



<b>Description of Meeting:</b>	<b>Cost Allocation Committee Meeting</b>
<b>Meeting Date:</b>	<b>September 22, 2008</b>
<b>Meeting Minutes Prepared By:</b>	<b>Lynn Jesus-Olhausen</b>
<b>Approved for Posting:</b>	<b>September 29, 2008</b>

**Attendee List:** Brian DeKiep, Marshall Empey, Sharon Helms, Lynn Jesus-Olhausen, Matt Muldoon, Marcy Norby, Lou Ann Westerfield, Darrell Zlomke

**Not in Attendance:** Rich Bayless, Bryce Freeman, Marc Hellman, Jim Logan, Larry Nordell, Curt Winterfeld, Joni Zenger

**1. Agenda:**

- Standard of Conduct announcement
- Approval of past Meeting minutes
- Approval of last minutes
- MSTI Update
- Update on response letters to project sponsors requesting quarterly updates – Lou Ann
- Update on status of letters to project sponsors requesting more detail on individual response items – Lou Ann
- Next steps

**2. Decisions / Discussions:**

**Discussion: Possible Hemingway Project Delay for PacifiCorp**

- There is a possible 2 year delay
- Siting through the Steens wildlife and wilderness area is very difficult due to a high fowl migration in the area and preserving the area as pristine and untouched.

**Discussion: Approval of Prior Meeting Notes**

- The following meeting notes were approved for content and approved for posting to the NTTG website:
  - 5/19/08 – approved
  - 6/16/08 – approved
  - 7/01/08 – approved
  - 7/14/08 – approved

**Discussion: Last notes**

- MSTI acronym change is the only change requested. Notes approved with change for content and posting to the NTTG website.

**Discussion: MSTI Project Update**

- Are there confidentiality issues for customers possibly named within the documents that have been posted the NTTG website?
  - Only potential customers named in the documents.
  - Consensus is that all information is ok to post publicly.
  - If there is a request for confidentiality those requests will be honored
    - Parties submitting documentation to NTTG are responsible for making sure NTTG knows if there are confidential customer issues with the document. These documents will not be posted on the website.



- General Overview
  - Project is to build 400 miles of 500kv merchant transmission line from Townsend, MT to Midpoint, ID.
  - DEQ process is ongoing
  - Application was filed in June 2008 and is approximately a 9 month total application process.
  - Environmental impact studies are ongoing with BLM and the Forest Service.
  - Constructions will begin 2010 after studies are completed
  - WECC path rating effort continues by Northwestern Energy
  - MT MFSA process is not yet complete
    - Just scoping meetings complete now
  - Budget is approximately \$700 million without taxes and \$1.2 billion with taxes.
  - Availability of cost and materials increasing has been forecasted.
    - A potential 20% increase in steel would equal 5.1% in total costs.
    - A potential 20% increase in aluminum costs equal 3.3% in increase in total cost.
    - 5-9% annual budget increase for labor costs.
  - Brain DeKiep will continue to follow up with John Leland to bring any changes to the project to NTTG so NTTG is apprised of the project's progress.
  
- Potential Rise in Labor and Material Costs
  - Texas and California are moving a lot faster than everyone else on their projects and are utilizing the majority of labor and materials. Costs for other providers may be up while trying to build during California's and Texas' building, but once those build-outs are done then prices may ease up
    - FERC Snapshot Call
      - Charlie Whitmore, FERC Office of Enforcement, hosts an open forum call where the topic is market conditions for utilities.
      - Brian DeKiep will email Charlie about timelines he may have heard about for other States' build-out completion dates.

**Discussion: Heartland Energy**

- NTTG received an email from heartland Energy. They are looking to possibly provide energy in John County, Wyoming
- Sharon will pass email inquiry to PacifiCorp as they have lines in that area

**Discussion: Update on response letters to project sponsors requesting quarterly updates**

- Letters have not been sent out, will work with Sharon and get them out this week

**Discussion: Update on status of letters to project sponsors requesting more detail on individual response items**

- Captain Jack line
  - Matt Muldoon will give an update on next week's call
- Populus to Terminal line
  - The Cost Allocation Committee will wait for an update until the Idaho Commission's filing regarding certificate is completed



**Assignments:**

Item #	Assignment	Owner	Target Date
1.	Distribute Response Letters re: Quarterly Updates	Sharon Helms/Lou Ann Westerfield	9/26/08
2.	Update on Captain Jack Project	Matt Muldoon	9/29/08
3.	Email Charlie Whitmore with FERC Snapshot Call to check on issues around cost of labor and materials	Brian DeKiep	
4.	Post Approved Meeting notes to NTTG Website	Lynn Jesus-Olhausen	9/23/08

**Next Meeting:** The next Northern Tier Planning Committee meeting is scheduled for Monday, September 29, 2008 at 1:00-2:00pm Pacific time.

- Voice Conference Mtg. **503-813-5600** (toll free #800-503-3360)
- Mtg. ID: **688484** and password: **123456**