ATTACHMENT K

Transmission Planning Process

The Transmission Provider participates in a coordinated, open, and transparent planning process with its Native Load, Network, and Firm Point-To-Point Transmission Customers and other interested stakeholders. This process includes coordination of such planning with interconnected systems within its region in order to ensure that the Transmission System is planned to meet the needs of the Transmission Provider as well as its Native Load, Network, and Firm Point-To-Point Transmission Customers on a comparable and nondiscriminatory basis.

The information provided herein identifies the rights and obligations of the Transmission Provider, the Transmission Customers, and other stakeholders in the Transmission Provider's transmission planning process, which shall be conducted in a manner to ensure the interests of the Transmission Provider and its similarly-situated customers (e.g. network and native load) are treated on a comparable basis.

The Transmission Planning page on the Transmission Provider's OASIS website at www.oatioasis.com/prpa is the central point of communication for all notices, activities, and materials associated with the annual transmission planning process.

1. Consultation With Customers and Neighboring Transmission Providers

The Transmission Provider conducts annual meetings during its annual ten-year planning cycle to consult and coordinate with Transmission Customers, neighboring Transmission Providers, and other stakeholders. The specific process for long-range planning and associated analyses are posted on the Transmission Planning page of the OASIS. Acting as facilitator, the Transmission Provider arranges for meetings as follows:

a) Native Load meeting is typically held face-to-face sometime in January to March at one of the Native Load municipal offices or the Transmission Provider's office.

b) Network Customer meeting is typically held face-to-face sometime in February at the Transmission Provider's office or a mutually agreed to location.

c) Firm Point-To-Point Customer meeting is typically held on the phone approximately 60 days before the next Yearly Firm service cycle begins.

d) Neighboring Transmission Provider and stakeholder meetings are held face-to-face or on a conference call with the Foothills Planning Group (FPG) two to four times per year at one of the four participating Transmission Provider offices in the Denver or northern Colorado area.

Each of these meetings is open to stakeholders and is held separately to facilitate the differing needs of the participants and the purpose of the meetings. If and when the needs of different types of customers overlap, joint meetings may be held. The meetings provide an opportunity for input and comment on the gathering of data, the development of study plans and base cases, the coordination of transmission planning activities of other Transmission Providers, and the review of draft and final study reports and plans.

The ultimate responsibility for planning the Transmission System resides with the Transmission Provider. In pursuing this responsibility the Transmission Provider fosters an open planning process that provides an avenue for early exposure to all relevant issues and alternatives.

Acting on the assumption that early participation leads to more productive involvement, the Transmission Customers, neighboring Transmission Providers, and other stakeholders are encouraged to involve themselves at an early stage in the planning process. Forms of involvement may include participation in meetings, submittal of data, review of study plans, base cases, and reports, coordination of efforts, and offering of ideas, options, or alternatives for consideration in the development of the transmission plan. The Transmission Planning page of the OASIS will serve as the central point of communication to support customer and stakeholder involvement.

Should the Transmission Provider discover any issues in the development of its plan that are significant in nature or that cannot wait until the next scheduled meeting or other form of communication, the Transmission Provider will post such information on the Transmission Planning page of the OASIS and notify interested parties directly to solicit their written comments. The Transmission Provider will follow up with a written summary of how it handled the comments received. Such summary will be posted on the Transmission Planning page of the OASIS.

In addition to its local transmission planning process, the Transmission Provider coordinates its transmission planning with other Transmission Providers and stakeholders in the Rocky Mountain area, and the Western Interconnection as a whole, through its active participation in the Colorado Coordinated Planning Group (CCPG) and WestConnect, membership in the Western Electricity Coordinating Council (WECC), and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and the WECC Planning Coordination Committee (PCC). The associated subregional (WestConnect and CCPG) and regional (WECC, TEPPC, and PCC) planning processes are outlined in separate documents posted on the WestConnect website at www.westconnect.com. The most relevant of these regional planning forums is the CCPG. The CCPG meets three times per year (typically April, August, and December) in Denver, Colorado. One of the three meetings is scheduled to accommodate a combined WestConnect/CCPG/SWAT meeting. The CCPG website is currently located at http://regplanning.westconnect.com/ccpg.htm.

2. Meeting Notifications and Planning Related Communications

Transmission Provider meetings related to the planning process shall be open to all affected parties, including but not limited to all transmission and interconnection customers, state authorities, and other stakeholders. Should certain circumstances limit participation in a meeting to a subset of parties, the overall development of the transmission plan and the planning process shall remain open.

The meetings referenced in Section 1 are open to all stakeholders. All local transmission planning meetings hosted by the Transmission Provider are noticed on the Transmission Planning page of the OASIS. All CCPG, SWAT, WestConnect, TEPPC, PCC, and WECC meetings are posted on public websites.

In addition to meeting notices, the Transmission Planning page of the OASIS will provide a subscription list for stakeholders to receive meeting notices and other announcements by email, points of contact, a meeting calendar, and notice of significant events related to the transmission planning process.

Issues, options, or alternatives for consideration in the transmission planning work may be submitted to the Transmission Provider in writing through email or mail. The Transmission Provider will in turn post these comments on the Transmission Planning page of the OASIS.

If any confidentiality concerns arise, such as in the use of certain data or the use of a WECC base case by a non-member of WECC, then a confidentiality agreement shall be executed similar to the agreement posted on the Transmission Planning page of the OASIS.

The System Planning Manager is the Transmission Provider's point of contact for all matters related to its transmission planning process.

3. Methodology, Criteria, and Processes for Developing Transmission Plans

The methodology, criteria, and processes used for developing transmission plans are posted on the Transmission Planning page of the OASIS.

All assumptions, criteria, methodologies, loads, resources, demand response resources, transmission alternatives, and non-wire alternatives used in a study will be documented, posted on the Transmission Planning page of the OASIS, and comments solicited prior to completing the studies.

4. Disclosure of Criteria, Assumptions, and Data Used in the Plans

Customers and other stakeholders may attempt to replicate the results of the Transmission Provider's planning studies by submitting a request to the Transmission Provider for a copy of the study base cases and the associated power system simulation working files. The Transmission Provider shall make available to a requesting customer or stakeholder the necessary information to replicate its study results after execution of the appropriate agreements regarding confidentiality referenced in Section 2. Study results may be verified by affected parties by applying the same methodologies, criteria, assumptions, and processes to the study working files. The Transmission Provider will save its study work for five years.

The Transmission Provider intends to provide a meaningful opportunity for customers and stakeholders to engage in any stage of the planning process.

5. Customer Data Submitted to the Transmission Provider

Ten-year forecasts of coincident peak summer and winter loads (coincident with the Transmission Provider's peak), new resource plans, and new delivery point plans are provided annually by the Native Load and Network Customers at or about the time of the meetings described in Section 1 and in accordance with requirements of associated agreements for service or in response to requests from the Transmission Provider. Updates to the customer's ten-year forecasts are encouraged between annual submittal periods when significant changes become obvious. The data shall be provided electronically in a spreadsheet format to the Transmission Provider for use in preparing system representations in the WECC base cases.

6. Dispute Resolution

For disputes that arise between Transmission Customers or stakeholders and the Transmission Provider on either procedural or substantive planning issues that arise under application of this Attachment K, the parties will take the following steps:

1. Step 1 - Direct negotiation between representatives who have authority to settle the controversy. The Transmission Provider would typically be represented by the Division Manager for Operations with assistance from the staff persons with direct responsibility for the matter under dispute. The negotiation process may involve correspondence, electronic communications, and direct meetings with the customer or stakeholder.

2. Step 2 - If direct negotiations fail to resolve the controversy within a thirty day period, the next step shall be mediation. Mediation will proceed in accordance with Appendix C of the Western Electricity Coordinating Council (WECC) bylaws.

3. Step 3 - If the controversy cannot be resolved through mediation, the next step shall be binding arbitration. Arbitration will proceed in accordance with Appendix C of the Western Electricity Coordinating Council (WECC) bylaws.

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

The WECC Board of Directors has initiated efforts to amend the dispute resolution provisions of the WECC Bylaws (Appendix C to the WECC Bylaws last revised April 21, 2006) to allow for the WECC process to be utilized by WECC members for disputes involving non-WECC members and arising from regional transmission planning actions and decisions.

7. <u>Economic Planning Studies</u>

The Transmission Provider seeks as a product of the transmission planning process a transmission plan that economically meets reliability requirements. The Transmission Planning Reliability Criteria are posted on the Transmission Planning page of the OASIS. The Transmission Provider evaluates transmission alternatives on the basis of their reliability performance and cost. However, the Transmission Provider does not have the capability to perform economic planning studies using production cost simulation methods. Transmission Customers or stakeholder requesting these kinds of studies will be referred to TEPPC.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection Transmission Providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection region level. The economic database is available from WECC to the public for any interested party to use in performing its own economic planning studies.

8. <u>Cost Allocation</u>

The Transmission Provider has used the following cost allocation methods for joint transmission projects on a transmission Path in which it participated. Alternative cost allocation methods may be proposed, but will only be considered acceptable if the costs borne by the parties reflect an equitable relationship to the benefits received.

In the case of a proposed project to increase the Total Transfer Capability (TTC) of a Path, open-season type solicitation for joint ownership in the proposed project will be offered for interested stakeholders. The TTC of the Path is determined with and without the project in order to calculate the incremental TTC created by the project. An average of five study methods is used to calculate the amount of TTC allocated to the participants in the Path based on each participant's share of ownership in all projects that make up the Path. The five study methods are:

- Loadability Method
- N-2 Decremental Method
- Flowability Method
- Admittance Method
- New Line Incremental Method (from an established baseline)

The five study methods may be performed with and without the proposed project, and at various amounts of participant cost sharing in the proposed project, in order to determine the amount of TTC that may be obtained by a participant's degree of ownership in the proposed project. This could be an iterative process if a prospective participant in the proposed project is seeking a specific TTC or a specific maximum cost participation.