NTTG Overview

21 May 2007

EUCI – Transmission Expansion in the Western U.S.

"To insure efficient, effective, coordinated use & expansion of the member's transmission systems in the Western Interconnection to best meet the needs of customers & stakeholders. "

Agenda

Meeting Objective/Purpose

- NTTG overview and Order 890 Planning "Strawman" update
- Transmission use - understanding the existing system usage
- NTTG "Fast Track" transmission projects update

Summary/Questions

NTTG Structure

Northern Tier is focused on:

- Implementing existing transmission expansion plans
- Complying with FERC requirements
- Incorporating customer input into processes while maintaining schedule for deliverables
- Avoiding duplication by utilizing existing forums to the extent possible

- Results!

NTTG Structure

Northern Tier consists of:

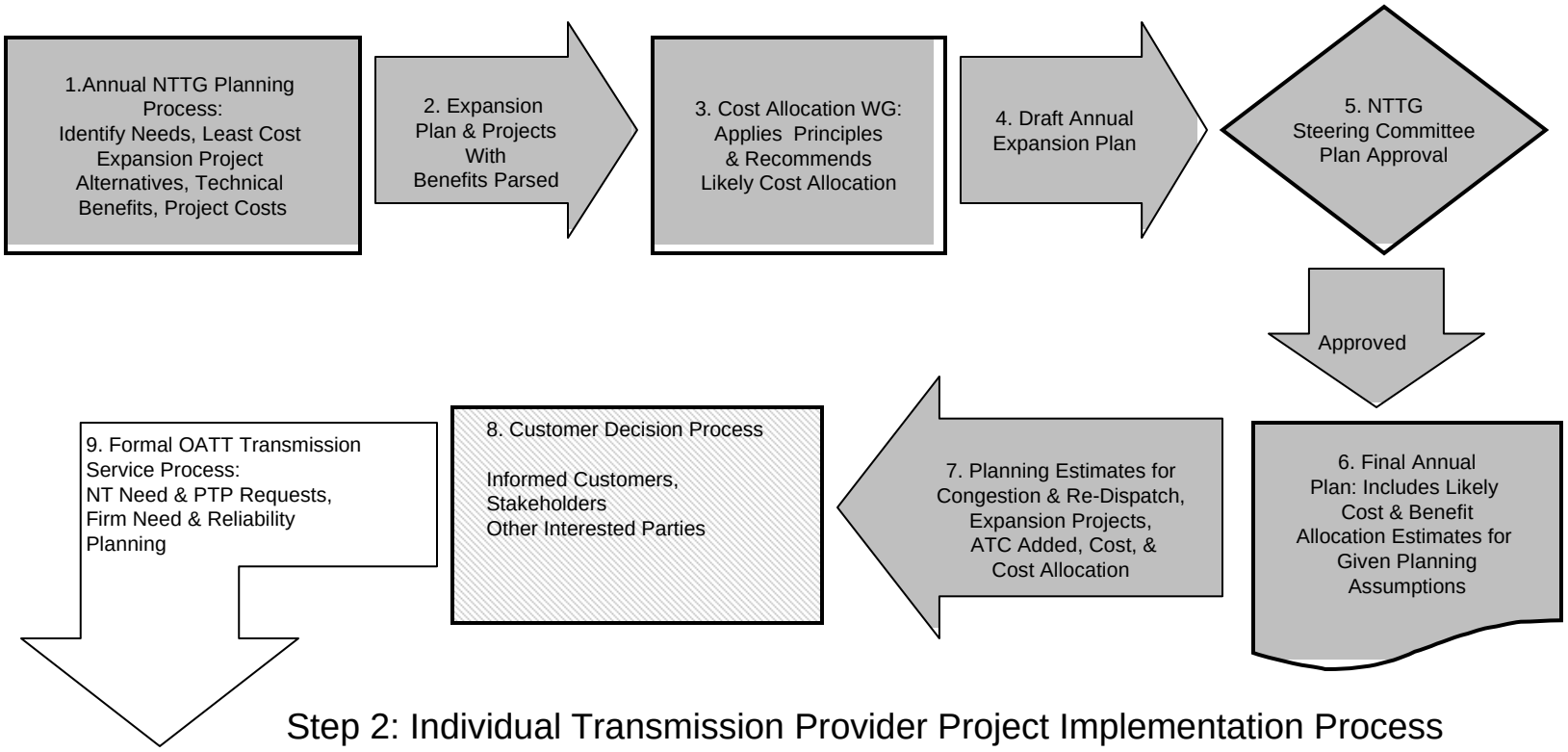
- Steering Committee
  - State commissioners and government representatives
  - Member utility executives
- Working Committees
  - Cost Allocation – determines cost allocation for new transmission projects
  - Transmission Planning – “fast track” and long term planning
  - Transmission Use – “voice of customer” and issues pertaining to the use of the existing transmission system
- Task forces
  - Order 890 planning “strawman”
  - Cost allocation “strawman”
  - Targeted administrative issues as required

NTTG Planning Strawman

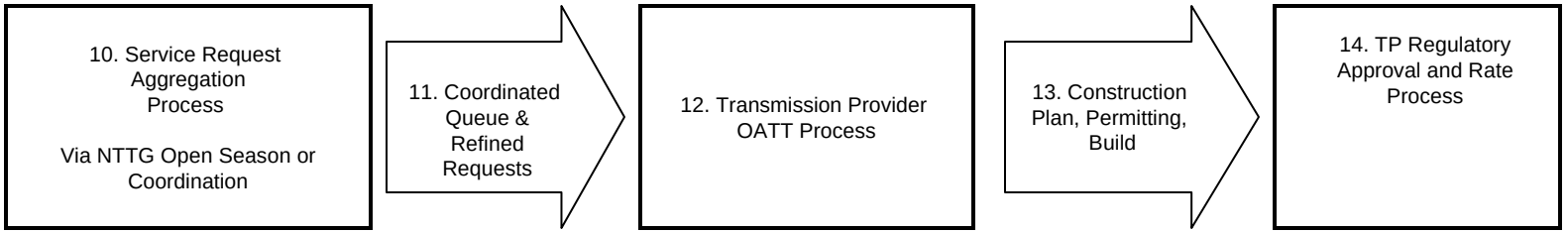
- Nine Principles –
  - 3 Level Coordination
    - West wide through WECC/TEPPC
    - Sub-Regional, along with neighbors
    - Local planning by Transmission Providers
- Study cycles
  - Provide “intel” to customers/developers
- Cost Allocation
  - State participation
  - define cost types and principles

NTTG Two-Step Process

Step 1: Northern Tier Transmission Group Planning Process



Step 2: Individual Transmission Provider Project Implementation Process



Transmission Use
Understanding the Capabilities of the Existing Network

ATC Acronyms

- Open Access Same-Time Information System (OASIS)
- Total Transfer Capability (TTC)
- Available Transfer Capability (ATC)
- Transmission Reliability Margin (TRM)
- Capacity Benefit Margin (CBM)
- Existing Transmission Commitments (ETC)
- Points Of Delivery and Points Of Receipt (POD/POR)

Transmission Use
Understanding the Capabilities of the Existing Network

Transmission Customers want:

- Full transparency into ATC, including building blocks
  - Need to ensure customers' commercial privacy is maintained
- A common place to see ATC components in a common format
- To be able to see ATC for high level understanding without becoming a registered customer
- An understanding of why ATC components are set at the quantities shown
- Simple translations of often technically complicated issues

Transmission Use
Understanding the Capabilities of the Existing Network

Transmission Providers want:

- To sell ATC on a long-term firm basis
- To minimize disputes on ATC related issues
- To meet regulatory requirements while maintaining efficiencies
- To protect customer confidentiality

Transmission Use
Understanding the Capabilities of the Existing Network

Status of many OASIS systems today

- ATC transparency is available typically only to registered users (customers) of individual companies' OASIS sites
- ATC is typically only shown without the full transparency into reserved use amounts
- ATC information, with "building blocks", is not typically shown in a common place or in a consistent format

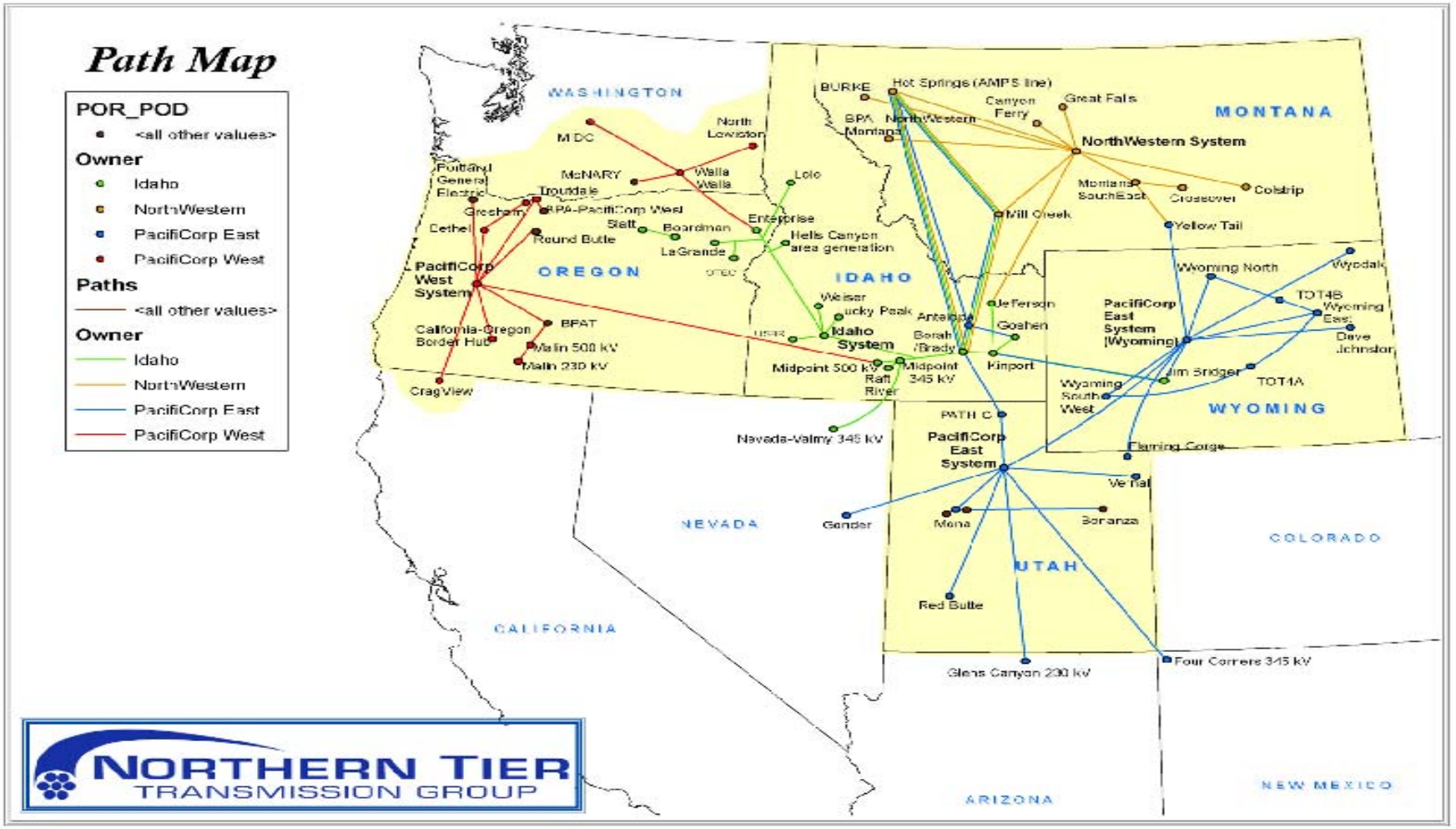
Transmission Use
Understanding the Capabilities of the Existing Network

Phase 1 of ATC transparency

- Complete
  - Definition of the building blocks of ATC
  - “Road map” of member utilities ATC, and which scheduled paths is applies toward
  - “English name” definition of OASIS POD/PORs
- Coming soon
  - Path by path presentation of compiled ATC and components
  - Posting of long term ATC data on the NTTG website
    - Targeted for June 25, 2007 in Portland, Oregon
    - Announcement to come after stakeholder input at May 23, 2007 meeting

Transmission Use

Understanding the Capabilities of the Existing Network



Transmission Use

Understanding the Capabilities of the Existing Network

Phase 2 of ATC transparency

- Federal Energy Regulatory Commission's Order 890 made many changes to ATC processes, specifically regarding ATC transparency
- Phase 2 will include
  - Establishing a benchmark for ATC numbers (after Phase 1) (Order 890 paragraph 369)
  - Setting up a process to identify changes in TTC greater than 10% and explain to customers (Order 890 paragraph 369)
  - Setting up a process to provide narratives for why ATC remained at zero for over six months (Order 890 paragraph 371)
  - Other input from customers and stakeholders
- Targeted for first delivery by November, 2007.

NTTG Planning Process

Phases under initial charter

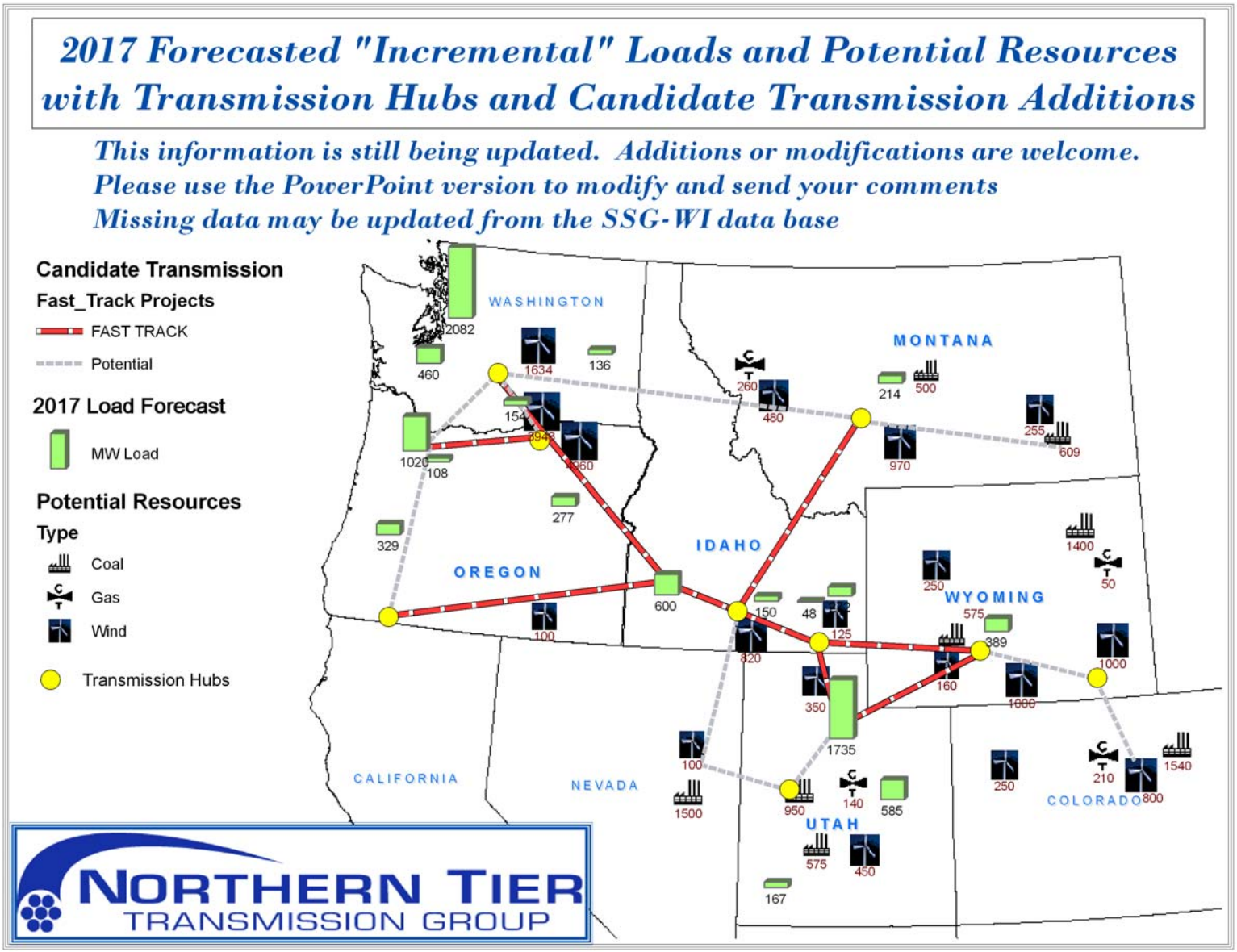
1. Identify fast track transmission projects by June 30, 2007
2. Establish Order 890 planning process which provides for coordinated transmission plans

NTTG Fast Track Process

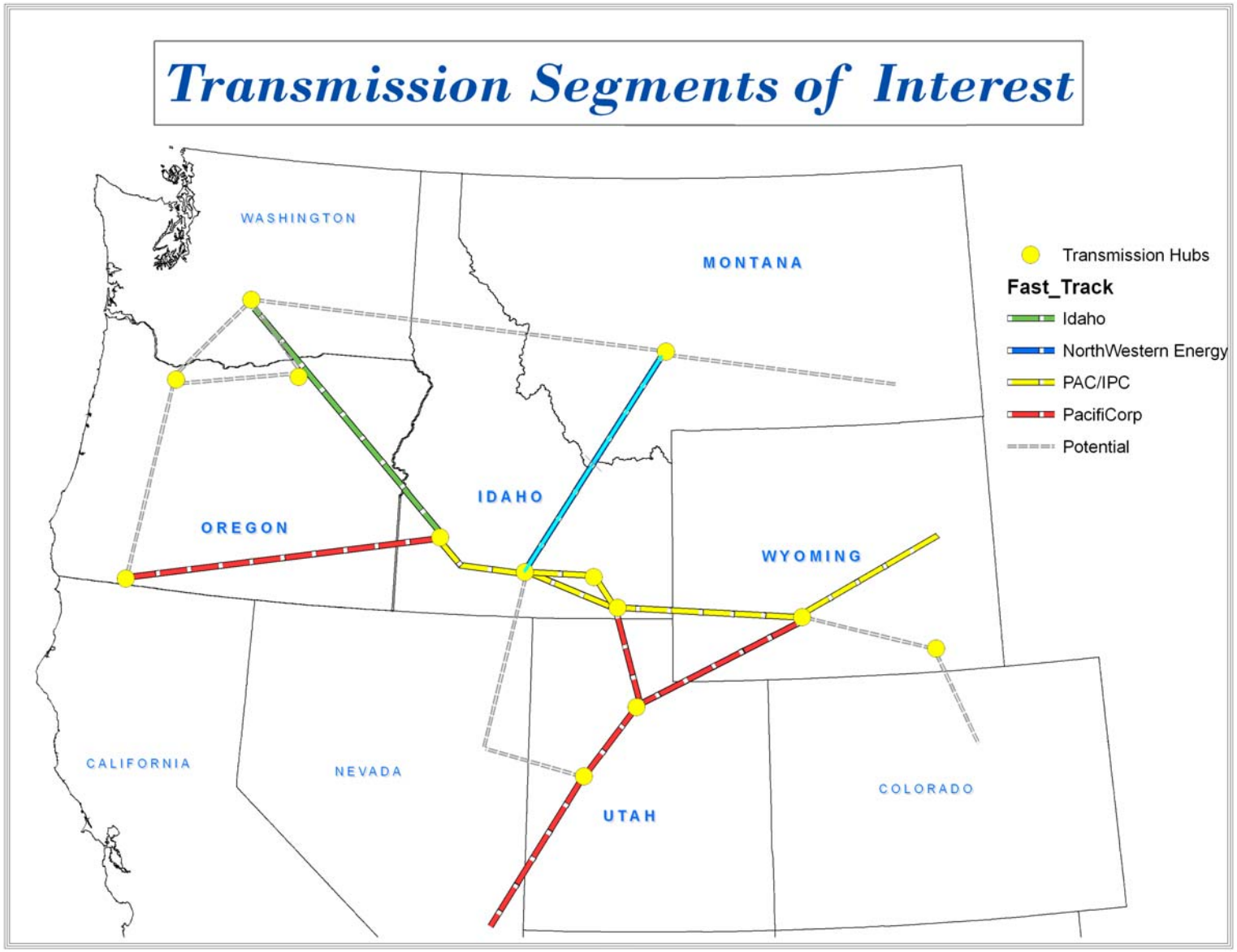
Process Summary and Stakeholder Input

- Assemble load forecast from IRPs and other data updates
- Identify potential resource areas
- Review past studies to validate
- Recognize hubs
- Connect load centers, hubs, resource areas

NTTG Hub and Spoke



NTTG Fast Track Projects



Public NTTG meeting

Next public stakeholder meeting May 23, 2007

- 9:00 a.m. – 3:00 p.m. (Mountain Daylight Savings Time)
- Salt Lake City, Utah
- Agenda on NTTG web site -> www.NTTG.biz
- Web conferencing available

- **Embassy Suites Hotel, Salt Lake City**
  - 110 West 600 South
  - Salt Lake City, UT 84101
  - Phone: 801-359-7800
  - Fax: 801-538-0305

- For RSVPs please contact Patty Deas
  - patty.deas@pacificorp.com or
  - (503) 813-5740

Summary

- Northern Tier is committed to transmission expansion and increasing the use and efficiency of the existing transmission system

- Questions?