



<b>Description of Meeting:</b>	<b>Cost Allocation Committee Meeting</b>
<b>Meeting Date:</b>	<b>October 5, 2009</b>
<b>Meeting Minutes Prepared By:</b>	<b>Lynn Jesus-Olhausen</b>
<b>Approved to Post:</b>	<b>October 19, 2009</b>

**Attendee List:** Rich Bayless, Brian DeKiep, Bryce Freeman, Lynn Jesus-Olhausen, Matt Muldoon, Lou Ann Westerfield, Curt Winterfeld, Darrell Zlomke

**Not in Attendance:** Marshall Empey, Marc Hellman, Sharon Helms, Sam Liu, Jim Logan, Marcy Norby, Larry Nordell, Joni Zenger

**1. Agenda:**

- Review Notes from the September 28, 2009 Cost Allocation Meeting and Approve to Post
- Update on Cost Allocation Recommendation
- Regional Update
- Illinois Commerce Commission, et al. v. FERC, Nos. 08-1306, et al. (7th Cir. Aug. 6, 2009) (7<sup>th</sup> Circuit decision upholds concepts of cost causation and beneficiary pays.)
- Next Steps/Next Call – 10/19/09

**2. Decisions / Discussions:**

**Discussion: Review Notes from the September 28, 2009 Cost Allocation Meeting and Approve to Post**

- Approved to post as-is.

**Discussion: Update on Cost Allocation Recommendation**

- Portland General will be submitting their updated project information by COB October 9<sup>th</sup>, 2009.
- The final draft of the transmission plan report is currently being completed.
- The committee chairs will be having a coordination meeting on October 9<sup>th</sup>, 2009.

**Discussion: Regional Update**

- There is on-going discussion regarding if the regional planning portion for Phase 0 efforts should stay in the PCC sub-committee, or if it should be transferred to TEPPC. The ratings process needs to be more closely coordinated with the planning process.
  - Parties have been able to go directly to the ratings process and bypass the planning process.
  - A WECC Task Force will most likely be formed to look at the issue.
- More information on the Boardman to Hemingway project should be released later this month. This update will include integration from the stakeholder process involving counties and community outreach which has resulted in a large amount of feedback.

- Think Tank
  - The DSS, as well as the I-Tap, efforts are moving forward.
  - Intra-Hour Business Practices
    - These business practices will be complimentary to the DSS and I-TAP initiatives.
    - There is concern over the requirements of amending tariffs. The group is looking at what is involved with the individual participants amending their own tariffs, or if a joint filing is a better option.
    - The States are prepared to talk about their support for this joint and common cause. WIRAB and CREPPC are also willing to lend their support to this initiative.
  - Bulk Electric System
    - NERC has abandoned its attempt to develop a common definition of the bulk electric system and has deferred to the regions. WECC has formed a Task Force to look at a region-wide definition of the bulk electric system.
    - There is some movement to try to revise the threshold to 100kV, from the current 200kV.
      - There is concern that lowering the threshold to this level will limit the control local interests and States have on their local systems.
      - The issue of reliability is of concern also. NERC's reliability standards would apply to more of the system and could have large cost implications. FERC mandates in regard to reliability could be broadly applied as well.
    - There is question as to where the burden of proof would lie in showing material impact in regard to the system for exceptions. There are potential issues with what would be considered an impact to the distribution system only, but now must be included in the bulk system and be considered a reliability issue.
      - There would be a need for specific criteria to be developed regarding what constitutes a material impact; otherwise this topic will lead to much potential litigation.
    - NTTG members need to decide if there is a need for a common position from NTTG on this issue, or if it would be best for individual members to file comment. Comments to the WECC Task Force are due November 13<sup>th</sup>, 2009.
  - Virtual Balancing Areas
    - The Joint Initiative has been scoping this topic as a possible future initiative. The general Joint Initiative consensus is that the members' priorities are with the current initiatives. There is little support for dedicating a lot of resources on any new initiatives at this time.
      - Stephen Beuning, chair of WECC's Systems Integration Group, is conducting outreach to look for tools and opportunities in creating a congestion management system.
      - There has also been discussion within WECC regarding loop flows and loop flow contribution. WECC has been looking at how to handle costs associated with loop flow contributions.



- There is exploration currently happening to see how loop flow, congestion management and the possibilities of a VBA relate to addressing the issues of these three topics.
- Sub-Regional Coordination Group
  - The group is not awaiting formal notification from DOE in regard to the FOA application. They are proceeding in their planning efforts to be prepared to deliver on the commitments outlined in the application.
  - The sub-regional groups will be aggregating their local plans into a sub-regional plan by April 2010. From April-August 2010 the sub-regional groups will be performing a gap analysis on the aggregated plan, along with input from WECC. In August 2010 the aggregated plan will be handed off to TEPPC as the foundation for their 10 year plan.
  - The November meeting will include a draft of the charter for the Sub-Regional Coordination Group, as well as an outline of a work plan.

**Discussion: Illinois Commerce Commission, et al. v. FERC, Nos. 08-1306, et al. (7th Cir. Aug. 6, 2009), (7<sup>th</sup> Circuit decision upholds concepts of cost causation and beneficiary pays.)**

- Deferred until October 19<sup>th</sup>, 2009.

**Discussion: Next Steps/Next Call – 10/19/09**

- The October 12<sup>th</sup> call will be cancelled in observance of Columbus Day.

**3. Assignments:**

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

**Next Meeting: Next Meeting:** The next Northern Tier Cost Allocation Committee meeting is scheduled for October 19, 2009 at 1:00PM Pacific.

- Voice Conference Mtg. **503-813-5600** (toll free #800-503-3360)
- Meeting ID **688444** and password **123456**