

Description of Meeting:	NTTG Cost Allocation Committee
Meeting Date:	July 1, 2015
Meeting Notes Prepared By:	Amy Wachsnicht
Approved for Posting:	July 29, 2015

1. Agenda:

- a. Establish Quorum & Agenda Review
- b. Approval of June 24, 2015 Meeting Notes
- c. NTTG Quarter 6 Stakeholder Meeting Debrief
- d. Round Table/Other Business
- e. Next Steps

2. Discussions & Decisions:

Decision: Approval of June 24, 2015 Meeting Notes

- It was noted that quorum requirements had not been met and suggested that the approval of the June 24th meeting notes be moved to the end of the agenda.

Discussion: NTTG Quarter 6 Stakeholder Meeting Debrief

- The committee discussed comments and questions they heard during the NTTG Quarter 6 Stakeholder Meeting.
- John Leland raised the issue regarding how cost allocation is evaluated and applied for an Alternate Project that was selected into the final Regional Transmission Plan (RTP). The concern is that the Alternate Project would be carried over into the Initial Regional Plan (IRP) of the next planning cycle and with the current methodology of using the IRP as the baseline for comparing costs the difference between the IRP and the DFRTP would then be zero for the Alternative Project in the next planning cycle.
 - John suggested some alternative methodologies:
 - Rather than using the cost of the plan to find the benefits, NTTG could use the DFRTP and derive benefits that might be associated with the plan. NTTG could use Production Cost Modeling or an alternative to define the benefits of the plan.
 - NTTG could look at the Draft Regional Transmission Plan to define the beneficiaries and split the costs of the project. Planning would need to define who is benefitting from the project.
 - The last alternative could be not to change the methodology but carry forward the costs and change the Attachment K language relating to Applicants. Currently the Attachment K is written that if there is no Applicant then there is no cost allocation.
 - The suggestion is to change the fact that the cost allocation does not carry forward into the next cycle if there is no Applicant. Once the project is picked up by a sponsor the cost allocation could be recomputed.
- During the stakeholder meeting Bill Hosie raised the question of the next cycle's IRP, which would include the Alternative Project selected in the current cycle, and what would happen if the projects in next cycle's DFRTP were the same as the IRP?
 - The committee discussed that next cycle could have a different mix of load and resources submitted which would most likely end up in a difference between the IRP and the DFRTP.
 - Theoretically if the IRP and the DFRTP end up with the same projects, according to the current methodology for cost allocation the difference between the two plans would be zero and there wouldn't be any cost allocation. However since it is an

unsponsored project, the committee would need to go through the cost allocation process.

- Ray Brush suggested the committee should continue with the current process because a change in the process would mean a change to the tariff. The project would carry through with its cost allocation in subsequent cycles as long as it stays in the plan.
 - According to NTTG's legal counsel in looking at the Attachment K language, if there is not an Applicant that submits the project then the cost allocation would not move forward.
- Even though the cost allocation results didn't end up with costs being allocated to the project, it will be an uncommitted project in next cycles IRP and subject to reevaluation.
- If the project were to stay in the plan it is meeting a need and benefits could be identified.
- John Leland discussed the last cost allocation test, a proportional allocation of costs based on the percentage and the limit test to make sure it doesn't exceed the benefit/cost ratio. Currently in the tariff there is a benefit/cost ratio limit of 1.1.
 - The committee needs to think about what would happen if the benefit/cost ratio is less than one.
- The committee agreed that overall the stakeholder meeting went well. Shay LaBray informed the committee that the same presentation given at the stakeholder meeting would be presented to the NTTG Steering Committee at their next meeting on July 8th.

Discussion: Round Table/Other Business

- Quorum requirements still had not been met and approval of the June 24th meeting notes will be deferred until the next Cost Allocation Committee meeting.

Discussion: Next Steps

- The comment period on the NTTG Draft Final Regional Transmission plan is July 6th through July 24th.
- It was suggested to schedule the next Cost Allocation Committee meeting on July 29th to review and discussion any stakeholder comments on the cost allocation portion of the DF RTP.
- Shay LaBray discussed that Sharon Helms is maintaining a list of potential Attachment K revisions based on lessons learned from this biennial planning cycle. A meeting of the Planning and Cost Allocation leadership is targeted for July 13th to discuss the potential revisions.
 - At this time the goal is to have the Attachment K revisions filed by August 1, 2015 with an effective date of October 1, 2015 for the start of the next biennial cycle.
 - There is concern with the August 1st filing date and making substantive revisions. This is a short timeframe and would not allow for a stakeholder process.
 - Until FERC approves the filing, NTTG members will have to follow their current OATT.
 - An update on the Attachment K revisions will also be discussed during the July 29th Cost Allocation Committee meeting.
- Bela Vastag asked if the Committee anticipated FERC submitting comments on the cost allocation portion of the DF RTP.
 - Comments are open to any stakeholder, however it isn't expected FERC will submit comments unless they are responding to filed complaints from stakeholders.

3. Assignments:



Item #	Assignment	Owner	Target Date	Status
1.				
2.				
3.				
4.				

Next Meeting: The next Northern Tier Cost Allocation Committee Meeting is scheduled for July 29th at 11am Pacific.

- o Dial: **(630) 869-1013**
- o Access Code: **579-186-509**

Attendees:

NTTG Cost Allocation Committee Member Representatives		
Membership Class 1		
Ray Brush, NorthWestern	Amy Light, Portland General	Courtney Waites, Idaho Power
Shay LaBray, PacifiCorp		

Membership Class 2		
Johanna Bell, Idaho PUC	Jamie Stamatson, MT CC	Bela Vastag, UT OF CS
Bob Decker, MT PSC		