections 2.3.1, 3.3, and 4.3; PGE Attachment K, sections 4.1, 13 and 19.

¹⁰ PacifiCorp’s Attachment K uses the nomenclature “Economic Congestion Study Request” rather than “Economic Study Request.” The two terms are synonymous.

¹¹ Deseret Attachment K, section Part A, section 1.1, Part B, section 4.1, and Part C, section 4; Idaho Power Attachment K, sections 2.1, 15, and 21; NorthWestern Attachment K, sections 2.1.3, 2.2.2, 2.3, 2.7.2 3.4 and 4.4; PacifiCorp Attachment K, sections .1.2, 3.5, and 4.5; PGE Attachment K, section 2.1, 7.2, 15 and 21.

incorporation into the two-year planning cycle. Deseret held stakeholder meetings on March 29, 2008, June 30, 2008 and September 29, 2008. Idaho Power held stakeholder meetings on February 21, 2008 and July 7, 2008. NorthWestern held stakeholder meetings on January 25, 2008, March 6 and 20, 2008, May 15, 2008, August 21, 2008 and October 23, 2008. At the sub-regional level, NTTG has held five stakeholder meetings, at various locations, including January 17, 2008 in Portland, Oregon, April 8, 2008 in Salt Lake City, Utah, May 30 and June 16 web and voice conference calls and July 24, 2008 in Bozeman, Montana. A further NTTG public meeting has been scheduled for November 12, 2008.

Based on the process summarized above, Deseret, Idaho Power and NorthWestern believe that their respective Attachment K planning processes treat similarly-situated customers comparably under Order No. 890, and that a finding comparable to the determination reached in the July 17 Order as to PacifiCorp and the October 16 Order as to PGE is appropriate. To the extent that each of Deseret, Idaho Power and NorthWestern's transmittal letters accompanying their original Attachment K filings suggested a different conclusion, each apologizes for any confusion that was created. As a result, and with this further explanation, the affected Applicants do not believe that any modifications to their respective Attachment Ks are required at this time to fully satisfy the Commission's directive in Paragraph 63 of its July 17 Order.

b. TREATMENT OF DEMAND RESOURCES (Sponsored by All Applicants)

The Commission found that the Attachment Ks submitted by the Applicants did not address how they will treat demand resources comparably.¹² However, in the July 17 Order the Commission recognized that the original four Funding Members submitted their Attachment Ks prior to the issuance of Order No. 890-A, which provided additional guidance regarding compliance with the comparability principle. As a result, the Commission directed those Funding Members to submit a compliance filing providing the necessary demonstration required by Order No. 890-A, regarding demand resources.¹³

In both Order No. 890 and Order No. 890-A, the Commission stated that "customer demand resources should be considered on a comparable basis to the service provided by comparable generation resources where appropriate."¹⁴ To be considered on a comparable basis, the Commission recognized that demand resources must be capable of providing the functions assessed in the transmission planning process and be relied upon on a long-term basis.¹⁵ As part

¹² July 17 Order at P 64; *see also* October 16 Order at P 28.

¹³ *Id.*

¹⁴ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 494; Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 208.

¹⁵ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 479; *see also* Testimony of the Honorable Joseph T. Kelliher Before the Committee on Energy and Natural Resources, United States Senate at p. 10 (July 31, 2008) ("Order No. 890 also required that, where demand resources are capable of providing the functions assessed in a transmission

of the information exchange during the development of the transmission plans, and to the extent applicable, transmission customers should provide information on existing and planned demand resources.¹⁶ To be considered during the development of the transmission plan, stakeholders should provide proposed demand response resources.¹⁷ As explained further below, the Applicants' transmission system planning processes, as detailed in their Attachment Ks, satisfy the requirement that demand resources be treated on a comparable basis to other resources.

The Attachment Ks submitted by the Applicants establish a planning process that allows all stakeholders to participate at every level – local, sub-regional, and regional.¹⁸ Accordingly, the Applicants have not restricted the entities that are able to participate throughout the transmission planning process. In the July 17 Order and October 16 Order, the Commission suggests that tariff language should provide for participation by sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources.¹⁹ The Applicants believe that their Attachment Ks already provide for participation by such entities. By explicitly requiring that the transmission planning process be open to all stakeholders, the relevant language in the submitted Attachment Ks is broader in scope than that proposed by the Commission and allows for participation by a full range of stakeholders, including those that are available to supply demand resources.

It is also the Applicants' belief that the planning process set forth in their Attachment Ks already treats demand resources on a comparable basis to other resources. However, to clarify this comparable treatment, the Applicants propose in this filing to first define demand resources and then incorporate the term into the relevant sections of Attachment K. Accordingly, the Applicants are defining "Demand Resources" in their Attachment Ks to read as follows:

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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.²⁰

This definition clarifies the types of resources that the Applicants shall consider as Demand Resources for planning purposes.

planning process and can be relied upon on a long-term basis, they should be considered on a comparable basis to other resources.").

¹⁶ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 487.

¹⁷ *Id.*

¹⁸ Deseret Attachment K, Part A, sections 2.3 and 10.1, Part B, section 3.1, Part C, section 3; Idaho Power Attachment K, sections 3.3, 11.1, 14 and 20; NorthWestern Attachment K, sections 2.2.2, 2.4.2, 3.3 and 4.3; PacifiCorp Attachment K, sections 2.1.5, 2.11.1, 3.4, and 4.4; PGE Attachment K, section 3.3, 11.1, 14, and 20.

¹⁹ July 17 Order at P 64 n.91; October 16 Order at P 28 n.31.

²⁰ Deseret Attachment K, Definitions; Idaho Power Attachment K, section 1.1; NorthWestern Attachment K, section 1.1; PacifiCorp Attachment K, section 1.1; PGE Attachment K, section 1.2.

When evaluating Demand Resources in the transmission plan, the Applicants treat Demand Resources as a generation-based response. As a practical matter, Demand Resources reflect a reduced need for generation. The Applicants' process for addressing Demand Resources is very flexible. For example, the transmission plan can study the effects of varying load during the planning horizon and study specific proposals involving Demand Resources when presented as Economic Study Requests.²¹ As defined in Attachment K, an Economic Study Request includes the submission of Demand Resources for modeling.²² It is through this process that the Applicants take Demand Resources into consideration and treat these resources comparably with other types of resource requests.

Based on the process summarized above, the Applicants believe that their Attachment K planning process treats demand resources comparably under Order Nos. 890 and 890-A. However, to clarify this comparable treatment, the Applicants have added a definition of Demand Resources to their Attachment Ks. As a result, and with this further explanation, the Applicants believe that they have fully satisfied the Commission's directive in Paragraph 64 of its July 17 Order and Paragraph 28 of its October 16 Order.

2. PRINCIPLE # 6 - DISPUTE RESOLUTION **(Sponsored by all Applicants)**

The Commission's July 17 Order and the October 16 Order directed the Applicants to make further modifications to their respective Attachment K dispute resolution provisions applicable to the sub-regional and regional (and in some cases, local) processes. Paragraph 73 of the July 17 Order and Paragraph 31 of the October 16 Order directed the transmission providers to revise their respective dispute resolution procedures ". . .to preserve the rights of a party to exercise its rights under section 206 of the FPA." Paragraph 94 of the July 17 Order (as part of its discussion of the Regional Participation Principle) required each transmission provider to clarify "how the WECC dispute resolution principles can be utilized to address disputes under the sub-regional planning process created pursuant to the NTTG [Planning] Agreement, including whether a non-WECC member can effectively invoke the WECC dispute resolution procedures." The Commission further directed (*id.*) the transmission providers to clarify "how the WECC dispute resolution process can be utilized to address regional planning disputes that arise under each Transmission Provider's tariff."

²¹ Deseret Attachment K, Definitions; Idaho Power Attachment K, section 1.2; NorthWestern Attachment K, section 1.2; PacifiCorp Attachment K, section 1.3; PGE Attachment K, section 1.2.

²² The Funding Members' Attachment Ks define Economic Study Request as "a request by an Eligible Customer or stakeholder to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Local Transmission Plan . . . , to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Local Transmission Plan." *Id.* Under the Funding Members' Attachment Ks, any Eligible Customer or stakeholder may submit an Economic Study Request along with all available data supporting the request to be modeled. Deseret Attachment K, Part A, section 6.2; Idaho Power Attachment K, section 7.2; NorthWestern Attachment K, section 2.7.2; PacifiCorp Attachment K, section 2.7.1; PGE Attachment K, section 7.2.

In response, the Applicants propose several common changes to each of their sub-regional and regional dispute resolution processes such that each is (i) consistent with the Commission's Dispute Resolution principle, and (ii) coordinated with the changes described in the separate NTTG Planning Agreement compliance filing in response to Paragraph 19 of the July 17 Order. As the Tariff language points to and relies upon the NTTG Planning Agreement, the Applicants propose to make each Tariff clear that a dispute under the sub-regional provisions of Attachment K have access to the dispute resolution process described in the revised NTTG Planning Agreement.

The sub-regional provisions of each Attachment K has been modified to make clear that the "Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional expansion plan and associated cost allocation[.]" and further, that dispute resolution "may also be initiated, *inter alia*, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document."²³ The language continues (*id.*) to state "[f]or the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG [P]lanning [A]greement accommodates disputes raised by WECC members and non-WECC members alike."

To avoid any perceived lack of clarity of the obligations of the parties *other than* the affected transmission provider, the sub-regional dispute resolution provisions now also state that "Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process." (*id.*) Just as the case with Article 12 of the *pro forma* OATT, by making the obligation to engage in dispute resolution in an identified forum common to transmission providers and all other affected parties, and further requiring those entities to be fully engaged in the open sub-regional planning process, the process for vetting disputes associated with the NTTG's planning efforts is clear as to all parties.

By matter of further explanation, in the separate NTTG Planning Agreement compliance filing, Applicants propose to modify the existing four-step dispute resolution provision set out in Section 11.1 of the NTTG Planning Agreement to make clear how the process would work for a dispute that is covered by the WECC Bylaws dispute resolution process, and one that is not. The Applicants propose to bifurcate Step 3 (mediation) and Step 4 (arbitration) in the NTTG Planning Agreement to explain that if the WECC dispute resolution process can be utilized, it must be utilized, absent a party's decision to go to the Commission. If the WECC process is not available, mediation would still be available to an aggrieved party through referral to the Commission's Dispute Resolution Service, and arbitration would still be available to an aggrieved party through reference to the arbitration provisions of Article 12 of the Commission's

²³ See, e.g., Deseret Attachment K, Part B, section 5; Idaho Power Attachment K, section 16; NorthWestern Attachment K, section 3.5; PacifiCorp Attachment K, section 3.6; PGE Attachment K, section 16.

then-existing *pro forma* OATT. Mediation and arbitration paths are different because the *pro forma* OATT does not contain standardized mediation language, and it is the Applicants' understanding that the Commission's Dispute Resolution Service does not perform arbitration services, but rather refers parties to an external process.

The NTTG Planning Agreement compliance filing also explains why the parties to that agreement believe the above modifications are consistent with the Commission's directives in its Order No. 890 Principle # 6 - Dispute Resolution, and fulfill the compliance obligations of Paragraph 19 of the July 17 Order. In particular, the filing notes that the changes are consistent with the approach taken by other jurisdictional transmission providers in the WECC in compliance with Order No. 890. For example, in Docket No. OA08-30-000, El Paso Electric ("EPE") proposed as part of its Attachment K (at Article IV) a bifurcated dispute resolution process that referred disputes to the WECC process, if available, or otherwise to an OATT-based dispute resolution process.²⁴ EPE's Attachment K dispute resolution provisions were found to be just and reasonable.²⁵

The NTTG Planning Agreement compliance filing further explains the dispute resolution process available through the WECC Bylaws, and why that process will in fact be able to accommodate disputes. This is true because, although the WECC Bylaws, Appendix C – Dispute Resolution Provisions²⁶ generally limit the invocation of a dispute resolution process to members (or a member and the WECC itself) in Section C.1, it is equally clear in that section that "all affected parties" to a dispute – not just its members – can "separately agree[] otherwise with respect to a particular dispute" to waive that requirement. Furthermore, whereas Section C.2 of the WECC Bylaws delineates the types of disputes to which the provisions apply, Section C.4 of the WECC Bylaws later makes clear that "any dispute that does not fall within the scope specified in Section C.2 above may be resolved according to the procedures set forth in Appendix C of these Bylaws *if all of the parties to the dispute agree to do so.*" (emphasis supplied) Thus, it would appear that the WECC Bylaws provisions are indeed flexible enough to accommodate a dispute arising under the NTTG Planning Agreement, even if invoked by a non-member of WECC that is a signatory to that agreement, and relating to a matter traditionally outside the scope of the Bylaws.

The more salient question associated with the availability of a particular dispute resolution path is what must be done in circumstances where a party is unwilling, rather than unable, to avail its dispute of the WECC Bylaws dispute resolution process. Each of the

²⁴ See EPE Electric Tariff, 4th Revised Vol. No. 1, Original Sheet Nos. 192O and 192P.

²⁵ *El Paso Electric Company, et al.*, 124 FERC ¶ 61,051 at P 19, 20 and fn. 25 (July 17, 2008). The Commission in footnote 25 of the EPE order did indicate that it would be permissible under Order No. 890 to omit a mediation step altogether, and noted that certain other parties in the WECC did so. In the NTTG Planning Agreement, the parties seek, as EPE proposed, to retain this intermediate step.

²⁶ The WECC Bylaws are maintained on the WECC website within its board reference book, which can be found at <http://www.wecc.biz/documents/library/board/Board%20Reference%20Book%208-5-08.pdf> (last accessed: October 8, 2008). The WECC Bylaws were accepted for filing by the Commission in Docket No. EL01-74-000 and ER01-0258-000 (September 27, 2001).

Applicants is a WECC member, and by executing the NTTG Planning Agreement in its original form (and now accepting the further revisions thereto), contemplated that the WECC process would govern disputes among the signatories to that agreement. If the WECC process cannot be used, Section 11 of the NTTG Planning Agreement, as amended, now provides for a parallel mode of dispute resolution options in Steps 3 and 4 of Section 11.1 that do not involve the WECC process. The sub-regional dispute resolution process in each of the Applicant's Attachment K carries this concept forward into each of their respective Tariffs.

Paragraph 73 of the Commission's July 17 Order and Paragraph 31 of the Commission's October 16 Order also directed the transmission providers "to revise their dispute resolution procedures to preserve the rights of a party to exercise its rights under section 206 of the FPA." Again, as is the case with the NTTG Planning Agreement changes that are being proposed today, each Applicant has incorporated the simple statement that "[n]othing contained in this [section reference] shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act."²⁷ The Applicants note that they extracted this language from the Order No. 890-B *pro forma* OATT, section 12.5, which states: "Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act."

Similarly, the regional dispute resolution process contained in each Applicant's OATT has been amended to incorporate the same language which makes clear that nothing restricts the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.²⁸ Additional changes in the regional dispute resolution provisions to differentiate between a dispute eligible or ineligible for WECC dispute resolution is not necessary because, (i) by definition, the subject matter of any dispute arising from the WECC's regional planning efforts is within the WECC Bylaws dispute resolution process, and (ii) none of the Applicants can control, or even bind, WECC or non-parties to the NTTG sub-regional planning process to the resolution of disputes at the regional level that arise from the WECC processes. The Applicants can only commit to the regional process, and any dispute resolution procedures required as part of that process. By stating that "[r]egional dispute resolution *will* be pursuant to the process developed by WECC[.]" (*id.*) each of the Applicants' Attachment K already makes clear such a commitment.

The Applicants also note that the Commission, in Paragraph 29 of the July 17 Order, directed NorthWestern to further modify its dispute resolution provisions to address certain deficiencies in its local transmission planning process. Those modifications, together with additional modifications proposed by the other Applicants to harmonize the dispute resolution obligations in their local transmission planning process with the concepts described in this section, will be addressed below in Sections III.B.1 through III.B.5, below.

²⁷ See, e.g., Deseret Attachment K, Part B, section 5; Idaho Power Attachment K, section 16; NorthWestern Attachment K, section 3.5; PacifiCorp Attachment K, section 3.6; PGE Attachment K, section 16.

²⁸ See, e.g., Deseret Attachment K, Part C, section 5; Idaho Power Attachment K, section 16; NorthWestern Attachment K, section 3.5; PacifiCorp Attachment K, section 3.6; PGE Attachment K, section 22.

With the changes to the various Attachment K dispute resolution provisions described herein, together with the explanations about the amendments to the NTTG Planning Agreement dispute resolution process, the Applicants respectfully submit that they have satisfied the obligations of Paragraphs 73 and 94 of the July 17 Order and Paragraph 31 of the October 16 Order.

3. PRINCIPLE # 7 - REGIONAL PARTICIPATION (Sponsored by all Applicants)

Upon review, the Commission determined that the Attachment Ks proposed by the Applicants generally comply with the regional participation principle provided in Order No. 890.²⁹ While the Commission recognized that the Applicants provided an overview of the NTTG and WECC processes in their Attachment Ks, the Commission stated that the Applicants did not provide sufficient detail to allow customers and stakeholders to fully understand how the data and inputs provided on a local transmission plan will be integrated in the sub-regional and regional studies.³⁰ In doing so, the Commission identified three specific issues: (1) the Attachment Ks do not provide the timelines and milestones between the time that the Applicants submit their individual local plans to NTTG and the time that a final sub-regional plan will be developed; (2) the Attachment Ks have not identified the time of specific opportunities that customers and stakeholders will have to provide input into the elements of the sub-regional and regional plans; and (3) instead of referencing the NTTG and WECC homepage, the Attachment Ks should provide a direct URL to the relevant planning document.³¹ As a result, the Commission found that the Attachment Ks were in partial compliance and directed the Applicants to file further compliance filings.

In Order No. 890, the Commission found that greater coordination and openness in both local and regional transmission planning was necessary to remedy undue discrimination and increase efficiency.³² As required by Order No. 890, each Transmission Provider must “coordinate with interconnected systems 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.”³³ The Commission recognized that in large regions, a Transmission Provider may utilize both sub-regional and regional planning groups. In these situations, the Commission expects “sub-regions to coordinate as necessary to share data, information and assumptions as necessary to maintain reliability and allow customers to consider resource options that span the sub-regions.”³⁴

²⁹ July 17 Order at P 90; October 16 Order at P 37.

³⁰ July 17 Order at P 91; October 16 Order at P 38.

³¹ *Id.*

³² Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 524.

³³ *Id.* at P 523.

³⁴ *Id.* at P 527.

As stated in each of their respective Attachment Ks, the Applicants utilize the NTTG for sub-regional transmission planning and the WECC for regional planning. In general, at the sub-regional level, the Applicants submit their local transmission plans to NTTG to develop a coordinated sub-regional plan that accounts for the needs of NTTG members, their customers, and other stakeholders in the NTTG footprint. At the regional level, the Applicants coordinate regional economic planning through WECC. The planning processes at the sub-regional and regional levels provide opportunities for Eligible Customers and stakeholders to participate, both directly and indirectly.

The Applicants have revised their Attachment Ks in response to the Commission's directions. Primarily, the Applicants have added additional specificity regarding the sub-regional planning process. As part of the sub-regional process, NTTG's planning committee will biennially prepare a long-term (10 year) bulk transmission expansion plan, while taking into consideration up to a twenty year planning horizon. The NTTG planning process consists of an eight-quarter study cycle that provides a timeline and specific milestones for the sub-regional planning process. By including a description of each quarter of the planning process, the Applicants have further identified the timing and opportunities that customers and stakeholders will have to provide input into the elements of the sub-regional plan.³⁵ In addition, in the stakeholder participation section of the sub-regional planning process, the Applicants have added language to provide clarification on how to become a voting member of the NTTG planning committee.³⁶ Finally, in both the sub-regional and regional sections, the Applicants have included direct links to their business practices, which contain direct links to the relevant planning documents, to provide further explanation regarding the planning process. Moreover, throughout each of their Attachment Ks, Applicants have changed the references from "WECC TEPPC" to "WECC" and removed the definition of "WECC TEPPC."³⁷ These changes are necessary to recognize the roles of both the Transmission Expansion Planning Policy Committee and the Planning Coordination Committee in the WECC regional planning process.

Additionally, in response to the Commission's orders, the Applicants have also drafted a "Western Systems Transmission Planning Guidance For Customer and Stakeholder Participation" document (the "Guidance Document"), which is linked and referenced in each of the Applicants' transmission planning business practices, to provide customers and stakeholders with additional information regarding the Western Interconnection transmission planning processes. The Guidance Document explains the relationship between the local, sub-regional, and regional planning processes and, in doing so, demonstrates how planning is coordinated between and within interconnected systems. Importantly, the Guidance Document provides a more detailed description of the planning processes that occur at the local, sub-regional, and

³⁵ Deseret Attachment K, Part B, section 2; Idaho Power Attachment K, section 13; NorthWestern Attachment K, section 3.2; PacifiCorp Attachment K, section 3.3; PGE Attachment K, section 13.

³⁶ Deseret Attachment K, Part B, section 3; Idaho Power Attachment K, section 14; NorthWestern Attachment K, section 3.3; PacifiCorp Attachment K, section 3.4; PGE Attachment K, section 14.

³⁷ In the case of PGE, the definition of "TEPPC" was deleted.

regional levels. As a result of these additions, customers and stakeholders should have the information necessary to understand how the data and inputs provided on a local transmission plan will be integrated into the sub-regional and regional studies. Additionally, for the planning process at each level, the Guidance Document identifies how customers and stakeholders may be involved and how and when they may provide inputs and other data and/or submit comments.

Based on the revisions summarized above, the Applicants believe that their Attachment Ks fully comply with the regional participation principle provided in Order No. 890, and have satisfied the Commission's directives in Paragraph 91 of its July 17 Order and Paragraph 38 of its October 16 Order.

4. PRINCIPLE # 8 - ECONOMIC PLANNING STUDIES (Sponsored by all Applicants)

In the July 17 Order and the October 16 Order, the Commission determined that the Applicants' Attachment Ks partially comply with the economic planning studies principle described in Order No. 890, which required the Applicants to develop procedures to allow stakeholders to identify a certain number of high priority studies annually and a means to cluster or batch requests to streamline the process. Specifically, the Commission stated that the Applicants' Attachment Ks did not adequately describe how clustering or batching of economic study requests will be accomplished.

The Applicants recognize that, pursuant to Order No. 890, transmission providers are obligated to describe the processes relating to economic study requests. After consultation with interested stakeholders and Commission staff, the Applicants have incorporated clarifying provisions into their Attachment Ks to further describe the obligation to cluster or batch economic study requests as outlined in their Attachment K's local, sub-regional and regional sections.³⁸ The modifications to the Attachment Ks also incorporate the bilateral obligations between Applicants and stakeholders to facilitate an efficient and effective economic study request process.

The Applicants propose in this filing to modify portions of their local, sub-regional, and regional planning processes to clarify through which process economic study requests will be considered and clustered or batched. The Applicants' proposal relies on existing Point(s) of Receipt and Point(s) of Delivery on each Applicant's transmission system.³⁹ Economic study requests will be clustered or batched if feasible and if all of the Point(s) of Delivery and Point(s) of Receipt match one another.

³⁸ Deseret Attachment K, Part A, section 6, Part B, section 4, and Part C, section 4; Idaho Power Attachment K, sections 7, 15 and 21; NorthWestern Attachment K, sections 2.7.4, 3.4 and 4.4; PacifiCorp Attachment K, section 2.7, 3.5, and 4.5; PGE Attachment K, sections 7, 15, and 21.

³⁹ Deseret Attachment K, Part A, section 6.3; Idaho Power Attachment K, section 7.3; NorthWestern Attachment K, sections 2.7.5 and 3.4.3; PacifiCorp Attachment K, section 2.7 and 3.5; PGE Attachment K, section 7.3.

This methodology provides: (1) an objective standard for determining how the Applicants should place particular economic study requests, (2) avoids a subjective case-by-case determination, and (3) represents a comprehensive and coordinated clustering or batching of economic study requests to accommodate the maximum number of studies. This process allows the requestor to choose from the geographically diverse locations of existing Points of Receipt and Points of Delivery consistent with the requestor's needs. Effectively, this systematic approach allows the Applicants and the requestor to avoid the unnecessary complexity of parsing benefits and geographic locations through a subjective, case-by-case clustering process. The market and operational complexities of the transmission system necessitate such an approach to deliver the most meaningful and understandable results to requestors.

The Applicants also propose modifications to Attachment K to clarify the reciprocal obligations of requestors of economic study requests to provide necessary data and inputs and general support throughout the process.⁴⁰ At the sub-regional level, incorporation of loads, resources, Demand Resources, and other forecast variables projecting use in the context of specific economic study requests will be performed by NTTG through the planning process. The results of these economic study requests will also be incorporated into NTTG's biennial sub-regional planning process. Accordingly, to ensure a complete and effective planning process, the Applicants propose that requestors should participate in NTTG's planning process via the NTTG Planning Agreement and membership on the NTTG planning committee, including commitment to the dispute resolution process before the commencement of any economic study request.⁴¹

5. PRINCIPLE # 9 - COST ALLOCATION FOR NEW PROJECTS

(Sponsored by all Applicants)

In its July 17 Order and its October 16 Order, respectively, the Commission determined that the original Applicants' respective Attachment Ks generally complied, and PGE's Attachment K partially complied, with the cost allocation principle provided in Order No. 890. Thus, the Applicants were directed to work together on a cost allocation methodology that will provide more certainty for transmission providers and market participants to support new regional and sub-regional transmission infrastructure investment, and to submit compliance filings identifying the cost methodologies that will be used for allocation of costs for projects developed in response to their local transmission planning process and the NTTG sub-regional process.⁴²

⁴⁰ Deseret Attachment K, Part B, section 4.4; Idaho Power Attachment K, section 15.4; NorthWestern Attachment K, section 3.3.4; PacifiCorp Attachment K, section 2.7.4; PGE Attachment K, sections 7.2 and 15.4.

⁴¹ To join the NTTG Planning Agreement, an interested party must execute the agreement and pay a nominal \$500 fee to cover the initial administrative costs associated with becoming a member of the planning committee.

⁴² July 17 Order at P118-119 (2008); and October 16 Order at P 54-55 (2008).

As an initial step, the Applicants presented a straw-man cost allocation proposal during the Technical Conference held in Salt Lake City, Utah, on September 9, 2008. The cost allocation proposal presented by NTTG was, in large part, fashioned after EPE's Attachment K cost allocation language, which has previously been found to be just and reasonable.⁴³

During the Technical Conference, the Applicants walked through their cost allocation proposal and then explained that cost allocation under NTTG is ultimately addressed through the NTTG Cost Allocation Committee—a Committee comprised of representatives from state regulatory commissions, state consumer agencies, and publicly-owned or consumer-owned entities who are members of NTTG. It was further explained that the committee's forum is open to all stakeholders and the public to the extent possible. Given the make-up of the NTTG Cost Allocation Committee and the relative openness of their process, the Applicants advocated that a blanket cost allocation methodology is not the best fit.

Following NTTG's cost allocation presentation, the FERC Staff's comments seemed to suggest that EPE's language contained a "default" cost allocation mechanism which was lacking in the NTTG members' proposal. In addition, the FERC Staff suggested that the NTTG cost allocation proposal needed more clarity around the term "proportional allocation."

By this filing, the Applicants propose to modify their local⁴⁴ and sub-regional⁴⁵ cost allocation sections of their respective Attachment Ks. The cost allocation language proposed in the sub-regional sections of the Attachment Ks is similar to that proposed during the Technical Conference, with two exceptions. First, the revised cost allocation language addresses the specific concerns raised by FERC Staff, in that it now includes a "default" proportional allocation of the costs for any project entered into by the Transmission Provider where an open season solicitation of interest process has been used. Secondly, the revised language makes clear that the "proportional allocation" will be made in proportion to investment, or based on a commitment to transmission rights. The Applicants are hopeful that this clarification will not only be responsive to FERC Staff, but also to the comments expressed during the Technical Conference by PPL Companies indicating an interest for the Applicants to accommodate both "build-outs" and "beneficiaries."

In short, the sub-regional section of each Applicant's Attachment K provides an approach for reliability and/or economic projects that may involve an open season solicitation of interest for additional project participants in the event one of the Applicants is the project sponsor. In the case of a project with more than one participant resulting from a solicitation of interest, the project costs and associated transmission rights would be allocated proportionally to the project participants, unless the project participants agreed to otherwise. Attachment K also gives the

⁴³ *El Paso Electric Company, et al.*, 124 FERC ¶ 61,051 at P 46 (July 17, 2008).

⁴⁴ Deseret Attachment K, Part A, section 5; Idaho Power Attachment K, section 6; NorthWestern Attachment K, section 2.6; PacifiCorp Attachment K, section 2.6; PGE Attachment K, section 6.

⁴⁵ Deseret Attachment K, Part B, section 6; Idaho Power Attachment K, section 17; NorthWestern Attachment K, section 3.6; PacifiCorp Attachment K, section 3.7; PGE Attachment K, section 17.

Applicant the option to move forward without an open season and, under such circumstances, Attachment K provides that project costs and associated transmission rights will be allocated as agreed to among prospective project participants, consistent with NTTG's Cost Allocation principles and subject to review of the NTTG Cost Allocation and Steering Committees, provided the resulting participation agreement is accepted by FERC. The last provision under Cost Allocation identifies the types of projects whose costs would be excluded from the cost allocation principles addressed above.

Finally, it should be noted that the language contained in EPE's Attachment K, Section V.A.4.c, addressing the subject of "Rate Recovery," has not been incorporated and thus, does not appear in the sub-regional section of the Applicants' Attachment Ks. Rather, such language appeared to be more generally applicable, so it was incorporated in the Local, Cost Allocation Section, of each Applicants' Attachment K. Therefore, the Local Cost Allocation Section of each Applicants' Attachment K contains a provision labeled "Rate Recovery," which makes clear that the 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. In all other respects Cost Allocation at the local level for Idaho Power, Deseret, PacifiCorp and PGE is anticipated to be consistent with the Cost Allocation provisions outlined in their respective sub-regional sections of their Attachment Ks. NorthWestern will utilize its "Local Cost Allocation Project Outside OATT Methodology" that is posted on its OASIS, to develop a non-binding cost estimate for purposes of determining the appropriate allocation of costs for projects at the local level.

The Applicants believe the addition of these provisions satisfy the cost allocation principle because the revised cost allocation arrangements (i) fairly assign costs among participants, (ii) provide adequate incentives to construct new transmission, and (iii) if approved, will be generally accepted and utilized by the Applicants.

6. INDIVIDUAL MODIFICATIONS TO APPLICANTS' ATTACHMENT K FILINGS IN RESPONSE TO THE JULY 17 ORDER AND THE OCTOBER 16 ORDER

1. Deseret

In addition to the compliance changes described above, Deseret proposes the following changes to its Attachment K, consistent with the requirements of the July 17 Order.

First, consistent with the discussion of Principle #6 – Dispute Resolution, above, Deseret has modified its provisions of the local planning provisions of its Attachment K to ensure that a stakeholder's rights to file a complaint pursuant to the Federal Power Act are not abridged in any

manner.⁴⁶ This is accomplished by elimination of language in Part A, Section 8.1, adding language in Part A, Section 8.1.1 to clarify how the dispute resolution process is initiated, the addition of clarifying language in Part A, Section 8.1.2 to be clear that mediation is only required with respect to those parties willing to mediate, elimination of Section 8.1.3 in its entirety, and the addition of generic language in Section 8.4 similar to the language described above, to be sure that “[n]othing contained in this Part A, Section 8 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.” The existing language of Part A, Section 8.3 has also been clarified such that dispute resolution, if it is to be used in lieu of a remedy before the Commission, must be initiated promptly, such that the biennial local planning process can stay on its schedule.

Second, consistent with the Commission’s directives at the Technical Conference to be more precise in its Attachment K when referring to documents posted on OASIS, Deseret is modifying language in Part A, Sections 4.1.1 and 4.2, to make clear that Attachment K information and documents are posted on the main page of Deseret’s OASIS and not a “Transmission Planning” folder. This modification more accurately describes Deseret’s OASIS posting practices for its customers and stakeholders.

Third, Deseret has added clarifying references and updated existing references in its Tariff to sections and subsections, reflecting the changes described herein.

2. Idaho Power

In addition to the compliance changes described above, Idaho Power proposes the following changes to its Attachment K, consistent with the requirements of the July 17 Order.

First, consistent with the discussion of Principle #6 – Dispute Resolution, above, Idaho Power has modified its provisions of the local planning provisions of its Attachment K to ensure that a stakeholder’s rights to file a complaint pursuant to the Federal Power Act are not abridged in any manner.⁴⁷ This is accomplished by eliminating language in Section 9.1, adding language in Section 9.1.1 to clarify how the dispute resolution process is initiated, the addition of clarifying language in Section 9.1.2 to be clear that mediation is only required with respect to those parties willing to mediate, elimination of Section 9.1.3 in its entirety, and the addition of generic language in Section 9.4 similar to the language described above, to be sure that “[n]othing 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.” The existing language of

⁴⁶ The Commission’s concerns relating to reference to the WECC dispute resolution process and associated remedies for non-WECC members are not at issue in the local provisions of Deseret’s Attachment K because Deseret makes no reference to the WECC process therein.

⁴⁷ The Commission’s concerns relating to reference to the WECC dispute resolution process and associated remedies for non-WECC members are not at issue in the local provisions of Idaho Power’s Attachment K because Idaho Power makes no reference to the WECC process herein.

Section 9.3 has also been clarified such that dispute resolution, if it is to be used in lieu of a remedy before the Commission, must be initiated promptly, such that the biennial local planning process can stay on its schedule.

Second, Idaho Power has revised Section 5 of its Attachment K to clarify the role of its business practices in the transmission planning process. Specifically, Idaho Power has revised Section 5.1 to state that it will maintain transmission planning business practices on its OASIS. In Section 5.2, Idaho Power has included a direct link to “Section 21 – Transmission Planning” of its business practices and identified the specific information and documents that will be provided there.

Third, like other Applicants, Idaho Power proposes to make several ministerial changes to its Attachment K. First, in Section 6, Idaho Power proposes to add the word “or” as it was accidentally omitted from the filing submitted on December 7, 2007. Second, in Section 7.1, Idaho Power proposes to add the words “in Section 3” to assist stakeholders and other interested persons in locating the relevant section that describes the planning cycle at the local level.

Finally, Idaho Power has added clarifying references and updated existing references in its Tariff to sections and subsections, reflecting the changes described herein.

3. NorthWestern

NorthWestern, while incorporating the changes described above, has also proposed changes to its Attachment K to address its specific compliance obligations under the July 17 Order. Specifically, NorthWestern has modified the dispute resolution provision set out in Section 2.8 of its local planning processes as required by the July 17 Order and proposed language in Section 2.1.3 and 2.14 of the local planning process intended to clarify how the transmission plan treats similarly situated customers comparably under Order No. 890.

Additionally, NorthWestern is proposing modifications to its Attachment K in response to the input of interested stakeholders. NorthWestern is proposing changes to Section 2.6.4.1 of its local planning process to clarify how costs and/or benefits are determined for purposes of cost allocation. NorthWestern is proposing Section 2.7.4, in part, to address Stakeholder concerns regarding Economic Planning Studies. NorthWestern is also proposing revisions to Sections 2.18, 2.19, 2.3.2.2.1, and 2.3.2.2.2 of its Attachment K to clearly identify business practices relating to the Local Transmission Plan, Economic Study Results, and Generation Interconnection study coordination at the request of stakeholders.

4. PacifiCorp

In addition to the above-referenced changes, PacifiCorp also proposes two ministerial and/or “clean up” changes in Section 2 of its Attachment K to correct inadvertent errors.

Specifically, PacifiCorp has proposed (1) adding to Section 2.2.2.2 the words “up to” which were inadvertently omitted from Attachment K; (2) adding to Section 2.2.2.5 the words “and consider” to more accurately describe that PacifiCorp intends to consider selected Economic Congestion Study Requests as submitted and accepted as part of the planning cycle; (3) omitting reference to a “Transmission Planning” folder to be located on its OASIS in Section 2.5.1 and 2.5.2 of its Attachment K in order to more accurately describe PacifiCorp’s OASIS posting practices.

Finally, pursuant to Paragraph 123, PacifiCorp has filed revised tariff sheets containing the corrected effective date of December 7, 2008 as a part of this compliance filing.

PacifiCorp respectfully requests that the Commission accept such changes to these provisions as they are consistent with the July 17 Order.

5. PGE

In addition to the compliance changes described above, PGE proposes the following changes to its own Attachment K, consistent with the requirements of the October 16 Order.

First, consistent with the discussion of Principle #6 – Dispute Resolution, above, PGE has modified provisions contained in its local and sub-regional planning sections of its Attachment K, to ensure that a stakeholder’s rights to file a complaint pursuant to the Federal Power Act are not abridged in any manner. This is accomplished by eliminating language in Section 9.1, adding language in Section 9.1.1 to clarify how the dispute resolution process is initiated, the addition of clarifying language in Section 9.1.2 to be clear that mediation is only required with respect to those parties willing to mediate, elimination of Section 9.1.3 in its entirety, and the addition of generic language in Section 9.4 similar to the language described above, to be sure that “[n]othing 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.” The existing language of Section 9.3 has also been clarified such that dispute resolution, if it is to be used in lieu of a remedy before the Commission, must be initiated promptly, such that the biennial local planning process can stay on its schedule. In addition, PGE eliminated some language unique to its Attachment K, in Section 16, that could have been interpreted as having affected the ability of a party to exercise its rights under the FPA section 206 prior to conclusion of negotiation and mediation.

As a result of the changes previously discussed under Principle #7-- Regional Participation, PGE has revised Section 10 to acknowledge the existence of a new Transmission Planning Business Practice and to clarify the purpose of this new business practice. More specifically, PGE has modified the language in this particular section, to include a direct link to the new business practice document, which is located on PGE’s OASIS website, and also to clarify its intended purpose. PGE believes the changes it has incorporated in Section 10 are consistent with Order No. 890 and will assist in achieving compliance, with respect to the

comparability principle, for purposes of transmission planning.⁴⁸ Additionally, the changes accommodate stakeholders and others, via a direct URL link, to facilitate access to other documents that are relevant to PGE's planning activities at the local, sub-regional, and regional levels.

Like PacifiCorp, PGE also proposes to make several ministerial and/or "clean-up" changes. The first is in Section 3.2.2. PGE proposes to add the following text which was inadvertently omitted from its filing on August 12, 2008: "detail in Near Term summer and winter peak WECC base cases for purposes of conducting PGE's studies; assess the timely submitted". PGE suggests this language is necessary in order for the text in Section 3.2.2 to make sense and be consistent with PGE's planning practices. The second is in Section 6. Here PGE proposes to merely add the word "or", as it too, was accidentally omitted from the filing submitted on August 12, 2008. The third and final proposed change is in Section 7.1. PGE proposes to add the words "in Section 3" to assist stakeholders and other interested persons in locating the relevant section that describes the planning cycle at the local level.

Finally, PGE has updated existing references in its Tariff to sections and subsections, reflecting the changes described herein.

IV. ADDITIONAL INFORMATION RELATED TO JOINT COMPLIANCE FILING

Applicants submit the following additional information in conjunction with their joint compliance filing:

1. List of Documents Submitted with this Filing

This compliance filing consists of an original and six (6) copies of this transmittal letter along with the following documents:

On behalf of Deseret:

Attachment 1: Substitute Original Sheet Nos. 171A to 171N (superseding Original Sheet Nos. 171A to 171N) and Original Sheet Nos. 171O to 171W of Deseret FERC Electric Tariff, Third Revised Volume No. 2, reflecting compliance revisions in clean format to Attachment K of Deseret's OATT.

Attachment 2: Substitute Original Sheet Nos. 171A to 171N (superseding Original Sheet Nos. 171A to 171N) and Original Sheet Nos. 171O to 171W of Deseret FERC Electric Tariff, Third Revised Volume No. 2, reflecting

⁴⁸ October 16 Order at P 28.

compliance revisions in redline format to Attachment K of Deseret's OATT.

On behalf of Idaho Power:

Attachment 3: Substitute First Revised Sheet No. 132 (superseding First Revised Sheet No. 132), Substitute Original Sheet Nos. 132A to 132N (superseding Original Sheet Nos. 132 - A to 132 - N), and Original Sheet Nos. 132O to 132S of Idaho Power Company FERC Electric Tariff, First Revised Volume No. 6, reflecting compliance revisions in clean format to Attachment K of Idaho Power's OATT.

Attachment 4: Substitute First Revised Sheet No. 132 (superseding First Revised Sheet No. 132), Substitute Original Sheet Nos. 132A to 132N (superseding Original Sheet Nos. 132 - A to 132 - N), and Original Sheet Nos. 132O to 132S of Idaho Power Company FERC Electric Tariff, First Revised Volume No. 6, reflecting compliance revisions in redline format to Attachment K of Idaho Power's OATT.

On behalf of NorthWestern:

Attachment 5 Substitute First Revised Sheet No. 121 (Superseding First Revised Sheet No. 121), Substitute Original Sheet Nos. 121A to 121T (Superseding Original Sheet Nos. 121A to 121T), and Original Sheet Nos. 121U to 121AA, reflecting compliance revisions in clean format to Attachment K of NorthWestern's OATT.

Attachment 6: Substitute First Revised Sheet No. 121 (Superseding First Revised Sheet No. 121), Substitute Original Sheet Nos. 121A to 121T (Superseding Original Sheet Nos. 121A to 121T), and Original Sheet Nos. 121U to 121AA, reflecting compliance revisions in redline format to Attachment K of NorthWestern's OATT.

On behalf of PacifiCorp:

Attachment 7: Substitute First Revised Sheet No. 346 (superseding First Revised Sheet No. 346) of PacifiCorp FERC Electric Tariff, 7th Revised Volume No. 11], Substitute Original Sheet Nos. 346A to 346X (superseding Original Sheet Nos. 346A to 346X) and Original Sheet Nos. 346Y to 346DD of PacifiCorp FERC Electric Tariff, 7th Revised Volume No. 11, reflecting

compliance revisions in clean format to Attachment K of PacifiCorp's OATT.

Attachment 8: Substitute First Revised Sheet No. 346 (superseding First Revised Sheet No. 346) of PacifiCorp FERC Electric Tariff, 7th Revised Volume No. 11], Substitute Original Sheet Nos. 346A to 346X (superseding Original Sheet Nos. 346A to 346X) and Original Sheet Nos. 346Y to 346DD of PacifiCorp FERC Electric Tariff, 7th Revised Volume No. 11, reflecting compliance revisions in redline format to Attachment K of PacifiCorp's OATT.

On behalf of Portland General:

Attachment 9: Substitute Second Revised Sheet No. 210 (superseding First Sheet No. 210) of Portland General Electric Company FERC Tariff, Third Revised Volume No. 8; Substitute First Revised Sheet Nos. 210A, 210C, 210D, 210F, 210J, 210M, 210N, 210O, 210P, 210Q, 210R, 210S, 210T, 210U, 210V, 210W, 210Y, 210Z, 210AA, 210BB, 210CC, 210DD, 210EE, 210FF, 210GG, (superseding Original Sheet Nos. 210A, 210C, 210D, 210F, 210J, 210M, 210N, 210O, 210P, 210Q, 210R, 210S, 210T, 210U, 210V, 210W, 210Y, 210Z, 210AA, 210BB, 210CC, 210DD, 210EE, 210FF, 210GG); and Original Sheet Nos. 210Q.01, 210AA.01, 210BB.01, 210CC.01, 210CC.02, 210CC.03 of Portland General Electric Company FERC Electric Tariff, Third Revised Volume No. 8, reflecting compliance revisions in clean format to Attachment K of PGE's OATT.

Attachment 10: Substitute Second Revised Sheet No. 210 (superseding First Sheet No. 210) of Portland General Electric Company FERC Tariff, Third Revised Volume No. 8; Substitute First Revised Sheet Nos. 210A, 210C, 210D, 210F, 210J, 210M, 210N, 210O, 210P, 210Q, 210R, 210S, 210T, 210U, 210V, 210W, 210Y, 210Z, 210AA, 210BB, 210CC, 210DD, 210EE, 210FF, 210GG, (superseding Original Sheet Nos. 210A, 210C, 210D, 210F, 210J, 210M, 210N, 210O, 210P, 210Q, 210R, 210S, 210T, 210U, 210V, 210W, 210Y, 210Z, 210AA, 210BB, 210CC, 210DD, 210EE, 210FF, 210GG); and Original Sheet Nos. 210Q.01, 210AA.01, 210BB.01, 210CC.01, 210CC.02, 210CC.03 of Portland General Electric Company FERC Electric Tariff, Third Revised Volume No. 8, reflecting compliance revisions in redline format to Attachment K of PGE's OATT.

2. Effective Date

In accordance with the July 17 Order and the October 16 Order, the compliance modifications to each of the Applicant's Attachment K provisions are requested to be made effective on December 7, 2007 as to Deseret, Idaho Power, NorthWestern and PacifiCorp, and effective August 12, 2008 as to PGE.

3. The Names and Addresses of the Persons to Whom a Copy of the Rate Schedule Change Has Been Mailed

Copies of this filing have been emailed to those entities on the official service lists for each of the dockets set out in the July 17 Order and October 16 Order.

V. CONCLUSION

For the reasons set forth above, the Applicants respectfully request that the Commission: (i) find the changes to each of Deseret, Idaho Power, NorthWestern and PacifiCorp's respective Attachment K provisions submitted herein to be in full compliance with the relevant provisions of the July 17 Order and permit the compliance changes to become effective as of December 7, 2007, and (ii) find the changes to PGE's Attachment K provisions submitted herein to be in full compliance with the relevant provisions of the October 16 Order and permit the compliance changes to become effective as of August 12, 2008.

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Respectfully submitted this 29th day of October, 2008.

DESERET GENERATION &
TRANSMISSION COOPERATIVE, INC.

NORTHWESTERN CORPORATION

By /s/
 Craig W. Silverstein
 Attorney for Deseret Generation &
 Transmission Cooperative, Inc.

By /s/
Richard Garlish
Attorney for NorthWestern
Corporation

IDAHO POWER COMPANY

PACIFICORP

By /s/
Malcolm C. McLellan
Attorney for Idaho Power Company

By /s/ Ryan Flynn
Attorney for PacifiCorp

PORTLAND GENERAL ELECTRIC
COMPANY

By /s/
Cece L. Coleman
Attorney for Portland General
Electric Company

Attachment 1

Substitute Original Sheet Nos. 171A to 171N (superseding Original Sheet Nos. 171A to 171N) and Original Sheet Nos. 171O to 171W of Deseret FERC Electric Tariff, Third Revised Volume No. 2, reflecting compliance revisions in clean format to Attachment K of Deseret's OATT.

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 (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 sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's sub-regional and regional planning efforts is also contained within the separate agreements and business practices of the NTTG and the WECC.

Definitions

Demand Resources: 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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.

Economic Study Request: a request by an Eligible Customer or stakeholder to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Local Transmission Plan (produced pursuant to Part A, Section 2.2.3 or 2.2.6 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Local Transmission Plan.

Local Transmission Plan or LTP: transmission plan of the Transmission Provider 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; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's Point-to-Point Transmission Service customers' projected service needs, including rights given pursuant to Section 2.2 of the Tariff.

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Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

NTTG: Northern Tier Transmission Group.

WECC: Western Electricity Coordinating Council.

A. Local Planning Process

1. Preparation of a Local Transmission Plan

- 1.1. With the input of affected stakeholders, Transmission Provider shall prepare one (1) Local Transmission Plan during each two-year study cycle. The Transmission Provider shall evaluate the Local Transmission Plan by modeling the effects of Economic Study Requests timely submitted in accordance with Sections 2 and 6, below. The Local Transmission Plan shall study, at a minimum, a ten (10) year planning horizon.
- 1.2. The Local Transmission 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.
- 1.3. The Transmission Provider shall take the Local Transmission Plan into consideration when preparing System Impact Studies, Facilities Studies and other feasibility studies. The Transmission Provider is not subject to a state-required integrated resource planning process.

2. Coordination

- 2.1. **Study Cycle.** Transmission Provider shall prepare the Local Transmission Plan during an eight (8) quarter study cycle.

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Effective: December 7, 2007

Issued On: October 29, 2008

2.2. Sequence of Events.

2.2.1. 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; 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); and information from all Transmission Customers concerning existing and planned Demand Resources and their impacts on demand and peak demand. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue requests, obligations that will either commence or terminate during the applicable study window. During Quarter 1, the Transmission Provider will accept Economic Study Requests in accordance with Part A, Section 6 of Attachment K. Economic Study Requests received outside Quarter 1 will only be considered during Quarters 2, 3 and 4 as part of the draft Local Transmission Plan if the Transmission Provider can accommodate the request without delaying the completion of the draft Local Transmission Plan, or as otherwise provided in Sections 6.4 and 6.5.

2.2.2. Quarter 2: Transmission Provider will define and post the basic methodology, criteria, assumptions, databases, and processes the Transmission Provider will use to prepare the draft Local Transmission 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 draft Local Transmission Plan development. The Transmission Provider will model the selected Economic Study Requests received and accepted in Quarter 1 with the previous biennial study cycle's Local Transmission Plan.

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Effective: December 7, 2007

Issued On: October 29, 2008

- 2.2.3. Quarters 3 and 4: Transmission Provider will prepare and post a draft Local Transmission Plan. The Transmission Provider may elect to post interim iterations of the draft Local Transmission Plan, consider economic modeling results, and solicit public comment prior to the end of the applicable quarter.
- 2.2.4. Quarter 5: Transmission Provider will receive and review additional Economic Study Requests, as set out in Section 6, below. 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 final Local Transmission Plan, or as otherwise provided in Sections 6.4 and 6.5.
- 2.2.5. Quarter 6: Transmission Provider will model the Economic Study Requests selected in Quarter 5 with the draft Local Transmission Plan as a reference.
- 2.2.6. Quarter 7: Transmission Provider will finalize and post the Local Transmission 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 2.3, below.
- 2.2.7. Quarter 8: The Local Transmission Plan shall be transmitted to the sub-regional and regional entities conducting similar planning efforts, interested stakeholders, and the owners and operators of interconnected transmission systems.
- 2.3. 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 draft and/or final Local 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 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 Transmission Provider, or may be held telephonically or by video or internet conference.

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Director of Transmission Services

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3. Information Exchange

3.1. Forecasts

3.1.1. 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 study cycle, submit to the Transmission Provider its good-faith ten (10) year forecast of the actual energy to be moved in each direction across each posted transmission path. 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.

3.1.2. Each Network Customer shall, during Quarter 1 of each study cycle, submit to the Transmission Provider its good-faith ten (10) year forecast of 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. 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.

3.1.3. Transmission Provider shall during Quarter 1 of each study cycle collect comparable information to subsection 3.1.2 from the entity or persons responsible for Native Load Customers.

3.2. Participation in the Planning Process. If any Eligible Customer or stakeholder fails to provide data as 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. In such event, the Transmission Provider shall use the best and most current data available.

4. Transparency

4.1. OASIS Requirements

4.1.1. The Transmission Provider shall utilize the main page on the publicly accessible portion of its OASIS to post business practices (along with the procedures for modifying the business practices) and distribute information related to this Attachment K.

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Effective: December 7, 2007

Issued On: October 29, 2008

4.2. Content of OASIS Postings. Transmission Provider shall post or provide links to publicly available documents, as applicable, on the main page of its OASIS:

- 4.2.1. Study cycle timeline;
- 4.2.2. 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;
- 4.2.3. The details of each public meeting required by this Attachment K, or any other public meeting related to transmission planning;
- 4.2.4. In advance of its discussion at any public meeting, all materials to be discussed;
- 4.2.5. As soon as reasonably practical after the conclusion of each public meeting, notes of the transmission information discussed at the public meeting;
- 4.2.6. Written comments submitted in relation to the Local Transmission Plan, and any explanation regarding acceptance or rejection of such comments;
- 4.2.7. The draft, interim, and final versions of the current study cycle's Local Transmission Plan;
- 4.2.8. At a minimum, the final version of all completed Local Transmission Plans for previous study periods;
- 4.2.9. A summary list of Critical Energy Infrastructure Information submitted or used during the planning process; and
- 4.2.10. Pertinent NTTG and WECC agreements, charters, and documents.

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Effective: December 7, 2007

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- 4.3. 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 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, Transmission Provider has no obligation to disclose database information to any stakeholder that does not qualify for access.

5. 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 Transmission Provider's OATT including but 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.

- 5.1. Individual Transmission 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.
- 5.2. 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.
- 5.3. Categories of Included Costs. The Transmission Provider shall categorize projects set forth in the Local Transmission Plan for allocation of costs into the following types:
- 5.3.1. 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.
- 5.3.2. Type 2: Type 2 costs are those related to the sale or purchase of power at wholesale to non-Native Load Customers.

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Effective: December 7, 2007

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5.3.3. 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 which do not have the effect of deferring or displacing Type 1 costs.

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

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

5.4.2. Principle 2: To the extent not in conflict with Principle 1, costs will be allocated consistent with the provisions of Part B, Section 6 of this Attachment K. .

6. Treatment of Economic Study Requests

6.1. Processing and Performing Economic Studies. As part of each study cycle described 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 of its own analyses to respond to Economic Study Requests and may, in the event of such a request, contract with a qualified third party of its choosing to perform such study.

6.2. Submission and Coordination. Economic Study Requests should be submitted to the Transmission Provider in the form posted on the Transmission Provider's OASIS, along with all 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 necessary data 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 10 below.

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Director of Transmission Services

Effective: **December 7, 2007**

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- 6.3. Categorization of Economic Study Requests. The Transmission Provider will categorize each Economic Study Request as Local, Sub-Regional, or Regional. If the Economic Study Request is categorized as Sub-Regional or Regional, the Transmission Provider will notify the requesting party and forward the Economic Study Request to NTTG for consideration and processing under NTTG's procedures.
- 6.3.1. Local Economic Study Requests. If the Economic Study Request 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, the study request will be considered local and will be prioritized under this Part A.
- 6.3.2. Sub-Regional Economic Study Requests. If the Economic Study Request identifies 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, the study request will be considered sub-regional and will be processed under Part B.
- 6.3.3. Regional 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 Points of Delivery utilize only WECC member scheduling paths, the study request will be considered regional and will be processed under Part C.
- 6.3.4. Economic Study Requests Not Applicable. To be considered by the Transmission Provider, any Economic Study Request must contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint.

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Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

- 6.4. Coordination in Planning Study Cycle. Each Local Transmission Plan cycle contemplates that stakeholders may request that up to two (2) economic studies be performed by the Transmission Provider (or its agent) within a two-year LTP study cycle. In the event that more than two economic studies would need to be performed within a single study cycle (the first commencing in Quarter 1 and the second in Quarter 5), the Transmission Provider shall determine which studies will be performed based on (i) evaluation of those requests that will present the most significant opportunities to reduce overall costs within the Local Transmission Plan while reliably serving the load growth needs being studied in the Local Transmission 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 regional practices and criteria developed pursuant to Parts B and C of this Attachment K.
- 6.5. Notification to Requesting Party. The Transmission Provider shall notify the party making an Economic Study Request within ten (10) business days of receipt whether or not the study request will be modeled as part of the Local Transmission Plan evaluation during Quarters 1 or 5 of the study cycle, or whether additional information is required to make an appropriate determination. If it is determined that the Economic Study Request will not be modeled as part of the Local Transmission Plan, 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.
- 6.6. Treatment of 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.
- 6.7. 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 only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

- 6.8. Results. Results of the economic studies shall be reported as part of the draft and final Local Transmission Plan.

7. Recovery of Planning Costs

Unless Transmission Provider allocates planning-related costs to an individual stakeholder, as set out herein, or as otherwise permitted by the Tariff, all costs incurred by the Transmission Provider as part of the Local Transmission Plan process or as part of sub-regional or regional planning process shall be included in the Transmission Provider's transmission rate base. No planning costs may be collected twice.

8. Dispute Resolution

- 8.1. Process. The following process shall be utilized to address procedural and substantive concerns over the Transmission Provider's compliance with this Attachment K and related transmission business practices:

8.1.1. Step 1: Any stakeholder may initiate the dispute resolution process by sending a letter to the Transmission Provider that describes the dispute. Upon receipt of such letter, (i) the letter shall be posted on OASIS, and (ii) 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. The outcome of such process shall be posted on OASIS.

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Director of Transmission Services

Effective: December 7, 2007

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- 8.1.2. Step 2: If Step 1 is unsuccessful in resolving the dispute, the next step shall be mediation among those parties involved in the dispute identified in Step 1 that are willing to mediate. . The parties to the mediation shall share equally the costs of the mediator and shall each bear their own respective costs. Upon agreement of the parties, the parties may request that the Commission's Dispute Resolution Service serve as the mediator of the dispute.
- 8.2. 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.
- 8.3. Timely Submission of Disputes to Ensure Completion of the Local Transmission Plan. Disputes over any matter shall be raised timely; provided, however, to facilitate the timely completion of the Local Transmission Plan, in no case shall a dispute as set forth in Section 8.1.1 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.
- 8.4. Rights. Nothing contained in this Part A, Section 8 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

9. Transmission Business Practices.

The Transmission Provider's will develop and post transmission business practices that provide additional detail explaining how the Transmission Provider will implement this Attachment K. To the extent necessary, the detail shall include: forms for submitting an Economic Study Request; a schedule and sequence of events for preparing the Local Transmission Plan; additional details associated with cost allocation; a description of the sub-regional and regional planning process to which the Local Transmission Plan will be submitted; a description of how the Local Transmission 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.

10. Openness.

- 10.1. Participation. All affected stakeholders may attend Local Transmission Plan meetings and/or submit comments, submit Economic Study Requests, or other information relevant to the planning process. Committees or working groups may be created as part of the planning process to facilitate specific planning efforts.
- 10.2. Critical Energy Infrastructure Information. 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.

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

- 10.3. 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 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.

B. Sub-Regional Planning Process

Introduction

Transmission Provider is a member of the 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 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 planning committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission Plan. For additional information, including a map containing the current geographic footprint of NTTG, please see <http://www.nttg.biz>.

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Effective: December 7, 2007

Issued On: October 29, 2008

1. Transmission Provider Coordination with NTTG

The Transmission Provider will participate in the sub-regional planning process as described in the Transmission Provider's business practices, available at: <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>. In accordance with this process, the Transmission Provider and NTTG will conform to the following obligations:

- 1.1 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.
- 1.2 Transmission Provider will provide NTTG with its Local Transmission Plan incorporating all of the transmission service forecasts for its transmission system.
- 1.3 Subject to appropriate CEII requirements, Transmission Provider will post planning criteria and assumptions adopted by NTTG, and all NTTG study results on Transmission Provider's OASIS.
- 1.4 NTTG will conduct its planning process to identify needs, least cost expansion project alternatives, technical benefits and projected costs.
- 1.5 NTTG will select beneficial expansion sub-regional projects and address cost allocation among participating Transmission Providers.

2 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, which is approved by the NTTG Steering Committee. The current NTTG planning committee charter is available through the Transmission Provider's business practice at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>. As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion 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 as outlined below:

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Effective: December 7, 2007

Issued On: October 29, 2008

Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.

Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.

Quarters 3 and 4: Conduct power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system, and produce a draft transmission plan for public and stakeholder comment.

Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.

Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identified benefits in the cost allocation process.

Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

Quarter 8: Submit final plan to the NTTG Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local and regional 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.

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Effective: December 7, 2007

Issued On: October 29, 2008

3. Stakeholder Participation

- 3.1 Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. In addition, NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state regulatory commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement consistent with its terms. 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.
- 3.2 Eligible Customers and stakeholders 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 plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan

4. Sub-regional Economic Study Requests

- 4.1 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, as outlined in NTTG's Planning Committee Charter. The sub-regional studies pursuant to Economic Study Requests will address those requests submitted to member Transmission Providers that are categorized as Sub-Regional or Regional Economic Study Requests pursuant to Part A, Section 6 of this Attachment K. . NTTG may submit regional Economic Study Requests to the WECC pursuant to the NTTG and WECC processes.
- 4.2 Within each study cycle, any Eligible Customer or stakeholder may make additional Economic Study Requests, or Economic 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 to the Transmission Provider pursuant to Part A, Section 6 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.

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Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

- 4.3 NTTG will cluster and study Economic Study Requests together only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.
- 4.4 For an Economic Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Study Requests to the Transmission Provider pursuant to Part A, Section 6 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.
- 4.5 All Economic Study Requests received by the Transmission Provider will be categorized pursuant to Part A, Section 6.3 of this Attachment K. For an Economic Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee.

5. Dispute Resolution

Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional expansion plan and associated cost allocation. The NTTG planning agreement dispute resolution process may also be initiated, *inter alia*, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process. For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-regional transmission plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this section Part B, section 5 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 Part B, section 5 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

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Effective: December 7, 2007

Issued On: October 29, 2008

6. Cost Allocation

The following approach will be utilized to allocate costs for those projects included in the NTTG sub-regional plan, based on the following principles:

- 6.1 Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) 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:
 - 6.1.1. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
 - 6.1.2. Schedule meeting(s) with stakeholders and/or public utility commission staff.
 - 6.1.3. Post information about the proposed project on OASIS.
 - 6.1.4. 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.
- 6.2. 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.
- 6.3 Coordination with NTTG. Transmission Provider, whether as a project sponsor or a project participant, will support the 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.

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Effective: December 7, 2007

Issued On: October 29, 2008

6.4. Allocation of Costs.

- 6.4.1. 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 in Transmission Provider's business practice, located at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>.
- 6.4.2. 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 link to which can be found in Transmission Provider's transmission planning business practice and also in NTTG's Cost Allocation Committee Charter on NTTG's website. 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 in Transmission Provider's business practice, located at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>.
- 6.4.3. 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.

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Effective: December 7, 2007

Issued On: October 29, 2008

- 6.4.4. 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 governed by existing cost allocation methods within Transmission Provider's OATT, will continue to be so governed and will not be covered by the principles above.

C. Regional Planning Process

Introduction

Transmission Provider is a member of the WECC and supports the work of WECC. NTTG may utilize WECC for consolidation and completion of congestion and economic studies, base cases, and other regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional process. Eligible Customers and stakeholders may participate directly in the WECC's processes, pursuant to participation requirements defined by WECC, or participate indirectly through the Transmission Provider via development of the Local Transmission Plan or through the NTTG process as outlined above in Part B.

1. Transmission Provider Coordination with WECC

Transmission Provider will coordinate with WECC for regional 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 Columbia Grid. The goal of NTTG's coordination on a regional 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 planning process is located in the Transmission Provider's business practices, located at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>

2. Study Process

WECC's transmission planning protocol and other related information is available on the WECC website. A link to the WECC processes is maintained in the Transmission Provider's business practices located at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc> and on the Transmission Provider's OASIS.

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

3. Stakeholder Participation

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

4. Regional Economic Study Requests

Transmission Provider will support, directly and through its participation in NTTG, the WECC processes to prioritize and complete regional Economic Study Requests submitted by customers and stakeholders to each member transmission provider in each calendar year within the WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic Study Requests to the Transmission Provider pursuant to Part A, Section 6 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic Study Requests received by the Transmission Provider will be categorized pursuant to Part A, Section 6.3 of this Attachment K.

5. Dispute Resolution

Regional dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Part C, section 5 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

6. Cost Allocation

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

**Issued By: James Tucker
Director of Transmission Services**

Effective: December 7, 2007

Issued On: October 29, 2008

Attachment 2

Substitute Original Sheet Nos. 171A to 171N (superseding Original Sheet Nos. 171A to 171N) and Original Sheet Nos. 171O to 171W of Deseret FERC Electric Tariff, Third Revised Volume No. 2, reflecting compliance revisions in redline format to Attachment K of Deseret's OATT.

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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, sub-regional (NTTG) and regional (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 sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's sub-regional and regional planning efforts is also contained within the separate agreements and business practices of the NTTG and the WECC.

Definitions

Demand Resources: 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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.

Economic Study Request: a request by an Eligible Customer or stakeholder to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Local Transmission Plan (produced pursuant to Part A, Section 2.2.3 or 2.2.6 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Local Transmission Plan.

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Local Transmission Plan or LTP: transmission plan of the Transmission Provider 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; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's Point-to-Point Transmission Service customers' projected service needs, including rights given pursuant to Section 2.2 of the Tariff.

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issued February 16, 2007, 118 FERC ¶ 61,119
(2007) (Order No. 890)

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008).

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NTTG: Northern Tier Transmission Group.

WECC: Western Electricity Coordinating Council.

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Coordinating Council's Transmission Expansion
Policy and Planning Committee ¶

A. Local Planning Process

1. Preparation of a Local Transmission Plan

- 1.1. With the input of affected stakeholders, Transmission Provider shall prepare one (1) Local Transmission Plan during each two-year study cycle. The Transmission Provider shall evaluate the Local Transmission Plan by modeling the effects of Economic Study Requests timely submitted in accordance with Sections 2 and 6, below. The Local Transmission Plan shall study, at a minimum, a ten (10) year planning horizon.
- 1.2. The Local Transmission 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.
- 1.3. The Transmission Provider shall take the Local Transmission Plan into consideration when preparing System Impact Studies, Facilities Studies and other feasibility studies. The Transmission Provider is not subject to a state-required integrated resource planning process.

2. Coordination

- 2.1. Study Cycle. Transmission Provider shall prepare the Local Transmission Plan during an eight (8) quarter study cycle.

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issued February 16, 2007, 118 FERC ¶ 61,119
(2007) (Order No. 890)

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: ~~October 29, 2008~~

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. ~~OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)~~

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2.2. Sequence of Events.

2.2.1. 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; 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); and information from all Transmission Customers concerning existing and planned Demand Resources and their impacts on demand and peak demand. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue requests, obligations that will either commence or terminate during the applicable study window. During Quarter 1, the Transmission Provider will accept Economic Study Requests in accordance with Part A, Section 6 of Attachment K. Economic Study Requests received outside Quarter 1 will only be considered during Quarters 2, 3 and 4 as part of the draft Local Transmission Plan if the Transmission Provider can accommodate the request without delaying the completion of the draft Local Transmission Plan, or as otherwise provided in Sections 6.4 and 6.5.

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2.2.2. Quarter 2: Transmission Provider will define and post the basic methodology, criteria, assumptions, databases, and processes the Transmission Provider will use to prepare the draft Local Transmission 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 draft Local Transmission Plan development. The Transmission Provider will model the selected Economic Study Requests received and accepted in Quarter 1 with the previous biennial study cycle's Local Transmission Plan.

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issued February 16, 2007, 118 FERC ¶ 61,119
(2007) (Order No. 890)

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008).

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- 2.2.3. Quarters 3 and 4: Transmission Provider will prepare and post a draft Local Transmission Plan. The Transmission Provider may elect to post interim iterations of the draft Local Transmission Plan, consider economic modeling results, and solicit public comment prior to the end of the applicable quarter.
- 2.2.4. Quarter 5: Transmission Provider will receive and review additional Economic Study Requests, as set out in Section 6, below. 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 final Local Transmission Plan, or as otherwise provided in Sections 6.4 and 6.5.
- 2.2.5. Quarter 6: Transmission Provider will model the Economic Study Requests selected in Quarter 5 with the draft Local Transmission Plan as a reference.
- 2.2.6. Quarter 7: Transmission Provider will finalize and post the Local Transmission 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 2.3, below.
- 2.2.7. Quarter 8: The Local Transmission Plan shall be transmitted to the sub-regional and regional entities conducting similar planning efforts, interested stakeholders, and the owners and operators of interconnected transmission systems.
- 2.3. 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 draft and/or final Local 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 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 Transmission Provider, or may be held telephonically or by video or internet conference.

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: ~~October 29, 2008~~

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. ~~OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)~~

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issued February 16, 2007, 118 FERC ¶ 61,119
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3. Information Exchange

3.1. Forecasts

3.1.1. 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 study cycle, submit to the Transmission Provider its good-faith ten (10) year forecast of the actual energy to be moved in each direction across each posted transmission path. 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.

3.1.2. Each Network Customer shall, during Quarter 1 of each study cycle, submit to the Transmission Provider its good-faith ten (10) year forecast of 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. 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.

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3.1.3. Transmission Provider shall during Quarter 1 of each study cycle collect comparable information to subsection 3.1.2 from the entity or persons responsible for Native Load Customers.

3.2. Participation in the Planning Process. If any Eligible Customer or stakeholder fails to provide data as 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. In such event, the Transmission Provider shall use the best and most current data available.

4. Transparency

4.1. OASIS Requirements

4.1.1. The Transmission Provider shall ~~utilize the main page~~ on the publicly accessible portion of its OASIS to ~~post business practices (along with the procedures for modifying the business practices) and~~ distribute information related to this Attachment K.

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Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: ~~October 29, 2008~~

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. ~~OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)~~

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- 4.2. Content of OASIS Postings. Transmission Provider shall post or provide links to publicly available documents, as applicable, on the main page of its OASIS:

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- 4.2.1. Study cycle timeline;

- 4.2.2. 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;

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- 4.2.3. The details of each public meeting required by this Attachment K, or any other public meeting related to transmission planning;

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

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

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

- 4.2.7. The draft, interim, and final versions of the current study cycle's Local Transmission Plan;

- 4.2.8. At a minimum, the final version of all completed Local Transmission Plans for previous study periods;

- 4.2.9. A summary list of Critical Energy Infrastructure Information submitted or used during the planning process; and

- 4.2.10. Pertinent NTTG and WECC agreements, charters, and documents.

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Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

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- 4.3. 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 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, Transmission Provider has no obligation to disclose database information to any stakeholder that does not qualify for access.

5. 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 Transmission Provider's OATT including but 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.

- 5.1. Individual Transmission 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.

- 5.2. 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.

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

- 5.3.1. 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.

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

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issued February 16, 2007, 118 FERC ¶ 61,119
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Effective: December 7, 2007

Issued On: October 29, 2008

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5.3.3. 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, which do not have the effect of deferring or displacing Type 1 costs.

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

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

5.4.2. Principle 2: To the extent not in conflict with Principle 1, costs will be allocated consistent with the provisions of Part B, Section 6 of this Attachment K.

Deleted: the NTTG Cost Allocation Principles, as posted at NTTG's website, <http://www.nttg.biz>

6. Treatment of Economic Study Requests

6.1. Processing and Performing Economic Studies. As part of each study cycle described 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 of its own analyses to respond to Economic Study Requests and may, in the event of such a request, contract with a qualified third party of its choosing to perform such study.

6.2. Submission and Coordination. Economic Study Requests should be submitted to the Transmission Provider in the form posted on the Transmission Provider's OASIS, along with all 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 necessary data 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 10 below.

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Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

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6.3. Categorization of Economic Study Requests. The Transmission Provider will categorize each Economic Study Request as Local, Sub-Regional, or Regional. If the Economic Study Request is categorized as Sub-Regional or Regional, the Transmission Provider will notify the requesting party and forward the Economic Study Request to NTTG for consideration and processing under NTTG's procedures.

6.3.1. Local Economic Study Requests. If the Economic Study Request 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, the study request will be considered local and will be prioritized under this Part A.

6.3.2. Sub-Regional Economic Study Requests. If the Economic Study Request identifies 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, the study request will be considered sub-regional and will be processed under Part B.

6.3.3. Regional 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 Points of Delivery utilize only WECC member scheduling paths, the study request will be considered regional and will be processed under Part C.

6.3.4. Economic Study Requests Not Applicable. To be considered by the Transmission Provider, any Economic Study Request must contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint.

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6.4. Coordination in Planning Study Cycle. Each Local Transmission Plan cycle contemplates that stakeholders may request that up to two (2) economic studies be performed by the Transmission Provider (or its agent) within a two-year LTP study cycle. In the event that more than two economic studies would need to be performed within a single study cycle (the first commencing in Quarter 1 and the second in Quarter 5), the Transmission Provider shall determine which studies will be performed based on (i) evaluation of those requests that will present the most significant opportunities to reduce overall costs within the Local Transmission Plan while reliably serving the load growth needs being studied in the Local Transmission 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 regional practices and criteria developed pursuant to Parts B and C of this Attachment K.

Deleted: If the Transmission Provider can feasibly cluster or batch requests so that the Transmission Provider is able to model multiple requests in the most efficient manner, it will make efforts to do so.

6.5. Notification to Requesting Party. The Transmission Provider shall notify the party making an Economic Study Request within ten (10) business days of receipt whether or not the study request will be modeled as part of the Local Transmission Plan evaluation during Quarters 1 or 5 of the study cycle, or whether additional information is required to make an appropriate determination. If it is determined that the Economic Study Request will not be modeled as part of the Local Transmission Plan, 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.

Deleted: <#>Sub-Regional Coordination. In the event the Transmission Provider receives an Economic Study Request that will require analysis at the sub-regional or regional levels, such request will be promptly transmitted to the NTTG, together with a notice of such referral to the requesting party. ¶

6.6. Treatment of 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.

6.7. 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 only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

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6.8. Results. Results of the economic studies shall be reported as part of the draft and final Local Transmission Plan.

7. Recovery of Planning Costs

Unless Transmission Provider allocates planning-related costs to an individual stakeholder, as set out herein, or as otherwise permitted by the Tariff, all costs incurred by the Transmission Provider as part of the Local Transmission Plan process or as part of sub-regional or regional planning process shall be included in the Transmission Provider's transmission rate base. No planning costs may be collected twice.

8. Dispute Resolution

8.1. Process. The following process shall be utilized to address procedural and substantive concerns over the Transmission Provider's compliance with this Attachment K and related transmission business practices:

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8.1.1. Step 1: Any ~~stakeholder~~ may initiate the dispute resolution process by sending a letter to the Transmission Provider that describes the dispute. Upon receipt of such letter, (i) the letter shall be posted on OASIS, and (ii) 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. The outcome of such process shall be posted on OASIS.

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8.1.2. Step 2: If Step 1 is unsuccessful in resolving the dispute, the next step shall be mediation among those parties involved in the dispute identified in Step 1 that are willing to mediate. The parties to the mediation shall share equally the costs of the mediator and shall each bear their own respective costs. Upon agreement of the parties, the parties may request that the Commission's Dispute Resolution Service serve as the mediator of the dispute.

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8.2. 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.

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<#>Step 3: If mediation is unsuccessful or waived, a party may initiate complaint proceedings at the Commission as it deems necessary within one hundred eighty (180) days of the completion of Step 2. ¶

8.3. Timely Submission of Disputes to Ensure Completion of the Local Transmission Plan. Disputes over any matter shall be raised timely; provided, however, to facilitate the timely completion of the Local Transmission Plan, in no case shall a dispute as set forth in Section 8.1.1 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.

8.4. Rights. Nothing contained in this Part A, Section 8 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

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9. Transmission Business Practices.

The Transmission Provider's will develop and post transmission business practices that provide additional detail explaining how the Transmission Provider will implement this Attachment K. To the extent necessary, the detail shall include: forms for submitting an Economic Study Request; a schedule and sequence of events for preparing the Local Transmission Plan; additional details associated with cost allocation; a description of the sub-regional and regional planning process to which the Local Transmission Plan will be submitted; a description of how the Local Transmission 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.

10. Openness.

- 10.1. Participation. All affected stakeholders may attend Local Transmission Plan meetings and/or submit comments, submit Economic Study Requests, or other information relevant to the planning process. Committees or working groups may be created as part of the planning process to facilitate specific planning efforts.
- 10.2. Critical Energy Infrastructure Information. 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.

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10.3. 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 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.

B. Sub-Regional Planning Process

Introduction

Transmission Provider is a member of the 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 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 planning committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission Plan. For additional information, including a map containing the current geographic footprint of NTTG, please see <http://www.nttg.biz>.

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1. Transmission Provider Coordination with NTTG

The Transmission Provider will participate in the sub-regional planning process as described in the Transmission Provider's business practices, available at: <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>. In accordance with this process, the Transmission Provider and NTTG will conform to the following obligations:

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1.1 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.

1.2 Transmission Provider will provide NTTG with its Local Transmission Plan incorporating all of the transmission service forecasts for its transmission system.

1.3 Subject to appropriate CEII requirements, Transmission Provider will post planning criteria and assumptions adopted by NTTG, and all NTTG study results on Transmission Provider's OASIS.

1.4 NTTG will conduct its planning process to identify needs, least cost expansion project alternatives, technical benefits and projected costs.

1.5 NTTG will select beneficial expansion sub-regional projects and address cost allocation among participating Transmission Providers.

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2 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, which is approved by the NTTG Steering Committee. The current NTTG planning committee charter is available through the Transmission Provider's business practice at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>. As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion 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 as outlined below:

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Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.

Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.

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Quarters 3 and 4: Conduct power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system, and produce a draft transmission plan for public and stakeholder comment.

Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.

Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identified benefits in the cost allocation process.

Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

Quarter 8: Submit final plan to the NTTG Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local and regional 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.

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3. Stakeholder Participation

3.1 Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. In addition, NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state regulatory commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement consistent with its terms. 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.

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3.2 Eligible Customers and stakeholders 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 plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan

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4. Sub-regional Economic Study Requests

4.1 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, as outlined in NTTG's Planning Committee Charter. The sub-regional studies pursuant to Economic Study Requests will address those requests submitted to member Transmission Providers that are categorized as Sub-Regional or Regional Economic Study Requests pursuant to Part A, Section 6 of this Attachment K. NTTG may submit regional Economic Study Requests to the WECC pursuant to the NTTG and WECC processes.

4.2 Within each study cycle, any Eligible Customer or stakeholder may make additional Economic Study Requests, or Economic 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 to the Transmission Provider pursuant to Part A, Section 6 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.

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

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- 4.3 NTTG will cluster and study Economic Study Requests together only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.
- 4.4 For an Economic Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Study Requests to the Transmission Provider pursuant to Part A, Section 6 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.
- 4.5 All Economic Study Requests received by the Transmission Provider will be categorized pursuant to Part A, Section 6.3 of this Attachment K. For an Economic Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee.

5. Dispute Resolution

Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional expansion plan and associated cost allocation. The NTTG planning agreement dispute resolution process may also be initiated, inter alia, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process. For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-regional transmission plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this section Part B, section 5 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 Part B, section 5 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

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6. Cost Allocation

The following approach will be utilized to allocate costs for those projects included in the NTTG sub-regional plan, based on the following principles:

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

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

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

6.1.3. Post information about the proposed project on OASIS.

6.1.4. 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.

6.2. 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.

6.3 Coordination with NTTG. Transmission Provider, whether as a project sponsor or a project participant, will support the 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.

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6.4. Allocation of Costs.

- 6.4.1. 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 in Transmission Provider's business practice, located at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>.
- 6.4.2. 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 link to which can be found in Transmission Provider's transmission planning business practice and also in NTTG's Cost Allocation Committee Charter on NTTG's website. 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 in Transmission Provider's business practice, located at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>.
- 6.4.3. 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.

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6.4.4. 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 governed by existing cost allocation methods within Transmission Provider's OATT, will continue to be so governed and will not be covered by the principles above.

C. Regional Planning Process

Introduction

Transmission Provider is a member of the WECC and supports the work of WECC. NTTG may utilize WECC for consolidation and completion of congestion and economic studies, base cases, and other regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional process. Eligible Customers and stakeholders may participate directly in the WECC's processes, pursuant to participation requirements defined by WECC, or participate indirectly through the Transmission Provider via development of the Local Transmission Plan or through the NTTG process as outlined above in Part B.

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1. Transmission Provider Coordination with WECC

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Transmission Provider will coordinate with WECC for regional 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 Columbia Grid. The goal of NTTG's coordination on a regional 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 planning process is located in the Transmission Provider's business practices, located at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc>

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2. Study Process

WECC's transmission planning protocol and other related information is available on the WECC website. A link to the WECC processes is maintained in the Transmission Provider's business practices located at <http://www.oasis.pacificorp.com/oasis/dgt/bpplanning1.doc> and on the Transmission Provider's OASIS.

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Deleted: RM05-17-000 and RM05-25-000,
issued February 16, 2007, 118 FERC ¶ 61,119
(2007) (Order No. 890)

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

Issued On: October 29, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008).

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3. Stakeholder Participation

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

4. Regional Economic Study Requests

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Transmission Provider will support, directly and through its participation in NTTG, the WECC processes to prioritize and complete regional Economic Study Requests submitted by customers and stakeholders to each member transmission provider in each calendar year within the WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic Study Requests to the Transmission Provider pursuant to Part A, Section 6 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic Study Requests received by the Transmission Provider will be categorized pursuant to Part A, Section 6.3 of this Attachment K.

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5. Dispute Resolution

Regional dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Part C, section 5 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

6. Cost Allocation

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

Issued By: James Tucker
Director of Transmission Services

Effective: December 7, 2007

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Attachment 3

Substitute First Revised Sheet No. 132 (superseding First Revised Sheet No. 132), Substitute Original Sheet Nos. 132A to 132N (superseding Original Sheet Nos. 132 - A to 132 - N), and Original Sheet Nos. 132O to 132S of Idaho Power Company FERC Electric Tariff, First Revised Volume No. 6, reflecting compliance revisions in clean format to Attachment K of Idaho Power's OATT.

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 (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 sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's sub-regional and regional planning efforts is also contained within the separate agreements and business practices of the NTTG and the WECC.

1. Definitions

- 1.1. **Demand Resources:** 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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.
- 1.2. **Economic Study Request:** a request by an Eligible Customer or stakeholder to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Local Transmission Plan (produced pursuant to Section 3.2.3 or Section 3.2.6 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Local Transmission Plan.
- 1.3. **Local Transmission Plan or LTP:** transmission plan of the Transmission Provider 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; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's point-to-point transmission service customers' projected service needs including obligations for rollover rights.
- 1.4. **NTTG:** the Northern Tier Transmission Group or its successor.
- 1.5. **WECC:** the Western Electricity Coordinating Council or its successor.

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

Part A. Local Planning Process

2. Preparation of a Local Transmission Plan

- 2.1. With the input of affected stakeholders, Transmission Provider shall prepare one (1) Local Transmission Plan during each two-year study cycle. The Transmission Provider shall evaluate the Local Transmission 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 Plan shall study a twenty (20) year planning horizon
- 2.2. The Local Transmission 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 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 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.

3. Coordination

- 3.1. Study Cycle. Transmission Provider shall prepare the Local Transmission Plan during an eight (8) quarter study cycle. The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation. If any comments are rejected, documentation explaining why shall be maintained as part of the Local Transmission 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

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

extent that such an obligation exists, or through other planning resources); point-to-point transmission service customers' projections for service at each receipt and delivery point (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. 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. 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 Plan, or as otherwise provided for in Sections 7.4 and 7.5.

- 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 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 Plan development. Transmission Provider will model the Economic Study Requests selected in Quarter 1 using the previous biennial cycle's Local Transmission Plan as a reference.
- 3.2.3. Quarters 3 and 4: Transmission Provider will prepare and post on OASIS a draft Local Transmission Plan. The Transmission Provider may elect to post interim iterations of the draft Local Transmission 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. 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 Plan, or as otherwise provided for in Sections 7.4 and 7.5.
- 3.2.5. Quarter 6: Transmission Provider will model the Economic Study Requests selected in Quarter 5 using the draft Local Transmission Plan as a reference.

- 3.2.6. Quarter 7: Transmission Provider will finalize and post on OASIS the Local Transmission 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 Plan shall be transmitted to the sub-regional and regional 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 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 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, 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 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 Plan;
 - 5.2.8. At a minimum, the final version of all completed Local Transmission 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.
- 5.3. 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 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 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 Plan, the Transmission Provider shall identify anticipated cost allocations in the Local Transmission 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. If the Economic Study Request is categorized as sub-regional or regional, 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 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, 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 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, the study request will be considered sub-regional and will be processed under Part B.
- 7.3.3. Regional 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 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 contain at least one Point of Receipt or Point of Delivery 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 Plan while reliably serving the load growth needs being studied in the Local Transmission 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 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 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 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 only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.
- 7.8. Results. Results of the economic studies shall be reported as part of the draft and final Local Transmission 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 Plan process or the sub-regional or regional planning process shall be included in the Transmission Provider's transmission rate base.

9. Dispute Resolution

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

- 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 Plan. Disputes over any matter shall be raised timely; provided, however, to facilitate timely completion of the Local Transmission 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

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

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 Plan; additional details associated with cost allocation; a description of the sub-regional and regional planning process to which the Local Transmission Plan will support; a description of how the Local Transmission 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 Plan meetings and/or submit comments, submit Economic Study Requests, 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

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 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 planning committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission 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.

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 CEII 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:

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

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

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, which is approved by the NTTG Steering Committee. The NTTG planning 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.oatioasis.com/PCO/PCOdocs/Section_21_Transmission_Planning.pdf.

As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion 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 as outlined below:

Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.

Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.

Quarters 3 and 4: Conduct power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system, and produce a draft transmission plan for public and stakeholder comment.

Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.

Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identified benefits in the cost allocation process.

Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

Quarter 8: Submit final plan to the NTTG Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local and regional 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 Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. In addition, NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state regulatory commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement consistent with its terms. 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 Eligible Customers and stakeholders 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 plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan.

15. Economic Study Requests

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, as outlined in NTTG's Planning Committee Charter. The sub-regional studies

pursuant to Economic Study Requests will address those requests submitted to member Transmission Providers that are categorized as Sub-Regional or Regional Economic Study Requests pursuant to Section 7 of this Attachment K. NTTG may submit regional Economic Study Requests to the WECC pursuant to the NTTG and WECC processes.

- 15.2 Within each study cycle, any Eligible Customer or stakeholder may make additional Economic Study Requests, or Economic 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 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 Study Requests only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.
- 15.4 For an Economic Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic 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 Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K. For an Economic Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee.

16. Dispute Resolution

Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional expansion plan and associated cost allocation. The NTTG planning agreement dispute resolution process may also be initiated, *inter alia*, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process. For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-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 party 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 NTTG sub-regional plan, based on the following principles:

- 17.1. Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) 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. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
 - 17.1.2. Schedule meeting(s) with stakeholders and/or public utility commission staff.
 - 17.1.3. Post information about the proposed project on OASIS.
 - 17.1.4. 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 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/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

17.4.2. 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/IPCO/IPCOdocs/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/IPCO/IPCODOcs/Section_21_Transmission_Planning.pdf.

- 17.4.3. 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.
- 17.4.4. 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 governed by existing cost allocation methods within Transmission Provider’s OATT, will continue to be so governed and will not be covered by the principles above.

Part C. Regional Planning Process

Introduction

Transmission Provider is a member of WECC and supports the work of the WECC. NTTG may utilize WECC for consolidation and completion of congestion and economic studies, base cases, and other regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional process. Eligible Customers and stakeholders may participate directly in the WECC processes, pursuant to participation requirements defined by WECC, or participate indirectly through the Transmission Provider via development of the Local Transmission Plan or through the NTTG process as outlined above in Part B.

18. Transmission Provider Coordination

Transmission Provider will coordinate with WECC for regional planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring sub-regional planning groups. The goal of NTTG’s coordination on a regional 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 planning process is located 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.

19. Study Process

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

20. Stakeholder Participation

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

21. Economic Study Requests

Transmission Provider will support, directly and through its participation in NTTG, the WECC processes to prioritize and complete regional Economic Study Requests submitted by customers and stakeholders to each member transmission provider in each calendar year within the WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic 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 Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K.

22. Dispute Resolution

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

23. Cost Allocation

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

Attachment 4

Substitute First Revised Sheet No. 132 (superseding First Revised Sheet No. 132), Substitute Original Sheet Nos. 132A to 132N (superseding Original Sheet Nos. 132 - A to 132 - N), and Original Sheet Nos. 132O to 132S of Idaho Power Company FERC Electric Tariff, First Revised Volume No. 6. reflecting compliance revisions in redline format to Attachment K of Idaho Power's OATT.

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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, sub-regional (NTTG) and regional (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 sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's sub-regional and regional planning efforts is also contained within the separate agreements and business practices of the NTTG and the WECC.

1. Definitions

1.1. Demand Resources: 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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.

1.2. Economic Study Request: a request by an Eligible Customer or stakeholder to model the ability of specific upgrades or other investments to the Transmission System or ~~Demand Resources~~, not otherwise considered in the Local Transmission Plan (produced pursuant to Section 3.2.3 or Section 3.2.6 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Local Transmission Plan.

1.3. Local Transmission Plan or LTP: transmission plan of the Transmission Provider 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; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's point-to-point transmission service customers' projected service needs including obligations for rollover rights.

1.4. NTTG: the Northern Tier Transmission Group or its successor.

1.5. WECC: the Western Electricity Coordinating Council or its successor.

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Issued By: Tess Park, Manager, Grid Operations

Effective Date: December 7, 2007

Issued On: ~~October 29, 2008~~

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. ~~OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002~~, issued ~~July 17, 2008, 124 FERC ¶ 61,053 (2008)~~.

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Part A. Local Planning Process

2. Preparation of a Local Transmission Plan

- 2.1. With the input of affected stakeholders, Transmission Provider shall prepare one (1) Local Transmission Plan during each two-year study cycle. The Transmission Provider shall evaluate the Local Transmission 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 Plan shall study a twenty (20) year planning horizon
- 2.2. The Local Transmission 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 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 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.

3. Coordination

- 3.1. Study Cycle. Transmission Provider shall prepare the Local Transmission Plan during an eight (8) quarter study cycle. The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation. If any comments are rejected, documentation explaining why shall be maintained as part of the Local Transmission 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

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Issued On: October 29, 2008

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extent that such an obligation exists, or through other planning resources); point-to-point transmission service customers' projections for service at each receipt and delivery point (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. 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. 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 Plan, or as otherwise provided for in Sections 7.4 and 7.5.

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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 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 Plan development. Transmission Provider will model the Economic Study Requests selected in Quarter 1 using the previous biennial cycle's Local Transmission Plan as a reference.

3.2.3. Quarters 3 and 4: Transmission Provider will prepare and post on OASIS a draft Local Transmission Plan. The Transmission Provider may elect to post interim iterations of the draft Local Transmission 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. 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 Plan, or as otherwise provided for in Sections 7.4 and 7.5.

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

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Issued By: Tess Park, Manager, Grid Operations
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3.2.6. Quarter 7: Transmission Provider will finalize and post on OASIS the Local Transmission 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 Plan shall be transmitted to the sub-regional and regional 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 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.

Issued By: Tess Park, Manager, Grid Operations

Effective Date: December 7, 2007

Issued On: October 29, 2008

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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.

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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.

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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.

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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 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.oatiaoasis.com/IPCO/PCOdocs/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 Plan, and any explanation regarding acceptance or rejection of such comments;

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<#>Transmission planning business practices along with the procedures for modifying the business practices;¶

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

5.2.8. At a minimum, the final version of all completed Local Transmission 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.

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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 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.

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6.3. Categories of Included Costs. The Transmission Provider shall categorize projects set forth in the Local Transmission 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.

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6.4. Cost Allocation Principles. Unless an alternative cost allocation process is utilized and described in the Local Transmission Plan, the Transmission Provider shall identify anticipated cost allocations in the Local Transmission 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.

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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

Issued By: Tess Park, Manager, Grid Operations

Effective Date: December 7, 2007

Issued On: October 29, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002, issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

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. If the Economic Study Request is categorized as sub-regional or regional, 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 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, 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 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, the study request will be considered sub-regional and will be processed under Part B.

7.3.3. Regional 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 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 contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint.

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002, issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

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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 Plan while reliably serving the load growth needs being studied in the Local Transmission 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 regional practices and criteria developed pursuant to Parts B and C of this Attachment K.

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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 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 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.

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The Transmission Provider shall identify all Economic Study Requests to be evaluated as part of the current Local Transmission Plan study cycle. In the event the Transmission Provider receives an Economic Study Request that impacts more than the Transmission Provider's Transmission System, the Transmission Provider shall notify the requesting party and forward the Economic Study Request to NTTG for consideration and processing under NTTG's procedures.¶

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 only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

7.8. Results. Results of the economic studies shall be reported as part of the draft and final Local Transmission 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 Plan process or the sub-regional or regional planning process shall be included in the Transmission Provider's transmission rate base.

9. Dispute Resolution

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002, issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

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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;

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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.

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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.

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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.

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<#>Step 3: If mediation is unsuccessful or waived, a party may initiate complaint proceedings at the Commission as it deems necessary within one hundred eighty (180) days of the completion of Step 2. ¶

9.3. Timely Submission of Disputes to Ensure Completion of the Local Transmission Plan. Disputes over any matter shall be raised timely; provided, however, to facilitate timely completion of the Local Transmission 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.

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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

Issued By: Tess Park, Manager, Grid Operations

Effective Date: December 7, 2007

Issued On: October 29, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002, issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

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 Plan; additional details associated with cost allocation; a description of the sub-regional and regional planning process to which the Local Transmission Plan will support; a description of how the Local Transmission 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 Plan meetings and/or submit comments, submit Economic Study Requests, 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.

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002, issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

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Part B. Sub-Regional Planning Process

Introduction

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 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 planning committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission 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.

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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 CEII 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:

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Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

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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.

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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, which is approved by the NTTG Steering Committee. The NTTG planning 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.oatioasis.com/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion 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 as outlined below:

Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.

Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.

Quarters 3 and 4: Conduct power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system, and produce a draft transmission plan for public and stakeholder comment.

Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.

Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identified benefits in the cost allocation process.

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Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

Quarter 8: Submit final plan to the NTTG Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local and regional 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.

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14. Stakeholder Participation

14.1 Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. In addition, NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state regulatory commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement consistent with its terms. 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 Eligible Customers and stakeholders 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 plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan.

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15. Economic Study Requests

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, as outlined in NTTG's Planning Committee Charter. The sub-regional studies

Issued By: Tess Park, Manager, Grid Operations
Issued On: October 29, 2008

Effective Date: December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002, issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

pursuant to Economic Study Requests will address those requests submitted to member Transmission Providers that are categorized as Sub-Regional or Regional Economic Study Requests pursuant to Section 7 of this Attachment K. NTTG may submit regional Economic Study Requests to the WECC pursuant to the NTTG and WECC processes.

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15.2 Within each study cycle, any Eligible Customer or stakeholder may make additional Economic Study Requests, or Economic 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 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.

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15.3 NTTG will cluster and study together Economic Study Requests only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

15.4 For an Economic Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic 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 Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K. For an Economic Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee.

16. Dispute Resolution

Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional expansion plan and associated cost allocation. The NTTG planning agreement dispute resolution process may also be initiated, inter alia, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process. For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-regional transmission plan, disputes over any

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Issued By: Tess Park, Manager, Grid Operations
Issued On: December 7October 29, 20078

Effective Date: December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002RM05-17-000 and RM05-25-000, issued February July 167, 20078, 118 124 FERC ¶ 61,119 053 (20078).

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 party 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 NTTG sub-regional plan, based on the following principles:

17.1. Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) 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. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.

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

17.1.3. Post information about the proposed project on OASIS.

17.1.4. 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 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

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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.

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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/IPCO/IPCODOcs/Section_21_Transmission_Planning.pdf.

17.4.2. 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/IPCO/IPCODOcs/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

Issued By: Tess Park, Manager, Grid Operations
Issued On: December 7 October 29, 20078

Effective Date: December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002RM05-17-000 and RM05-25-000, issued February July 167, 20078, 118 124 FERC ¶ 61,119 053 (20078) (Order No. 890)

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/IPCO/IPCOdocs/Section_21_Transmission_Planning.pdf.

17.4.3. 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.

17.4.4. 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 governed by existing cost allocation methods within Transmission Provider’s OATT, will continue to be so governed and will not be covered by the principles above.

Part C. Regional Planning Process

Introduction

Transmission Provider is a member of WECC and supports the work of the WECC. NTTG may utilize WECC for consolidation and completion of congestion and economic studies, base cases, and other regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional process. Eligible Customers and stakeholders may participate directly in the WECC processes, pursuant to participation requirements defined by WECC, or participate indirectly through the Transmission Provider via development of the Local Transmission Plan or through the NTTG process as outlined above in Part B.

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18. Transmission Provider Coordination

Transmission Provider will coordinate with WECC for regional planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring sub-regional planning groups. The goal of NTTG’s coordination on a regional 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 planning process is located 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.

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Issued By: Tess Park, Manager, Grid Operations
Issued On: December 7 October 29, 20078

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19. Study Process

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

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Deleted: maintained on the Transmission Provider's OASIS.

20. Stakeholder Participation

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

21. Economic Study Requests

Deleted: Economic Congestion Studies

Transmission Provider will support, directly and through its participation in NTTG, the WECC processes to prioritize and complete regional Economic Study Requests submitted by customers and stakeholders to each member transmission provider in each calendar year within the WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic 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 Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K.

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22. Dispute Resolution

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

23. Cost Allocation

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

Issued By: Tess Park, Manager, Grid Operations
Issued On: December 7 October 29, 20078

Effective Date: December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA 08-23-000, OA08-55-000, OA08-55-001, OA08-55-002RM05-17-000 and RM05-25-000, issued February July 167, 20078, 118 124 FERC ¶ 61,119 053 (20078) (Order No. 890)

Attachment 5

Substitute First Revised Sheet No. 121 (Superseding First Revised Sheet No. 121), Substitute Original Sheet Nos. 121A to 121T (Superseding Original Sheet Nos. 121A to 121T), and Original Sheet Nos. 121U to 121AA, reflecting compliance revisions in clean format to Attachment K of NorthWestern's OATT.

ATTACHMENT K

Transmission Planning Process

Preamble

In accordance with the Commission's regulations, NorthWestern's planning process is performed on a local, sub-regional (NTTG) and regional (WECC) basis. Section 2 of this Attachment K addresses the Local Transmission Planning process. Sections 3 and 4 of this Attachment K address NorthWestern's sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to NorthWestern's local, sub-regional, and regional planning efforts is also contained within the separate agreements and business practices of NorthWestern, NTTG, and the WECC.

1. Definitions

- 1.1. **Demand Resources:** 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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.
- 1.2. **Economic Study Request:** An Economic Study Request is a study request to the Transmission Provider by 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 this Attachment K), to study enhancements that could alleviate congestion or integrate new resources or loads on an aggregated or regional basis without having to submit a specific request for service
- 1.3. **LTP:** Local Transmission Plan is the transmission plan of the Transmission Provider 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; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's Point-to-Point Transmission Service customers' projected service needs including obligations for rollover rights.
- 1.4. **NTTG:** Shall mean Northern Tier Transmission Group or its successor organization.

1.5. **Open Public Meeting:** Public Meetings periodically held by the Transmission Provider for the Purpose of soliciting input from interested persons and affected stakeholders on the Transmission Provider's LTP.

1.6. **TRANSAC:** Shall mean NWE's Transmission Advisory Committee that is a stand-alone advisory committee comprised of eligible stakeholders who will provide input to the Transmission Provider regarding its Local Transmission Plan.

1.7. **WECC:** Shall mean Western Electricity Coordinating Council or its successor organization.

2. Local Planning Process

2.1. Preparation of a LTP

2.1.1 The Transmission Provider shall prepare, with the input of interested stakeholders, one (1) LTP during every two-year study cycle. The preparation of the LTP shall be done in accordance with the general policies, procedures, and principles set forth in this Attachment K.

2.1.2 Point-to-Point transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in Transmission Provider's Tariff. Similarly, Network Customers must submit Network Resource and load additions/removals pursuant to the process described in Part III of the Tariff and the Transmission Provider's Business Practices document. This document is identified under the Section "1.R - Open Access Transmission Tariff (OASIS) & Business Practices" of the Transmission Provider's business practice, available on the Transmission Provider's OASIS at: http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.1.3 Comparability Between Customers. The Transmission Provider shall develop a transmission plan that meets the needs of its transmission customers and treats all similarly situated customers (including network and retail native load and its own merchant function) on a comparable basis. Information obtained in quarters 1 and 5 pursuant to Section 2.5 below will be used in the preparation of the next planning cycle Local Transmission Plan. Transmission Provider may, following stakeholder input, also include results of completed Economic Studies, completed pursuant to Section 2.7 below, in either the draft Local Transmission Plan or the next planning cycle, depending on whether the study was requested in Quarter 1 or Quarter 5. In developing the Local Transmission Plan, Transmission

Provider shall apply applicable reliability criteria, including criteria established by the Transmission Provider, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation, and the Federal Energy Regulatory Commission.

- 2.1.4 Comparability Between Resources. Comparability between resources, including similarly situated customer-identified projects, will be accomplished in the following manner.
 - 2.1.4.1 Comparability between resources will be achieved in NWE's Local Transmission Plan by including all valid data received from customers (including load forecast data, generation data and Demand Resource data) in the Local Transmission Plan development.
 - 2.1.4.2 The Transmission Provider projects and similarly situated customer-identified projects (e.g., transmission solutions and solutions utilizing Demand Resource load adjustment) will be treated on a comparable basis and given comparable consideration in the transmission planning process. Comparability will be achieved by allowing customer-defined projects sponsor participation throughout the transmission planning process and by considering customer-defined projects (transmission solutions and solutions utilizing Demand Resources load modeled as a load adjustment) in the Local Transmission Plan development. The Transmission Provider retains discretion as to which solutions to pursue and is not required to include all customer-identified projects in its plan.
- 2.1.5 The Transmission Provider will establish a process by which stakeholders can discuss, question, or propose alternatives for input assumptions and upgrades identified by the transmission provider.
- 2.1.6 The Transmission Provider shall use a fifteen (15) year planning horizon for the LTP.
- 2.1.7 The LTP does not effectuate or otherwise constitute a transmission service request(s). Transmission Service Requests must be made in accordance with the procedures set for in the OATT and posted on the Transmission Provider's OASIS. The LTP does fulfill the Transmission Provider's obligation to plan for, and provide for future Network Customers and Native Load Customers' load growth by identifying required Transmission System capacity additions to be constructed over the planning horizon.

- 2.1.8 The Transmission Provider shall take the LTP into consideration, to the extent required by law or regulation, as is appropriate when preparing and conducting generation interconnect, transmission service and economic studies. Explanation of the coordination of the LTP, generation interconnect studies and Economic Studies is available in Section “1.P - OASIS Attachment K Business Practice” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.
- 2.1.9 The Transmission Provider shall take the generation interconnect, transmission service and economic study results into consideration, to the extent required by law or regulation, as is appropriate when preparing and conducting the LTP studies. Explanation of the coordination of the LTP, generation interconnect studies and Economic Studies is available in Section “1.P - OASIS Attachment K Business Practice” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.2. Open Planning Process

- 2.2.1 Open Planning Process: Transmission Provider shall prepare the LTP using an open process that includes input from interested persons and stakeholders at every step consistent with the principles, practices, policy and procedures set forth in this Attachment K. The Transmission Provider shall: (1) determine the goals and define the scenarios related to the LTP; (2) perform the Technical Study; (3) make any necessary determination, based on the data produced during the Technical Study and at the Transmission Providers sole discretion, regarding the LTP itself or include timely submitted Economic Study request results; and (4) report study results, as required by applicable law or regulation to interested stakeholders and affected parties.
- 2.2.2 Openness: The Transmission Provider’s LTP process will be open to all stakeholders during the development of the LTP. All meetings related to the LTP process shall be: (1) noticed by the Transmission Provider via the OASIS; and (2) provide for alternate means of participation, to the extent practical and economical, such as teleconference, videoconference or other similar means. The mode, method, schedule, process, and instructions for participation in the LTP process shall be posted and maintained on the OASIS.

- 2.2.3 Limitations on Disclosure: While Transmission Provider's LTP process will be conducted in the most open manner possible, Transmission Provider has an obligation to protect sensitive information such as, but not limited to, Critical Energy Information and the proprietary materials of third parties. Nothing in this Attachment K shall be construed as compelling the Transmission Provider to disclose materials in contravention of any applicable regulation, contractual arrangement, or lawful order unless otherwise ordered by a governmental agency of competent jurisdiction. Transmission Provider may employ mechanisms such as confidentiality agreements, protective orders, or waivers to facilitate the exchange of sensitive information where appropriate and available.
- 2.2.4 Compliance: Transmission Provider will adhere to all applicable regulations in preparing the LTP, including but not limited to the Standards of Conduct for Transmission Providers and Critical Information Energy Information.

2.3. Coordination

- 2.3.1 LTP Study Cycle: Transmission Provider shall prepare a LTP during an eight (8) quarter study cycle.
- 2.3.1.1 Throughout the development of the LTP, Transmission Provider will coordinate the LTP development with stakeholders and interested parties through TRANSAC.
- 2.3.1.2 The LTP study cycle and its start will be posted on the Transmission Provider's website. The study cycle is explained in Section "1.K - LTP Study Cycle – Data Collection" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.
- 2.3.1.3 The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation. If any comments are rejected, documentation explaining why shall be maintained in Section "1.N - Local Transmission Plan" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.3.2 LTP Sequence of Events: Transmission Provider shall use the following timeline in preparing its LTP.

2.3.2.1 Quarter 1: Data Collection, Goal and Scenario Definition

2.3.2.1.1 Each Transmission Customer taking service under Part II of the OATT, or which has an accepted reservation in the transmission queue to take service under Part II shall provide data as requested by the Transmission Provider. Transmission Provider will gather Network Customers' projected loads and resources, and load growth expectations (based on annual updates and other information available to it); Transmission Provider's projected load growth and resource needs for its Eligible Customers; Point-to-Point Transmission Service customer's projections for long-term (greater than 1 year) at each receipt and delivery point (based on information submitted by the customer to the Transmission Provider) including projections of rollover rights; and information from all Transmission Customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned Demand Resources and their impact on demand and peak demand. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue requests, obligations that will either commence or terminate during the applicable study window.

2.3.2.1.2 Transmission Provider, with input from stakeholders and interested parties, will define the LTP goal and define the scenarios to be considered in development of the LTP.

2.3.2.1.3 Transmission Provider will post on its OASIS the basic methodology, criteria, process and its assumptions, databases that the Transmission Provider will use to prepare the Local Transmission Plan.

2.3.2.1.4 Confidential data and information and Critical Energy Infrastructure Information will be protected as required.

2.3.2.2 Quarter 2-6: Technical Study

2.3.2.2.1 Quarter 2: Transmission Provider, with input from stakeholders and interested parties, will develop base cases

that include load and resource data to represent the defined scenarios. Customer load, Demand Response and generation data received pursuant to 2.5 will be included, as appropriate, in the development of the base case.

2.3.2.2.2 Quarter 5: Transmission Provider will coordinate the Economic Planning Study results, section 2.7, and new generation interconnect resource study results into the LTP as appropriate.

2.3.2.2.3 Quarter 2-6: Transmission Provider will conduct powerflow, transient stability studies, post transient power flow and other studies.

2.3.2.2.3.1 Transmission Provider will study the existing transmission system over the 15-year planning horizon and identify reliability concerns.

2.3.2.2.3.2 Transmission Provider will identify mitigation and analyze the transmission system with mitigation included.

2.3.2.2.3.3 Transmission Provider will collect information from the analysis to be used in Quarter 7 decisions.

2.3.2.2.4 Transmission Provider will consider transmission and non-transmission solutions, including Demand Resources load adjustments, to mitigate for unacceptable reliability performance problems that do not meet planning criteria.

2.3.2.2.5 Transmission Provider will consider the results from Economic Studies completed during quarters 1-4 of the current LCP study cycle or Economic Study results from studies completed during the prior year Economic Study cycle.

2.3.2.3 Quarter 7: Decision

2.3.2.3.1 Using data and information from the Technical Study, the Transmission Provider, with input from stakeholders and interested parties, will define its fifteen (15) year LTP.

2.3.2.4 Quarter 8: Reporting and Coordination

2.3.2.4.1 Transmission Provider will report the LTP to stakeholders and submit the LTP to sub-regional (NTTG) and regional entities (WECC) conducting similar studies.

2.3.2.4.2 Transmission Provider will communicate its LTP with owners and operators of the neighboring interconnected transmission systems.

2.3.2.4.3 Transmission Provider will post on its OASIS its final LTP report and all draft LTP reports.

2.4. **Transparency**

2.4.1 NorthWestern shall post on its OASIS and consistently apply the methodologies, criteria, assumptions, and process for preparing the LTP.

2.4.2 The Transmission Provider shall utilize regularly scheduled TRANSAC meetings or other similar means, as it may from time to time establish, to solicit, obtain, and coordinate the input of interested stakeholders throughout the LTP study process. Transmission Provider's open planning process encourages participation by stakeholders, including, but not limited to, the Montana Public Service Commission, the Montana Consumer Council, transmission customers (Network and Point-to-Point Transmission Service), generators, cooperatives, interconnecting utilities, the Governors Office, transmission-providing neighbors and other stakeholders. Announcements of these meetings will be posted on NWE's OASIS website and all meetings will be open to the public.

2.4.3 Transmission Provider shall post and maintain on its OASIS: (1) All procedures, process, instructions, and other information necessary to participate in the TRANSAC, Open Public Meeting, or other means established for the purpose of soliciting the input of or coordinate with interested stakeholders; (2) all comments received from interested stakeholders, to the extent such comments are not confidential or subject to privilege; any draft LTP or any other documents the Transmission Provider deems would promote coordination in the LTP study process or required to be posted by applicable law or regulation.

2.4.4 The responsibility for the LTP shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation.

- 2.4.5 Upon completion of the LTP process as set forth on the Transmission Provider's OASIS, the Transmission Provider shall finalize and post on the OASIS the LTP and non-confidential supporting documents.
- 2.4.6 The LTP shall be transmitted to the sub-regional and regional entities conducting similar planning efforts, interested stakeholders, and the owners and operators of the neighboring interconnected transmission systems.
- 2.4.7 OASIS Requirements
 - 2.4.7.1 The Transmission Provider shall maintain a Transmission Planning folder on the publicly accessible portion of its OASIS to distribute information related to this Attachment K and the LTP.
 - 2.4.7.2 The Transmission Provider shall maintain in the Transmission Planning folder on the publicly accessible portion of OASIS a subscription service or How-To-Contact-Us folder whereby any person may contact the Transmission Provider to receive e-mail notices and materials related to the LTP process.
 - 2.4.7.3 Content of OASIS Postings. Transmission Provider shall post on its OASIS the following information. These documents can be found under Section "1 – Local Transmission Planning and Attachment K Link Information" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.
 - 2.4.7.3.1 Transmission planning business practices along with the procedures for modifying the business practices;
 - 2.4.7.3.2 Study cycle timeline;
 - 2.4.7.3.3 A form to submit an Economic Study Request, each Economic Study Request, and any response from the Transmission Provider;
 - 2.4.7.3.4 The details of each TRANSAC, Open Public Meeting, or any other similar meeting related to transmission planning;
 - 2.4.7.3.5 In advance of its discussion at any public meeting, an agenda and available materials to be discussed;

- 2.4.7.3.6 As soon as reasonably practical after the conclusion of each public meeting, a summary of the transmission information discussed at the public meeting and any material not already posted;
- 2.4.7.3.7 Written comments submitted in relation to the Local Transmission Plan, and any explanation regarding rejection of such comment;
- 2.4.7.3.8 The draft and any interim versions of the Local Transmission Plan;
- 2.4.7.3.9 The final version of all completed Local Transmission Plans;
- 2.4.7.3.10 Aggregated load forecasts representing the Transmission Provider's total Balancing Area (e.g., control area) transmission system;
- 2.4.7.3.11 Summary list of Critical Energy Infrastructure Information submitted during the planning process; and
- 2.4.7.3.12 Pertinent NTTG and WECC agreements, charters and documents under a separate NTTG and WECC folders on the OASIS

2.4.8 Database Access. A stakeholder may receive access from the Transmission Provider to the database and all changes to the database used to prepare the Local Transmission Plan according to the database access rules established by the WECC and upon certification to the Transmission Provider that the stakeholder is permitted to access such database. Unless expressly ordered to do so by a court of competent jurisdiction or regulatory agency, the Transmission Provider has no obligation to disclose database information to any stakeholder that does not qualify for access.

2.5. Information Exchange

- 2.5.1 Types of Forecast Data: Network Customers, Point-to-Point Transmission Service customers and Load Serving Entities on behalf of Native Load Customers shall annually submit information on projected load, resources (or sources of electrical supply) and Demand Resources data as required to facilitate the LTP process or to fulfill OATT, regulatory, legal or other Transmission Provider obligations. Network Customers, Point-to-Point

Transmission Service customers and Load Serving Entities shall provide Transmission Provider the following types of data upon reasonable request and according to the schedule posted on the OASIS to facilitate the LTP process.

2.5.1.1 Historical Data: one year of monthly historical energy and peak load data for the prior calendar year and for all months of the current year, as it is available.

2.5.1.2 Load Forecast Data: monthly energy (MWh) and peak (MW) load forecast data.

2.5.1.2.1 The peak load forecast shall assume a 1-in-2 temperature.

2.5.1.3 Demand Resources, demand reduction, conservation and demand-side management: demand response resource savings, conservation savings, and other customer load reduction alternative that would reduce or alter their load forecast.

2.5.1.4 Generation Forecast Data: changes to technical generator data or interconnection facilities data for their generators and expected monthly energy (MWh), monthly peak capability (MW) and expected maintenance schedule.

2.5.1.5 Other Supply Sources: monthly energy (MWh) and peak (MW) data for electrical supply sources including point of receipt and point of delivery.

2.5.2 Amount of Data: Unless otherwise requested or provided elsewhere in NorthWestern's OATT, or agreed to by the Transmission Provider and the Transmission Customer, the Transmission Customer shall provide the Transmission Provider fifteen (15) years of monthly forecast data.

2.5.3 Additional Information: The Transmission Customer shall also provide, upon reasonable request, to the Transmission Provider the following information or other information as requested by the Transmission Provider:

2.5.3.1 Discussion of reasons for significant increase or decreases in load or generation forecast.

2.5.3.2 Source and vintage of load forecast and generation resource information.

- 2.5.3.3 Interruptible tariff peak loads with and without interruptible portion of the forecast applied.
- 2.5.3.4 The numerical value (average) for the 1-in-2 temperature used to develop the summer and winter peak load forecast.
- 2.5.3.5 The methodology that can be used to adjust the 1-in-2 winter and summer peak load forecasts to an alternative temperature (e.g., 1-in-10 and 1-in-20) probability assumption.
- 2.5.3.6 Weather station(s) used and assumptions associated with developing the peak load temperature forecasts.
- 2.5.3.7 Other load forecast and resource data as reasonably requested by the Transmission Provider.
- 2.5.4 Comparability of Data: The same type of data request for generator forecast data and load forecast data shall be sent by the Transmission Provider to generators and Transmission Customers within the Transmission Provider's respective balancing area.
- 2.5.5 Confidentiality: Individual customer data will be treated as confidential and will be aggregated with other customer data for planning and reporting purposes. The data received will be used to develop the Transmission Provider's LTP and for reporting purposes. Market sensitive and commercial specific data, identified as such by the Transmission Customer or stakeholder, shall be handled as such and administered in accordance with the Standard of Conduct for Transmission Providers as well as Confidential Energy Infrastructure Information.
- 2.5.6 Schedule of Collection: Transmission Provider will request forecast data annually during the fall time period (September-December) and merge it into the biannual LTP study schedule as posted on OASIS. Similarly, Transmission Provider shall post on the OASIS instructions and procedures for the submission of data.
- 2.5.7 Transmission Customer Obligation: Customers shall provide Transmission Provider with generation, energy and peak load forecast, demand response resources, and other data specified within this Attachment K, to the maximum extent practical and consistent with protection of proprietary information.

2.5.7.1 Customers shall also provide timely written notice (including email) of material changes to information previously provided relating to its load, resources, or other aspects of its facility or operations affecting the Transmission Provider's ability to provide service.

2.5.7.2 If any Transmission Customer or stakeholder fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider cannot effectively include future needs in the Transmission Provider's LTP planning obligations. If any Network Customer fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based on the most recent load and resource data received.

2.5.8 Comparability, Generally: Transmission Provider shall consider all valid data, along with appropriate comments on data, process, and methodology received from Transmission Customers and stakeholders during preparation of LTP.

2.6. Cost Allocation

2.6.1 Cost allocation principles expressed here are applied in a planning context, and do not supersede cost obligations as determined by other parts of the Tariff, which include but are not limited to transmission service requests, generation interconnection requests, Network Upgrades, Direct Assigned Facilities, or other cost allocation principles as may be determined in states with jurisdiction over the Transmission Provider.

2.6.2 The types of projects covered under this Cost Allocation (i.e., projects that are not covered under existing OATT allocation rules) include the following: a new project that is confined to Transmission Provider's Balancing Area that is not for load service (including a new project extending beyond the Transmission Provider's Balancing Area, which will be subject to sub-regional or regional cost allocation rules); a new project involving several transmission owners; a new project resulting from an open season participation; and a project resulting from an Economic Study request that is not used for Transmission Provider load service.

2.6.2.1 Transmission Provider shall use mechanisms such as the TRANSAC or similar processes to work collaboratively with stakeholders and Transmission Customers regarding the allocation of costs for projects whose costs are not otherwise addressed under the OATT. Transmission Provider's Methodology and principles for the Allocation of Costs shall be posted on the OASIS.

2.6.3 Individual Transmission Service Requests Costs and Interconnect Requests Not Considered

2.6.3.1 The costs of upgrades or other transmission investments subject to a generation interconnect or an existing transmission service request pursuant to the Tariff are evaluated in the context of that request. Nothing contained in this Attachment K shall relieve or modify the obligations of the Transmission Provider or the requesting Transmission Customer contained in the Tariff.

2.6.4 Cost Allocation Principles

2.6.4.1 Costs will be identified using the principle that cost causers should be cost bearers and that beneficiaries should pay in an amount that are reflective of the direct demonstrable benefits received. The costs will be determined by the technical study used to define the mitigation requirements and the direct costs of that mitigation. The benefits will be determined by the technical study as the direct demonstrable benefits that are a direct result of that mitigation.

2.6.4.2 Proportional Allocation: Costs and associated transmission rights for new local projects that fall outside Transmission Provider's OATT will be allocated on a proportional allocation based on the capacity (MW) requested or benefit received (quantified as MW benefit or other agreed upon measure), unless a mutually agreeable cost allocation method can be reached between Transmission Provider and the project participants or sponsors, which will be subject to FERC approval of the participation agreement. Allocation of costs and benefits for network upgrades required by the local project will be allocated on a pro-rated share of the network facility capacity (MW) use, which will be quantified by technical study.

2.6.4.2.1 Transmission Provider will follow the Local Cost Allocation Project Outside OATT Methodology that is posted on Transmission Provider's OASIS to develop a non binding cost estimate for an indicative cost allocation. The local cost allocation methodology can be found under Section "1.M - Local Cost Allocation Methodology" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.6.4.2.2 For a project on the Transmission Provider's system that is undertaken for economic reasons or congestion relief at the request of an entity, the project cost will be allocated to the requesting entity.

2.6.4.2.3 In developing alternative cost allocation methods, Transmission Provider will seek input from its stakeholders, through TRANSAC, when appropriate.

2.6.4.3 Notwithstanding the foregoing provisions, Transmission Provider will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recovered in its retail and/or wholesale rates.

2.6.4.4 The Commission's regulations, policy statements and precedent on transmission pricing shall be followed.

2.6.4.5 The cost allocation for sub-regional projects will be allocated consistent with the provisions of the NTTG Cost Allocation Principles. The NTTG Cost Allocation Principles is identified under Section "2.E - NTTG Cost Allocation Principles" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.7. **Economic Planning Studies**

2.7.1 The Transmission Provider will study up to two (2) high priority Local Transmission Provider Economic Studies annually. The Transmission Provider may not have or maintain the individual capability to conduct certain portions of the economic planning studies, and may contract with a qualified third party of its choosing to perform such work. Information on Economic Planning Studies is available in Section "1.G - Economic Planning Studies" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.7.2 Economic Planning Study Request: A form for submitting Economic Study Requests shall be maintained on the Transmission Provider's OASIS website. Any Eligible Customer or stakeholder may submit an Economic Study Request to the Transmission Provider, along with all data in its

possession supporting the request to be modeled. The party submitting the Economic Planning Study Request shall work in good faith to assist the Transmission Provider in gathering the data necessary to perform the modeling request. To the extent necessary, any coordination between the requesting party and the Transmission Provider shall be subject to appropriate confidentiality requirements.

2.7.2.1 Transmission Provider will post on its OASIS a listing of Economic Study Requests, including but not limited to, date received, study name, brief description of study request and study status.

2.7.3 Economic Study Process: Local Transmission Provider shall study valid requests for Economic Planning Studies in a manner that is open and coordinated with stakeholders utilizing the TRANSAC or other method established by the Transmission Provider to facilitate an open, transparent, and coordinated process. Economic Study Requests should be submitted to the Transmission Provider during the first two (2) months of the Economic Planning twelve (12) month study cycle by using the Economic Study Request form posted on the Transmission Providers OASIS website. Upon completion of the process, the Transmission Provider will provide the study request sponsor a report of the study results. If the economic study cannot be completed by the end of the calendar year, the Transmission Provider will notify the study request sponsor of the delay, provide an explanation of why the delay and provide an estimated completion date. The schedule and process document for performing Economic Studies can be found under Section "1.G - Economic Planning Studies" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.7.4 Clustering of local Economic Study Requests. Requests can be clustered if the point-of-receipt and point-of-delivery of the Economic Study Requests are on opposite sides of a common or a potentially common transmission path(s) or if a potentially common solution is created by the requests. Additional discussion can be found in Section "1.P - OASIS Attachment K Business Practice" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.7.5 Classification of Requests. Transmission Provider shall classify a request for Economic Planning Study as a Local Transmission Provider Economic Planning Request, Sub-Regional Economic Planning Request, or Regional

Economic Planning Request. If the Local Transmission Provider Economic Planning Request is Sub-Regional or Regional, the Transmission Provider will notify the requesting party and forward the Economic Planning Study request to NTTG for consideration and processing under NTTG's procedures.

- 2.7.5.1 Local Transmission Provider Economic Planning Request: Local Transmission Provider Economic Planning Request identifies Point(s) of Receipt and Point(s) of Delivery that are all within the Transmission Provider's scheduling system footprint and the Point of Receipt(s) and Point(s) of Delivery utilize only the Transmission Provider's scheduling paths, the study request will be considered local and will be prioritized under this Section (i.e., Section 2).
- 2.7.5.2 Sub-Regional Economic Study Request: If the Economic Planning Study request identifies Point(s) of Receipt and Point(s) of Delivery that are all within the NTTG scheduling system footprint, as determined by the NTTG Transmission Use Committee, and the Point(s) of Receipt and Point of Delivery utilize only NTTG Funding Agreement members scheduling paths, the study request will be considered sub-regional and will be processed under the next Section, Section 3.
- 2.7.5.3 Regional Economic Study Request: If the Economic Planning Study request identifies a Point of Receipt or Point of Delivery within the NTTG scheduling system footprint as determined by the NTTG Transmission Use Committee and (1) the Point(s) of Receipt and Point(s) of Delivery are all within the WECC scheduling system footprint; and (2) the Point(s) of Receipt and Points(s) of Delivery utilize only WECC members scheduling paths, the study request will be consider regional and will be processed under Section 4 of this document.
- 2.7.5.4 Economic Study Request Not Applicable: To be considered by the Transmission Provider, any Economic Study request must contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint.
- 2.7.6 Priority of Requests: The Transmission Provider shall identify up to two (2) high priority Local Transmission Provider Planning Requests for study per year.

- 2.7.6.1 Transmission Provider, with input from stakeholders, will cluster study requests as appropriate and prioritize the requests, including clustered requests, based on alleviating congestion through the integration of new supply and Demand Resources into the local transmission grid or expanding the local transmission in a manner that can benefit large numbers of customers, such as by evaluating transmission upgrades necessary to connect major new areas of generation resource and/or load.
- 2.7.6.2 Sponsors of Economic Planning studies not prioritized as a high priority study may re-submit the Economic Study request for study consideration in the next economic planning cycle or may fund the economic study as an Additional Economic Study.
- 2.7.7 Economic Study Contents: Local Transmission Provider Economic Studies shall include, but not be limited to: the location and magnitude of congestion, possible congestion remedies and the cost of relieving congestion.
- 2.7.8 Customer Obligation to Share Data: Transmission Customers and stakeholders requesting an economic study shall, upon submitting the request to the Transmission Provider, supply all relevant information necessary to perform the economic study. If the Transmission Customer or stakeholder fails to provide the information requested, the Transmission Provider shall have no obligation to complete the study.
- 2.7.9 Additional Economic Studies: Economic study requests that are not prioritized as one of the two highest priority local studies shall be referred to as Additional Studies. The Transmission Provider shall allow sponsors of Additional Study requests to pay for consulting services to complete or withdraw the Additional Study. A description of the process, procedure, and methodology for processing Additional Economic Studies is available in Section “1.G - Economic Planning Studies” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at:
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.
- 2.7.10 Recovery of Planning Costs: The costs to complete the high priority economic studies will be recovered through Transmission Provider’s transmission rate base. The cost for Additional Economic Studies will be borne by the sponsor of the Economic Study request.

2.8. Dispute Resolution (Compliance with Attachment K and Local Transmission Plan)

2.8.1 Process: The following process shall be utilized to address procedural and substantive concerns over the Transmission Provider's compliance with this Attachment K and related transmission business practices.

2.8.1.1 Step 1 - Any stakeholder may initiate the dispute resolution process by sending a letter to the Transmission Provider that describes the dispute. Upon receipt of such letter, the Transmission Provider shall set a meeting for the senior representatives for each of the disputing parties, at a time and place convenient to such parties, within 30 days after receipt of the dispute letter. The senior representatives shall engage in direct dialogue, exchange information as necessary, and negotiate in good faith to resolve the dispute. Any other stakeholder that believes it has an interest in the dispute may participate. The senior representatives will continue to negotiate until such time as (i) the dispute letter is withdrawn, (ii) the parties agree to a mutually acceptable resolution of the disputed matter, or (iii) after 60 days, the parties remain at an impasse.

2.8.1.2 Step 2 - If Step 1 is unsuccessful in resolving the dispute, the next step shall be mediation among those parties involved in the dispute identified in Step 1 that are willing to mediate. The parties to the mediation shall share equally the costs of the mediator and shall each bear their own respective costs. Upon agreement of the parties, the parties may request that the Commission's Dispute Resolution Service serve as the mediator of the dispute.

2.8.2 All negotiations and proceedings pursuant to this process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law.

2.8.3 The basis of the dispute and final non-confidential decisions will be made available to stakeholders upon request.

2.8.4 Timeline. Disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under Section 2.8.1 be raised more than 30 days after a decision is made in the study process or the posting of a milestone document, whichever is earlier.

2.8.5 Rights. Nothing contained in this Section 2.8 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

2.9. **Recovery of Planning Costs**

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

2.10. **Transmission Business Practices**

2.10.1 Transmission Provider has posted on its OATT website its business practices. In lieu of developing a separate transmission business practice, the Transmission Provider may post documents or links to publicly available information that explains its planning obligations as set out in this Attachment K. The Transmission Provider's business practices are available on Transmission Provider's OASIS at:
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

3. **Sub-regional Planning Process**

Introduction

Transmission Provider is a member of the 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 Study Request or engage in dispute resolution as set out in this Part 3 are expected to participate in the NTTG planning process through the NTTG Planning Committee. Eligible Customers and

stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission 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 available in Section “2.A – NTTG Home Page” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

- 3.1. **Transmission Provider Coordination with NTTG:** The Transmission Provider will participate in the sub-regional planning process as described in Section “2.M Transmission Planning Guidance Document” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc. In accordance with this process, the Transmission Provider and NTTG will conform to the following obligations:
- 3.1.1 Transmission Provider will collect customer data and consolidate load service and other transmission service requests through the local planning process described in Section 2 above.
 - 3.1.2 Transmission Provider will provide NTTG with its Local Transmission Plan incorporating all of the transmission service forecasts for its transmission system.
 - 3.1.3 Subject to appropriate CEII requirements, Transmission Provider will post on its OASIS or provide a link in http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc of the transmission Provider’s business practice, available on Transmission Provider’s OASIS at to all planning criteria and assumptions adopted by NTTG, and all NTTG study results on Transmission Provider’s OASIS.
 - 3.1.4 NTTG will conduct its planning process to identify needs, least cost expansion project alternatives, technical benefits and projected costs.
 - 3.1.5 NTTG will select beneficial expansion sub-regional projects and address cost allocation among participating Transmission Providers.

3.2. **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, which is approved by the NTTG Steering Committee. The “NTTG Planning Committee Charter” is available in Section “2.D – NTTG Charters & Agreements” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at:

http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc. As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion plan, while taking into consideration up to a twenty year planning horizon. The comprehensive transmission planning process will include, but not be limited to, the following milestone activities during an eight (8) quarter study cycle as outlined below:

- 3.2.1 Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.
- 3.2.2 Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data need to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.
- 3.2.3 Quarters 3 and 4: Conduct power flow modeling of system loads, resources, improvements to evaluate preliminary feasibility and reliability of the system and produce a draft transmission plan for public and stakeholder comment.
- 3.2.4 Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collection, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.
- 3.2.5 Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identified benefits in the cost allocation process.
- 3.2.6 Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.
- 3.2.7 Quarter 8: Submit the final plan to the NTTG Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local or regional 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.

3.3. **Stakeholder Participation**

Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. In addition, NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state regulatory commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement, consistent with its terms. 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.

Eligible Customers and stakeholders 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 plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan.

3.4. **Economic Study Requests**

3.4.1 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, as outlined in NTTG's Planning Committee Charter. The sub-regional Economic Study Requests will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers that are categorized as Sub-Regional or Regional Economic Study Requests pursuant to Section 2.7. NTTG may submit requests for regional Economic Study Requests to the WECC pursuant to NTTG and WECC processes.

3.4.2 Within each study cycle any Eligible Customer or stakeholder may request additional Economic Study Requests or Economic Study Requests that were not prioritized for completion by NTTG, to be paid for at the sole expense of the requesting party. Such requests shall be made by the Eligible Customer or stakeholder to the Transmission Provider pursuant to Section

2.7 of this Attachment K. Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion.

- 3.4.3 NTTG will cluster and study together Economic Study Requests will be clustered and studied together only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.
- 3.4.4 For an Economic Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.
- 3.4.5 All Economic Study Requests received by the Transmission Provider will be evaluated pursuant to Section 2.7 of this Attachment K. For an Economic Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee.

3.5. **Dispute Resolution**

Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional expansion plan and associated cost allocation. The NTTG planning agreement dispute resolution process may also be initiated, *inter alia*, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process. For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-regional transmission plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this section 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 Section 3.5 of the NTTG Planning Agreement shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

- 3.6. **Cost Allocation:** The following approach will be utilized to allocate costs for those projects included in the NTTG sub-regional plan, based on the following principles:

- 3.6.1 Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) in which Transmission Provider is a project sponsor, Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:
- 3.6.1.1 Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- 3.6.1.2 Schedule meeting(s) with stakeholders and/or public utility commission staff.
- 3.6.1.3 Post information about the proposed project on its OASIS.
- 3.6.1.4 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.
- 3.6.2 Projects without a Solicitation of Interest. Transmission Provider may elect to proceed with projects without an open season solicitation of interest, in which case Transmission Provider will proceed with the project pursuant to its rights and obligations as a Transmission Provider.
- 3.6.3 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 formed with direct state regulatory commission involvement and support. 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.
- 3.6.4 Allocation of Costs.

3.6.4.1 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 FERC. The review process conducted by the NTTG Cost Allocation Committee and the Steering Committee is described in more detail in the NTTG Cost Allocation Committee Charter and the NTTG Steering Committee Charter, both of which can be accessed via links contained in Section “2.D – NTTG Charters & Agreements” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at:
http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

3.6.4.2 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 can be found in Section “2.E – NTTG Cost Allocation Principles” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at:
http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc and also in NTTG’s Cost Allocation Committee Charter in Section “2.D – NTTG Charters & Agreements”. 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 more detail in the NTTG Cost Allocation Committee Charter and the NTTG Steering Committee Charter, both of which can be access through Section “2.D – NTTG Charters & Agreements” of the Transmission Provider’s business practice, available on the

Transmission Provider's OASIS at:

http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

3.6.4.3 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.

3.6.4.4 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 governed by existing cost allocation methods within Transmission Provider's OATT, will continue to be so governed and will not be covered by the principles above.

4. Regional Planning Process

Introduction

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

4.1. Transmission Provider Coordination

4.1.1 Transmission Provider will coordinate with WECC for regional planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring sub-regional planning groups. The goal of NTTG's coordination on a regional 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 planning process is located in Section "2.M - Transmission Planning Guidance Document" of the Transmission Provider's business practice, available on the Transmission Provider's OASIS at:
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc

4.2. Study Process:

- 4.2.1 The WECC transmission planning protocol is available on the WECC website. A link to the process is contained in Section “3 - WECC Regional Link Information” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at:
http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

4.3. Stakeholder Participation:

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

4.4. Economic Study Request:

- 4.4.1 Transmission Provider will support, directly and through its participation in NTTG, the WECC processes to prioritize and complete regional Economic Studies Requests 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 Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic Study Requests received by the Transmission Provider will be evaluated pursuant to Section 2.7 of this Attachment K.

4.5. Dispute Resolution:

- 4.5.1 Regional dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Section 4.5 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

4.6. Cost Allocation:

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

Attachment 6

Substitute First Revised Sheet No. 121 (Superseding First Revised Sheet No. 121), Substitute Original Sheet Nos. 121A to 121T (Superseding Original Sheet Nos. 121A to 121T), and Original Sheet Nos. 121U to 121AA, reflecting compliance revisions in redline format to Attachment K of NorthWestern's OATT.

ATTACHMENT K

Transmission Planning ~~Procedures~~Process

Preamble

In accordance with the Commission's regulations, NorthWestern's planning process is performed on a local, sub-regional (NTTG) and regional (WECC) basis. Section 2 of this Attachment K addresses the Local Transmission Planning Process. Sections 3 and 4 of this Attachment K address NorthWestern's sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to NorthWestern's local, sub-regional, and regional planning efforts is also contained within the separate agreements and business practices of NorthWestern, NTTG, and the WECC.

1. Definitions

1.1. Demand Resources: 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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.

1.1.1.2. Economic Study Request: An Economic Study Request is a study request to the Transmission Provider by Eligible Customer or stakeholder to model the ability of specific upgrades or other investments to the Transmission System or ~~demand responses~~Demand Resources, not otherwise considered in the Local Transmission Plan (produced pursuant to this Attachment K), to study enhancements that could alleviate congestion or integrate new resources or loads on an aggregated or regional basis without having to submit a specific request for service.

1.3. LTP: Local Transmission Plan is the transmission plan of the Transmission

Provider that identifies the upgrades and other investments to the Transmission System and ~~demand response~~Demand Resources necessary to reliably satisfy, over the planning horizon, Network Customers' resource and load growth expectations for designated Network Load; Transmission Provider's resource and load growth

expectations for Native Load Customers; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's Point-to-Point Transmission Service customers' projected service needs including obligations for rollover rights.

~~1.3.~~ **NTTG:** Shall mean Northern Tier Transmission Group or its successor organization.

1.4. Open Public Meeting: Public Meetings periodically held by the Transmission Provider for the Purpose of soliciting input from interested persons and affected stakeholders on the Transmission Provider's LTP.

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

~~1.5. **TEPPC:** Shall mean Transmission Expansion Policy and Planning Committee or its successor committee with WECC.~~

~~1.6.1.5.~~ **TRANSAC:** Shall mean ~~NorthWestern's~~NWE's Transmission Advisory Committee that is a stand-alone advisory committee comprised of eligible stakeholders who will provide input to the Transmission Provider regarding its ~~local transmission plan~~Local Transmission Plan.

~~1.7. **WECC:** Shall mean Western Electricity Coordinating Council or its successor organization.~~

1.6.

2. Local Planning Process

2.1. Preparation of a LTP

2.1.1 The Transmission Provider shall prepare, with the input of interested stakeholders, one (1) LTP during every two-year study cycle. The preparation of the LTP shall be done in accordance with the general policies, procedures, and principles set forth in this Attachment K.

2.1.2 Point-to-Point transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in Transmission Provider's Tariff. Similarly, Network Customers must submit Network Resource and load additions/removals pursuant to the process described in Part III of the Tariff and the Transmission Provider's Business Practices document. This document is identified under the Section "1.R - Open Access Transmission Tariff (OASIS) & Business Practices" of the Transmission Provider's business practice, available on the Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.1.3 Comparability Between Customers. The Transmission Provider shall develop a transmission plan that meets the needs of its transmission customers and treats all similarly situated customers (including network and

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

retail native load and its own merchant function) on a comparable basis. Information obtained in quarters 1 and 5 pursuant to Section 2.5 below will be used in the preparation of the next planning cycle Local Transmission Plan. Transmission Provider may, following stakeholder input, also include results of completed Economic Studies, completed pursuant to Section 2.7 below, in either the draft Local Transmission Plan or the next planning cycle, depending on whether the study was requested in Quarter 1 or Quarter 5. In developing the Local Transmission Plan, Transmission Provider shall apply applicable reliability criteria, including criteria established by the Transmission Provider, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation, and the Federal Energy Regulatory Commission.

2.1.4 Comparability Between Resources. Comparability between resources, including similarly situated customer-identified projects, will be accomplished in the following manner.

2.1.4.1 Comparability between resources will be achieved in NWE's Local Transmission Plan by including all valid data received from customers (including load forecast data, generation data and Demand Resource data) in the Local Transmission Plan development.

2.1.4.2 The Transmission Provider projects and similarly situated customer-identified projects (e.g., transmission solutions and solutions utilizing Demand Resource load adjustment) will be treated on a comparable basis and given comparable consideration in the transmission planning process. Comparability will be achieved by allowing customer-defined projects sponsor participation throughout the transmission planning process and by considering customer-defined projects (transmission solutions and solutions utilizing Demand Resources load modeled as a load adjustment) in the Local Transmission Plan development. The Transmission Provider retains discretion as to which solutions to pursue and is not required to include all customer-identified projects in its plan.

2.1.22.1.5 The Transmission Provider will establish a process by which stakeholders can discuss, question, or propose alternatives for input assumptions and upgrades identified by the transmission provider.

2.1.32.1.6 The Transmission Provider shall use a fifteen (15) year planning horizon for the LTP.

2.1.42.1.7 The LTP does not effectuate or otherwise constitute a transmission service request(s). Transmission Service Requests must be made in accordance with the procedures set for in the OATT and posted on the Transmission Provider's OASIS. The LTP does fulfill the Transmission Provider's obligation to plan for, and provide for future Network Customers and Native Load Customers' load growth by identifying required Transmission System capacity additions to be constructed over the planning horizon.

2.1.52.1.8 The Transmission Provider shall take the LTP into consideration, to the extent required by law or regulation, as is appropriate when preparing and conducting generation interconnect, transmission service and economic studies. Explanation of the coordination of the LTP, generation interconnect studies and Economic Studies is available in Section "1.P - OASIS Attachment K Business Practice" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.1.62.1.9 The Transmission Provider shall take the generation interconnect, transmission service and economic study results into consideration, to the extent required by law or regulation, as is appropriate when preparing and conducting the LTP studies. Explanation of the coordination of the LTP, generation interconnect studies and Economic Studies is available in Section "1.P - OASIS Attachment K Business Practice" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.2. Open Planning Process

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

- 2.2.1 Open Planning Process: Transmission Provider shall prepare the LTP using an open process that includes input from interested persons and stakeholders at every step consistent with the principles, practices, policy and procedures set forth in this Attachment K. The Transmission Provider shall: (1) determine the goals and define the scenarios related to the LTP; (2) perform the Technical Study; (3) make any necessary determination, based on the data produced during the Technical Study and at the Transmission Providers ~~sole~~ discretion, regarding the LTP itself or include timely submitted Economic Study request results; and (4) report study results, as required by applicable law or regulation to interested stakeholders and affected parties.
- 2.2.2 Openness: The Transmission Provider's LTP process will be open to all stakeholders during the development of the LTP. All meetings related to the LTP process shall be: (1) noticed by the Transmission Provider via the OASIS; and (2) provide for alternate means of participation, to the extent practical and economical, such as teleconference, videoconference or other similar means. The mode, method, schedule, process, and instructions for participation in the LTP process shall be posted and maintained on the OASIS.
- 2.2.3 Limitations on Disclosure: While Transmission Provider's LTP process will be conducted in the most open manner possible, Transmission Provider has an obligation to protect sensitive information such as, but not limited to, Critical Energy Information and the proprietary materials of third parties. Nothing in this Attachment K shall be construed as compelling the Transmission Provider to disclose materials in contravention of any applicable regulation, contractual arrangement, or lawful order unless otherwise ordered by a governmental agency of competent jurisdiction. Transmission Provider may employ mechanisms such as confidentiality agreements, protective orders, or waivers to facilitate the exchange of sensitive information where appropriate and available.
- 2.2.4 Compliance: Transmission Provider will adhere to all applicable regulations in preparing the LTP, including but not limited to the Standards

of Conduct for Transmission Providers and Critical Information Energy Information.

2.3. Coordination

2.3.1 LTP Study Cycle: Transmission Provider shall prepare a LTP during an eight (8) quarter study cycle.

2.3.1.1 Throughout the development of the LTP, Transmission Provider will coordinate the LTP development with stakeholders and interested parties through TRANSAC.

2.3.1.2 The LTP study cycle and its start will be posted on the Transmission Provider's website. The study cycle is explained in Section "1.K - LTP Study Cycle – Data Collection" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.3.1.3 The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation. If any comments are rejected, documentation explaining why shall be maintained as part of the in Section "1.N - Local Transmission Plan-records kept" of the Transmission Provider's business practices, available on Transmission Provider's OASIS, at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.3.2 LTP Sequence of Events: Transmission Provider shall use the following timeline in preparing its LTP.

2.3.2.1 Quarter 1: Data Collection, Goal and Scenario Definition

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

2.3.2.1.1 Each Transmission Customer taking service under Part II of the OATT, or which has an accepted reservation in the transmission queue to take service under Part II shall provide data as requested by the Transmission Provider. Transmission Provider will gather Network Customers' projected loads and resources, and load growth expectations (based on annual updates and other information available to it); Transmission Provider's projected load growth and resource needs for its Eligible Customers; Point-to-Point Transmission Service customer's projections for long-term (greater than 1 year) at each receipt and delivery point (based on information submitted by the customer to the Transmission Provider) including projections of rollover rights; and information from all Transmission Customers and the Transmission Provider on behalf of Native Load Customers concerning existing and planned ~~demand resources~~ Demand Resources and their impact on demand and peak demand. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue requests, obligations that will either commence or terminate during the applicable study window.

2.3.2.1.2 Transmission Provider, with input from stakeholders and interested parties, will define the LTP goal and define the scenarios to be considered in development of the LTP.

2.3.2.1.3 Transmission Provider will post on its OASIS the basic methodology, criteria, process and its assumptions, databases, and processes that the Transmission Provider will use to prepare the Local Transmission Plan.

2.3.2.1.4 Confidential data and information and Critical Energy Infrastructure Information will be protected as required.

2.3.2.2 Quarter 2-6: Technical Study

2.3.2.2.1 Quarter 2: Transmission Provider, with input from stakeholders and interested parties, will develop base cases that include load and resource data to represent the defined scenarios. Customer load, Demand Response and generation data received pursuant to 2.5 will be included, as appropriate, in the development of the base case.

2.3.2.2.2 Quarter 5: Transmission Provider will coordinate the Economic Planning Study results, section 2.7, and new generation interconnect resource study results into the LTP as appropriate.

2.3.2.2.2.2.3.2.2.3 Quarter 2-6: Transmission Provider will conduct powerflow, transient stability studies, post transient power flow and other studies.

2.3.2.2.2.12.3.2.2.3.1 Transmission Provider will study the existing transmission system over the 15-year planning horizon and identify reliability concerns.

2.3.2.2.2.2.3.2.2.3.2 Transmission Provider will identify mitigation and analyze the transmission system with mitigation included.

2.3.2.2.2.32.3.2.2.3.3 Transmission Provider will collect information from the analysis to be used in Quarter 7 decisions.

2.3.2.2.32.3.2.2.4 Transmission Provider will consider transmission and non-transmission solutions, including Demand Resources load adjustments, to mitigate for unacceptable reliability performance problems that do not meet planning criteria.

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Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

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2.3.2.2.42.3.2.2.5 Transmission Provider will consider the results from Economic Studies completed during quarters 1-4 of the current LCP study cycle or Economic Study results from studies completed during the prior year Economic Study cycle.

2.3.2.3 Quarter 7: Decision

2.3.2.3.1 Using data and information from the Technical Study, the Transmission Provider, with input from stakeholders and interested parties, will define its fifteen (15) year LTP.

2.3.2.4 Quarter 8: Reporting and Coordination

2.3.2.4.1 Transmission Provider will report the LTP to stakeholders and submit the LTP to sub-regional (NTTG) and regional entities (WECC ~~TEPPC~~) conducting similar studies.

2.3.2.4.2 Transmission Provider will communicate its LTP with owners and operators of the neighboring interconnected transmission systems.

2.3.2.4.3 Transmission Provider will post on its OASIS its final LTP report and all draft LTP reports.

2.4. Transparency

2.4.1 NorthWestern shall post on its OASIS and consistently apply the methodologies, criteria, assumptions, and process for preparing the LTP.

2.4.2 The Transmission Provider shall utilize regularly scheduled TRANSAC meetings or other similar means, as it may from time to time establish, to

solicit, obtain, and coordinate the input of interested stakeholders throughout the LTP study process. Transmission Provider's open planning process encourages participation by stakeholders, including, but not limited to, the Montana Public Service Commission, the Montana Consumer Council, transmission customers (Network and Point-to-Point Transmission Service), generators, cooperatives, interconnecting utilities, the Governors Office, transmission-providing neighbors and other stakeholders. Announcements of these meetings will be posted on NorthWestern's NWE's OASIS website and all meetingmeetings will be open to the public.

- 2.4.3 Transmission Provider shall post and maintain on its OASIS: (1) All procedures, process, instructions, and other information necessary to participate in the TRANSAC, Open Public Meeting, or other means established for the purpose of soliciting the input of or coordinate with interested stakeholders; (2) all comments received from interested stakeholders, to the extent such comments are not confidential or subject to privilege; any draft LTP or any other documents the Transmission Provider deems would promote coordination in the LTP study process or required to be posted by applicable law or regulation.
- 2.4.4 The responsibility for the LTP shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation.
- 2.4.5 Upon completion of the LTP process as set forth on the Transmission Provider's OASIS, the Transmission Provider shall finalize and post on the OASIS the LTP and non-confidential supporting documents.
- 2.4.6 The LTP shall be transmitted to the sub-regional and regional entities conducting similar planning efforts, interested stakeholders, and the owners and operators of the neighboring interconnected transmission systems.
- 2.4.7 OASIS Requirements

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Chief Transmission Officer

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2.4.7.1 The Transmission Provider shall maintain a “Transmission Planning” folder on the publicly accessible portion of its OASIS to distribute information related to this Attachment K and the LTP.

2.4.7.2 The Transmission Provider shall maintain in the “Transmission Planning” folder on the publicly accessible portion of OASIS a subscription service or “How-To-Contact-Us” folder whereby any person may contact the Transmission Provider to receive e-mail notices and materials related to the LTP process.

2.4.7.3 Content of OASIS Postings. Transmission Provider shall post on its OASIS (<http://www.oatioasis.com/NWMT/>): the following information. These documents can be found under Section “1 – Local Transmission Planning and Attachment K Link Information” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.4.7.3.1 Transmission planning business practices along with the procedures for modifying the business practices;

2.4.7.3.2 Study cycle timeline;

2.4.7.3.3 A form to submit an Economic Study Request, each Economic Study Request, and any response from the Transmission Provider;

2.4.7.3.4 The details of each TRANSAC, Open Public Meeting, or any other similar meeting related to transmission planning;

- 2.4.7.3.5 In advance of its discussion at any public meeting, an agenda and available materials to be discussed;
- 2.4.7.3.6 As soon as reasonably practical after the conclusion of each public meeting, a summary of the transmission information discussed at the public meeting and any material not already posted;
- 2.4.7.3.7 Written comments submitted in relation to the Local Transmission Plan, and any explanation regarding rejection of such comment;
- 2.4.7.3.8 The draft and any interim versions of the Local Transmission Plan;
- 2.4.7.3.9 The final version of all completed Local Transmission Plans;
- 2.4.7.3.10 Aggregated load forecasts representing the Transmission Provider's total Balancing Area (e.g., control area) transmission system;
- 2.4.7.3.11 Summary list of Critical Energy Infrastructure Information submitted during the planning process; and
- 2.4.7.3.12 Pertinent NTTG and WECC agreements, charters and documents under a separate NTTG ~~folder~~ and WECC folders on the OASIS.

2.4.8 Database Access. A stakeholder may receive access from the Transmission Provider to the database and all changes to the database used to prepare the Local Transmission Plan according to the database access rules established

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by the WECC and upon certification to the Transmission Provider that the stakeholder is permitted to access such database. Unless expressly ordered to do so by a court of competent jurisdiction or regulatory agency, the Transmission Provider has no obligation to disclose database information to any stakeholder that does not qualify for access.

2.5. Information Exchange

2.5.1 Types of Forecast Data: Network Customers, Point-to-Point Transmission Service customers and Load Serving Entities on behalf of Native Load Customers shall annually submit information on projected load, resources (or sources of electrical supply) and ~~demand-response~~Demand Resources data as required to facilitate the LTP process or to fulfill OATT, regulatory, legal or other Transmission Provider obligations. Network Customers, Point-to-Point Transmission Service customers and Load Serving Entities shall provide Transmission Provider the following types of data upon reasonable request and according to the schedule posted on the OASIS to facilitate the LTP process:.

2.5.1.1 Historical Data: one year of monthly historical energy and peak load data for the prior calendar year and for all months of the current year, as it is available.

2.5.1.2 Load Forecast Data: monthly energy (MWh) and peak (MW) load forecast data.

2.5.1.2.1 The peak load forecast shall assume a 1-in-2 temperature.

2.5.1.3 Demand ~~response-resource~~Resources, demand reduction, conservation and demand-side management: demand response resource savings, conservation savings, and other customer load reduction alternative that would reduce or alter their load forecast.

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2.5.1.4 Generation Forecast Data: changes to technical generator data or interconnection facilities data for their generators and expected monthly energy (MWh), monthly peak capability (MW) and expected maintenance schedule.

2.5.1.5 Other Supply Sources: monthly energy (MWh) and peak (MW) data for electrical supply sources including point of receipt and point of delivery.

2.5.2 Amount of Data: Unless otherwise requested or provided elsewhere in NorthWestern's OATT, or agreed to by the Transmission Provider and the Transmission Customer, the Transmission Customer shall provide the Transmission Provider fifteen (15) years of monthly forecast data.

2.5.3 Additional Information: The Transmission Customer shall also provide, upon reasonable request, to the Transmission Provider the following information or other information as requested by the Transmission Provider:

2.5.3.1 Discussion of reasons for significant increase or decreases in load or generation forecast.

2.5.3.2 Source and vintage of load forecast and generation resource information.

2.5.3.3 Interruptible tariff peak loads with and without interruptible portion of the forecast applied.

2.5.3.4 The numerical value (average) for the 1-in-2 temperature used to develop the summer and winter peak load forecast.

2.5.3.5 The methodology that can be used to adjust the 1-in-2 winter and summer peak load forecasts to an alternative temperature (e.g., 1-in-10 and 1-in-20) probability assumption.

2.5.3.6 Weather station(s) used and assumptions associated with developing the peak load temperature forecasts.

2.5.3.7 Other load forecast and resource data as reasonably requested by the Transmission Provider.

2.5.4 Comparability of Data: The same type of data request for generator forecast data and load forecast data shall be sent by the Transmission Provider to generators and Transmission Customers within the Transmission Provider's respective balancing area.

2.5.5 Confidentiality: Individual customer data will be treated as confidential and will be aggregated with other customer data for planning and reporting purposes. The data received will be used to develop the Transmission Provider's LTP and for reporting purposes. Market sensitive and commercial specific data, identified as such by the Transmission Customer or stakeholder, shall be handled as such and administered in accordance with the Standard of Conduct for Transmission Providers as well as Confidential Energy Infrastructure Information.

2.5.6 Schedule of Collection: Transmission Provider will request forecast data annually during the fall time period (September-December) and merge it into the biannual LTP study schedule as posted on OASIS. Similarly, Transmission Provider shall post on the OASIS instructions and procedures for the submission of data.

2.5.7 Transmission Customer Obligation: Customers shall provide Transmission Provider with generation, energy and peak load forecast, demand response resources, and other data specified within this Attachment K, to the

maximum extent practical and consistent with protection of proprietary information.

2.5.7.1 Customers shall also provide timely written notice (including email) of material changes to information previously provided relating to its load, resources, or other aspects of its facility or operations affecting the Transmission Provider's ability to provide service.

2.5.7.2 If any Transmission Customer or stakeholder fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider cannot effectively include future needs in the Transmission Provider's LTP planning obligations. If any Network Customer fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based on the most recent load and resource data received.

2.5.8 Comparability, Generally: Transmission Provider shall consider all valid data, along with appropriate comments on data, process, and methodology received from Transmission Customers and stakeholders during preparation of LTP.

2.6. Cost Allocation

2.6.1 Cost allocation principles expressed here are applied in a planning context, and do not supersede cost obligations as determined by other parts of the Tariff, which include but are not limited to transmission service requests, generation interconnection requests, Network Upgrades, Direct Assigned Facilities, or other cost allocation principles as may be determined in states with jurisdiction over the Transmission Provider.

2.6.2 The types of projects covered under this Cost Allocation (i.e., projects that are not covered under existing OATT allocation rules) include the following: a new project that is confined to Transmission Provider's Balancing Area that is not for load service (including a new project extending beyond the Transmission Provider's Balancing Area, which will

be subject to sub-regional or regional cost allocation rules); a new project involving several transmission owners; a new project resulting from an open season participation; and a project resulting from an Economic Study request that is not used for Transmission Provider load service.

2.6.22.6.2.1 Transmission Provider shall use mechanisms such as the TRANSAC or similar processes to work collaboratively with stakeholders and Transmission Customers regarding the allocation of costs for projects whose costs are not otherwise addressed under the OATT. Transmission Provider's Methodology and principles for the Allocation of Costs shall be posted on the OASIS.

2.6.3 Individual Transmission Service Requests Costs and Interconnect Requests Not Considered:

2.6.32.6.3.1 The costs of upgrades or other transmission investments subject to a generation interconnect or an existing transmission service request pursuant to the Tariff are evaluated in the context of that request. Nothing contained in this Attachment K shall relieve or modify the obligations of the Transmission Provider or the requesting Transmission Customer contained in the Tariff.

2.6.4 Cost Allocation Principles

2.6.4.1 ~~For~~ Costs will be identified using the principle that cost causers should be cost bearers and that beneficiaries should pay in an amount that are reflective of the direct demonstrable benefits received. The costs will be determined by the technical study used to define the mitigation requirements and the direct costs of that mitigation. The benefits will be determined by the technical study as the direct demonstrable benefits that are a direct result of that mitigation.

2.6.4.12.6.4.2 Proportional Allocation: Costs and associated transmission rights for new local projects that do not fit into fall outside Transmission Provider's OATT cost will be allocated on a

proportional allocation principles, Transmission Provider will follow the “Local Cost Allocation Methodology Projects Outside OATT” that is posted on Transmission Provider’s website to develop a non binding cost estimate for an indicative cost allocation based on the capacity (MW) requested or benefit received (quantified as MW benefit or other agreed upon measure), unless a mutually agreeable cost allocation method can be reached between Transmission Provider and the project participants or sponsors, which will be subject to FERC approval of the participation agreement. Allocation of costs and benefits for network upgrades required by the local project will be allocated on a pro-rated share of the network facility capacity (MW) use, which will be quantified by technical study.

2.6.4.2.1 Transmission Provider will follow the Local Cost Allocation Project Outside OATT Methodology that is posted on Transmission Provider’s OASIS to develop a non binding cost estimate for an indicative cost allocation. The local cost allocation methodology can be found under Section “1.M - Local Cost Allocation Methodology” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.6.4.2.2 For a project on the Transmission Provider’s system that is undertaken for economic reasons or congestion relief at the request of an entity, the project cost will be allocated to the requesting entity.

~~2.6.4.1-12.6.4.2.3~~ In developing alternative cost allocation methods, Transmission Provider will seek input from its stakeholders, through TRANSAC, when appropriate.

~~2.6.4.1.2~~ It is possible that the cost allocation principles for economic projects will be different from the cost allocation methods for projects involving multiple owners.

2.6.4.3 Notwithstanding the foregoing provisions, Transmission Provider will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recovered in its retail and/or wholesale rates.

~~2.6.4.22.~~2.6.4.4 The Commission's regulations, policy statements and precedent on transmission pricing shall be followed.

~~2.6.4.32.~~2.6.4.5 The cost allocation for sub-regional projects will be allocated consistent with the provisions of the NTTG Cost Allocation Principles, ~~as posted at NTTG's website,~~ <http://www.nttg.biz>. The NTTG Cost Allocation Principles is identified under Section "2.E - NTTG Cost Allocation Principles" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.7. Economic Planning Studies

2.7.1 The Transmission Provider will study up to two (2) high priority Local Transmission Provider Economic Studies annually. The Transmission Provider may not have or maintain the individual capability to conduct certain portions of the economic planning studies, and may contract with a qualified third party of its choosing to perform such work. Information on Economic Planning Studies is available in Section "1.G - Economic Planning Studies" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at: http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

2.7.2 Economic Planning Study Request: A form for submitting Economic Study Requests shall be maintained on the Transmission Provider's OASIS website. Any Eligible Customer or stakeholder may submit an Economic Study Request to the Transmission Provider, along with all data in its possession supporting the request to be modeled. The party submitting the

LTP Economic Planning Study Request shall work in good faith to assist the Transmission Provider in gathering the data necessary to perform the modeling request. To the extent necessary, any coordination between the requesting party and the Transmission Provider shall be subject to appropriate confidentiality requirements.

2.7.2.1 Transmission Provider will post on its OASIS a listing of Economic Study Requests, including but not limited to, date received, study name, brief description of study request and study status.

2.7.3 Economic Study Process: Local Transmission Provider shall study valid requests for Economic Planning Studies in a manner that is open and coordinated with stakeholders utilizing the TRANSAC or other method established by the Transmission Provider to facilitate an open, transparent, and coordinated process. Economic Study Requests should be submitted to the Transmission Provider during the first two (2) months of the Economic Planning twelve (12) month study cycle by using the Economic Study Request form posted on the Transmission Providers OASIS website. Upon completion of the process, the Transmission Provider will provide the study request sponsor a report of the study results. If the economic study cannot be completed by the end of the calendar year, the Transmission Provider will notify the study request sponsor of the delay, provide an explanation of why the delay and provide an estimated completion date. The schedule and process document for performing Economic Studies ~~shall can be posted on the OASIS (see Principle 8, OASIS Attachment K Business Practice).~~ found under Section "1.G - Economic Planning Studies" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc

2.7.4 Clustering of local Economic Study Requests. Requests can be clustered if the point-of-receipt and point-of-delivery of the Economic Study Requests are on opposite sides of a common or a potentially common transmission path(s) or if a potentially common solution is created by the requests. Additional discussion can be found in Section "1.P - OASIS Attachment K Business Practice" of the Transmission Provider's business practices, available on Transmission Provider's OASIS at:

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

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http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

~~2.7.3~~ Classification of Requests. Transmission Provider shall classify ~~requests a request~~ for Economic Planning ~~Studies~~ Study as a Local Transmission Provider Economic Planning Request, Sub-Regional Economic Planning Request, or Regional Economic Planning Request.

~~2.7.3.1~~ ~~A study request that is confined to~~ If the Transmission provider's system will be considered a Local Transmission Provider Economic Planning Request ~~and studied by the~~ is Sub-Regional or Regional, ~~the~~ Transmission Provider ~~or its Agent~~.

~~2.7.4.22.7.5~~ All other economic study requests will be deemed sub-regional or regional requests will notify the requesting party and be forwarded forward the Economic Planning Study request to NTTG for study consideration and processing under NTTG's procedures.

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

2.7.5.2 Sub-Regional Economic Study Request: If the Economic Planning Study request identifies Point(s) of Receipt and Point(s) of Delivery that are all within the NTTG scheduling system footprint, as determined by the NTTG Transmission Use Committee, and the Point(s) of Receipt and Point of Delivery utilize only NTTG Funding Agreement members scheduling paths, the study request will be considered sub-regional and will be processed under the next Section, Section 3.

2.7.5.3 Regional Economic Study Request: If the Economic Planning Study request identifies a Point of Receipt of Point of Delivery within the NTTG scheduling system footprint as determined by the NTTG Transmission Use Committee and (1) the Point(s) of Receipt and

Point(s) of Delivery are all within the WECC scheduling system footprint; and (2) the Point(s) of Receipt and Points(s) of Delivery utilize only WECC members scheduling paths, the study request will be consider regional and will be processed under Section 4 of this document.

2.7.5.4 Economic Study Request Not Applicable: To be considered by the Transmission Provider, any Economic Study request must contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint.

2.7.5.2.7.6 Priority of Requests: The Transmission Provider shall identify up to two (2) high priority Local Transmission Provider Planning Requests for study per year.

2.7.5.12.7.6.1 Transmission Provider, with input from stakeholders, will cluster study requests as appropriate and prioritize the requests, including clustered requests, based on alleviating congestion through the integration of new supply and ~~demand resource~~Demand Resources into the local transmission grid or expanding the local transmission in a manner that can benefit large numbers of customers, such as by evaluating transmission upgrades necessary to connect major new areas of generation resource and/or load.

2.7.5.22.7.6.2 Sponsors of Economic Planning studies not prioritized as a high priority study may re-submit the Economic Study request for study consideration in the next economic planning cycle or may fund the economic study as an Additional Economic Study.

2.7.62.7.7 Economic Study Contents: Local Transmission Provider Economic Studies shall include, but not be limited to: the location and magnitude of congestion, possible congestion remedies and the cost of relieving congestion.

2.7.72.7.8 Customer Obligation to Share Data: Transmission Customers and stakeholders requesting an economic study shall, upon submitting the

request to the Transmission Provider, supply all relevant information necessary to perform the economic study. If the Transmission Customer or stakeholder fails to provide the information requested, the Transmission Provider shall have no obligation to complete the study.

~~2.7.82.7.9~~ Additional Economic Studies: Economic study requests that are not prioritized as one of the two highest priority local studies shall be referred to as Additional Studies. The Transmission Provider shall allow sponsors of Additional Study requests to pay for consulting services to complete or withdraw the Additional Study. ~~The A description of the process, procedure, and methodology for processing Additional Economic Studies shall be posted~~ is available in Section "1.G - Economic Planning Studies" of the Transmission Provider's business practices, available on the Transmission Provider's OASIS at:
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

~~2.7.92.7.10~~ Recovery of Planning Costs: The costs to complete the high priority economic studies will be recovered through Transmission Provider's transmission rate base. The cost for Additional Economic Studies will be borne by the sponsor of the Economic Study request.

2.8. **Dispute Resolution** (Compliance with Attachment K and Local Transmission Plan)

~~2.8.1~~ Process: ~~If the dispute arises from NorthWestern's Local System Planning, Dispute Resolution process set forth below will be followed.~~

~~2.8.2~~ The use of this the Dispute Resolution process will be limited to general and specific issues arising from NorthWestern's local electric transmission system planning and disputes in all matters will be raised in a timely manner.

~~2.8.2.1~~ Before filing a complaint directly relating to transmission planning to FERC, Parties shall complete the process set forth below:

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

- ~~2.8.2.2 Step 1—Direct negotiation between representatives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for the matter.~~
- ~~2.8.2.3 Step 2—If Step 1 is unsuccessful at reaching a consensus agreement to resolve the dispute, the next step shall be mediation, as defined in Appendix C of the Western Electricity Coordinating Council (WECC) bylaws.~~
- ~~2.8.2.4 Step 3—If Step 2 is unsuccessful at reaching mutual agreement among parties to the dispute, the next step shall be binding arbitration, as defined in Appendix C of the Western Electricity Coordinating Council (WECC) bylaws.~~
- 2.8.1 Step 4—Process: The following process shall be utilized to address procedural and substantive concerns over the Transmission Provider’s compliance with this Attachment K and related transmission business practices.
- 2.8.1.1 Step 1 - Any stakeholder may initiate the dispute resolution process by sending a letter to the Transmission Provider that describes the dispute. Upon receipt of such letter, the Transmission Provider shall set a meeting for the senior representatives for each of the disputing parties, at a time and place convenient to such parties, within 30 days after receipt of the dispute letter. The senior representatives shall engage in direct dialogue, exchange information as necessary, and negotiate in good faith to resolve the dispute. Any other stakeholder that believes it has an interest in the dispute may participate. The senior representatives will continue to negotiate until such time as (i) the dispute letter is withdrawn, (ii) the parties agree to a mutually acceptable resolution of the disputed matter, or (iii) after 60 days, the parties remain at an impasse.
- 2.8.1.2 Step 2 - If Step 1 is unsuccessful in resolving the dispute, the next step shall be mediation among those parties involved in the dispute identified in Step 1 that are willing to mediate. The parties to the mediation shall share equally the costs of the mediator and shall each bear their own respective costs. Upon agreement of the parties,

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

~~Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007)~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

the parties may request that the Commission's Dispute Resolution Service serve as the mediator of the dispute.

2.8.2.52.8.2 All negotiations and proceedings pursuant to this process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law.

2.8.3 The basis of the dispute and final non-confidential decisions will be made available to stakeholders upon request.

2.8.4 Timeline. Disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under Section 2.8.1 be raised more than 30 days after a decision is made in the study process or the posting of a milestone document, whichever is earlier.

2.8.5 Rights. Nothing contained in this Section 2.8 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

2.9. **Recovery of Planning Costs**

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

2.10. **Transmission Business Practices**

2.10.1 NorthWestern Transmission Provider has posted on its OATT website (<http://www.oatiaoasis.com/nwmt/>): (1) the "OASIS Attachment K Business

~~Practice” which provides additional information regarding the implementation of this Attachment K; and (2) the “OASIS Methodology, Criteria and Process Business Practice” provides additional information related to Principle 4, Transparency.~~ its business practices. In lieu of developing a separate transmission business practice, the Transmission Provider may post documents or links to publicly available information that explains its planning obligations as set out in this Attachment K. The Transmission Provider’s business practices are available on Transmission Provider’s OASIS at:
http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

3. Sub-regional Planning Process

Introduction

Transmission Provider is a member of the NTTG, and uses the NTTG process for sub-regional planning, coordination with adjacent sub-regional groups and other planning entities, and proposals to WECC ~~TEPPC~~ 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 Study Request or engage in dispute resolution as set out in this Part 3 are expected to participate in the NTTG planning process through the NTTG Planning Committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission Plan. ~~For additional~~ Additional information, including a map containing the current geographic footprint of NTTG, ~~please see <http://www.nttg.biz> should be available on the NTTG website.~~ A link to the NTTG website is available in Section “2.A – NTTG Home Page” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at:

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

~~Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007)~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

- 3.1. **Transmission Provider Coordination with NTTG:** The Transmission Provider will participate in the sub-regional planning process as described in Section “2.M Transmission Planning Guidance Document” of the Transmission Provider’s business practices, available on Transmission Provider’s OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc. In accordance with this process, the Transmission Provider and NTTG will conform to the following obligations:
- 3.1.1 Transmission Provider will collect customer data and consolidate load service and other transmission service requests through the local planning process described in Section 2 above.
- ~~3.1.13.1.2~~ Transmission Provider will provide NTTG with its Local
Transmission ~~System~~ Plan incorporating all of the transmission service forecasts for its transmission system. ~~NTTG will conduct its planning process to identify needs, least cost expansion project alternatives, technical benefits and projected costs. NTTG will select beneficial expansion sub-regional projects and address cost allocation among participating Transmission Providers. Specifics of the NTTG planning process are available on NTTG’s website www.nttg.biz.~~
- ~~3.1.23.1.3~~ Subject to appropriate Critical Energy Infrastructure Information
~~restrictions~~ CEII requirements, Transmission Provider will post on its OASIS or provide a link in
http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc of the transmission Provider’s business practice, available on Transmission Provider’s OASIS at to all planning criteria and assumptions adopted by NTTG, and all NTTG study results on Transmission Provider’s OASIS.
- 3.1.4 NTTG will conduct its planning process to identify needs, least cost expansion project alternatives, technical benefits and projected costs.

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

~~Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007)~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

3.1.5 NTTG will select beneficial expansion sub-regional projects and address cost allocation among participating Transmission Providers.

3.2. **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

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service,
Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007),

FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket
Nos. OA08-28-000,

OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

reliability components, as outlined in the NTTG planning committee charter, which is approved by the NTTG Steering Committee. ~~The current NTTG planning committee charter is available on NTTG's website www.nttg.biz.~~ The "NTTG Planning Committee Charter" is available in Section "2.D – NTTG Charters & Agreements" of the Transmission Provider's business practice, available on the Transmission Provider's OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc. As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion plan, while taking into consideration up to a twenty year planning horizon. The comprehensive transmission planning process will include, but not be limited to, the following milestone activities during an eight (8) quarter study cycle as outlined below:

- 3.2.1 Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.
- 3.2.2 Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data need to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.
- 3.2.3 Quarters 3 and 4: Conduct power flow modeling of system loads, resources, improvements to evaluate preliminary feasibility and reliability of the system and produce a draft transmission plan for public and stakeholder comment.
- 3.2.4 Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collection, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.
- 3.2.5 Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identified benefits in the cost allocation process.
- 3.2.6 Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

3.2.7 Quarter 8: Submit the final plan to the NTTG Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local or regional study processes.

Transmission Provider shall post the dates of the current NTTG ~~planning~~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 ~~System Planning Plan~~ study cycles.

3.3. **Stakeholder Participation**

Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG.- In addition, NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state ~~utility~~regulatory commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement, consistent with its terms. 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.

Eligible Customers and stakeholders 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 plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan.

3.4. **Economic ~~Congestion Studies~~ Study Requests**

3.4.1 Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize, and complete up to two (2) sub-regional

~~economic congestion studies~~ pursuant to Economic Study Requests per NTTG planning cycle, as outlined in NTTG's ~~standardized process for congestion studies~~ Planning Committee Charter. The sub-regional ~~economic congestion studies~~ Economic Study Requests will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers that ~~require analysis across multiple NTTG member transmission systems~~ are categorized as Sub-Regional or Regional Economic Study Requests pursuant to Section 2.7. NTTG may submit requests for regional ~~economic congestion studies~~ Economic Study Requests to the WECC ~~TEPPC~~ pursuant to NTTG ~~developed~~ and WECC processes.

- 3.4.2 Within each ~~planning study~~ cycle any Eligible Customer or stakeholder may request additional ~~economic congestion studies, or economic congestion studies~~ Economic Study Requests or Economic Study Requests that were not prioritized for completion by NTTG, to be paid for at the sole expense of the requesting party. Such requests shall be made by the Eligible Customer or stakeholder to the Transmission Provider pursuant to Section 2.7 of this Attachment K. Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion.
- 3.4.3 NTTG will cluster and study together Economic Study Requests will be clustered and studied together only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.
- 3.4.4 For an Economic Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.
- 3.4.5 All Economic Study Requests received by the Transmission Provider will be evaluated pursuant to Section 2.7 of this Attachment K. For an Economic Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee.

3.5. **Dispute Resolution:**

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

~~Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007)~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

Transmission Provider will participate in the ~~NTTG~~NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional ~~Expansion Plan~~expansion plan and associated cost allocation. The ~~NTTG~~NTTG planning agreement dispute resolution process may also be initiated, inter alia, to enforce compliance with the ~~NTTG~~sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders ~~participating~~that seek to participate in the sub-regional planning process are expected to participate in the ~~NTTG~~NTTG planning committee ~~may also~~and utilize the ~~NTTG~~NTTG planning agreement dispute resolution process. ~~Disputes~~For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-regional transmission plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this section be raised more than 30 days after a decision is made by the ~~NTTG~~NTTG planning committee in the study process or the posting of a milestone document, whichever is earlier. Nothing contained in Section 3.5 of the NTTG Planning Agreement shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

3.6. **Cost Allocation:** The following approach will be utilized to allocate costs for those projects included in the NTTG sub-regional plan, based on the following principles:

3.6.1 Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) in which Transmission Provider is a project sponsor, Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:

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

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

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007); FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

- 3.6.1.3 Post information about the proposed project on its OASIS.
- 3.6.1.4 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.
- 3.6.2 Projects without a Solicitation of Interest. Transmission Provider may elect to proceed with projects without an open season solicitation of interest, in which case Transmission Provider will proceed with the project pursuant to its rights and obligations as a Transmission Provider.
- ~~3.6.1~~3.6.3 Coordination within NTTG. Transmission Provider, whether as a project sponsor or a project participant, will support the NTTG to prepare and submit 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 formed with direct state regulatory commission involvement and support. 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.
- 3.6.4 Allocation of Costs.
- 3.6.4.1 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 FERC. The review process conducted by the NTTG Cost Allocation Committee and the Steering Committee is described in more detail in the NTTG Cost Allocation Committee Charter and the NTTG Steering Committee Charter, both of which can be accessed via links contained in Section “2.D – NTTG Charters & Agreements” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

3.6.4.2 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 can be found in Section “2.E – NTTG Cost Allocation Principles” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc and also in NTTG’s Cost Allocation Committee Charter in Section “2.D – NTTG Charters & Agreements”. 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 more detail in the NTTG Cost Allocation Committee Charter and the NTTG Steering Committee Charter, both of which can be access through Section “2.D – NTTG Charters & Agreements” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at: http://www.oatioasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

3.6.4.3 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.

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

~~Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007)~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

3.6.4.4 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 governed by existing cost allocation methods within Transmission Provider's OATT, will continue to be so governed and will not be covered by the principles above.

4. Regional 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 studies, base cases, and other regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional 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 Section 3.

4.1. Transmission Provider Coordination ~~with WECC TEPPC and Neighboring Sub-Regional Planning Groups:~~

4.1.1 Transmission Provider will coordinate with WECC ~~TEPPC~~ for regional 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 Columbia Grid~~. The goal of NTTG's coordination on a regional 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 planning process is located in Section "2.M - Transmission Planning Guidance Document" of the Transmission Provider's business practice, available on the Transmission Provider's OASIS at:

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

~~Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007); FERC Stats. & Regs. ¶ 31,241 (2007)~~ Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc

4.2. Study Process:

- 4.2.1 The WECC ~~TEPPC~~ transmission planning protocol is available at <http://www.wecc.biz> on the WECC website. A link to the process is contained in Section “3 - WECC Regional Link Information” of the Transmission Provider’s business practice, available on the Transmission Provider’s OASIS at: http://www.oatiaoasis.com/NWMT/NWMTdocs/Attachment_K_Business_Practice_Links.doc.

4.3. Stakeholder Participation:

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

4.4. Economic ~~Congestion Studies~~ Study Request:

- 4.4.1 Transmission Provider will support, directly and through its participation in NTTG, the WECC ~~TEPPC~~ processes to prioritize and complete regional ~~economic congestion studies~~ Economic Studies Requests 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 Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic Study Requests received by the Transmission Provider will be evaluated pursuant to Section 2.7 of this Attachment K.

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

4.5. Dispute Resolution:

- 4.5.1 Regional dispute resolution will be pursuant to the process developed by WECC. Nothing contained in this Section 4.5 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

4.6. Cost Allocation:

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

Issued By: Michael R. Cashell
Chief Transmission Officer

Effective Date: December 7, 2007

Issue Date: ~~December 7, 2007~~ October 29, 2008

Filed in compliance with Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, Docket No. RM05-17-000, et al., 72 Fed. Reg. 12266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241 (2007) Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-28-000, OA08-54-000, OA08-001, OA08-54-002, issued July 17, 2008, 124 FERC 61,053 (2008)

Attachment 7

Substitute First Revised Sheet No. 346 (superseding First Revised Sheet No. 346) of PacifiCorp FERC Electric Tariff, 7th Revised Volume No. 11], Substitute Original Sheet Nos.

346A to 346X (superseding Original Sheet Nos. 346A to 346X) and Original Sheet Nos. 346Y to 346DD of PacifiCorp FERC Electric Tariff, 7th Revised Volume No. 11, reflecting compliance revisions in clean format to Attachment K of PacifiCorp's OATT.

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 (WECC) basis. Section 2 of this Attachment K addresses the local planning process. Sections 3 and 4 of this Attachment K address Transmission Provider's sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's sub-regional and regional 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 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.

1.2. 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.

1.3. Economic Congestion Study Request: shall mean a request by a Transmission Customer or stakeholder to model the ability of

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: October 29, 2008

Effective: December 7, 2007

specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Transmission System Plan, to reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers.

1.4. NTTG: shall mean Northern Tier Transmission Group or its successor organization.

1.5. Planning Meeting: shall mean the quarterly meetings held by Transmission Provider pursuant to Attachment K to the Tariff.

1.6. Transmission System Plan or TSP: 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; Transmission Provider's resource and load growth expectations for Native Load Customers; 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.

1.7. TSP Re-Study Request: shall mean a request by an Eligible Customer to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the draft Transmission System Plan (produced pursuant to Section 2 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Transmission System Plan.

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

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

2. Local Planning Process

2.1. Preparation of a Transmission System Plan

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2.1.1. With the input of affected stakeholders, Transmission Provider shall prepare one (1) Transmission System Plan during each two-year planning cycle. The Transmission System Plan on its own does not effectuate any transmission service requests. A Point-to-Point transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in Part II of the Tariff and posted on the Transmission Provider's OASIS. Similarly, Network Customers must submit Network Resource and load additions/removals pursuant to the process described in Part III of the Tariff. The Transmission System Plan shall study a ten (10) year planning horizon.

2.1.2 The Transmission Provider shall consider the information obtained pursuant to Section 2.4 below in the preparation of the next planning cycle Transmission System Plan. Transmission Provider may, following stakeholder input, also include results of completed Economic Congestion Studies, completed pursuant to Section 2.7 below, in either the draft Transmission System Plan or the next planning cycle, depending on whether the study was requested in Quarter 1 or Quarter 5. In developing the Transmission System Plan, Transmission Provider shall apply applicable reliability criteria, including criteria established by the Transmission Provider, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation, and the Federal Energy Regulatory Commission.

2.1.3. The Transmission Provider shall take the 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.

2.1.4. The Transmission Provider may evaluate the draft Transmission System Plan by modeling the effects of TSP Re-Study Requests timely submitted by Eligible Customers in accordance with Sections 2.2.2.4 and 2.4, below. The Transmission Provider may, at its discretion, modify the

Issued by: Kenneth T. Houston - Director, Transmission Services
Issued on: October 29, 2008 Effective: December 7, 2007

draft Transmission System Plan before finalization to incorporate results from a TSP Re-Study.

2.1.5. The Transmission Provider shall conduct a Planning Meeting during each quarter in the planning cycle to present a status report on the Transmission System Plan, summarize the substantive results at each quarter, present drafts of documents, and/or 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 Planning 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 Planning Meeting shall be as selected by the Transmission Provider, or may be held telephonically or by video or internet conference.

2.2. Coordination

2.2.1. Planning cycle. Transmission Provider shall prepare the Transmission System Plan over two year planning cycle over eight (8) quarters. Planning cycles will commence biennially pursuant to the schedule identified in the transmission planning business practice posted on PacifiCorp's OASIS.

2.2.2. Sequence of Events.

2.2.2.1. Quarter 1: Transmission Provider will gather: (1) Network Customers' projected loads and resources, and load growth expectations (based on annual updates under Part III of the Tariff and other information available to the Transmission Provider); (2) Transmission Provider's projected load growth and resource needs for Native Load Customers; (3) Eligible Customers' projections of Point-to-Point Transmission Service usage at each receipt and delivery point (based on information submitted by Eligible Customers to the Transmission Provider pursuant to Section 2.3.1.1 below) including projected use of rollover rights; and (4) information from all Transmission and

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Interconnection Customers concerning existing and planned Demand Resources and their impacts on demand and peak demand.

The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers, obligations that will either commence or terminate during the planning cycle. Transmission Provider shall use data Point-to-Point Transmission Service usage forecasts and Demand Resources forecasts to determine system usage trends, and such forecasts do not obligate the Transmission Provider to construct facilities until formal requests for either Point-to-Point Transmission Service or Generator Interconnection Service requests are received pursuant to Parts II and IV of the Tariff.

Transmission Customers may submit Quarter 1 Economic Congestion Study Requests, in accordance with Section 2.7, by the dates identified in the Transmission Provider's transmission planning business practice posted on its OASIS.

During the Quarter 1 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders. During the Quarter 1 Planning Meeting, Transmission Provider shall also specifically:

- Explain planning process;
- Present proposed planning goals and discuss with stakeholders;
- Discuss data collected and discuss adequacy of data, as well as additional data required;
- Discuss priority of Economic Congestion Study Requests; and
- Discuss creation, scope, and membership of local area focus groups.

2.2.2.2. Quarter 2: Transmission Provider will, with stakeholder input, define and post on OASIS the basic

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Issued on: October 29, 2008

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methodology, planning criteria, assumptions, databases, and processes the Transmission Provider will use to prepare the 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 Transmission System Plan development. The Transmission Provider may adjust any base case to make that base case consistent with local planning assumptions and data.

Transmission Provider will also select up to one high priority Economic Congestion Study Request, with stakeholder input, to conduct during the first year of the planning cycle.

During the Quarter 2 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders. During the Quarter 2 Planning Meeting, Transmission Provider shall also specifically:

- Present finalized methodology/planning criteria/process to be used;
- Present final planning goals and discuss with stakeholders;
- Present proposed assumptions and discuss with stakeholders;
- Present a proposed Economic Congestion Study, or cluster of studies, to conduct during the first year of the planning cycle; and
- Present selected base case and scenarios to be studied.

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

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During the Quarters 3 and 4 Planning Meetings, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders.

During the Quarter 3 Planning Meeting, Transmission Provider shall also specifically:

- Discuss status of local planning process and any interim iterations of the draft Transmission System Plan.

During the Quarter 4 Planning Meeting, Transmission Provider shall also specifically:

- Discuss draft Transmission System Plan.

2.2.2.4. Quarter 5: Eligible Customers may submit TSP Re-Study Requests to the Transmission Provider as set out in Section 2.4. Requests received subsequent to Quarter 5 will only be considered during the planning cycle if the Transmission Provider can accommodate the request without delaying completion of the Transmission System Plan.

Transmission Customers may submit Quarter 5 Economic Congestion Study Requests, in accordance with Section 2.7, by the dates identified in the Transmission Provider's transmission planning business practice posted on its OASIS.

During the Quarter 5 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders. During the Quarter 5 Planning Meeting, Transmission Provider shall also specifically:

- Discuss TSP Re-Study Requests received by the Transmission Provider;
- Seek input from stakeholders on the selection of TSP Re-Study Requests; and
- Present a proposed Economic Congestion Study, or cluster of studies, to conduct during the second year of the planning cycle.

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2.2.2.5. Quarter 6: Transmission Provider will model and consider the selected TSP Re-Study Requests and Economic Congestion Studies accepted in the prior quarter with the draft Transmission System Plan. Transmission Provider will also conduct the Quarter 5 economic planning study, or cluster of studies.

During the Quarter 6 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders. During the Quarter 6 Planning Meeting, Transmission Provider shall also specifically:

- Discuss the status, and any preliminary findings, of any TSP Re-Study Requests modeled with draft Transmission System Plan; and
- Discuss the status, and any preliminary findings of the Quarter 5 Economic Congestion Study.

2.2.2.6. Quarter 7: Transmission Provider will finalize and post on OASIS the Transmission System Plan taking into consideration appropriate TSP Re-Study Request 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 Planning Meetings at study milestones.

During the Quarter 7 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present documents, and accept comments from stakeholders. During the Quarter 7 Planning Meeting, Transmission Provider shall also specifically:

- Discuss Final Transmission System Plan;
- Discuss the results of any TSP Re-Study Request and whether the results were

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incorporated into the Final Transmission System Plan; and

- Discuss the results of the Quarter 5 Economic Congestion Study.

2.2.2.7. Quarter 8: The Transmission Provider shall post the Transmission System Plan on its OASIS and send the TSP to the sub-regional and regional entities conducting similar planning efforts, interested stakeholders, and the owners and operators of the neighboring interconnected transmission system.

During the Quarter 8 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present documents, and accept comments from stakeholders. During the Quarter 8 Planning Meeting, Transmission Provider shall also specifically:

- Discuss the submittal of Transmission System Plan to sub-regional and regional entities, and any required coordination with other Transmission Providers.

2.2.3. Focus Groups. Transmission Provider may, at its discretion but with stakeholder input, establish focus groups during Quarter 1 to address specific, identified area planning issues. The Transmission Provider may, at its discretion, establish additional focus groups at anytime during the planning process to address significant legislative or regulatory changes affecting either stakeholders or the Transmission Provider. The focus group will review available data and the impact of any previous Transmission System Plan on Transmission Service to the identified area, and provide recommendations to the Transmission Provider to be considered for incorporation into the planning assumptions and/or final Transmission System Plan. Membership to the focus groups will be open to all stakeholders, Network Customers, and Eligible Customers. The Transmission Provider will act as the facilitator for the focus group. The focus group shall address as many issues as possible via email and teleconference. Each focus group shall select a chairperson to set the timeline for discussion and

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developing recommendations within the scope of 8 Quarter Planning Cycle. All recommendations of the focus group must be based on the consensus of the focus group.

2.3. Information Exchange

2.3.1. Forecasts

2.3.1.1. Each Point-to-Point Transmission Customer shall, during Quarter 1 of each planning cycle, submit to the Transmission Provider its good-faith projected ten (10) year forecast of its transmission service needs. The forecast shall specify the Point of Receipt and Point of Delivery at the bus level. Forecasts shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period.

2.3.1.2. Each Network Customer shall, pursuant to Part III of the Tariff and/or its Network Operating Agreement, submit to the Transmission Provider its good-faith ten (10) year load and resources forecast including existing and planned Demand Resources and their impacts on demand and peak demand. The forecast shall specify the hourly demand values for the forecast period, or conversely provide an annual hourly load shape than can be applied to the forecast period. Transmission Provider shall use the most recent forecast available during Quarter 1 of the planning cycle in the development of the TSP.

2.3.1.3. The Transmission Provider on behalf of Native Load Customers shall, during each planning cycle, submit to the Transmission Provider its good-faith ten (10) year load and resources forecast including existing and planned Demand Resources and their impacts on demand and peak demand. The forecast shall specify the hourly demand values for the forecast period, or conversely provide an annual hourly load shape that can be applied to the forecast period. Transmission Provider shall use the most recent forecast available during Quarter 1 of the planning cycle in the development of the TSP.

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2.3.2. Participation. If any Eligible Customer or stakeholder fails to provide data or otherwise participate as described in this Attachment K, then the Transmission Provider shall not be obligated to include the eligible customer's requirements in the Transmission Provider's planning obligations. If any Network Customer fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based on the most recent load and resource data received, adjusted for recent observed Network Customer usage patterns.

2.4. TSP Re-Study Requests

2.4.1. During Quarter 5, an Eligible Customer may submit a TSP Re-Study Request to the Transmission Provider, along with all data in its possession supporting the request to be modeled. Transmission Provider shall identify the form for a TSP Re-Study Request and identify minimum required data to accompany the request in its transmission planning business practice. After reviewing a TSP Re-Study Request, the Transmission Provider may identify additional data requirements. The Eligible Customer submitting the TSP Re-Study Request shall work in good faith to assist the Transmission Provider in gathering all necessary data to perform the modeling request. To the extent necessary, any coordination between the requesting Eligible Customer and the Transmission Provider shall be subject to appropriate confidentiality requirements, as set out in Section 2.11.3 below.

2.4.2. The Transmission Provider may cluster or batch TSP Re-Study Requests so that the Transmission Provider is able to model the requests in the most efficient manner. The Transmission Provider may prioritize the study requests based upon its evaluation of study requests that present the most significant opportunities to reduce overall costs of the Transmission System Plan while reliably serving the load growth needs being studied in the Transmission System Plan.

2.4.3. The Transmission Provider shall notify the requester of an TSP Re-Study Request within ten (10) business days of

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receipt of a completed TSP Re-Study Request whether or not the study request will be included as part of the Transmission System Plan evaluation during Quarter 5 of the planning cycle, or whether additional information is required to make an appropriate determination.

2.5. OASIS Posting Requirements

2.5.1. The Transmission Provider shall maintain on its OASIS all information related to this Attachment K including a subscription service whereby any stakeholder or Transmission Customer may register to receive e-mail notices and materials related to the Transmission System Plan process.

2.5.2. Content of OASIS Postings. Transmission Provider shall post on its OASIS the planning information and links to publicly available documents identified below:

2.5.2.1. The transmission planning business practice along with the procedures for modifying the business practice;

2.5.2.2. Planning cycle timeline;

2.5.2.3. Each TSP Re-Study Request, and response from the Transmission Provider;

2.5.2.4. The minutes of each quarterly Planning Meeting;

2.5.2.5. In advance of its discussion at any Planning Meeting, all materials to be discussed;

2.5.2.6. Written comments submitted to the Transmission Provider in relation to the Transmission System Plan;

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

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2.5.2.8. At a minimum, the final version of all completed Transmission System Plans for the three previous planning cycles;

2.5.2.9. Aggregated load forecasts representing the Transmission Provider's total transmission service forecast for its transmission system;

2.5.2.10. Summary list of Critical Energy Infrastructure Information submitted during the planning process;

2.5.2.11. Links to relevant NTTG agreements, charters, and documents; and

2.5.2.12. Links to relevant WECC and WECC TEPPC agreements, charters, and documents.

2.5.3. Database Access. A stakeholder may receive read-only access from the Transmission Provider to the database and all changes to the database used to prepare the 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.

2.6. 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, Direct Assigned Facilities, or other cost allocation principles as may be determined by any state having jurisdiction over the Transmission Provider.

2.6.1. 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

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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.

2.6.2. 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.

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

2.6.3.1. Type 1: Type 1 transmission line costs are those related to the provision of service to the Transmission Provider's Network and Native Load Customers. Type 1 costs include, to the extent such agreements exist, costs related to service to others pursuant to grandfathered transmission agreements.

2.6.3.2. Type 2: Type 2 costs are those related to Point-to-Point Transmission Service and requests for service.

2.6.3.3. 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.

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

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

2.6.4.2. Principle 2: To the extent not in conflict with Principle 1, costs will be allocated consistent with the provisions of Section 3.7 of this Attachment K.

2.7. Economic Planning Studies

2.7.1. Economic Congestion Study Requests. Any Eligible Customer or stakeholder may submit an Economic Congestion Study Request during either Quarter 1 or Quarter 5 of the planning cycle, pursuant to the procedures specified in the transmission planning business practice. Transmission Provider will complete up to two high priority Economic Congestion Studies during the planning cycle: one during the first year of the biennial planning cycle and one during the second year of the biennial planning cycle. Transmission Provider shall complete additional Economic Congestion Studies at the sole expense of the parties requesting such studies. Transmission Provider may choose to contract, at its discretion, with a qualified third-party to perform Economic Congestion Studies.

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

2.7.2.1. Local Economic Congestion Studies. If the Economic Congestion Study Request 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

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scheduling paths, the study request will be considered local and will be prioritized under this Section 2.

2.7.2.2. Sub-regional Economic Congestion Studies. If the Economic Congestion Study Request identifies 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, the study request will be considered sub-regional and will be processed under Section 3.

2.7.2.3. Regional Economic Congestion Studies. If the Economic Congestion Study Request identifies a Point of Receipt or Point of Delivery within the NTTG scheduling system footprint as determined by the NTTG Transmission Use Committee and (1) the Point 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 and will be processed under Section 4.

2.7.2.4. Economic Congestion Study Requests Not Applicable. To be considered by the Transmission Provider, any Economic Congestion Study Request must contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint.

2.7.3. Prioritization. Transmission Provider shall categorize and prioritize, with stakeholder input, one Economic Congestion Study Request to study as part of the local planning process each year of the biennial planning cycle. In the event that more than two Economic Congestion Study Requests are received by the Transmission Provider during either Quarter 1 or Quarter 5, the Transmission Provider shall determine Economic Congestion Study will be performed based on (i) evaluation of requests that present the most significant opportunities to reduce overall costs of the Transmission System Plan while reliably serving the load growth needs being studied in the Transmission System

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Plan, (ii) the date and time of the request, and (iii) input from stakeholders at the Planning Meetings.

2.7.4. Requests. Any Transmission Customer or stakeholder may submit an Economic Congestion Study Request to the Transmission Provider, along with the required data. The specific form for submitting an Economic Congestion Study Request and supporting data requirements shall be posted on the Transmission Provider's OASIS or maintained as part of the transmission planning business practice. The party submitting an Economic Congestion Study Request shall work in good faith to assist the Transmission Provider in gathering the data necessary to perform the modeling request. To the extent necessary, any coordination between the requesting party and the Transmission Provider shall be subject to appropriate confidentiality requirements, as set out in Section 2.11.3 below.

2.7.4.1. The Transmission Provider shall notify the requesting party within ten (10) business days of receipt of a completed Economic Congestion Study Request whether or not the request will be included and prioritized as part of the Transmission System Plan evaluation during Quarter 1 or Quarter 5 of the biennial planning cycle, or whether additional information is required to make an appropriate determination.

2.7.4.2. If the Transmission Provider determines that a specific Economic Congestion Study Request will not be modeled as part of the planning cycle, the requesting party may request that the Transmission Provider conduct the Economic Congestion Study at the requesting party's expense. In this event, the Transmission Provider shall tender an agreement setting forth the estimated cost of the study, the specific data and assumptions, and any other relevant information. The requesting party shall be responsible for the actual cost of the Economic Congestion Study.

2.7.4.3. The Transmission Provider shall consider all unaccommodated Economic Congestion Study Requests

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submitted during the following planning cycle, unless the requesting party withdraws its Economic Congestion Study Request or the Transmission Provider determines that the basis for the request has changed or otherwise been mitigated.

2.7.4.4. If the Transmission Provider can feasibly cluster or batch requests, it will make efforts to do so. Economic Congestion Study Requests will be clustered and studied together only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

2.7.5. Results of the Economic Congestion Studies shall be reported as part of the draft and final Transmission System Plan, and provided to the requesting party and interested stakeholders. Results from the first Economic Congestion Study will be used to evaluate the draft Transmission System Plan to determine whether that plan is the most reliable and economic plan of service. Results from the second Economic Congestion Study will be used to develop the draft Transmission System Plan during the following planning cycle.

2.8. Recovery of Planning Costs. Unless Transmission Provider allocates planning-related costs to an individual stakeholder as permitted under the Tariff, all costs incurred by the Transmission Provider related to the Transmission System Planning process, or as part of sub-regional or regional planning process, shall be included in the Transmission Provider's transmission rate base.

2.9. Dispute Resolution Relative to Compliance with Attachment K and Transmission System Plan

2.9.1. Process. The following process shall be utilized by all Eligible Customers and stakeholders to address procedural and substantive concerns over the Transmission Provider's compliance with this Attachment K and development of the Transmission System Plan:

2.9.1.1. Step 1: Any stakeholder may initiate the dispute resolution process by sending a letter to the

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Transmission Provider. Upon receipt of such letter, the Transmission Provider shall set up a meeting with the senior representatives from each of the disputing parties, at a time and place convenient to such parties, within 30 days after receipt of the dispute letter. The senior representatives shall engage in direct dialogue, exchange information as necessary, and negotiate in good faith to resolve the dispute. Any other stakeholder that believes it has an interest in the dispute may participate. The senior representatives will continue to negotiate until such time as (i) the dispute letter is withdrawn, (ii) the parties agree to a mutually acceptable resolution of the disputed matter, or (iii) after 60 days, the parties remain at an impasse.

2.9.1.2. 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 Alternate Dispute Resolution Service serve as the mediator of the dispute.

2.9.2. 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.

2.9.3. Timeline. Disputes over any matter shall be raised timely; provided, however, in no case shall a dispute as set forth in Section 2.9.1., 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, to facilitate the timely completion of the Transmission System Plan.

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2.9.4. Expedited Process. The Transmission Provider may, if it reasonably believes that the dispute will impede the planning cycle and issuance of either the draft or final Transmission System Plan, may disclose and discuss the dispute at the next quarterly meeting for stakeholder discussion. Any resolution reached during the quarterly Planning Meeting shall not affect the right of a party to initiate complaint proceedings at the Commission.

2.9.5. Rights. Nothing contained in this Section 2.9 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

2.10. Transmission Business Practices. The Transmission Provider's transmission planning business practice shall provide additional detail explaining how the Transmission Provider will implement this Attachment K during each planning cycle. The business practice detail shall include: forms for submitting a TSP Re-Study Request; forms for submitting an Economic Congestion Study Request; a schedule and sequence of events for preparing the Transmission System Plan; additional details associated with cost allocation; a description of the sub-regional and regional planning process to which the Transmission System Plan will be submitted; a description of how the Transmission System Plan will be considered in the Transmission Provider's next state required integrated resource plan; a list of the other transmission systems to which the Transmission Provider's Transmission System is directly interconnected; and contact information for the individual responsible for implementation of this Attachment K.

2.11. Openness

2.11.1. Participation. All affected stakeholders may attend Transmission System Plan meetings and/or submit comments, TSP Re-Study Requests, Economic Congestion Study Requests, or other information relevant to the planning process. Transmission Provider may establish focus groups as part of the planning process to facilitate specific planning efforts.

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2.11.2. Critical Energy Infrastructure Information (CEII). Any stakeholder and the Transmission Provider participating in the planning process 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 associate 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 by the Transmission Provider on OASIS, and updated regularly.

2.11.3. Confidential Information. Stakeholders and the Transmission Provider shall identify each confidential document supplied during the transmission planning process. Any stakeholder or the Transmission Provider seeking access to such confidential 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 OASIS. Thereafter, stakeholders shall have an opportunity to submit comments on the form of confidentiality agreement. Confidential information shall be disclosed in compliance with Standards of Conduct, and 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.

3. Sub-regional Planning Process

3.1. 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 TEPPC 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.

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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 Section 3 are expected to participate in the NTTG planning process through the NTTG planning committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Transmission System Plan. For additional information, including a map containing the current geographic footprint of NTTG, please see <http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningPracticesDocument.pdf>.

3.2. Transmission Provider Coordination with NTTG. The Transmission Provider will participate in the sub-regional planning process as described in the Transmission Provider's transmission planning business practice, available at: <http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf>. In accordance with this process, the Transmission Provider and NTTG will conform to the following obligations:

3.2.1. Transmission Provider will collect customer data and consolidate load service and other transmission service requests through the local planning process described in Section 2 above.

3.2.2. Transmission Provider will provide NTTG with its Transmission System Plan incorporating all of the transmission service forecasts for its Transmission System.

3.2.3. Subject to appropriate Critical Energy Infrastructure Information restrictions, Transmission Provider will post planning criteria and assumptions adopted by NTTG, and all NTTG study results on Transmission Provider's OASIS.

3.2.4 NTTG will conduct its planning process to identify needs, least cost expansion project alternatives, technical benefits, and projected costs.

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3.2.5 NTTG will select beneficial expansion sub-regional projects and address cost allocation among participating Transmission Providers.

3.3. 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, which is approved by the NTTG Steering Committee. The current NTTG planning committee charter can be accessed via direct links in Transmission Provider's transmission planning business practice available at <http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf> and also on NTTG's website at www.nttg.biz. As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion 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 as outlined below:

3.3.1. Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.

3.3.2. Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.

3.3.3. Quarters 3 and 4: Conduct power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system, and produce a draft transmission plan for public and stakeholder comment.

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3.3.4. Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.

3.3.5. Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identify benefits in the cost allocation process.

3.3.6. Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

3.3.7. Quarter 8: Submit final plan to the Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local and regional study processes.

Transmission Provider shall post the dates of the current NTTG planning 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 Transmission System Planning cycles.

3.4. Stakeholder Participation

3.4.1. Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state utility commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement, consistent with its terms. 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.

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: October 29, 2008

Effective: December 7, 2007

3.4.2. Eligible Customers and 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 sub-regional plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan.

3.5. Economic Congestion Studies

3.5.1. Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize, and complete up to two (2) sub-regional Economic Congestion Studies per NTTG planning cycle, as outlined in NTTG's standardized process for congestion studies. The sub-regional Economic Congestion Studies will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers that are categorized as sub-regional or regional Economic Congestion Study Requests pursuant to Section 2.7. NTTG may submit requests for regional Economic Congestion Studies to the WECC pursuant to NTTG and WECC processes.

3.5.2. Within each planning cycle any Eligible Customer or stakeholder may request additional Economic Congestion Studies, or Economic Congestion Studies that were not prioritized for completion by NTTG, to be paid for at the sole expense of the requesting party. Such requests shall be made by the Eligible Customer or stakeholder to the Transmission Provider pursuant to Section 2.7 of this Attachment K. Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion.

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Issued on: October 29, 2008 Effective: December 7, 2007

3.5.3. NTTG will cluster and study together Economic Congestion Studies only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

3.5.4. For an Economic Congestion Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Congestion Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.

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

3.6. Dispute Resolution.

3.6.1. Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Transmission System Plan with the sub-regional expansion plan and associated cost allocation. The NTTG planning agreement dispute resolution process may also be initiated, *inter alia*, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process. For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-regional transmission plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this Section 3.6.1. be raised more than 30 days after a decision is made by the NTTG planning committee in study process or the posting of a milestone document, whichever is earlier.

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Issued on: October 29, 2008

Effective: December 7, 2007

3.6.2. Nothing contained in Section 3.6.1. shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

3.7. Cost Allocation. The following approach will be utilized to allocate costs for those projects included in the NTTG sub-regional plan, based on the following principles:

3.7.1. Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) in which Transmission Provider is a project sponsor, Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:

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

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

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

3.7.1.4. 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.

3.7.2. 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.

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Issued on: October 29, 2008 Effective: December 7, 2007

3.7.3. Coordination with 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.

3.7.4. Allocation of Costs.

3.7.4.1. 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. The cost allocation is subject to review by the NTTG Cost Allocation Committee and Steering Committee. 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 links contained in Transmission Provider's transmission planning business practice available at <http://www.oasis.pacificorp.com/oasis/ppw/PlanningProcessVersion12.pdf> and also on NTTG's website at www.nttg.biz.

3.7.4.2. 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

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Allocation Principles, the link to which can be found in Transmission Provider's transmission planning business practice and also in NTTG's Cost Allocation Committee Charter on NTTG's website. 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 found via direct links in Transmission Provider's transmission planning business practice available at <http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf> and also on NTTG's website at www.nttg.biz.

3.7.4.3. 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.

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

4. Regional Planning Process

4.1. 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 regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional 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

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Issued on: October 29, 2008

Effective: December 7, 2007

the Transmission System Plan or through the NTTG process as outlined above in Section 3.

4.2. Transmission Provider Coordination. Transmission Provider will coordinate with WECC TEPPC for regional 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 Columbia Grid. The goal of NTTG's coordination on a regional 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 planning process is located in the Transmission Provider's transmission planning business practice, available at:
<http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf>.

4.3. Study Process. WECC TEPPC's transmission planning protocol and information is 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.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf> and on the Transmission Provider's OASIS.

4.4. Stakeholder Participation. Stakeholders have access to the regional planning process through NTTG's public Planning Meetings, other sub-regional planning groups, and WECC at their discretion.

4.5. 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 2.7 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic Congestion Study

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: October 29, 2008

Effective: December 7, 2007

Requests received by the Transmission Provider will be categorized pursuant to Section 2.7 of this Attachment K.

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

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

Issued by: Kenneth T. Houston - Director, Transmission Services
Issued on: October 29, 2008 Effective: December 7, 2007

Attachment 8

Substitute First Revised Sheet No. 346 (superseding First Revised Sheet No. 346) of PacifiCorp FERC Electric Tariff, 7th Revised Volume No. 11], Substitute Original Sheet Nos.

346A to 346X (superseding Original Sheet Nos. 346A to 346X) and Original Sheet Nos. 346Y to 346DD of PacifiCorp FERC Electric Tariff, 7th Revised Volume No. 11, reflecting compliance revisions in redline format to Attachment K of PacifiCorp's OATT.

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 (WECC) basis. Section 2 of this Attachment K addresses the local planning process. Sections 3 and 4 of this Attachment K address Transmission Provider's sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's sub-regional and regional 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 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.

1.2. Economic Congestion Study: shall mean an assessment to determine whether transmission upgrades can reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers taking service under the Tariff.

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1.3. Economic Congestion Study Request: shall mean a request by a Transmission Customer or stakeholder to model the ability of

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Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the Transmission System Plan, to reduce the overall cost of reliably serving the forecasted needs of the Transmission Provider and its Transmission Customers.

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1.4. NTTG: shall mean Northern Tier Transmission Group or its successor organization.

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1.5. Planning Meeting: shall mean the quarterly meetings held by Transmission Provider pursuant to Attachment K to the Tariff.

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1.6. Transmission System Plan or TSP: 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; Transmission Provider's resource and load growth expectations for Native Load Customers; 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.

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1.7. TSP Re-Study Request: shall mean a request by an Eligible Customer to model the ability of specific upgrades or other investments to the Transmission System or Demand Resources, not otherwise considered in the draft Transmission System Plan (produced pursuant to Section 2 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Transmission System Plan.

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

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

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2. Local Planning Process

2.1. Preparation of a Transmission System Plan

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007~~8~~ Effective: ~~February 5~~ December 7, 2007~~8~~

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

2.1.1. With the input of affected stakeholders, Transmission Provider shall prepare one (1) Transmission System Plan during each two-year planning cycle. The Transmission System Plan on its own does not effectuate any transmission service requests. A Point-to-Point transmission service request must be made as a separate and distinct submission by an Eligible Customer in accordance with the procedures set forth in Part II of the Tariff and posted on the Transmission Provider's OASIS. Similarly, Network Customers must submit Network Resource and load additions/removals pursuant to the process described in Part III of the Tariff. The Transmission System Plan shall study a ten (10) year planning horizon.

2.1.2 The Transmission Provider shall consider the information obtained pursuant to Section 2.4 below in the preparation of the next planning cycle Transmission System Plan. Transmission Provider may, following stakeholder input, also include results of completed Economic Congestion Studies, completed pursuant to Section 2.7 below, in either the draft Transmission System Plan or the next planning cycle, depending on whether the study was requested in Quarter 1 or Quarter 5. In developing the Transmission System Plan, Transmission Provider shall apply applicable reliability criteria, including criteria established by the Transmission Provider, the Western Electricity Coordinating Council, the North American Electric Reliability Corporation, and the Federal Energy Regulatory Commission.

2.1.3. The Transmission Provider shall take the 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.

2.1.4. The Transmission Provider may evaluate the draft Transmission System Plan by modeling the effects of TSP Re-Study Requests timely submitted by Eligible Customers in accordance with Sections 2.2.2.4 and 2.4, below. The Transmission Provider may, at its discretion, modify the

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

draft Transmission System Plan before finalization to incorporate results from a TSP Re-Study.

2.1.5. The Transmission Provider shall conduct a Planning Meeting during each quarter in the planning cycle to present a status report on the Transmission System Plan, summarize the substantive results at each quarter, present drafts of documents, and/or 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 Planning 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 Planning Meeting shall be as selected by the Transmission Provider, or may be held telephonically or by video or internet conference.

2.2. Coordination

2.2.1. Planning cycle. Transmission Provider shall prepare the Transmission System Plan over two year planning cycle over eight (8) quarters. Planning cycles will commence biennially pursuant to the schedule identified in the transmission planning business practice posted on PacifiCorp's OASIS.

2.2.2. Sequence of Events.

2.2.2.1. Quarter 1: Transmission Provider will gather:
(1) Network Customers' projected loads and resources, and load growth expectations (based on annual updates under Part III of the Tariff and other information available to the Transmission Provider); (2) Transmission Provider's projected load growth and resource needs for Native Load Customers; (3) Eligible Customers' projections of Point-to-Point Transmission Service usage at each receipt and delivery point (based on information submitted by Eligible Customers to the Transmission Provider pursuant to Section 2.3.1.1 below) including projected use of rollover rights; and (4) information from all Transmission and

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

Interconnection Customers concerning existing and planned ~~Demand Resources~~ and their impacts on demand and peak demand.

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The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers, obligations that will either commence or terminate during the planning cycle. Transmission Provider shall use data Point-to-Point Transmission Service usage forecasts and ~~Demand Resources forecasts~~ to determine system usage trends, and such forecasts do not obligate the Transmission Provider to construct facilities until formal requests for either Point-to-Point Transmission Service or Generator Interconnection Service requests are received pursuant to Parts II and IV of the Tariff.

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Transmission Customers may submit Quarter 1 Economic Congestion Study Requests, in accordance with Section 2.7, by the dates identified in the Transmission Provider's transmission planning business practice posted on its OASIS.

During the Quarter 1 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders. During the Quarter 1 Planning Meeting, Transmission Provider shall also specifically:

- Explain planning process;
- Present proposed planning goals and discuss with stakeholders;
- Discuss data collected and discuss adequacy of data, as well as additional data required;
- Discuss priority of Economic Congestion Study Requests; and
- Discuss creation, scope, and membership of local area focus groups.

2.2.2.2. Quarter 2: Transmission Provider will, with stakeholder input, define and post on OASIS the basic

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

methodology, planning criteria, assumptions, databases, and processes the Transmission Provider will use to prepare the 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 Transmission System Plan development. The Transmission Provider may adjust any base case to make that base case consistent with local planning assumptions and data.

Transmission Provider will also select up to one high priority Economic Congestion Study Request, with stakeholder input, to conduct during the first year of the planning cycle.

During the Quarter 2 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders. During the Quarter 2 Planning Meeting, Transmission Provider shall also specifically:

- Present finalized methodology/planning criteria/process to be used;
- Present final planning goals and discuss with stakeholders;
- Present proposed assumptions and discuss with stakeholders;
- Present a proposed Economic Congestion Study, or cluster of studies, to conduct during the first year of the planning cycle; and
- Present selected base case and scenarios to be studied.

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

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

During the Quarters 3 and 4 Planning Meetings, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders.

During the Quarter 3 Planning Meeting, Transmission Provider shall also specifically:

- Discuss status of local planning process and any interim iterations of the draft Transmission System Plan.

During the Quarter 4 Planning Meeting, Transmission Provider shall also specifically:

- Discuss draft Transmission System Plan.

2.2.2.4. Quarter 5: Eligible Customers may submit TSP Re-Study Requests to the Transmission Provider as set out in Section 2.4. Requests received subsequent to Quarter 5 will only be considered during the planning cycle if the Transmission Provider can accommodate the request without delaying completion of the Transmission System Plan.

Transmission Customers may submit Quarter 5 Economic Congestion Study Requests, in accordance with Section 2.7, by the dates identified in the Transmission Provider's transmission planning business practice posted on its OASIS.

During the Quarter 5 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders. During the Quarter 5 Planning Meeting, Transmission Provider shall also specifically:

- Discuss TSP Re-Study Requests received by the Transmission Provider;
- Seek input from stakeholders on the selection of TSP Re-Study Requests; and
- Present a proposed Economic Congestion Study, or cluster of studies, to conduct during the second year of the planning cycle.

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

2.2.2.5. Quarter 6: Transmission Provider will model and consider the selected TSP Re-Study Requests and Economic Congestion Studies accepted in the prior quarter with the draft Transmission System Plan. Transmission Provider will also conduct the Quarter 5 economic planning study, or cluster of studies.

During the Quarter 6 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present drafts of documents, and accept comments from stakeholders. During the Quarter 6 Planning Meeting, Transmission Provider shall also specifically:

- Discuss the status, and any preliminary findings, of any TSP Re-Study Requests modeled with draft Transmission System Plan; and
- Discuss the status, and any preliminary findings of the Quarter 5 Economic Congestion Study.

2.2.2.6. Quarter 7: Transmission Provider will finalize and post on OASIS the Transmission System Plan taking into consideration appropriate TSP Re-Study Request 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 Planning Meetings at study milestones.

During the Quarter 7 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present documents, and accept comments from stakeholders. During the Quarter 7 Planning Meeting, Transmission Provider shall also specifically:

- Discuss Final Transmission System Plan;
- Discuss the results of any TSP Re-Study Request and whether the results were

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

incorporated into the Final Transmission System Plan; and

- Discuss the results of the Quarter 5 Economic Congestion Study.

2.2.2.7. Quarter 8: The Transmission Provider shall post the Transmission System Plan on its OASIS and send the TSP to the sub-regional and regional entities conducting similar planning efforts, interested stakeholders, and the owners and operators of the neighboring interconnected transmission system.

During the Quarter 8 Planning Meeting, Transmission Provider shall generally address the status of the TSP process, summarize the substantive results of the quarter, present documents, and accept comments from stakeholders. During the Quarter 8 Planning Meeting, Transmission Provider shall also specifically:

- Discuss the submittal of Transmission System Plan to sub-regional and regional entities, and any required coordination with other Transmission Providers.

2.2.3. Focus Groups. Transmission Provider may, at its discretion but with stakeholder input, establish focus groups during Quarter 1 to address specific, identified area planning issues. The Transmission Provider may, at its discretion, establish additional focus groups at anytime during the planning process to address significant legislative or regulatory changes affecting either stakeholders or the Transmission Provider. The focus group will review available data and the impact of any previous Transmission System Plan on Transmission Service to the identified area, and provide recommendations to the Transmission Provider to be considered for incorporation into the planning assumptions and/or final Transmission System Plan. Membership to the focus groups will be open to all stakeholders, Network Customers, and Eligible Customers. The Transmission Provider will act as the facilitator for the focus group. The focus group shall address as many issues as possible via email and teleconference. Each focus group shall select a chairperson to set the timeline for discussion and

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-40-000, OA08-57-000, et al., issued July 17, 2008, 124 FERC ¶ 61,053 (2008).

developing recommendations within the scope of 8 Quarter Planning Cycle. All recommendations of the focus group must be based on the consensus of the focus group.

2.3. Information Exchange

2.3.1. Forecasts

2.3.1.1. Each Point-to-Point Transmission Customer shall, during Quarter 1 of each planning cycle, submit to the Transmission Provider its good-faith projected ten (10) year forecast of its transmission service needs. The forecast shall specify the Point of Receipt and Point of Delivery at the bus level. Forecasts shall specify the hourly values for the forecast period, or conversely provide an annual hourly shape to be applied to the forecast period.

2.3.1.2. Each Network Customer shall, pursuant to Part III of the Tariff and/or its Network Operating Agreement, submit to the Transmission Provider its good-faith ten (10) year load and resources forecast including existing and planned Demand Resources and their impacts on demand and peak demand. The forecast shall specify the hourly demand values for the forecast period, or conversely provide an annual hourly load shape that can be applied to the forecast period. Transmission Provider shall use the most recent forecast available during Quarter 1 of the planning cycle in the development of the TSP.

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2.3.1.3. The Transmission Provider on behalf of Native Load Customers shall, during each planning cycle, submit to the Transmission Provider its good-faith ten (10) year load and resources forecast including existing and planned Demand Resources and their impacts on demand and peak demand. The forecast shall specify the hourly demand values for the forecast period, or conversely provide an annual hourly load shape that can be applied to the forecast period. Transmission Provider shall use the most recent forecast available during Quarter 1 of the planning cycle in the development of the TSP.

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Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007~~8~~ Effective: ~~February 5~~ December 7, 2007~~8~~

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2.3.2. Participation. If any Eligible Customer or stakeholder fails to provide data or otherwise participate as described in this Attachment K, then the Transmission Provider shall not be obligated to include the eligible customer's requirements in the Transmission Provider's planning obligations. If any Network Customer fails to provide data or otherwise participate as required by this Attachment K, the Transmission Provider shall plan the system based on the most recent load and resource data received, adjusted for recent observed Network Customer usage patterns.

2.4. TSP Re-Study Requests

2.4.1. During Quarter 5, an Eligible Customer may submit a TSP Re-Study Request to the Transmission Provider, along with all data in its possession supporting the request to be modeled. Transmission Provider shall identify the form for a TSP Re-Study Request and identify minimum required data to accompany the request in its transmission planning business practice. After reviewing a TSP Re-Study Request, the Transmission Provider may identify additional data requirements. The Eligible Customer submitting the TSP Re-Study Request shall work in good faith to assist the Transmission Provider in gathering all necessary data to perform the modeling request. To the extent necessary, any coordination between the requesting Eligible Customer and the Transmission Provider shall be subject to appropriate confidentiality requirements, as set out in Section 2.11.3 below.

2.4.2. The Transmission Provider may cluster or batch TSP Re-Study Requests so that the Transmission Provider is able to model the requests in the most efficient manner. The Transmission Provider may prioritize the study requests based upon its evaluation of study requests that present the most significant opportunities to reduce overall costs of the Transmission System Plan while reliably serving the load growth needs being studied in the Transmission System Plan.

2.4.3. The Transmission Provider shall notify the requester of an TSP Re-Study Request within ten (10) business days of

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receipt of a completed TSP Re-Study Request whether or not the study request will be included as part of the Transmission System Plan evaluation during Quarter 5 of the planning cycle, or whether additional information is required to make an appropriate determination.

2.5. OASIS Posting Requirements

2.5.1. The Transmission Provider shall maintain on its OASIS all information related to this Attachment K including a subscription service whereby any stakeholder or Transmission Customer may register to receive e-mail notices and materials related to the Transmission System Plan process.

2.5.2. Content of OASIS Postings. Transmission Provider shall post on its OASIS the planning information and links to publicly available documents identified below:

2.5.2.1. The transmission planning business practice along with the procedures for modifying the business practice;

2.5.2.2. Planning cycle timeline;

2.5.2.3. Each TSP Re-Study Request, and response from the Transmission Provider;

2.5.2.4. The minutes of each quarterly Planning Meeting;

2.5.2.5. In advance of its discussion at any Planning Meeting, all materials to be discussed;

2.5.2.6. Written comments submitted to the Transmission Provider in relation to the Transmission System Plan;

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

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2.5.2.8. At a minimum, the final version of all completed Transmission System Plans for the three previous planning cycles;

2.5.2.9. Aggregated load forecasts representing the Transmission Provider's total transmission service forecast for its transmission system;

2.5.2.10. Summary list of Critical Energy Infrastructure Information submitted during the planning process;

2.5.2.11. Links to relevant NTTG agreements, charters, and documents; and

2.5.2.12. Links to relevant WECC and WECC TEPPC agreements, charters, and documents.

2.5.3. Database Access. A stakeholder may receive read-only access from the Transmission Provider to the database and all changes to the database used to prepare the 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.

2.6. 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, Direct Assigned Facilities, or other cost allocation principles as may be determined by any state having jurisdiction over the Transmission Provider.

2.6.1. 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

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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.

2.6.2. 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.

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

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2.6.3.1. Type 1: Type 1 transmission line costs are those related to the provision of service to the Transmission Provider's Network and Native Load Customers. Type 1 costs include, to the extent such agreements exist, costs related to service to others pursuant to grandfathered transmission agreements.

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2.6.3.2. Type 2: Type 2 costs are those related to Point-to-Point Transmission Service and requests for service.

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2.6.3.3. 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.

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

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~~2.6.4.1. Principle 1: The Commission's regulations, policy statements and precedent on transmission pricing shall be followed.~~

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~~2.6.4.2. Principle 2: To the extent not in conflict with Principle 1, costs will be allocated consistent with the provisions of Section 3.7 of this Attachment K.~~

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2.7. Economic Planning Studies

2.7.1. Economic Congestion Study Requests. Any Eligible Customer or stakeholder may submit an Economic Congestion Study Request during either Quarter 1 or Quarter 5 of the planning cycle, pursuant to the procedures specified in the transmission planning business practice. Transmission Provider will complete up to two high priority Economic Congestion Studies during the planning cycle: one during the first year of the biennial planning cycle and one during the second year of the biennial planning cycle. Transmission Provider shall complete additional Economic Congestion Studies at the sole expense of the parties requesting such studies. Transmission Provider may choose to contract, at its discretion, with a qualified third-party to perform Economic Congestion Studies.

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

2.7.2.1. Local Economic Congestion Studies. If the Economic Congestion Study Request 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

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scheduling paths, the study request will be considered local and will be prioritized under this Section 2.

2.7.2.2. Sub-regional Economic Congestion Studies. If the Economic Congestion Study Request identifies 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, the study request will be considered sub-regional and will be processed under Section 3.

2.7.2.3. Regional Economic Congestion Studies. If the Economic Congestion Study Request identifies a Point of Receipt or Point of Delivery within the NTTG scheduling system footprint as determined by the NTTG Transmission Use Committee and (1) the Point 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 and will be processed under Section 4.

2.7.2.4. Economic Congestion Study Requests Not Applicable. To be considered by the Transmission Provider, any Economic Congestion Study Request must contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint.

2.7.3. Prioritization. Transmission Provider shall categorize and prioritize, with stakeholder input, one Economic Congestion Study Request to study as part of the local planning process each year of the biennial planning cycle. In the event that more than two Economic Congestion Study Requests are received by the Transmission Provider during either Quarter 1 or Quarter 5, the Transmission Provider shall determine Economic Congestion Study will be performed based on (i) evaluation of requests that present the most significant opportunities to reduce overall costs of the Transmission System Plan while reliably serving the load growth needs being studied in the Transmission System

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Plan, (ii) the date and time of the request, and (iii) input from stakeholders at the Planning Meetings.

2.7.4. Requests. Any Transmission Customer or stakeholder may submit an Economic Congestion Study Request to the Transmission Provider, along with the required data. The specific form for submitting an Economic Congestion Study Request and supporting data requirements shall be posted on the Transmission Provider's OASIS or maintained as part of the transmission planning business practice. The party submitting an Economic Congestion Study Request shall work in good faith to assist the Transmission Provider in gathering the data necessary to perform the modeling request. To the extent necessary, any coordination between the requesting party and the Transmission Provider shall be subject to appropriate confidentiality requirements, as set out in Section 2.11.3 below.

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2.7.4.1. The Transmission Provider shall notify the requesting party within ten (10) business days of receipt of a completed Economic Congestion Study Request whether or not the request will be included and prioritized as part of the Transmission System Plan evaluation during Quarter 1 or Quarter 5 of the biennial planning cycle, or whether additional information is required to make an appropriate determination.

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2.7.4.2. If the Transmission Provider determines that a specific Economic Congestion Study Request will not be modeled as part of the planning cycle, the requesting party may request that the Transmission Provider conduct the Economic Congestion Study at the requesting party's expense. In this event, the Transmission Provider shall tender an agreement setting forth the estimated cost of the study, the specific data and assumptions, and any other relevant information. The requesting party shall be responsible for the actual cost of the Economic Congestion Study.

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2.7.4.3. The Transmission Provider shall consider all unaccommodated Economic Congestion Study Requests

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submitted during the following planning cycle, unless the requesting party withdraws its Economic Congestion Study Request or the Transmission Provider determines that the basis for the request has changed or otherwise been mitigated.

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2.7.4.4. If the Transmission Provider can feasibly cluster or batch requests, it will make efforts to do so. Economic Congestion Study Requests will be clustered and studied together only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

2.7.5. Results of the Economic Congestion Studies shall be reported as part of the draft and final Transmission System Plan, and provided to the requesting party and interested stakeholders. Results from the first Economic Congestion Study will be used to evaluate the draft Transmission System Plan to determine whether that plan is the most reliable and economic plan of service. Results from the second Economic Congestion Study will be used to develop the draft Transmission System Plan during the following planning cycle.

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2.8. Recovery of Planning Costs. Unless Transmission Provider allocates planning-related costs to an individual stakeholder as permitted under the Tariff, all costs incurred by the Transmission Provider related to the Transmission System Planning process, or as part of sub-regional or regional planning process, shall be included in the Transmission Provider's transmission rate base.

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2.9. Dispute Resolution Relative to Compliance with Attachment K and Transmission System Plan

2.9.1. Process. The following process shall be utilized by all Eligible Customers and stakeholders to address procedural and substantive concerns over the Transmission Provider's compliance with this Attachment K and development of the Transmission System Plan:

2.9.1.1. Step 1: Any stakeholder may initiate the dispute resolution process by sending a letter to the

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Transmission Provider. Upon receipt of such letter, the Transmission Provider shall set up a meeting with the senior representatives from each of the disputing parties, at a time and place convenient to such parties, within 30 days after receipt of the dispute letter. The senior representatives shall engage in direct dialogue, exchange information as necessary, and negotiate in good faith to resolve the dispute. Any other stakeholder that believes it has an interest in the dispute may participate. The senior representatives will continue to negotiate until such time as (i) the dispute letter is withdrawn, (ii) the parties agree to a mutually acceptable resolution of the disputed matter, or (iii) after 60 days, the parties remain at an impasse.

2.9.1.2. 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 Alternate Dispute Resolution Service serve as the mediator of the dispute.

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2.9.2. 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.

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2.9.3. Timeline. Disputes over any matter shall be raised timely; provided, however, in no case shall a dispute as set forth in Section 2.9.1., 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, to facilitate the timely completion of the Transmission System Plan.

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2.9.4. Expedited Process. The Transmission Provider may, if it reasonably believes that the dispute will impede the planning cycle and issuance of either the draft or final Transmission System Plan, may disclose and discuss the dispute at the next quarterly meeting for stakeholder discussion. Any resolution reached during the quarterly Planning Meeting shall not affect the right of a party to initiate complaint proceedings at the Commission.

2.9.5. Rights. Nothing contained in this Section 2.9 shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

2.10. Transmission Business Practices. The Transmission Provider's transmission planning business practice shall provide additional detail explaining how the Transmission Provider will implement this Attachment K during each planning cycle. The business practice detail shall include: forms for submitting a TSP Re-Study Request; forms for submitting an Economic Congestion Study Request; a schedule and sequence of events for preparing the Transmission System Plan; additional details associated with cost allocation; a description of the sub-regional and regional planning process to which the Transmission System Plan will be submitted; a description of how the Transmission System Plan will be considered in the Transmission Provider's next state required integrated resource plan; a list of the other transmission systems to which the Transmission Provider's Transmission System is directly interconnected; and contact information for the individual responsible for implementation of this Attachment K.

2.11. Openness

2.11.1. Participation. All affected stakeholders may attend Transmission System Plan meetings and/or submit comments, TSP Re-Study Requests, Economic Congestion Study Requests, or other information relevant to the planning process. Transmission Provider may establish focus groups as part of the planning process to facilitate specific planning efforts.

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2.11.2. Critical Energy Infrastructure Information (CEII). Any stakeholder and the Transmission Provider participating in the planning process 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 associate 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 by the Transmission Provider on OASIS, and updated regularly.

2.11.3. Confidential Information. Stakeholders and the Transmission Provider shall identify each confidential document supplied during the transmission planning process. Any stakeholder or the Transmission Provider seeking access to such confidential 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 OASIS. Thereafter, stakeholders shall have an opportunity to submit comments on the form of confidentiality agreement. Confidential information shall be disclosed in compliance with Standards of Conduct, and 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.

3. Sub-regional Planning Process

3.1. 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 TEPPC 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.

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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 Section 3 are expected to participate in the NTTG planning process through the NTTG planning committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Transmission System Plan. For additional information, including a map containing the current geographic footprint of NTTG, please see <http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningPracticesDocument.pdf>.

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3.2. Transmission Provider Coordination with NTTG. The Transmission Provider will participate in the sub-regional planning process as described in the Transmission Provider's transmission planning business practice, available at: <http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf>. In accordance with this process, the Transmission Provider and NTTG will conform to the following obligations:

3.2.1. Transmission Provider will collect customer data and consolidate load service and other transmission service requests through the local planning process described in Section 2 above.

3.2.2. Transmission Provider will provide NTTG with its Transmission System Plan incorporating all of the transmission service forecasts for its Transmission System.

3.2.3. Subject to appropriate Critical Energy Infrastructure Information restrictions, Transmission Provider will post planning criteria and assumptions adopted by NTTG, and all NTTG study results on Transmission Provider's OASIS.

3.2.4 NTTG will conduct its planning process to identify needs, least cost expansion project alternatives, technical benefits, and projected costs.

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007~~8~~ Effective: ~~February 5~~ December 7, 2007~~8~~

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3.2.5 NTTG will select beneficial expansion sub-regional projects and address cost allocation among participating Transmission Providers.

3.3. ~~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, which is approved by the NTTG Steering Committee. The current NTTG planning committee charter can be accessed via direct links in Transmission Provider's transmission planning business practice available at <http://www.oasis.pacificorp.com/oasis/ppw/PlanningProcessVersion12.pdf> and also on NTTG's website at www.nttg.biz. As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion 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 as outlined below:

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3.3.1. Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.

3.3.2. Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.

3.3.3. Quarters 3 and 4: Conduct power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system, and produce a draft transmission plan for public and stakeholder comment.

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3.3.4. Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.

3.3.5. Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identify benefits in the cost allocation process.

3.3.6. Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

3.3.7. Quarter 8: Submit final plan to the Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local and regional study processes.

Transmission Provider shall post the dates of the current NTTG planning 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 Transmission System Planning cycles.

3.4. Stakeholder Participation

3.4.1. Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state utility commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement, consistent with its terms. 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.

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Issued on: ~~December 7~~ October 29, 2007 Effective: ~~February 5~~ December 7, 2007

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3.4.2. Eligible Customers and 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 sub-regional plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan.

3.5. Economic Congestion Studies

3.5.1. Transmission Provider, as a member of NTTG, will participate in the NTTG processes to prioritize, categorize, and complete up to two (2) sub-regional Economic Congestion Studies per NTTG planning cycle, as outlined in NTTG's standardized process for congestion studies. The sub-regional Economic Congestion Studies will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers that are categorized as sub-regional or regional Economic Congestion Study Requests pursuant to Section 2.7. NTTG may submit requests for regional Economic Congestion Studies to the WECC pursuant to NTTG and WECC processes.

3.5.2. Within each planning cycle any Eligible Customer or stakeholder may request additional Economic Congestion Studies, or Economic Congestion Studies that were not prioritized for completion by NTTG, to be paid for at the sole expense of the requesting party. Such requests shall be made by the Eligible Customer or stakeholder to the Transmission Provider pursuant to Section 2.7 of this Attachment K. Transmission Provider will tender a study agreement that addresses, at a minimum, cost recovery for the Transmission Provider and schedule for completion.

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Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007~~8~~ Effective: ~~February 5~~ December 7, 2007~~8~~

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3.5.3. NTTG will cluster and study together Economic Congestion Studies only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

3.5.4. For an Economic Congestion Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic Congestion Study Requests to the Transmission Provider pursuant to Section 2.7 of this Attachment K or directly to another transmission provider that is a party to the NTTG Funding Agreement.

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

3.6. Dispute Resolution.

3.6.1. Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Transmission System Plan with the sub-regional expansion plan and associated cost allocation. The NTTG planning agreement dispute resolution process may also be initiated, *inter alia*, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process. For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-regional transmission plan, disputes over any matter shall be raised timely; provided, however, in no case shall a dispute under this Section 3.6.1. be raised more than 30 days after a decision is made by the NTTG planning committee in study process or the posting of a milestone document, whichever is earlier.

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Issued by: Kenneth T. Houston - Director, Transmission Services

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3.6.2. Nothing contained in Section 3.6.1. shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

3.7. Cost Allocation. The following approach will be utilized to allocate costs for those projects included in the NTTG sub-regional plan, based on the following principles:

3.7.1. Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) in which Transmission Provider is a project sponsor, Transmission Provider may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination to hold an open season solicitation of interest for a project, Transmission Provider will:

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

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

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

3.7.1.4. 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.

3.7.2. 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.

Issued by: Kenneth T. Houston - Director, Transmission Services

Issued on: ~~December 7~~ October 29, 2007⁸ Effective: ~~February 5~~ December 7, 2007⁸

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3.7.3. Coordination with 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.

3.7.4. Allocation of Costs.

3.7.4.1. 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. The cost allocation is subject to review by the NTTG Cost Allocation Committee and Steering Committee. 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 links contained in Transmission Provider's transmission planning business practice available at <http://www.oasis.pacificorp.com/oasis/ppw/PlanningProcessVersion12.pdf> and also on NTTG's website at www.nttg.biz.

3.7.4.2. 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

Issued by: Kenneth T. Houston - Director, Transmission Services

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Allocation Principles, the link to which can be found in Transmission Provider's transmission planning business practice and also in NTTG's Cost Allocation Committee Charter on NTTG's website. 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 found via direct links in Transmission Provider's transmission planning business practice available at <http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf> and also on NTTG's website at www.nttg.biz.

3.7.4.3. 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.

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

4. Regional Planning Process

4.1. 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 regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional 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

Deleted: Transmission Provider will support NTTG by preparing and submitting recommendations for cost allocation associated with the NTTG sub-regional plan 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 formed with direct state regulatory commission involvement and support.¶

Issued by: Kenneth T. Houston - Director, Transmission Services

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the Transmission System Plan or through the NTTG process as outlined above in Section 3.

4.2. Transmission Provider Coordination. Transmission Provider will coordinate with WECC TEPPC for regional 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 Columbia Grid. The goal of NTTG's coordination on a regional 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 planning process is located in the Transmission Provider's transmission planning business practice, available at:
<http://www.oasis.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf>.

4.3. Study Process. WECC TEPPC's transmission planning protocol and information is 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.pacifiCorp.com/oasis/ppw/PlanningProcessVersion12.pdf> and on the Transmission Provider's OASIS.

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4.4. Stakeholder Participation. Stakeholders have access to the regional planning process through NTTG's public Planning Meetings, other sub-regional planning groups, and WECC at their discretion.

4.5. 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 2.7 of this Attachment K or directly to another party to the NTTG Funding Agreement. All Economic Congestion Study

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Requests received by the Transmission Provider will be categorized pursuant to Section 2.7 of this Attachment K.

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

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

Issued by: Kenneth T. Houston - Director, Transmission Services

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Attachment 9

Substitute Second Revised Sheet No. 210 (superseding First Sheet No. 210) of Portland General Electric Company FERC Tariff, Third Revised Volume No. 8; Substitute First Revised Sheet Nos. 210A, 210C, 210D, 210F, 210J, 210M, 210N, 210O, 210P, 210Q, 210R, 210S, 210T, 210U, 210V, 210W, 210Y, 210Z, 210AA, 210BB, 210CC, 210DD, 210EE, 210FF, 210GG, (superseding Original Sheet Nos. 210A, 210C, 210D, 210F, 210J, 210M, 210N, 210O, 210P, 210Q, 210R, 210S, 210T, 210U, 210V, 210W, 210Y, 210Z, 210AA, 210BB, 210CC, 210DD, 210EE, 210FF, 210GG); and Original Sheet Nos. 210Q.01, 210AA.01, 210BB.01, 210CC.01, 210CC.02, 210CC.03 of Portland General Electric Company FERC Electric Tariff, Third Revised Volume No. 8, reflecting compliance revisions in clean format to Attachment K of PGE's OATT.

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 (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 sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's sub-regional and regional planning efforts is also contained within the separate agreements and business practices of the NTTG and the WECC.

1. Definitions

- 1.1. **Demand Resources:** 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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.
- 1.2. **Economic Study Request:** A written request submitted by an Eligible Customer or stakeholder to the Transmission Provider, asking the Transmission Provider 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 3.2.7 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Local Transmission Plan.

- 1.3. **NERC:** The North American Electric Reliability Corporation or its successor.
- 1.4. **NTTG:** The Northern Tier Transmission Group or its successor.
- 1.5. **Planning Horizon:** The Local Transmission Plan evaluates a ten (10) year planning horizon, which consists of a summer/winter Near Term Case (years 1-5) (“Near Term Case”) and a summer/winter Longer Term Case (years 6-10) (“Longer Term Case”).
- 1.6. **Local Transmission Plan:** Transmission plan of the Transmission Provider that identifies the upgrades and other investments to the Transmission System and Demand Resources necessary to reliably satisfy, over the Planning Horizon, the following: Network Customers’ resource and load growth expectations for designated Network Load; Transmission Provider’s resource and load growth expectations for Native Load Customers; Transmission Provider’s obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider’s point-to-point transmission service customers’ projected service needs including obligations for rollover rights.
- 1.7. **WECC:** The Western Electricity Coordinating Council or its successor.

2.3. The Transmission Provider shall take the Local Transmission Plan into consideration, to the extent required by state law, when preparing its next state required integrated resource plan and, as appropriate, when preparing studies such as Feasibility, System Impact, and Facilities studies.

3. Coordination

3.1. Study Cycle. Transmission Provider shall prepare the Local Transmission Plan during an eight (8) quarter study cycle. The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation. If any material comments are rejected, documentation explaining why shall be maintained as part of the Local Transmission 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 select Near Term summer/winter base cases from WECC; gather and allocate aggregate loads and load growth forecasts for Network Customers; gather and allocate aggregate load forecasts for Native Customers (based on annual updates and other information that may be available); identify any new generation resources and any expected or planned Demand Resources and their associated

impacts on demand and peak demand for Network and Native Load Customers (based on its state mandated integrated resource plan, to the extent that such an obligation exists, or through other planning resources); identify point-to-point transmission service customers' projections for service at each receipt and delivery point (based on information submitted by the customer to the Transmission Provider) including projected use of rollover rights. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue requests, contractual obligations that will either commence or terminate during the applicable study window. During Quarter 1, the Transmission Provider will accept and consider Economic Study Requests timely submitted in accordance with Section 7.

- 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 Near Term Local Transmission Plan. The Transmission Provider will insert PGE system detail in Near Term summer and winter peak WECC base cases for purposes of conducting PGE's studies; assess the timely submitted Economic Study Requests for the summer/winter WECC base cases using the previous biennial cycle's Local Transmission Plan as a reference; and select one Economic Study for evaluation during the current biennial cycle.

- 3.2.4. Quarter 4: Transmission Provider will finalize annual assessment of PGE's Near Term Local Transmission Plan; include updated information on existing projects; and add new projects.
- 3.2.5. Quarter 5: Transmission Provider will gather and allocate aggregate loads and load growth forecasts for Network Customers; gather and allocate aggregate load forecasts for Native Load Customers (based on annual updates and other available information); identify any new generation resources and any expected or planned Demand Resources and their associated impacts on demand and peak demand for Network and Native Load Customers (based on its state mandated integrated resource plan, to the extent that such an obligation exists, or through other planning resources); and identify point-to-point transmission service customers' projections for service at each receipt and delivery point (based on information submitted by the customer to the Transmission Provider) including projected use of rollover rights. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue

Case 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 Quarters 1 and 5 of the current planning cycle, the Transmission Customer has recently submitted to the Transmission Provider a valid forecast encompassing the current Planning Horizon, 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. Representatives of each Network Customer and of all Native Load Customers shall, during Quarters 1 and 5 of each biennial planning cycle, submit to the Transmission Provider a good-faith Near Term Case and Longer Term Case load forecast including existing and planned Demand Resources and their impacts on demand and peak demand. This obligation may be satisfied through submission of annual updates as required by the Tariff. If prior to Quarters 1 and 5 of the current planning cycle, a valid forecast encompassing the current

- 5.2.6. As soon as reasonably practical after the conclusion of each public meeting, notes of the planning information discussed at the public meeting;
- 5.2.7. Substantive written comments submitted in relation to the Local Transmission Plan, and an explanation regarding acceptance or rejection of such comments;
- 5.2.8. The draft, interim (if any), and final version of the current Local Transmission Plan;
- 5.2.9. The final version of all completed Local Transmission Plans for the previous five study periods;
- 5.2.10. Basic methodology, criteria, assumptions, databases, and processes used to prepare the Near Term Local Transmission Plan and the Longer Term Local Transmission plan as described in Sections 3.2.2 and 3.2.5.
- 5.2.11. Summary list of any Critical Energy Infrastructure Information (CEII) submitted or used during the planning process; and
- 5.2.12. A link to the NTTG and WECC websites.

5.3. Database Access. In accordance with the database access rules established by the WECC, a stakeholder may receive access from the Transmission Provider to the database, and all changes to the database, relied upon by the Transmission Provider in preparing the Local Transmission Plan, upon its 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 for purposes 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 submitted pursuant to PGE's 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 that they may have under PGE's Tariff.

6.2. Categories of Included Costs. The Transmission Provider shall categorize projects set forth in the Local Transmission Plan, for purposes of allocating costs, into the following types:

6.2.1. 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.

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

6.2.3. 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.

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

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

6.3.2. 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.

6.4. 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.

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, such that it may be modeled. The party submitting the Economic Study Request selected to be modeled during the biennial study cycle shall work in good faith to assist the Transmission Provider in gathering any additional data that may be necessary to perform the modeling. 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 Requests. The Transmission Provider will categorize each Economic Study Request as local, sub-regional, or regional. If the Economic Study Request is categorized as sub-regional or regional, 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 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, the Economic 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 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, the Economic Study Request will be considered sub-regional and will be processed under Part B.

7.3.3. Regional 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 Economic Study Request will be considered 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 contain at least one Point of Receipt or Point of Delivery 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 Local Transmission Plan study cycle as set out in Section 3.2 above. Economic Study Requests received outside of Quarter 1 of the biennial cycle will be considered during Quarters 2, 3, and 4 if the Transmission Provider can accommodate such Economic Study Requests. Similarly, Economic Study Requests received outside of Quarter 5 will be considered during Quarters 6, 7, and 8 if the Transmission provider can accommodate the Economic Study Requests. The studies will be

based on the previous biennial cycle's Local Transmission Plan. In the event that more than two Economic Study Requests are submitted within a single study cycle, the Transmission Provider shall determine which Economic Study Requests will be selected based on (i) evaluation of requests that present the most significant opportunities to reduce overall costs of the Local Transmission Plan while reliably serving the load growth needs being studied in the Local Transmission 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 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 request will be included and prioritized as part of the Local Transmission Plan evaluation during Quarter 1 or Quarter 5 of the current study cycle, or whether additional information is required to make an appropriate determination. If, during Quarter 1 or Quarter 5 of the current study cycle, an Economic Study Request is not selected for modeling as part of the current Local Transmission Plan study cycle, or if the requester desires that the Economic Study Request it submitted 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. 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 only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.
- 7.7. Unaccommodated Economic Study Requests. All Economic Study Requests not accommodated within the current study cycle will automatically be carried forward to the next study cycle, unless withdrawn by the requesting party.
- 7.8. Results. Results of the Economic Study Request selected for modeling shall be reported as part of the draft and final Local Transmission 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 Plan process or the sub-regional or regional planning processes 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 of 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 results in an impasse, 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.

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- 9.3. Timely Submission of Disputes to Ensure Completion of the Local Transmission Plan. Disputes over any matter shall be raised timely; provided, however, to facilitate timely completion of the Local Transmission 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 Planning Business Practice. The Transmission Provider has developed and posted on its OASIS at http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf its Transmission Planning Business Practices that is intended to provide access to additional information to assist one's understanding of how the Transmission Provider will carry out its duties and responsibilities under this Attachment K, and how one can participate in PGE's biennial planning process. To the extent necessary, as determined by the Transmission Provider, the Transmission Planning Business Practice shall include: forms for submitting an Economic Study Request; a schedule and sequence of events for preparing the Local Transmission Plan; additional details associated with cost allocation; a description of the sub-regional and regional planning processes which the Local Transmission Plan will support; a description of how the Local Transmission 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 Provider's System is directly interconnected; and contact information for the individual(s) responsible for implementation of this Attachment K. Within its Transmission Planning Business Practice, the Transmission Provider may also post documents, or links to publicly

available information, that further explain its planning obligations and/or processes as set out in this Attachment K.

11. Openness

11.1. Participation. All affected stakeholders may attend Local Transmission Plan meetings and/or submit comments, submit Economic Study Requests, 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 the 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.

Part B. Sub-Regional Planning Process

Introduction

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 the WECC's 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 existing and new resources such as renewable, hydro, 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 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 planning committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission Plan. Additional information, including a map containing the current geographic footprint of NTTG should be available on the NTTG website. A direct link to the NTTG website can be found in Transmission Provider's Transmission Planning Business Practice at http://www.oatioasis.com/PGE/PGEdocs/Transmission_Planning.pdf , or on the Transmission Provider's OASIS.

12. Transmission Provider Coordination with NTTG

The Transmission Provider will participate in the sub-regional planning process as described in the Transmission Provider's Transmission Planning Business Practice, available at

http://www.oatioasis.com/PGE/PGEdocs/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 CEII requirements, Transmission Provider will post 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.

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, which is approved by the NTTG Steering Committee. The NTTG planning committee

charter is available through the Transmission Provider's Transmission Planning Business Practice at http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf. As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion 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 as outlined below:

Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.

Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.

Quarters 3 and 4: Conduct power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system, and produce a draft transmission plan for stakeholder comment.

Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.

Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identified benefits in the cost allocation process.

Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

Quarter 8: Submit final plan to the NTTG Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local and regional 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

Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. In addition, NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state regulatory commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement, consistent with its terms. 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.

Eligible Customers and stakeholders 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 plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan.

15. Economic Study Requests

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 Economic Study Requests per NTTG planning cycle, as outlined in NTTG's Planning Committee Charter. The sub-regional process for Economic Study Requests will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers, that are categorized as sub-regional or regional Economic Study Requests pursuant to Section 7.3. . NTTG may submit Economic Study Requests for regional consideration to the WECC pursuant to NTTG and WECC processes.

15.2 Within each study cycle any Eligible Customer or stakeholder may submit additional Economic Study Requests, or ask that Economic Study Requests that were not previously prioritized for completion by NTTG, be paid for at the sole expense of the requesting party. Such requests shall be made by the Eligible Customer or stakeholder 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 Economic Study Requests will be clustered and studied together only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

15.4 For an Economic Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic 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 Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K. For an Economic Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee.

16. Dispute Resolution

Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional expansion plan and associated cost

allocation. The NTTG planning agreement dispute resolution process may also be initiated, *inter alia*, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and utilize the NTTG planning agreement dispute resolution process. . For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. To facilitate the completion of the sub-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 party 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 NTTG sub-regional plan, based on the following principles:

- 17.1. Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) 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. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
 - 17.1.2. Schedule meeting(s) with stakeholders and/or public utility commission staff.
 - 17.1.3. Post information *via* WECC's planning project review reports.
 - 17.1.4. 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.

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- 17.2. 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.
- 17.3. Coordination with 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 FERC. The review process conducted by the NTTG Cost Allocation Committee and the Steering Committee is described in more 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 Transmission Provider's Transmission Planning Business Practice at http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf.

17.4.2 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, which can be found in Transmission Provider's Transmission Planning Business Practice at http://www.oatiaoasis.com/PGE/PGEdocs/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 FERC. The review process conducted by the NTTG Cost Allocation Committee and the Steering Committee is described in more detail in the NTTG Cost Allocation Committee Charter and the NTTG Steering Committee Charter, both of which can be found via the direct links in Transmission Provider's Transmission Planning Business Practice at http://www.oatioasis.com/PGE/PGEdocs/Transmission_Planning.pdf.

17.4.3. 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.

17.4.4. 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 governed by existing cost allocation methods within Transmission Provider's OATT, will continue to be so governed and will not be covered by the principles above.

Part C. Regional Planning Process

Introduction

Transmission Provider is a member of WECC and supports the work of the WECC. NTTG may utilize WECC for consolidation and completion of congestion and economic studies, base cases, and other regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional process. Eligible Customers and stakeholders may participate directly in the WECC processes, pursuant to participation requirements defined by WECC, or participate indirectly through the Transmission Provider via development of the Local Transmission Plan or through the NTTG process as outlined above in Part B.

18. Transmission Provider Coordination

Transmission Provider will coordinate with WECC for regional planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring sub-regional planning groups. The goal of NTTG's coordination on a regional 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 planning process is available via a direct link in the Transmission Provider's Transmission Planning Business Practice at:

http://www.oatioasis.com/PGE/PGEdocs/Transmission_Planning.pdf.

19. Study Process

WECC's transmission planning protocol and information is available on the WECC website. A direct link to the WECC website is maintained in the Transmission Provider's Transmission Business Practice at http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf on the Transmission Provider's OASIS.

20. Stakeholder Participation

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

21. Economic Study Requests

Transmission Provider will support, directly and through its participation in NTTG, the WECC processes to prioritize and complete regional Economic Study Requests submitted by customers and stakeholders to each member transmission provider in each calendar year within the WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic 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 Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K.

22. Dispute Resolution

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

23. Cost Allocation

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

Attachment 10

Substitute Second Revised Sheet No. 210 (superseding First Sheet No. 210) of Portland General Electric Company FERC Tariff, Third Revised Volume No. 8; Substitute First Revised Sheet Nos. 210A, 210C, 210D, 210F, 210J, 210M, 210N, 210O, 210P, 210Q, 210R, 210S, 210T, 210U, 210V, 210W, 210Y, 210Z, 210AA, 210BB, 210CC, 210DD, 210EE, 210FF, 210GG, (superseding Original Sheet Nos. 210A, 210C, 210D, 210F, 210J, 210M, 210N, 210O, 210P, 210Q, 210R, 210S, 210T, 210U, 210V, 210W, 210Y, 210Z, 210AA, 210BB, 210CC, 210DD, 210EE, 210FF, 210GG); and Original Sheet Nos. 210Q.01, 210AA.01, 210BB.01, 210CC.01, 210CC.02, 210CC.03 of Portland General Electric Company FERC Electric Tariff, Third Revised Volume No. 8, reflecting compliance revisions in redline format to Attachment K of PGE's OATT.

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 (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 sub-regional and regional planning coordination efforts and responsibilities. Greater detail with respect to Transmission Provider's sub-regional and regional planning efforts is also contained within the separate agreements and business practices of the NTTG and the WECC.

1. Definitions

1.1. Demand Resources: 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 methodology focuses on curtailment of demand thus avoiding the requirement to plan new sources of generation or transmission capacity.

1.1.1.2. Economic Study Request: A written request submitted by an Eligible Customer or stakeholder to the Transmission Provider, asking the Transmission Provider to model the ability of specific upgrades or other investments to the Transmission System or ~~dDemand rResponsesesources~~, not otherwise considered in the Local Transmission Plan (produced pursuant to Section 3.2.3 or Section 3.2.7 of Attachment K), to reduce the cost of reliably serving the forecasted needs of the Transmission Provider and its customers set forth in the Local Transmission Plan.

~~1.2.1.3.~~ **NERC:** The North American Electric Reliability Corporation or its successor.

~~1.3.1.4.~~ **NTTG:** The Northern Tier Transmission Group or its successor.

~~1.4.1.5.~~ **Planning Horizon:** The Local Transmission Plan evaluates a ten (10) year planning horizon, which consists of a summer/winter Near Term Case (years 1-5) ("Near Term Case") and a summer/winter Longer Term Case (years 6-10) ("Longer Term Case").

~~1.5.1.6.~~ **Local Transmission Plan:** Transmission plan of the Transmission Provider that identifies the upgrades and other investments to the Transmission System and ~~D~~demand ~~Resources~~response necessary to reliably satisfy, over the Planning Horizon, the following: Network Customers' resource and load growth expectations for designated Network Load; Transmission Provider's resource and load growth expectations for Native Load Customers; Transmission Provider's obligations pursuant to grandfathered, non-OATT agreements; and Transmission Provider's point-to-point transmission service customers' projected service needs including obligations for rollover rights.

~~1.6. TEPPC:~~ The WECC's Transmission Expansion Policy and Planning Committee or its successor.

1.7. **WECC:** The Western Electricity Coordinating Council or its successor.

2.3. The Transmission Provider shall take the Local Transmission Plan into consideration, to the extent required by state law, when preparing its next state required integrated resource plan and, as appropriate, when preparing studies such as Feasibility, System Impact, and Facilities studies.

3. Coordination

3.1. Study Cycle. Transmission Provider shall prepare the Local Transmission Plan during an eight (8) quarter study cycle. The responsibility for the Local Transmission Plan shall remain with the Transmission Provider who may accept or reject in whole or in part, the comments of any stakeholder unless prohibited by applicable law or regulation. If any material comments are rejected, documentation explaining why shall be maintained as part of the Local Transmission 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 select Near Term summer/winter base cases from WECC; gather and allocate aggregate loads and load growth forecasts for Network Customers; gather and allocate aggregate load forecasts for Native Customers (based on annual updates and other information that may be available); identify any new generation resources and any expected or planned resource ~~and~~ Demand Resources and their associated

impacts on demand and peak demand for Network and Native Load Customers (based on its state mandated integrated resource plan, to the extent that such an obligation exists, or through other planning resources); identify point-to-point transmission service customers' projections for service at each receipt and delivery point (based on information submitted by the customer to the Transmission Provider) including projected use of rollover rights. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue requests, contractual obligations that will either commence or terminate during the applicable study window. During Quarter 1, the Transmission Provider will accept and consider Economic Study Requests timely submitted in accordance with Section 7.

- 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 Near Term Local Transmission Plan. The Transmission Provider will insert PGE system detail in Near Term summer and winter peak WECC base cases for purposes of conducting PGE's studies; assess the timely submitted Economic Study Requests for the summer/winter WECC base cases using the previous biennial cycle's Local Transmission Plan as a reference; and select one Economic Study for evaluation during the current biennial cycle.

- 3.2.4. Quarter 4: Transmission Provider will finalize annual assessment of PGE's Near Term Local Transmission Plan; include updated information on existing projects; and add new projects.
- 3.2.5. Quarter 5: Transmission Provider will gather and allocate aggregate loads and load growth forecasts for Network Customers; gather and allocate aggregate load forecasts for Native Load Customers (based on annual updates and other available information); identify any new generation resources and any expected or planned resource ~~d~~ Demand Resources and their associated impacts on demand and peak demand for Network and Native Load Customers (based on its state mandated integrated resource plan, to the extent that such an obligation exists, or through other planning resources); and identify point-to-point transmission service customers' projections for service at each receipt and delivery point (based on information submitted by the customer to the Transmission Provider) including projected use of rollover rights. The Transmission Provider shall take into consideration, to the extent known or which may be obtained from its Transmission Customers and active queue

Case 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 Quarters 1 and 5 of the current planning cycle, the Transmission Customer has recently submitted to the Transmission Provider a valid forecast encompassing the current Planning Horizon, 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. Representatives of each Network Customer and of all Native Load Customers shall, during Quarters 1 and 5 of each biennial planning cycle, submit to the Transmission Provider a good-faith Near Term Case and Longer Term Case load forecast including existing and planned ~~d~~Demand ~~r~~Resources and their impacts on demand and peak demand. This obligation may be satisfied through submission of annual updates as required by the Tariff. If prior to Quarters 1 and 5 of the current planning cycle, a valid forecast encompassing the current

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- 5.2.6. As soon as reasonably practical after the conclusion of each public meeting, notes of the planning information discussed at the public meeting;
- 5.2.7. Substantive written comments submitted in relation to the Local Transmission Plan, and an explanation regarding acceptance or rejection of such comments;
- 5.2.8. The draft, interim (if any), and final version of the current Local Transmission Plan;
- 5.2.9. The final version of all completed Local Transmission Plans for the previous five study periods;
- 5.2.10. Basic methodology, criteria, assumptions, databases, and processes used to prepare the Near Term Local Transmission Plan and the Longer Term Local Transmission plan as described in Sections 3.2.2 and 3.2.5.
- 5.2.11. Summary list of any Critical Energy Infrastructure Information (CEII) submitted or used during the planning process; and
- 5.2.12. A link to the NTTG and WECC ~~TEPPC~~-websites.

5.3. Database Access. In accordance with the database access rules established by the WECC, a stakeholder may receive access from the Transmission Provider to the database, and all changes to the database, relied upon by the Transmission Provider in preparing the Local Transmission Plan, upon its 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 for purposes 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 submitted pursuant to PGE's 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 that they may have under PGE's Tariff.

6.2. Categories of Included Costs. The Transmission Provider shall categorize projects set forth in the Local Transmission Plan, for purposes of allocating costs, into the following types:

- 6.2.1. 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.
- 6.2.2. Type 2: Type 2 costs are those related to the sale or purchase of power at wholesale to non-Native Load Customers.
- 6.2.3. 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 ~~d~~Demand-side Resources projects which do not have the effect of deferring or displacing Type 1 costs.

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

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

6.3.2. 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, ~~the NTTG Cost Allocation Principles, as posted at NTTG's website. A link to the NTTG website will be maintained on the Transmission Provider's OASIS.~~

6.4. 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.

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, such that it may be modeled. The party submitting the Economic Study Request selected to be modeled during the biennial study cycle shall work in good faith to assist the Transmission Provider in gathering any additional data that may be necessary to perform the modeling. 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 ~~10.3~~ 11 below.

7.3. Categorization of Requests. The Transmission Provider will categorize each Economic Study Request as local, sub-regional, or regional. If the Economic Study Request is categorized as sub-regional or regional, 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 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, the Economic 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 Point(s) of Receipt and Point(s) of Delivery that are

Point(s) of Delivery utilize only NTTG Funding Agreement member scheduling paths, the Economic Study Request will be considered sub-regional and will be processed under Part B.

7.3.3. Regional 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 Economic Study Request will be considered 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 contain at least one Point of Receipt or Point of Delivery within the Transmission Provider's scheduling footprint.

7.3.7.4. Prioritization and Conducting
Studies. Up to two (2) economic studies will be performed by the Transmission Provider (or its agent) within a two-year Local Transmission Plan study cycle as set out in Section 3.2 above. Economic Study Requests received outside of Quarter 1 of the biennial cycle will be considered during Quarters 2, 3, and 4 if the Transmission Provider can accommodate such Economic Study Requests. Similarly, Economic Study Requests received outside of Quarter 5 will be considered during Quarters 6, 7, and 8 if the Transmission provider can accommodate the Economic Study Requests. The studies will be

based on the previous biennial cycle's Local Transmission Plan. In the event that more than two Economic Study Requests are submitted within a single study cycle, the Transmission Provider shall determine which Economic Study Requests will be selected based on (i) evaluation of rRequests that present the most significant opportunities to reduce overall costs of the Local Transmission Plan while reliably serving the load growth needs being studied in the Local Transmission Plan, (ii) the date and time of the rRequest, (iii) interaction with all stakeholders at the public meetings required by this Attachment K, and (iv) other sub-regional and regional practices and criteria developed pursuant to Parts B and C of this Attachment K. ~~The Transmission Provider may combine or cluster Economic Study Requests so that the Transmission Provider is able to model the Requests in the most efficient manner.~~

~~7.4. Sub-Regional and Regional Coordination. The Transmission Provider shall identify all Economic Study Requests to be evaluated as part of the current Local Transmission Plan study cycle. In the event the Transmission Provider receives an Economic Study Request that impacts more than the Transmission Provider's Transmission System, the Transmission Provider shall notify the requesting party and forward the Economic Study Request to NTTG for consideration and processing under NTTG's procedures.~~

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 Request will be included and prioritized as part of the Local Transmission Plan evaluation during Quarter 1 or Quarter 5 of the current study cycle, or whether additional information is required to make an appropriate determination. If, during Quarter 1 or Quarter 5 of the current study cycle, ~~it is determined that~~ an Economic Study Request is not selected for modeling as part of the current Local Transmission Plan study cycle, or if the requester desires that the Economic Study Request it submitted 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. 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 only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

~~7.6.7.7.~~ Unaccommodated Economic Study Requests. All Economic Study Requests not accommodated within the current study cycle will automatically be carried forward to the next study cycle, unless withdrawn by the requesting party.

~~7.7.7.8.~~ Results. Results of the Economic Study Request selected for modeling shall be reported as part of the draft and final Local Transmission 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 Plan process or the sub-regional or regional planning processes 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 ~~before initiating a hotline complaint or formal complaint with the Commission:~~

9.1.1. Step 1: Any party 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 of 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 results in an impasse, the next step shall be mediation; among those parties, involved in the dispute identified in Step 1, that are willing to mediate~~unless the parties waive mediation.~~

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.

~~9.1.3. Step 3: If mediation is unsuccessful or waived, a party may initiate complaint proceedings at the Commission as it deems necessary within one hundred eighty (180) days of the completion of Step 2.~~

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 Plan. Disputes over any matter shall be raised timely; provided, however, to facilitate timely completion of the Local Transmission 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 Planning Business Practices. The Transmission Provider ~~has~~will developed and posted on its OASIS at http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf its ~~Transmission Planning Business Practices~~ that is intended to provide access to additional detail information to assist one's understanding of ~~explaining~~ how the Transmission Provider will carry out its duties and responsibilities under ~~implement~~ this Attachment K, and how one can participate in PGE's biennial planning process. To the extent necessary, as determined by the Transmission Provider, the Transmission Planning Business Practice ~~detail~~ shall include: forms for submitting an Economic Study Request; a schedule and sequence of events for preparing the Local Transmission Plan; additional details associated with cost allocation; a description of the sub-regional and regional planning processes ~~to~~ which the Local Transmission Plan will support; a description of how the Local Transmission 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 Provider's System is directly interconnected; and contact information for the individual(s) responsible for implementation of this Attachment K. Within its Transmission Planning Business Practice ~~In lieu of developing a separate transmission business practice~~, the Transmission Provider may also post documents, or links to publicly

available information, that further explains its planning obligations and/or
processes as set out in this Attachment K.

10.11. Openness

10.1.11.1. Participation. All affected

stakeholders may attend Local Transmission Plan meetings and/or submit
comments, submit Economic Study Requests, 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.

10.2.11.2. 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 the data that is determined by the supplying party to be
deemed CEII, shall be posted on the Transmission Provider's OASIS, and
updated regularly.

10.3.11.3. Confidential Information. In the

event that any party claims that planning-related information is confidential,

Part B. Sub-Regional Planning Process

Introduction

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 the WECC's ~~TEPPC~~ 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 existing and new resources such as renewable, hydro, 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 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 planning committee. Eligible Customers and stakeholders may participate directly in the NTTG processes or participate indirectly through the Transmission Provider via development of the Local Transmission Plan. Additional information, including a map containing the current geographic footprint of NTTG should be available on the NTTG website. ~~For additional information, including a map containing the current geographic footprint of NTTG, please see NTTG's website at <http://www.nttg.biz>. A direct link to the NTTG website can be found in Transmission Provider's Transmission Planning Business Practice at http://www.oatioasis.com/PGE/PGEdocs/Transmission_Planning.pdf~~ is or maintained on the Transmission Provider's OASIS.

11.12. Transmission Provider Coordination with NTTG

The Transmission Provider will participate in the sub-regional planning process as described in the Transmission Provider's Transmission Planning Business Practice, available at http://www.oatiaoasis.com/PGE/PGEdocs/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 CEII requirements, Transmission Provider will post 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.

~~Specifics of the NTTG planning process are available on NTTG's website. Subject to appropriate CEII, Transmission Provider will post planning criteria and assumptions adopted by NTTG, and all NTTG study results on Transmission Provider's OASIS.~~

12.13. Study Process

Issued by: J. Jeffrey Dudley

Vice President & General Counsel

Filed to comply with ~~order~~ Order 890 of the Federal Energy Regulatory Commission,

Docket Nos. ~~OA08-45-000~~ RM05-17-000 and ~~OA08-45-001~~ RM05-25-000, issued

~~October~~ February 16, 2008; ~~125448~~ FERC ¶61,067+19

Effective: August 12, 2008

Issued on: ~~October 29, August 12, 2008~~

charter is available on NTTG's website through the Transmission Provider's Transmission Planning Business Practice at http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf. As part of the sub-regional study process, the planning committee will biennially prepare a long-term (10 year) bulk transmission expansion 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 as outlined below:

Quarter 1: Gather and coordinate Transmission Provider and stakeholder input applicable to the planning horizon.

Quarter 2: Identify the loads, resources, transmission requests, desired flows, constraints, and other technical data needed to be included and monitored during the study period. The methodology, criteria, assumptions, databases, and identification of the analysis tools will be established and posted for comment and direction by stakeholders and planning committee members.

Quarters 3 and 4: Conduct power flow modeling of system loads, resources, and improvements to evaluate preliminary feasibility and reliability of the system, and produce a draft transmission plan for stakeholder comment.

Quarter 5: Facilitate stakeholder review and comment on the draft plan. Collect, prioritize and select Economic Study Requests for consideration and determination of possible congestion and modification to the draft plan.

Quarter 6: Conduct up to two (2) production cost simulation studies per biennial study cycle. Document results and identified benefits in the cost allocation process.

Quarter 7: Facilitate stakeholder process for review and comment on the plan. Document and consider simultaneous feasibility of identified projects, cost allocation recommendations, and stakeholder comments.

Quarter 8: Submit final plan to the NTTG Steering Committee for approval, completing the biennial process. Share the final plan for consideration in the local and regional 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.

13.14. Stakeholder Participation

Eligible Customers and stakeholders may participate in the NTTG sub-regional planning process pursuant to the requirements of NTTG. In addition, NTTG's planning committee is open to membership by Transmission Providers, any providers of transmission services, any Eligible Customer, and any state regulatory commission. To become a voting member of the planning committee, an entity in one of the specified classes (other than a state regulatory commission) must execute the NTTG planning agreement, consistent with its terms. 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.

Eligible Customers and stakeholders 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 plan, criteria, and assumptions. The biennial planning process identifies when Eligible Customers and stakeholders have the opportunity to provide input into the elements of the sub-regional plan.

14.15. Economic Congestion Studies Study Requests

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 ~~economic congestion studies~~ Economic Study Requests per NTTG planning cycle, as outlined in NTTG's Planning Committee Charter. The sub-regional process for economic congestion studies Economic Study Requests will address those requests submitted by Eligible Customers and stakeholders to member Transmission Providers, that are categorized as sub-regional or regional Economic Study Requests pursuant to Section 7.3. ~~require analysis across multiple NTTG member transmission systems.~~ NTTG may submit Economic Study Requests for regional ~~economic congestion studies~~ consideration to the WECC pursuant to NTTG and WECC processes.

15.2 _____ Within each study cycle any Eligible Customer or stakeholder may request submit ~~additional economic congestion studies~~ Economic Study Requests, or ask that ~~economic congestions studies~~ Economic Study Requests that were not previously prioritized for completion by NTTG, ~~to be~~ paid for at the sole expense of the requesting party. Such requests shall be made by the Eligible Customer or stakeholder 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 Study Requests only if all of the Point(s) of Receipt and Point(s) of Delivery match one another.

15.4 For an Economic Study Request to be considered by NTTG, Eligible Customers and stakeholders must submit all Economic 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 Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K. For an Economic Study Request to be considered by NTTG, the Eligible Customer or stakeholder making such request shall be a member of the NTTG planning committee.

15.16. Dispute Resolution

Transmission Provider will participate in the NTTG planning agreement dispute resolution process to resolve disputes related to the integration of Transmission Provider's Local Transmission Plan with the sub-regional expansion plan and associated cost

allocation. The NTTG planning agreement dispute resolution process may also be initiated, inter alia, to enforce compliance with the NTTG sub-regional study process, or to challenge a decision within a milestone document. Eligible Customers and stakeholders that seek to participate in the sub-regional planning process are expected to participate in the NTTG planning committee and may also utilize the NTTG planning agreement dispute resolution process. For the avoidance of doubt, the dispute resolution process set out in Section 11 of the NTTG planning agreement accommodates disputes raised by WECC members and non-WECC members alike. If the Eligible Customer or stakeholder is unable, rather than unwilling, to avail itself of the NTTG planning agreement dispute resolution process in its entirety, the Eligible Customer or stakeholder may utilize any alternative dispute resolution process available through the FERC. To facilitate the completion of the sub-regional transmission plan, Ddisputes 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 156 shall limit restrict the rights of any prevailing or a non-prevailing party to file a complaint with the Commission under relevant provisions a dispute pursuant to the process set forth herein to invoke any rights it may have to enforce or challenge, respectively, the

16.17. Cost Allocation

The following approach will be utilized to allocate costs for those projects included in the NTTG sub-regional plan, based on the following principles:

17.1. Open Season Solicitation of Interest. For any project identified in an NTTG planning study (for reliability and/or economic projects) 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. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.

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

17.1.3. Post information about the proposed project on OASIS.

17.1.4. 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 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 with 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 formed with direct state regulatory commission involvement and support. 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 FERC. The review process conducted by the NTTG Cost Allocation Committee and the Steering Committee is described in more 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 Transmission Provider's Transmission Planning Business Practice at http://www.oatioasis.com/PGE/PGEdocs/Transmission_Planning.pdf.

17.4.2 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, which can be found in Transmission Provider's Transmission Planning Business Practice at http://www.oatioasis.com/PGE/PGEdocs/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 FERC. The review process conducted by the NTTG Cost Allocation Committee and the Steering Committee is described in more detail in the NTTG Cost Allocation Committee Charter and the NTTG Steering Committee Charter, both of which can be found via the direct links in Transmission Provider's Transmission Planning Business Practice at http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf.

17.4.3. 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.

17.4.4. 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 governed by existing cost allocation methods within Transmission Provider's OATT, will continue to be so governed and will not be covered by the principles above.

Issued by: J. Jeffrey Dudley

Vice President & General Counsel

Filed to comply with ~~order~~ Order 890 of the Federal Energy Regulatory Commission,

Docket Nos. ~~OA08-45-000RM05-17-000~~ and ~~OA08-45-001RM05-25-000~~, issued

~~October~~ February 16, 2008; ~~125-118~~ FERC ¶61,067-119

Effective: August 12, 2008

Issued on: ~~August 12,~~ October 29, 2008

Part C. Regional 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 studies, base cases, and other regional planning. NTTG may coordinate with other neighboring sub-regional planning groups directly, through joint study teams, or through the regional 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 Plan or through the NTTG process as outlined above in Part B.

17.18. Transmission Provider Coordination

Transmission Provider will coordinate with WECC ~~TEPPC~~ for regional planning through its participation in NTTG. Transmission Provider will also use NTTG to coordinate with neighboring sub-regional planning groups. The goal of NTTG's coordination on a regional 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 planning process is available via a direct link in the Transmission Provider's Transmission Planning Business Practice at:
http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf

Issued by: J. Jeffrey Dudley

Vice President & General Counsel

Filed to comply with ~~order~~ Order 890 of the Federal Energy Regulatory Commission,

Docket Nos. OA08-45-000 RM05-17-000 and OA08-45-001 RM05-25-000, issued

~~October~~ February 16, 2008; 125418 FERC ¶61,067-19

Effective: August 12, 2008

Issued on: ~~August 12, October 29,~~ 2008

18.19. Study Process

WECC-TEPPC's transmission planning protocol and information is available on the WECC TEPPC-website. A direct link to the WECC TEPPC-website is maintained in the Transmission Provider's Transmission Business Practice at http://www.oatiaoasis.com/PGE/PGEdocs/Transmission_Planning.pdf on the Transmission Provider's OASIS.

19.20. Stakeholder Participation

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

20.21. Economic Congestion Studies Study Requests

Transmission Provider will support, directly and through its participation in NTTG, the WECC TEPPC-processes to prioritize and complete regional ~~economic congestion studies requested~~ Economic Study Requests submitted by customers and stakeholders to each member transmission provider in each calendar year within the WECC's footprint as outlined in the standardized mechanism. Eligible Customers and stakeholders must submit all Economic 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 Study Requests received by the Transmission Provider will be categorized pursuant to Section 7.3 of this Attachment K.

Issued by: J. Jeffrey Dudley

Vice President & General Counsel

Filed to comply with ~~order~~ Order 890 of the Federal Energy Regulatory Commission,

Docket Nos. OA08-45-000RM05-17-000 and OA08-45-001RM05-25-000, issued

October February 16, 2008; 125-118 FERC ¶61,067-19

Effective: August 12, 2008

Issued on: ~~August 12, October 29, 2008~~

21.22. Dispute Resolution

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

22.23. Cost Allocation

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

Issued by: J. Jeffrey Dudley

Vice President & General Counsel

Effective: August 12, 2008

Issued on: ~~August 12,~~October 29, 2008

Filed to comply with ~~order~~Order 890 of the Federal Energy Regulatory Commission,

Docket Nos. ~~OA08-45-000~~RM05-17-000 and ~~OA08-45-001~~RM05-25-000, issued

~~October~~February 16, 2008; ~~125~~118 FERC ¶~~61,067~~419

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 29th day of October, 2008, I caused the foregoing filing to be submitted via electronic filing to Kimberly D. Bose, Secretary for the Federal Energy Regulatory Commission, and emailed copies of this filing to those entities on the official service lists in Docket Nos. OA08-23, OA08-45, OA08-55, OA08-28, OA08-54, OA08-31, OA08-56, OA08-40, OA08-57, OA08-43, OA08-99, and OA08-118.

/s/

Sign

Sarah E. Church

Legal Assistant to Malcolm C. McLellan

Print Name and Title