



June 19, 2013

**Via Electronic Filing**

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Re: *Avista Corporation*, Docket No. ER13-\_\_\_\_-000  
Order No. 1000 Compliance Filing (Interregional)

Dear Secretary Bose:

Pursuant to Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations,<sup>1</sup> section 206 of the Federal Power Act,<sup>2</sup> Order No. 1000,<sup>3</sup> the Notice Granting an Extension of Time to Submit Interregional Compliance Filings issued on February 26, 2013, and the Notice of Filing Procedures for Order 1000 Electronic Compliance Filings issued on September 19, 2012, Avista Corporation ("Avista") hereby submits for filing Avista's revised Attachment K to its Open Access Transmission Tariff ("Tariff") as its compliance filing (interregional) required by Order No. 1000 ("Compliance Filing"). Avista's Attachment K relies, in substantial part, on Avista's participation in the ColumbiaGrid regional transmission planning process and the provisions of the ColumbiaGrid Planning and Expansion Functional Agreement ("PEFA") to achieve compliance with Order No. 1000.<sup>4</sup> Avista is attaching for

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<sup>1</sup> 18 C.F.R. Part 35.

<sup>2</sup> 16 U.S.C. § 824e.

<sup>3</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011) ("Order No. 1000"), *order on reh'g and clarification*, 139 FERC ¶ 61,132 (2012) ("Order No. 1000-A"), *order on reh'g*, 141 FERC ¶ 61,044 (2012) ("Order No. 1000-B").

<sup>4</sup> In early 2007, ColumbiaGrid initially filed the PEFA on behalf of its jurisdictional members, Avista and Puget Sound Energy, Inc. ("PSE"), as ColumbiaGrid Rate Schedule No. 1. The Commission first accepted the PEFA in an order issued on April 3, 2007. *ColumbiaGrid*, 119 FERC ¶ 61,007 (2007). Since that time, the PEFA has been amended three times. ColumbiaGrid filed the first two of those amendments with FERC on behalf of Avista and PSE. Those amendments were accepted by FERC. *See* Docket Nos. ER08-457 and ER10-585. The third amendment to the PEFA (the Third Restated PEFA) was to facilitate compliance with the regional Order 1000 requirements and was filed by Avista and Puget Sound Energy, Inc. ("PSE") as Avista and PSE rate schedules in Docket Nos. ER13-93 and ER13-98, respectively, in conjunction with Avista's and PSE's regional Order 1000 compliance filing filed in Docket Nos. ER13-94 and ER13-99, respectively. As explained in the transmittal letter accompanying Avista's and PSE's filings of the Third Restated PEFA, upon the Commission's acceptance of the Third Restated PEFA's filed by both Avista and PSE without modification or condition, Avista anticipates that ColumbiaGrid will take appropriate steps to terminate ColumbiaGrid Rate Schedule No. 1. To the extent the Fourth

informational purposes the proposed Fourth Restated PEFA, that is intended to facilitate Avista's Order 1000 compliance and, that if executed Avista anticipates filing as Avista's Rate Schedule FERC No. CG1 for Commission acceptance.<sup>5</sup> As explained more fully below, because Avista's Attachment K substantially relies on its participation in ColumbiaGrid, Avista's revised Attachment K submitted in this filing cannot become effective until such time as the Fourth Restated PEFA is effective.

## **I. Contents of Filing**

Avista respectfully tenders for filing an electronic copy of the following documents:

1. This transmittal letter;
2. Redline version of Avista's Attachment K (Attachment A);
3. Clean version of Avista's Attachment K (Attachment B);
4. Redline version of proposed Fourth Restated PEFA (Attachment C) (redlined against the Third Restated PEFA and provided for informational purposes only);
5. *Pro Forma* Interregional Common Language (Attachment D) (for informational purposes only); and
6. Interregional Flow Diagram (Attachment E) (for informational purposes only).

## **II. Contacts**

Avista respectfully requests that the following persons be included on the official service list in these proceedings and that all communications concerning this filing be addressed to them:

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Restated PEFA is filed as Avista and PSE rate schedules, and those rate schedules become effective without modification or condition prior to the Third Restated PEFA becoming effective, Avista anticipates that ColumbiaGrid will similarly take appropriate steps to terminate ColumbiaGrid Rate Schedule No. 1.

<sup>5</sup> The proposed Fourth Restated PEFA is attached hereto as Attachment C. If it becomes effective, the Fourth Restated PEFA is intended to completely supersede and replace, as among the executing parties, the Third Restated PEFA submitted to the Commission on October 11, 2012 in Docket No. ER13-93 in conjunction with Avista's Order 1000 regional compliance filing filed in Docket No. ER13-94.

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### III. DESCRIPTION OF FILING

Avista participates in regional transmission planning through ColumbiaGrid<sup>6</sup> as a party to the PEFA. The Planning Parties under the PEFA currently include jurisdictional and non-jurisdictional utilities. Avista submits the revised Attachment K attached hereto in response to the interregional transmission planning requirements of Order No. 1000.

As discussed in greater detail herein, after a comprehensive collaborative process encompassing the four transmission planning regions in the United States portion of the Western Interconnection (the "Planning Regions"),<sup>7</sup> entities that comprise the Planning Regions, including Avista, developed common tariff language addressing the interregional transmission coordination and cost allocation planning requirements of Order No. 1000 ("Common Language"). Avista's proposed interregional transmission planning process submitted in this interregional Order 1000 Compliance Filing relies on, and is intertwined with, Avista's regional Order 1000 compliance filing and related Third Restated PEFA filing, both of which are currently pending before the Commission in Docket Nos. ER13-94 and ER13-93 respectively. As explained more fully below, because Avista's Order 1000 interregional planning processes in Avista's Attachment K substantially rely on implementation of those processes through Avista's participation in ColumbiaGrid as reflected in the proposed Fourth Restated PEFA, Avista's interregional Compliance Filing submitted herein cannot become effective until such time as the Fourth Restated PEFA is effective.

At such time as the Fourth Restated PEFA becomes effective, it is intended that the Fourth Restated PEFA supersede and replace the Third Restated PEFA in its entirety and that the Fourth Restated PEFA supersede and replace all other prior versions of the PEFA in their entirety as among those entities that execute the Fourth Restated PEFA. Several non-jurisdictional entities that executed the Third Restated PEFA have indicated reluctance to enter into further amendments to the PEFA (including the proposed Fourth Restated PEFA) absent further action by the Commission on Avista's and PSE's regional Order 1000 Compliance Filings. Accordingly, the Planning Parties have not yet sought authorization to execute and have not executed the Fourth Restated PEFA.

All of the proposed changes to Avista's Attachment K submitted in this Compliance Filing should, subject to Commission acceptance, become effective at such time as the Fourth Restated PEFA becomes effective. At such time as the Fourth Restated PEFA becomes effective in accordance with its terms, Avista anticipates that it will submit a new version of its Attachment K finally incorporating those changes proposed in this Compliance Filing and removing all provisions that are superseded by such proposed changes.

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<sup>6</sup> ColumbiaGrid is a non-profit corporation that was formed in 2006 to better provide regional planning within the Pacific Northwest. ColumbiaGrid is a regional transmission planning entity with a Staff with expertise in regional planning and a functionally independent Board.

<sup>7</sup> The Planning Regions are ColumbiaGrid, Northern Tier Transmission Group ("NTTG"), WestConnect, and the California Independent System Operator Corporation ("CAISO").

## A. Summary of Interregional Provisions and Flow Diagram

In Order No. 1000, the Commission required each pair of transmission planning regions to work through their regional transmission planning processes to develop the same language to be included in each public utility transmission provider's Open Access Transmission Tariff ("Tariff") that describes the procedures to be used to satisfy the following requirements:

- The interregional transmission coordination procedures for neighboring planning regions;<sup>8</sup>
- The sharing of information regarding the respective needs of neighboring planning regions as well as the identification and joint evaluation by the neighboring transmission planning regions of potential interregional transmission facilities that address those needs;<sup>9</sup>
- The identification and joint evaluation of transmission facilities that are proposed to be located in more than one planning region;<sup>10</sup>
- The exchange of planning data and information between neighboring transmission planning regions at least annually;<sup>11</sup>
- The maintenance of a website or email list, either by individual public utility transmission providers or through their transmission planning regions, for communication of information related to interregional transmission coordination.<sup>12</sup>

In addition to the requirements listed above, Order No. 1000 also requires "public utility transmission providers in a transmission planning region to have, together with the public utility transmission providers in its own transmission planning region and a neighboring transmission planning region, a common method or methods for allocating the costs of a new interregional transmission facility in the two neighboring transmission planning regions in which the transmission facility is located."<sup>13</sup>

Through a collaborative interregional process, participants in the Planning Regions, including Avista, developed the *pro forma* Common Language that each public utility transmission provider in the Planning Regions is incorporating into its respective tariff in response to the requirements in Order No. 1000 for public utility transmission providers in neighboring regions to have the same tariff language regarding certain interregional transmission planning processes and to have a common method or methods for allocating the costs of new interregional transmission facilities to the Relevant Planning Regions. For informational purposes only, Avista is providing the *pro forma* Common Language as Attachment D. The

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<sup>8</sup> Order No. 1000 at P 475.

<sup>9</sup> Order No. 1000 at PP 345-346.

<sup>10</sup> Order No. 1000 at PP 345-346.

<sup>11</sup> Order No. 1000 at PP 345-346.

<sup>12</sup> Order No. 1000 at PP 345-346.

<sup>13</sup> Order No. 1000 at P 578. The cost allocation method or methods used by the pair of neighboring transmission regions can differ from the cost allocation method or methods used by each region to allocate the cost of a new interregional transmission facility within that region. *Id.*

Common Language that is to be incorporated into Avista's proposed Attachment K at such time as the Fourth Restated PEFA becomes effective is submitted in this Compliance Filing as a new Section 13 in Part IV of Avista's Attachment K (such incorporation shown in redline in Attachment B) and is also incorporated into the proposed Fourth Restated PEFA as Section 13 of Appendix A (such incorporation shown in redline in Attachment C).

The Common Language in Section 13 of Appendix A of the proposed Fourth Restated PEFA is to be implemented through Section 14 of Appendix A of the proposed Fourth Restated PEFA, which is also to be incorporated into Avista's Attachment K submitted in this Compliance Filing as a new Section 14 in Part IV at such time as the Fourth Restated PEFA becomes effective. At such time, Part IV, Section 10, of Avista's Attachment K will be amended to incorporate those changes required to incorporate the Order 1000 Cost Allocation provisions of the proposed Fourth Restated PEFA applicable to Interregional Transmission Projects. Appendix A, Definitions, of Avista's Attachment K will also be replaced to accommodate the revised and new terms applicable to Avista's interregional Compliance Filing. Finally, Avista is proposing to submit certain minor edits throughout its Attachment K to correct certain typographical and formatting errors contained in its Attachment K.

The participants in the Planning Regions developed, for informational purposes only, a flow diagram ("Flow Diagram"), included as Attachment E, that provides a high level and general illustration of the interregional coordination and cost allocation processes described in the Common Language. The Flow Diagram presents each Planning Region and stakeholders as separate, horizontal paths, or so-called "swim lanes." The arrows represent the flow of information to and from each Planning Region and stakeholders. Additional interregional coordination and collaboration between Planning Regions are reflected by the oblong bubbles, titled "Interregional Data Sharing." The bottom swim lane, titled "Tariff Section," provides general time bands and Common Language section for the process milestones depicted in the regional and stakeholder swim lanes. The *pro forma* Common Language and the Flow Diagram are provided for informational and illustrative purposes only and are not intended to modify Avista's Tariff provisions or the proposed Fourth Restated PEFA.

## **1. Year 1 of the Flow Diagram**

The interregional coordination process begins with each Planning Region making available its Annual Interregional Information, which may include (i) the current planning cycle study plan, or underlying information that would typically be included in a study plan, (ii) initial study reports (or system assessments) from the current or previous planning cycle; and (iii) the regional transmission plan from the previous planning cycle. These data may be used to determine appropriate power flow cases and study assumptions and methodologies to be used during each Planning Region's current planning cycle. Each Planning Region makes this Annual Interregional Information available to the other Planning Regions as described in Section 2 of the Common Language and depicted in the Flow Diagram by the "Interregional Data Sharing" bubbles.

Pursuant to the Common Language, each Planning Region is to participate in an Annual Interregional Coordination Meeting, which is open to stakeholders.<sup>14</sup> In both years of the planning cycle, prior to the Annual Interregional Coordination Meeting, each Planning Region is to make available its Annual Interregional Information by posting such information on its website, as described in Section 3 of the Common Language and depicted in the Flow Diagram by the arrows from each region to the “Annual Interregional Coordination Meeting” box. At the first-year Annual Interregional Coordination Meeting, the Planning Regions and stakeholders are to have the opportunity to identify conceptual interregional solutions that may meet regional transmission needs in two or more Planning Regions more efficiently or cost effectively.

Following the first-year Annual Interregional Coordination Meeting, each Relevant Planning Region, with regard to an Interregional Transmission Project (“ITP”) that has been properly submitted (as described in Section 4.1 of the Common Language),<sup>15</sup> is to participate in the joint evaluation of such ITP as described in Section 4.2 of the Common Language and depicted in the Flow Diagram by the “Regional Needs Analysis” box. Each Relevant Planning Region is to confer with each other Relevant Planning Region on project data and cost and study assumptions and methodologies, as illustrated by the “Interregional Data Sharing” bubbles in the Flow Diagram. Following this analysis, the CAISO publishes a final transmission plan, ColumbiaGrid publishes any updates to its system assessment report and Northern Tier Transmission Group generates a draft transmission plan. Within WestConnect, the first year of the regional transmission planning cycle is focused on the task of identifying regional needs, and development of a regional transmission plan occurs in the second year.

When there has been a request with regard to an ITP for an Interregional Cost Allocation that is properly submitted (as described in Section 5.1 of the Common Language), the CAISO and Northern Tier Transmission Group participants and ColumbiaGrid (if and to the extent such Planning Regions are Relevant Planning Regions) produce an initial determination of ITP benefits.<sup>16</sup> Each Relevant Planning Region is to share its determination of regional ITP benefits with the other Relevant Planning Regions to provide an ITP cost assignment among the Relevant Planning Regions, as depicted in the Flow Diagram and described in Section 5.2 of the Common Language. The Relevant Planning Regions may share these plans and benefit determinations with stakeholders as depicted in the Flow Diagram by the arrows to the Year 2 link symbol (see Section 5.2(b) of the Common Language).

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<sup>14</sup> Common Language at § 3.

<sup>15</sup> An “Interregional Transmission Project” means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Tariff Section 4.1. Common Language at § 1.

<sup>16</sup> Avista understands that the WestConnect Applicants are reviewing needs through the WECC Transmission Expansion Planning Policy Committee process in year one and that the initial determination of benefits in the WestConnect Planning Region occurs in year two, quarter one.

## **2. Year 2 of the Flow Diagram**

At the beginning of the second year, the Planning Regions are again to participate in an Annual Interregional Coordination Meeting. During this meeting, the Planning Regions are to have an opportunity to discuss the status of the ITP evaluations, including status of regional ITP benefits and regional cost assignment analyses, with stakeholders.

Following the second-year Annual Interregional Coordination Meeting, each Planning Region will have the opportunity to incorporate information from other Planning Regions and stakeholders into its study plan, if applicable, and proceed to complete its transmission plan analysis and initial regional cost allocation. As described in Section 5.2 of the Common Language, each Relevant Planning Region is to determine if a properly-submitted ITP is a more cost effective or efficient solution to a transmission need in its region. To do so, each Relevant Planning Region is to use what its regional cost allocation would be, based on its assigned *pro rata* share of projected ITP costs, in determining whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation.<sup>17</sup> If all the Relevant Planning Regions have selected an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, then such Relevant Planning Regions will each finalize their cost allocation and transmission plans, as depicted in the Flow Diagram at the end of each Relevant Planning Region's swim lane (see Section 6.1 of the Common Language).

However, if not all Relevant Planning Regions select the ITP in their regional transmission plans for purposes of Interregional Cost Allocation, but at least two Relevant Planning Regions have so selected the ITP, the Relevant Planning Regions that have selected the ITP in their regional transmission plans for purposes of Interregional Cost Allocation are to continue the analysis according to Common Language Section 6.2, with the planning cycle continuing beyond the second year as depicted in the Flow Diagram at the end of the "Tariff Section" swim lane.

### **B. Requirements for Implementing Interregional Transmission Coordination**

In Order No. 1000, the Commission required that each public utility transmission provider ensure that the following requirements are included in the applicable interregional transmission coordination procedures: (1) a commitment to coordinate and share the results of each transmission planning region's regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities, as well as a procedure for doing so; (2) a formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions; (3) an agreement to exchange, at least annually,

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<sup>17</sup> Also, pursuant to Common Language Section 5.2(e), each Relevant Planning Region is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; ColumbiaGrid may use such information to identify its total share of the projected costs of the ITP to be assigned to ColumbiaGrid in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in ColumbiaGrid.

planning data and information; and (4) a commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.<sup>18</sup> Avista respectfully submits that each of these requirements is satisfied with the Planning Regions' approach to interregional transmission coordination as reflected in the Common Language.

### **1. Commitment and Procedures to Coordinate and Share the Results of Each Region's Regional Transmission Plans**

The Commission required each public utility transmission provider, through its regional transmission planning process, to establish procedures with each of its neighboring transmission planning regions for the purpose of coordinating and sharing the results of regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities.<sup>19</sup> In addition to committing to share regional transmission planning information, the Commission directed each public utility transmission provider to develop and implement additional procedures that provide for the sharing of information regarding the respective transmission needs of each neighboring transmission planning region, and potential solutions to those needs, as well as the identification and joint evaluation of interregional transmission alternatives to those regional needs.<sup>20</sup>

Pursuant to the Common Language, the Planning Regions are to share their regional transmission plans to facilitate the joint identification of interregional transmission projects and evaluation of whether proposed interregional transmission projects would address regional transmission needs more efficiently or cost-effectively than separate regional transmission projects. The Common Language includes the requisite procedures governing the sharing of regional transmission planning information and needs and the identification and joint evaluation of potential interregional transmission solutions.

### **2. Procedures to Identify and Jointly Evaluate Interregional Transmission Facilities**

The Commission required each public utility transmission provider to develop a formal procedure to identify and jointly evaluate interregional transmission facilities that are proposed to be located in neighboring transmission planning regions.<sup>21</sup> Regarding the applicable procedures, the Commission stated that the developer of an interregional transmission project must first propose its project in the regional transmission planning processes of each of the planning regions in which the transmission facility is proposed to be located.<sup>22</sup> In addition, the neighboring transmission planning regions must jointly evaluate the proposed interregional transmission project within the same general timeframe as each planning region's individual

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<sup>18</sup> Order No. 1000 at App. C, pp. 613-14.

<sup>19</sup> *Id.* P 396.

<sup>20</sup> *Id.* P 398.

<sup>21</sup> *Id.* P 435.

<sup>22</sup> *Id.* PP 436 & 442.

consideration of the proposed transmission project.<sup>23</sup> Finally, each public utility transmission provider, through its transmission planning region, must develop procedures by which differences in the data, models, assumptions, planning horizons, and study criteria can be identified and resolved for purposes of jointly evaluating the proposed interregional transmission facility.<sup>24</sup>

The Common Language includes procedures to identify and jointly evaluate transmission facilities that are proposed to be located in more than one Planning Region. For consideration and joint evaluation in the interregional transmission planning process, the proponent of an ITP must submit the project to the Relevant Planning Regions no later than March 31<sup>st</sup> of any even-numbered calendar year in accordance with the requirements of each Planning Region's regional transmission planning process.<sup>25</sup> In its submittal, to facilitate joint evaluation, the ITP proponent must include a list of all Planning Regions to which the project is submitted.<sup>26</sup>

For properly submitted ITPs, the Relevant Planning Regions are to initiate joint evaluation of the proposed ITP in conjunction with their individual consideration of the proposed ITP pursuant to their regional transmission planning processes.<sup>27</sup> When conducting the joint evaluation, the Relevant Planning Regions are to confer with each other regarding the data and costs associated with the proposed ITP and the study assumptions and methodologies to use in evaluating the project in each regional transmission planning process.<sup>28</sup> Each Relevant Planning Region is to confer with the other Relevant Planning Regions and identify the appropriate transmission studies the Relevant Planning Region is to use in its regional planning process. Each Relevant Planning Region is to seek to resolve any differences it has with the other Relevant Planning Regions regarding the ITP if those differences would affect the evaluation of the ITP.<sup>29</sup> During the second year of the interregional transmission planning process, each Relevant Planning Region is to determine under its regional transmission planning process if the proposed ITP is a more cost effective or efficient solution to one or more of its regional transmission needs.<sup>30</sup> If a Relevant Planning Region determines that the ITP would not satisfy any of its regional transmission needs, it is to notify the other Relevant Planning Region(s), and it is not obligated to continue the joint evaluation of the proposed project.<sup>31</sup> In accordance with

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<sup>23</sup> *Id.* PP 436, 438 & 440. The Commission expects the public utility transmission providers to develop a time line that “provides a meaningful opportunity to review and evaluate through the interregional transmission coordination procedures information developed through the regional transmission planning process and, similarly, provides a meaningful opportunity to review and use in the regional transmission planning process information developed in the interregional transmission coordination procedures.” *Id.* at P 439.

<sup>24</sup> *Id.* P 437.

<sup>25</sup> Common Language, Section 4.1. For projects seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region, the proponent of the ITP must submit the project to each such Planning Region in accordance with the applicable regional transmission planning processes. *Id.*

<sup>26</sup> Common Language, Section 4.1.

<sup>27</sup> Common Language, Section 4.2.

<sup>28</sup> Common Language, Section 4.2.

<sup>29</sup> Common Language, Section 4.2(a).

<sup>30</sup> Common Language, Section 4.2(d).

<sup>31</sup> Common Language, Section 4.2(c).

its regional transmission planning process, each Relevant Planning Region is to provide stakeholders with an opportunity to participate during the evaluation of the ITP.<sup>32</sup>

### 3. Annual Exchange of Planning Data and Information

The Commission required each public utility transmission provider to adopt interregional transmission coordination procedures that provide for the exchange of planning data and information between transmission planning regions at least annually.<sup>33</sup> The Commission stated that these procedures must include the specific obligations for sharing planning data and information rather than only an agreement to do so.<sup>34</sup>

As set forth in the Common Language, each Planning Region is to participate in an Annual Interregional Coordination Meeting, which should be convened in February, but not later than March 31, of each year.<sup>35</sup> Prior to the Annual Interregional Coordination Meeting, each Planning Region is “to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in that Planning Region’s transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
  - (a) identification of base cases;
  - (b) planning study assumptions; and
  - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan ....”<sup>36</sup>

At the Annual Interregional Coordination Meeting the Planning Regions may, as described in Common Language Section 3, discuss each Planning Region’s most recent Annual Interregional Information, interregional solutions that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently, and updates of the status of ITPs being evaluated or previously included in a Planning Region’s regional transmission plan.<sup>37</sup> The Annual Interregional Coordination Meeting is to be open to stakeholder attendance.<sup>38</sup>

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<sup>32</sup> Common Language, Section 4.2(b).

<sup>33</sup> Order No. 1000 at P 454.

<sup>34</sup> *Id.* P 455.

<sup>35</sup> Common Language, Section 3.

<sup>36</sup> Common Language, Section 2.

<sup>37</sup> Common Language, Section 3.

<sup>38</sup> Common Language, Section 3.

#### **4. Maintenance of a Website or E-mail List for Communication of Information**

The Commission required public utility transmission providers to maintain a website or e-mail list for the communication of information related to interregional transmission coordination procedures.<sup>39</sup> The Commission indicated that this information could be maintained on an existing public utility transmission provider's website or on a regional transmission planning website, and must be posted in a manner allowing stakeholders to distinguish between interregional and regional transmission planning information.<sup>40</sup>

The Common Language provides that each Planning Region is to post its Annual Interregional Information on its website in accordance with its regional transmission planning process.<sup>41</sup> A Planning Region is not required to post information that is not developed by the Planning Region, information that is to be provided by another Planning Region, or information that would violate the Commission's Standards of Conduct or other applicable legal requirements.<sup>42</sup> In addition, pursuant to the Planning Region's regional transmission planning process, any Annual Interregional Information posted by a Planning Region shall be subject to applicable confidentiality and Critical Energy Infrastructure Information restrictions, and any other applicable laws.<sup>43</sup>

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<sup>39</sup> Order No. 1000 at P 458.

<sup>40</sup> *Id.*

<sup>41</sup> Common Language, Section 2.

<sup>42</sup> Common Language, Section 2.

<sup>43</sup> Common Language, Section 2.

### C. Compliance With Interregional Cost Allocation Principles

The following table summarizes Avista’s response to the Order No. 1000 interregional cost allocation principles.

	Order 1000 Interregional Cost Allocation Principle	Common Language
1	Costs of new interregional transmission facilities must be allocated to each transmission planning region in which that transmission facility is located in a manner that is at least roughly commensurate with the estimated benefits of that transmission facility in each of the transmission planning regions.	Benefits of an ITP determined by each region are used as the basis for assigning projected costs of the ITP among the regions; that is, each region will be assigned a share of the projected costs of the ITP that is <i>pro rata</i> to its share of the total determined benefits of all regions. <sup>44</sup>
2	A transmission planning region that receives no benefit from an interregional transmission facility that is located in that region, either at present or in the likely future scenario, must not be involuntarily allocated any of the costs of that transmission facility.	Consistent with the requirements of Order 1000, projected costs may only be assigned to regions to which the proposed ITP is proposed to be connected. Because benefits of an ITP determined by each region are used as the basis for assigning projected costs of the ITP among the regions and because regions that are not determined to have benefits are not assigned projected costs of the ITP, there is no involuntary allocation of costs to non-beneficiary regions. <sup>45</sup>
3	Allows, but does not require, use of benefit to cost threshold so long as any such threshold does not exceed a ratio of benefits to costs that exceeds 1.25, unless justified.	Under the Common Language, a benefit-to-cost threshold is not used. <sup>46</sup> An individual region may use a benefit-to-cost threshold to determine whether to select an ITP as the more efficient or cost-effective solution to need(s) in its region as set forth in such region’s Order 1000 regional filing.

<sup>44</sup> Common Language, Section 5.2.

<sup>45</sup> Common Language, definition of Interregional Transmission Project; Section 5.2.

<sup>46</sup> *See generally* Common Language.

	<b>Order 1000 Interregional Cost Allocation Principle</b>	<b>Common Language</b>
4	Costs allocated for an interregional transmission facility must be assigned only to transmission planning regions in which the transmission facility is located. Costs may not be involuntarily assigned to a transmission planning region in which the transmission facility is not located. <sup>47</sup>	Under the common tariff language costs may only be assigned to Relevant Planning Regions. <sup>48</sup> Relevant Planning Regions are defined as regions to which the proposed ITP is proposed to be connected. <sup>49</sup>
5	Transparent method for determining benefits and identifying beneficiaries.	The interregional cost allocation method is straightforward and transparent: benefits of an ITP determined by each region are used as the basis for assigning projected costs of the ITP among the regions; that is, each region will be assigned a share of the projected costs of the ITP that is <i>pro rata</i> to its share of the total determined benefits of all regions. <sup>50</sup> Transparency for stakeholders regarding data used in the cost allocation is provided by, among other things, providing stakeholders an opportunity to participate in each region's cost allocation activities and the regional planning process. <sup>51</sup>
6	Allows, but does not require, different cost allocation methodologies for different types of interregional facilities.	Application of same cost assignment methodology to all Interregional Transmission Projects that are Order 1000 Projects. <sup>52</sup>

As illustrated in the table above, the Common Language meets the six interregional cost allocation principles of Order No. 1000.

#### **IV. CONDITIONAL ASPECT OF FILING**

As discussed above, Avista's proposed interregional transmission planning process submitted in this interregional Order 1000 Compliance Filing relies on, and is intertwined with,

<sup>47</sup> Under section 14.4 of the proposed Fourth Restated PEFA and Part IV, Section 14.4 of Avista's Attachment K, the projected costs of any ITP, for purposes of Interregional Cost Allocation, are to include the projected costs required as a result of such ITP, if any, that (I) relate to transmission facilities outside any Relevant Planning Region and (II) all transmission providers in the Relevant Planning Regions that are beneficiaries of such ITP agree, in writing with all other beneficiaries, to bear. *See* Order No. 1000 at P 657 (interregional Cost Allocation Principle 4).

<sup>48</sup> Common Language, Section 5.2.

<sup>49</sup> Common Language, definition of Relevant Planning Region.

<sup>50</sup> Common Language, Section 5.2.

<sup>51</sup> Common Language, Sections 4.2.b and 5.2.b.

<sup>52</sup> Common Language, Section 5.2.

Avista's regional Order 1000 compliance filing and related Third Restated PEFA filing, both of which are currently pending before the Commission in Docket Nos. ER13-94 and ER13-93 respectively. Until such time as the proposed Fourth Restated PEFA and the Avista and PSE Attachment Ks implementing the proposed Fourth Restated PEFA become effective as filed, consistent with section 17.1 of the proposed Fourth Restated PEFA,<sup>53</sup> it is appropriate that the pre-Order 1000 PEFA (or if it becomes effective in accordance with its terms, the Third Restated PEFA) remain in effect. If the proposed Fourth Restated PEFA does not become effective, it will be necessary to negotiate further revisions to the PEFA and attempt to reach agreement among the Parties, including the non-jurisdictional Planning Parties, in order to have a PEFA upon which Avista's and PSE's Attachment Ks may be based. Continued participation by non-jurisdictional utilities under the PEFA is beneficial to regional transmission planning.

## **V. SERVICE**

Avista will post a copy of this filing on its OASIS.

## **VI. WAIVER**

To the extent necessary, Avista requests waiver of any applicable requirements of 18 C.F.R. Part 35 in order to allow its Compliance Filing submitted herein to become effective in the manner described herein.

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<sup>53</sup> In this regard, section 17.1 of the proposed Fourth Restated PEFA includes the following:

Except as provided in section 17.2 [with respect to subsequently executing Planning Parties], this Fourth Amendment and Restatement of this Agreement shall become effective for all executing Parties upon their execution and delivery of this Fourth Amendment and Restatement of this Agreement or such later date as may be designated by the Commission; *provided that* with respect to a Planning Party subject to Commission jurisdiction, if the Commission asserts jurisdiction and does not accept this Agreement or any subsequent amendment for filing or accepts this Agreement or any subsequent amendment for filing but in connection with such acceptance requires a change in, or imposes a new condition on, this Agreement, this Agreement shall be effective thereafter only if all of the executing Parties agree in writing to such change or condition.

The Honorable Kimberly D. Bose  
Secretary  
June 19, 2013  
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## **VII. CONCLUSION**

For the reasons set forth above, Avista respectfully requests that the Commission accept its Compliance Filing submitted herewith, with such acceptance conditioned as discussed above.

Respectfully submitted,

**AVISTA CORPORATION**

/s/ Michael G. Andrea  
Michael G. Andrea  
Senior Counsel

Enclosure