

ATTACHMENT K

Transmission Planning Process PART I

INTRODUCTION

The Transmission Provider's transmission planning process includes local, sub-regional and regional components to provide for comprehensive, open and coordinated planning of the Transmission Provider's Transmission System and the interconnected transmission network of the Regional Interconnected Systems.

The local transmission planning process will include a series of open planning meetings that the Transmission Provider will conduct to allow anyone, including, but not limited to, Network Customers, Point-to-Point Customers, interconnected transmission systems, regulatory and state bodies and other Persons, to provide input into and comment on the Transmission Provider's development and annual update of its planned development and upgrades for its Transmission System ("Local Planning Report").

All Single System Projects proposed in the local transmission planning process are incorporated into and subject to the coordinated sub-regional transmission planning process. The Transmission Provider will coordinate its transmission planning directly with Interested Stakeholders, and with other Northwest parties, neighboring transmission providers, and Interested Persons in the ColumbiaGrid planning process. The ColumbiaGrid planning process is structured to support and manage the coordination of the multi-system planning of the ColumbiaGrid TOPPs, including related studies. Such responsibilities are detailed in the ColumbiaGrid Planning and Expansion Functional Agreement, which is posted on the ColumbiaGrid website. In addition, the PEFA requires ColumbiaGrid to coordinate with entities that are not Planning Parties, to the extent possible. To that end, ColumbiaGrid may become a member of and participate in appropriate transmission planning forums, committees, and work groups applicable to the geographic areas served by the Planning Parties for purposes of collecting and sharing information.

Further, the Transmission Provider participates in coordinated planning throughout the Western Interconnection through its membership in the WECC and participation in the WECC Transmission Expansion Planning Policy Committee ("TEPPC"). TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs congestion studies at the Western Interconnection region level.

With respect to any request for transmission service or interconnection received by the Transmission Provider, nothing in this Attachment K shall preclude the Transmission Provider from responding as the Transmission Provider determines is appropriate under its Tariff.

PART II

RESPONSIBILITIES UNDER ATTACHMENT K

The planning processes described in this Attachment K are intended to result in coordinated local, sub-regional and regional transmission plans while preserving the responsibilities of the Transmission Provider under other provisions of the Tariff to provide Transmission Service and interconnection service on its Transmission System.

This Attachment K describes the process in which the Transmission Provider intends to coordinate with its Transmission Customers, neighboring transmission providers, affected state authorities, and Interested Stakeholders. This Attachment K, however, does not dictate or establish which investments identified in a transmission plan should be performed, or how such investments should be compensated.

This Attachment K describes a planning process that contemplates actions by not only the Transmission Provider and its Transmission Customers, but also others that may not be bound to comply with this Attachment K, such as other transmission providers (and their transmission or interconnection customers), States, Tribes, WECC, sub-regional planning groups, and other Interested Stakeholders and Interested Persons. The Transmission Provider may be obligated as specified elsewhere in this Attachment K to participate in planning activities, including providing data and notices of its activities, and soliciting and considering written comments of Interested Stakeholders and Interested Persons. However, this Attachment K contemplates cooperation and activities by entities that may not be bound by contract or regulation to perform the activities described for them. Failure by any Person other than the Transmission Provider to cooperate or perform as contemplated under this Attachment K may frustrate or impede, or prevent performance by, the Transmission Provider of activities as described in this Attachment K. The Transmission Provider shall use reasonable efforts to secure the performance of other entities with respect to the planning activities described in this Attachment K, but shall have no other or additional obligation regarding any failure to cooperate or perform by any other Person other than the Transmission Provider with respect to the activities described in or contemplated by this Attachment K. For example, if, and to the extent, any Transmission Customer fails to provide Data or other information as required or contemplated by this Attachment K, the Transmission Provider cannot effectively include such customer and its needs in the Transmission Provider's planning.

If any Transmission Customer fails to provide data as required by this Attachment K, the Transmission Provider cannot effectively include such customer and its Needs in the Transmission Provider's planning.

PART III

THE AVISTA LOCAL TRANSMISSION PLANNING PROCESS

1. Overview

On a biennial basis, the Transmission Provider shall complete its local transmission planning process for the purpose of identifying Single System Projects to mitigate future reliability and load-service requirements for its Transmission System. The Transmission Provider shall document the results of the local transmission planning process in a biennial Local Planning Report in year one and shall update such results, if necessary, in year two. The Local Planning Report shall include any reliability impacts identified on the Transmission Provider's Transmission System and a list of the Single System Projects proposed to mitigate those issues. Any impacts on neighboring transmission systems and the projects to mitigate those impacts shall be identified and coordinated through the ColumbiaGrid process outlined in Part IV. Reliability issues shall be identified by performing technical studies, including powerflow, transient voltage stability, short circuit, and voltage collapse analyses. The Local Planning Report shall identify proposed Single System Projects for a specified year within the one to five year planning horizon and a specified year within the six to ten year planning horizon, pursuant to the Transmission Provider's compliance with applicable NERC and WECC reliability criteria. For years in which the biennial Local Planning Report is being developed, the planning process shall begin in the second quarter of the year and shall conclude in the third quarter of such year as required to proceed with the design, development, and funding of the proposed transmission projects identified. During year two of the biennial process, an update to the Local Planning Report will be completed.

The local transmission planning process outlined below, including the collection of customer data and presentation of proposed projects, is similar to the function of the Network Operating Committee set forth in the Tariff. Therefore, rather than performing redundant meetings and activities, this local transmission planning process shall substantially provide for the requirements of the Network Operating Committee.

2. Local Planning Process Participation

Participation in the local transmission planning process shall be open to all Interested Stakeholders, including, but not limited to, all Transmission Customers and interconnection customers, and state authorities.

2.1 Confidential Information

The Local Planning Report may include information identified as CEII by the Commission. All such information may only be included in the appendices of the Local Planning Report, such that the body can be provided to all Interested Stakeholders in an open manner.

2.1.1 Access for Transmission Customers (w/OASIS access)

The Transmission Provider shall post the draft and completed Local Planning Report in the secure area of the Transmission Provider's OASIS website under the System Planning page and shall be accessible to Transmission Customers that have access to the secure area of Transmission Provider's OASIS.

Transmission Provider's CEII Request Procedure and CEII Non-Disclosure Agreement are posted on Transmission Provider's OASIS in the CEII folder. By accessing any material Transmission Provider has determined is CEII as such term is defined in 18 C.F.R. § 388.113, as may be amended from time to time) that has been posted on the Transmission Provider's OASIS, the Transmission Customer: (a) represents and warrants that it has read and understands the Transmission Provider's CEII policy and CEII Non-Disclosure Agreement; (b) represents and warrants that it is an entity or person eligible to receive CEII and has, as contemplated by the Commission, a legitimate interest in and legitimate need for CEII from the Transmission Provider; and (c) represents and warrants that such Transmission Customer will use any CEII received from the Transmission Provider only for the purposes for which the Commission has required its disclosure. Such Transmission Customer also agrees and acknowledges as follows:

(i) Transmission Customer shall use any CEII received from the Transmission Provider only for such Transmission Customer's legitimate interest and legitimate need and shall only share such CEII with its employees, subcontractors, and agents who need to know such information for such Transmission Customer's legitimate interest and legitimate need and who have agreed, for the benefit of the Transmission Provider, to be bound (in the same manner as such Transmission Customer) by the terms of this section;

(ii) Transmission Customer shall take reasonable steps to protect any CEII received from the Transmission Provider (but in any event steps that are no less rigorous than such Transmission Customer would use to protect its own confidential information), to ensure that the Transmission Customer who receives such CEII directly or indirectly from such Transmission Customer distributes such CEII further except as permitted pursuant to subsection (i) above of this section; and

(iii) Transmission Customer shall destroy any CEII received from Transmission Provider and in such Transmission Customer's possession if and at such time when such CEII no longer serves the purposes described above, when such Transmission Customer is not an entity eligible to receive CEII, or when such CEII has been superseded or has become obsolete. Upon request by the Transmission Provider, such Transmission Customer shall certify to the Transmission Provider that such destruction has occurred.

2.1.2 Other Requests for CEII

Transmission Provider's CEII Request Procedure, CEII Non-Disclosure Agreement, and CEII Request Form are posted on Transmission Provider's OASIS in the CEII folder. A requester may request CEII from Transmission Provider using the CEII Request Form posted on Transmission Provider's OASIS in the CEII folder. Upon receipt of a completed and signed CEII Request Form, Transmission Provider will process such request for CEII pursuant to its CEII Request Procedure.

2.2 Customer Information

2.2.1 Network Customer Data

Each Network Customer shall provide to the Transmission Provider the following Data ("Additional Network Service Data"):

- (i) forecast information for load and resource requirements over the specified planning horizon;
- (ii) identification of demand response reductions; and

(iii) any other data reasonably requested by the Transmission Provider from a Network Customer in connection with planning activities pursuant to this Attachment K.

Any Additional Network Service Data to be provided by a Network Customer pursuant to this Section 2.2.1 is in addition to, and does not substitute for, any NERC data such Network Customer is otherwise required to provide to the Transmission Provider.

2.2.2 Point-to-Point Customer Data

Any Point-to-Point Customer and any entity that receives Grandfathered Transmission Service from the Transmission Provider may provide to Transmission Provider the following Data ("Additional Transmission Service Data"):

(i) projections of need for Point-to-Point Transmission Service or other transmission service over the planning horizon, including transmission capacity, duration, and Point(s) of Receipt and Point(s) of Delivery;

(ii) planned additions or upgrades (including status and expected in-serve date), planned retirements and environmental or other operating restrictions with respect to each of such customer's or entity's generating facility (or other generator of greater than 20 MW) interconnected with the Transmission Provider's Transmission System; and

(iii) any other Data reasonably requested by Transmission Provider from such Point-to-Point Customer or entity in connection with planning activities pursuant to this Attachment K

Any Additional Transmission Service Data that may be provided pursuant to this Section 2.2.2 by a Point-to-Point Customer or other entity that receives Grandfathered Transmission Service from the Transmission Provider is in addition to and does not substitute for any NERC data such Point-to-Point Customer or entity is otherwise required to provide to the Transmission Provider.

2.2.3 Additional Data

Any Interested Stakeholder may provide to the Transmission Provider the following Data (“Additional Interested Stakeholder Data”) with respect to any demand response resource:

- (i) existing and planned demand response resources and their impacts on demand and peak demand; and
- (ii) any other Data reasonably requested from such Interested Stakeholder by the Transmission Provider in connection with planning activities pursuant to this Attachment K.

Any Additional Interested Stakeholder Data that may be provided by any Interested Stakeholder is in addition to, and does not substitute for, any NERC data such person is otherwise required to provide to the Transmission Provider.

2.2.4 Submission of Data

Data must be submitted to the Transmission Provider by the date specified by the Transmission Provider if it is to be included in the local transmission planning process. Such Data may be submitted to the Transmission Provider in electronic format (e.g., Excel spreadsheet) via electronic mail at transmission.services@avistacorp.com.

2.2.5 Use of Data

Any Data may be used by the Transmission Provider without restriction (but subject to any applicable CEII restrictions) in its planning activities under this Attachment K and in the Transmission Provider’s other planning activities or studies, such as studies in response to requests for transmission service or interconnection.

The Transmission Provider and any other entity providing any projected or forecasted Data with respect to any load, generating resource (or any addition, upgrade, retirement or environmental or other operating restriction with respect to such resource), demand response resource, or need for transmission service shall use reasonable efforts to provide a good faith projection or forecast thereof.

The Transmission Provider shall have no obligation under this Attachment K or any other section of the Tariff to evaluate the validity or accuracy of any Data, but may so evaluate the validity or accuracy of any such Data if the Transmission Provider determines such evaluation to be appropriate and reasonable. Similarly, the Transmission Provider shall have no obligation to use any Data for any purpose under this Attachment K that the Transmission Provider determines to be inappropriate or unreasonable for such use and may, in lieu thereof, substitute data that the Transmission Provider determines to be appropriate and reasonable for such use.

2.2.6 Data Confidentiality

All Data shall be provided (or deemed provided) without any confidentiality restrictions; *provided that* nothing in this section shall excuse the Transmission Provider from any confidentiality obligations imposed on the Transmission Provider by WECC as a condition of receipt from it by the Transmission Provider of any WECC data.

Nothing in this section shall excuse any entity from any obligation imposed on it by the Commission to restrict disclosure of CEII.

2.3 Cost Recovery for Local Transmission Planning Process Participation

The Transmission Provider shall hold all local transmission planning process meetings within the Transmission Provider's retail electric service territory in a central location to minimize local travel costs for participants. Individual participants in the local transmission planning process are invited to participate through their local electric utility service provider. Recovery of local planning process participation costs for such individuals may be available through their local electric utility service provider. Recovery of costs of participation by any of the Transmission Provider's bundled retail Native Load Customers and any state authorities shall be pursuant to applicable state tariffs and policies. If any Interested Stakeholder is unable to attend a meeting or otherwise participate in the local transmission planning process, the Transmission Provider shall provide electronic or hardcopies of all reports, meeting notes, and any additional pertinent materials (except CEII) upon written request within 30 calendar days. To the extent any CEII is requested under this section, such request shall be made in accordance with section 2.1.2 of this Attachment K.

3. Local Transmission Planning Process Meetings

3.1 Meeting Notification

The Transmission Provider shall provide no less than fifteen (15) calendar days notice prior to any of the local transmission planning process meetings by posting a notice of such meeting on the Transmission Provider's OASIS website under the System Planning page. The Transmission Provider may also, but is not obligated to, directly contact neighboring transmission providers or owners of interconnected systems, and Interested Stakeholders (excluding Transmission Customers) with such meeting notice, not prior to that notice being posted on OASIS.

3.2 Study Development Meeting

The Transmission Provider shall hold an open meeting to give participants an opportunity to provide comment for data gathering, initial assumptions and input into the study development within thirty (30) days following the initiation of the biennial local transmission planning process. The Transmission Provider shall use any comments that provide value to the planning process in the development of the local transmission plans included in the Local Planning Report.

The Study Development Meeting shall be held during the second quarter of year one of the local planning process.

The scope of the Study Development Meeting may include the sharing of load and resource forecast information, construction plans by Network Customers for new Points of Delivery, service reliability issues, communications of changes in system operations and contract administration details. Interested Stakeholders and customers are also welcome to provide topics of discussion.

3.3 Review of Study Results/Draft Transmission Plans Meeting

The Transmission Provider shall hold an open meeting (the Review of Study Results/Draft Transmission Plans Meeting) to review the results of the study process and to discuss the draft Local Planning Report within thirty (30) days following completion of the draft Local Planning Report. The Transmission Provider shall post the draft Local Planning Report with the notification of the meeting. During this meeting, and for fifteen (15) calendar days following this meeting, all Interested Stakeholders are encouraged to provide the Transmission Provider with any comments, including alternatives to the projects proposed in the draft Local Planning Report. The Transmission Provider shall

consider the alternative Single System Projects provided by any Interested Stakeholders. The Transmission Provider shall address the choice to proceed with the Single System projects proposed in the draft Local Planning Report or the alternatives provided by any Interested Stakeholders in the final Local Planning Report. The Transmission Provider shall post on the Transmission Provider's OASIS System Planning page the final Local Planning Report within thirty (30) days following the Review of Study Results/Draft Transmission Plans Meeting.

The Review of Study Results/Draft Transmission Plans Meeting shall be held during the third quarter of year one of the local planning process.

3.4 Neighboring Transmission Provider Coordination

The Transmission Provider shall perform primary coordination of the Local Planning Process with neighboring transmission providers by providing information on the Single System Projects to the sub-regional ColumbiaGrid process, as outlined in Part IV of this Attachment K. This coordination is in addition to the open meetings and process provided throughout the Local Planning Process.

3.5 Local Transmission Plan Update Meeting

The Transmission Provider shall hold an open meeting (the Local Transmission Plan Update Meeting) to provide an update to the Local Planning Report and proposed Single System Projects developed during year one of the biennial process. The Transmission Provider shall post on the secure System Planning page on Transmission Provider's OASIS the updated Local Planning Report within the thirty (30) days following the Local Transmission Plan Update Meeting.

The Local Transmission Plan Update Meeting shall be held during the third quarter of year two of the local planning process.

4. Local Planning Process Planning Criteria

The Transmission Provider shall apply the then current versions of the following as planning criteria for its local transmission planning process:

- (i) planning standards applicable to the Transmission Provider pursuant to law or regulation;
- (ii) any planning standards developed by the Transmission Provider;