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November 7, 2013

VIA ELECTRONIC FILING

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

RE: MATL LLP, Docket No. ER14-_____
Order No. 1000 Compliance Filing (Inter-regional)

Dear Secretary Bose:

Pursuant to Order No. 1000 of the Federal Energy Regulatory Commission (the “Commission”),¹ 18 C.F.R. § 35.28(c) (2013), the Commission’s February 26, 2013 Notice Granting an Extension of Time to Submit Interregional Compliance Filings,² and the Commission’s August 15, 2013 Notice of Extension of Time,³ MATL LLP (“MATL”) hereby submits its Order No. 1000 interregional compliance filing.

As discussed in greater detail herein, building off the comprehensive collaborative process conducted by the California Independent System Operator Corporation (“CAISO”), the

¹ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh’g*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), *order on reh’g*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012).

² *Notice Granting an Extension of Time to Submit Interregional Compliance Filings*, Docket No. RM10-23-000 (Feb. 26, 2013).

³ *Notice of Extension of Time*, Docket No. RM10-23-000 (Aug. 15, 2013).

Northern Tier Transmission Group (“Northern Tier”),⁴ the ColumbiaGrid parties⁵ and WestConnect⁶ (collectively, “the Common Parties”),⁷ encompassing the four transmission planning regions in the United States portion of the Western Interconnection (the “Planning Regions”), common tariff language was developed addressing the interregional transmission coordination and cost allocation planning requirements of Order No. 1000 (“Common Language”).⁸

As a public utility transmission provider in the Western Interconnection, MATL is currently a member of the ColumbiaGrid transmission planning region. On October 1, 2012, Enbridge, Inc. (“Enbridge”), MATL’s corporate parent, executed the Third Restated ColumbiaGrid Planning and Expansion Functional Agreement (“PEFA”) in order for MATL to meet the Order No. 1000 regional planning and cost allocation requirements. (Enbridge has assigned all rights and obligations under the Third Restated PEFA to MATL.) As discussed in more detail below, the ColumbiaGrid planning parties have negotiated the Fourth Restated PEFA to address the Order No. 1000 interregional planning and cost allocation requirements.

⁴ Deseret Generation & Transmission Co-operative, Inc., Idaho Power Company, NorthWestern Corporation, PacifiCorp, and Portland General Electric Company make up Northern Tier.

⁵ Avista Corporation (“Avista”), Puget Sound Energy, Inc. (“Puget”), and Bonneville Power Administration (“Bonneville”) are members of the ColumbiaGrid transmission planning region that have made Order No. 1000 interregional filings.

⁶ Arizona Public Service Company, Black Hills Power, Inc., Black Hills Colorado Electric Utility Company, LP, Cheyenne Light, Fuel & Power Company, El Paso Electric Company, NV Energy, Public Service Company of Colorado, Public Service Company of New Mexico, Tucson Electric Power Company, and UNS Electric, Inc.

⁷ On May 10, 2013, the Common Parties submitted a filing to the FERC containing revised Attachment K’s to comply with Order 1000 interregional requirements. Combined Notice of Filings #1, May 13, 2013. 78 FR 29,362 (May 20, 2013) (notice listing the Order No. 1000 Filings of the Common Parties). On June 19, 2013, Avista, PSE, and Bonneville filed separately in Docket Nos. ER1730, ER13-1729, and NJ13-10, respectively.

⁸ Order No. 1000 at PP 346 & 475. In the interest of avoiding duplication, MATL incorporates by reference the *pro forma* Common Language developed by the Common Parties, which previously was submitted for informational purposes. See Attachment D of the June 19 Avista Filing.

As noted by the Commission in its Order on Compliance Filings and Petition for Declaratory Order issued June 20, 2013 (“June 2013 Order”), in response to the regional planning compliance filings made by the ColumbiaGrid planning parties, MATL is not currently physically interconnected with any of the ColumbiaGrid planning entities.⁹ In an effort to address the Commission’s concern regarding MATL’s Order No. 1000 compliance and how MATL’s membership within ColumbiaGrid aligns with the Order No. 1000 planning requirements given the integrated nature of the grid, MATL has undertaken a review of the appropriate planning region and has concluded that it will transition from ColumbiaGrid to Northern Tier.¹⁰

MATL is currently in the process of providing a written withdrawal notice to ColumbiaGrid and initiating its application to become a Northern Tier planning member. Pursuant to the terms of the Third Restated PEFA, however, MATL’s ability to withdraw from ColumbiaGrid will be subject to a thirty (30) month withdrawal period, during which time MATL will continue to participate in the ColumbiaGrid planning process, pay membership fees, and be subject to potential cost allocation within the region. MATL is also in the process of providing notice of its intent to join the Northern Tier planning region effective as of the end of the ColumbiaGrid 30-month withdrawal period (currently anticipated to be May 2016).

Given the aforementioned sequence of events and MATL’s continued participation in ColumbiaGrid during the withdrawal period, MATL will comply with interregional requirements of Order No. 1000 by filing tariff language that incorporates the Common Language that has been incorporated into the existing PEFA framework of ColumbiaGrid. MATL commits to file

⁹ *Avista Corp.*, 143 FERC ¶ 61,255 at P 36 (2013) (requiring an explanation of how MATL’s participation with ColumbiaGrid meets Order No. 1000’s requirement that the transmission planning region be governed by the integrated nature of the grid and the particular reliability and resources issues that affect the region).

¹⁰ At its southern terminus, the MATL transmission line is interconnected with Northwestern Corporation, which operates its own balancing authority area. Northwestern Corporation is a member of Northern Tier. By joining Northern Tier, MATL would recognize the benefits of connection with neighboring utilities in a transmission planning region that is governed by the integrated nature of the grid in a manner that reflects the reliability and resource issues that affect the region.

revised Attachment K language to address changes to the interregional planning provisions that reflect the Northern Tier provisions 60 days prior to MATL's transition to Northern Tier.

I. DOCUMENTS SUBMITTED

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

1. This Transmittal Letter;
2. Marked Tariff Attachment (Redline version of MATL's Attachment K); and
3. Clean Tariff Attachment (includes Attachment K).

II. CORRESPONDENCE AND COMMUNICATIONS

Correspondence and communications with respect to this filing should be sent to the following person, who shall also be authorized to receive notice in this docket:

Stacy Myers
Senior Legal Counsel, Green Power and Transmission
Enbridge Energy Company, Inc.
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Houston, TX 77002
Stacy.myers@enbridge.com
Counsel for MATL LLP

III. BACKGROUND

A. MATL

MATL is a limited liability partnership that was organized under the laws of the State of Montana and is registered to conduct business in the State of Montana and the State of Texas. MATL is an indirect, wholly-owned subsidiary of Enbridge Transmission Holdings (U.S.) L.L.C., which in turn is an indirect, wholly-owned subsidiary of Enbridge.

MATL and its affiliate, Montana Alberta Tie Ltd., reached commercial operation of its 214-mile, 230 kV alternating current transmission line extending from Lethbridge, Alberta, Canada to Great Falls, Montana (the “MATL Line”) in September 2013. The MATL Line has a rated capacity of 300 MW in the northbound direction and 300 MW in the southbound direction, and will allow new renewable wind energy producers and others to sell their electrical output into wholesale energy markets in the United States and Canada.

On July 20, 2006, in Docket No. ER05-764-000, the Commission granted Montana Alberta Tie, on behalf of MATL, authorization to charge negotiated rates for transmission service.¹¹ In granting negotiated rate authority, the Commission stated that the MATL Project would provide the first transmission interconnection between Alberta and the U.S. and provide efficient and economic access to existing and new generation sources and improve reliability in both the U.S. and Canada.¹²

The 2006 application contained a proposed MATL OATT to comply with Order No. 888 and the Commission’s *pro forma* OATT. Following the submittal of a compliance filing with a revised OATT, the Commission accepted MATL’s OATT for filing in *Montana Alberta Tie, Ltd.*, 119 FERC ¶ 61,216. On March 3, 2009, in Docket Nos. ER07-1174-000 and OA07-74, the Commission accepted MATL’s Order No. 890 compliance filing, which included tariff revisions to its Attachment K. *MATL LLP*, 126 FERC ¶ 61,192 (2009).

On January 30, 2013, MATL submitted pursuant to section 206 of the FPA a revised Attachment K, together with a certificate of concurrence for the Third Restated PEFA. Avista, Puget Sound, and MATL maintained that their regional transmission planning processes relied, in substantial part, on their participation in the ColumbiaGrid transmission planning process, which is governed by the provisions of the Third Restated PEFA. In the June 2013 Order in

¹¹ *Montana Alberta Tie Ltd.*, 116 FERC ¶ 61,071 (2006) (*Negotiated Rate Order*). On June 13, 2012, the Commission issued an “Order on Petition for Declaratory Order,” confirming that MATL’s authority to sell transmission rights at negotiated rates following the indirect acquisition of Montana Alberta Tie Ltd. and MATL by Enbridge Inc. *MATL LLP and Montana Alberta Tie, Ltd.*, 139 FERC ¶ 61,208 (2012).

¹² See *Negotiated Rate Order* at P 8.

Docket No. ER13-836, the Commission found that the parties' filings partially complied with Order No. 1000's regional compliance requirements, and the Commission required that the parties submit additional compliance filings consistent with the guidance in that order.

On August 6, 2013, MATL submitted a request for extension of time until November 7, 2013 to submit revisions to its Tariff to comply with the interregional requirements of Order No. 1000. On August 15, 2013, the Commission granted this request. Avista and Puget, the participating public utilities in ColumbiaGrid, made their interregional compliance filings on June 19, 2013. Similarly, also on June 19, 2013, Bonneville filed in Docket No. NJ13-10 a petition for a determination that its proposed revisions to Attachment K of Bonneville's Open Access Transmission Tariff substantially conform, or are superior to, the pro forma OATT. Those compliance filings are pending before the Commission.

B. Order No. 1000

1. Regional and Interregional Requirements

In Order No. 1000, the Commission amended the transmission planning and cost allocation requirements of Order No. 890¹³ to ensure that Commission-jurisdictional services are provided at just and reasonable rates and on a basis that is just and reasonable and not unduly discriminatory or preferential. Order No. 1000's transmission planning reforms require that each public utility transmission provider: (1) participates in a regional transmission planning process that produces a regional transmission plan; (2) amends its OATT to describe procedures for the consideration of transmission needs driven by public policy requirements established by local, state, or federal laws or regulations in the local and regional transmission planning processes; (3) removes federal rights of first refusal from Commission-jurisdictional tariffs and agreements for

¹³ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

certain new transmission facilities; and (4) improves coordination between neighboring transmission planning regions for new interregional transmission facilities.

Order No. 1000's cost allocation reforms require that each public utility transmission provider participate in a regional transmission planning process that has: (1) a regional cost allocation method or methods for the cost of new transmission facilities selected in a regional transmission plan for purposes of cost allocation; and (2) an interregional cost allocation method or methods for the cost of new transmission facilities that are located in two neighboring transmission planning regions and are jointly evaluated by the two regions in the interregional transmission coordination procedures required by Order No. 1000. Order No. 1000 also requires that each cost allocation method satisfy six cost allocation principles.

2. MATL's Regional Compliance

As a member of ColumbiaGrid, MATL filed on January 31, 2013, revisions to its Attachment K to comply with Order No. 1000's requirements with respect to regional planning based upon its participation in the ColumbiaGrid regional transmission planning process, as described in the Third Restated PEFA. As part of that filing, also pursuant to Section 206 of the FPA, MATL concurred in the Third Restated PEFA, which is Avista Corporation's Rate Schedule No. CG1. MATL submitted a concurrence tariff filing for acceptance by the Commission.

In the June 2013 Order, MATL was, among other things, directed to explain how participation in the ColumbiaGrid regional transmission planning process meets Order No. 1000's requirement that the transmission planning region be governed by the integrated nature of the grid and the particular reliability and resources issues that affect the region. With respect to this issue, to which MATL will elaborate on in its forthcoming filing on regional requirements, MATL actively re-evaluated its participation in the ColumbiaGrid planning process and has concluded that it will transition from ColumbiaGrid to Northern Tier. MATL is in active discussions with both ColumbiaGrid and Northern Tier to effect the transition. MATL fully expects to have more clarity with regard to its standing with both planning organizations by

December 17, 2013, the date of its filing addressing the requirements of the June 2013 Order concerning regional planning and cost allocation matters.

3. MATL's Interregional Compliance

In this compliance filing, in a manner similar to the ColumbiaGrid parties, MATL revises its Attachment K. MATL's Attachment K relies, in substantial part, on MATL's continued participation in ColumbiaGrid (through the Fourth Restated PEFA) to achieve compliance with Order No. 1000. Thus, rather than burdening the record with an identical and duplicative description of MATL's Attachment K revisions, which are largely identical to those of Avista and Puget, and the Common Language developed by the Common Parties interregional planning process and how this language meets the requirements of Order No. 1000, MATL incorporates by reference the interregional compliance filings of Avista, Puget, and the other Common Parties.¹⁴

MATL's proposed interregional transmission planning process submitted in this compliance filing relies on, and is intertwined with, the Attachment K language proposed in MATL's initial regional Order No. 1000 compliance filing. And because MATL currently is a member of ColumbiaGrid, MATL's Attachment K necessarily relies on the implementation of the interregional processes reflected in the proposed Fourth Restated PEFA. As explained in Avista's and Puget's interregional compliance filings, MATL's proposed Attachment K provisions submitted herein cannot become effective until such time as the Fourth Restated PEFA is effective. However, the ColumbiaGrid Planning Parties have not yet sought authorization to execute and have not executed the Fourth Restated PEFA.

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. Therefore, all of the proposed changes to MATL'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

¹⁴ See Combined Notice of Filings #1, May 13, 2013. 78 FR 29,362 (May 20, 2013) (notice listing the Order No. 1000 Filings of the Common Parties).

accordance with its terms, MATL 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. In addition, as discussed above, at such time as MATL becomes a member of Northern Tier, it will propose further revisions to its Attachment K to reflect the Northern Tier Order No. 1000 provisions that have been accepted or approved by the Commission.

IV. PROPOSED EFFECTIVE DATE

As discussed above and in previous filings by Avista and Puget, MATL proposes that the Attachment K interregional transmission planning process submitted in this Compliance Filing be conditionally accepted, pending execution and the effectiveness of the Fourth Restated PEFA. As such, MATL is submitting this filing with the indeterminate effective date of 12/31/9998. The use of the indeterminate effective date ensures that MATL's Order No. 1000 interregional compliance filing does not become effective until the Fourth Restated PEFA—upon which MATL's compliance filing relies—becomes effective in accordance with its terms. MATL will make a compliance filing, if required, once the actual effective date is determined. Consistent with the Avista and Puget compliance filings, to the extent necessary, MATL seeks waiver of the Commission's regulations to allow this compliance filing to become effective in the manner described above.

V. SERVICE

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

VI. WAIVER

To the extent necessary, MATL 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.

VII. CONCLUSION

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

Sincerely,

/s/ Stacy Myers

Stacy Myers
Senior Legal Counsel, Green Energy
Enbridge Energy Company, Inc.
1100 Louisiana St., Suite 3300
Houston, TX 77002

/Attachments

ATTACHMENT K

PART I: INTRODUCTION

1. General

1.1 Preamble. The Transmission Provider's Transmission System consists of a point-to-point, merchant electric transmission line. The Transmission Provider will operate, manage and plan for the use of its asset in a manner that maximizes shareholder value by meeting market demands for transmission capacity while respecting customer agreements, regulatory constraints and reliability standards.

The Transmission Provider anticipates engaging in transmission planning procedures for one of three reasons:

- (a) As a regular update on its project and its future potential, every five (5) years the Transmission Provider will launch and conclude a local transmission planning process, which, apart from providing for stakeholder input on the Transmission Provider's development options, will respect the needs of the WECC path rating and reliability planning processes;
- (b) In response to customer demand or interest, the Transmission Provider will explore development options to meet anticipated future transmission needs; and
- (c) The Transmission Provider will cooperate with and participate in the planning processes of neighboring utilities, Balancing Authorities and the ColumbiaGrid both in support of regional transmission development efforts and commercial interests.

1.2 Purpose and Objective. This Transmission planning process shall be used for planning of the local transmission system. The purpose of the Transmission planning process detailed in Part II of this Attachment K is to set forth the process by which the Transmission Provider will plan for the enhancement and expansion of the Transmission System to ensure that the Transmission System can meet the needs of both the Transmission Provider and its Transmission Customers on a comparable and nondiscriminatory basis. This is intended to be a coordinated, open and transparent planning process with the Transmission Customers and other Interested Stakeholders, including interconnected systems within its region and Interested Persons in the ColumbiaGrid regional planning process.

The ColumbiaGrid regional planning process is structured to support and manage the coordination of the multi-system planning of the ColumbiaGrid TOPPs (Transmission Owner or Operator Planning Party), including related studies. Such responsibilities are detailed in the ColumbiaGrid Planning and Expansion Functional Agreement ("PEFA"), which is posted on the ColumbiaGrid Website. Part III of this Attachment K describes Transmission Provider's participation in regional transmission

planning as a party to PEFA. The regional planning process also provides a mechanism for the recovery and allocation of planning costs.

1.3 Identification of Connected Systems. The Transmission Provider's Transmission System is interconnected to the Alberta Electric System Operator ("AESO") in Canada and the system owned and operated by NorthWestern Energy ("NorthWestern") in Montana. Operating issues associated with the Transmission Provider's line have been provided for under a Coordinated Operating Agreement ("COA") among Montana Alberta Tie Ltd. and MATL LLP and the Independent System Operators, operating as the Alberta Electrical System Operator ("AESO"), (MATL LLP, Rate Schedule FERC No. 1 filed with the FERC on January 28, 2008 in Docket No. ER08-369-000). The COA provides mechanisms for ensuring the line is operated to industry standards by NorthWestern Energy ("NWE") and the AESO. It also provides for a Joint Operating Committee structure which will provide a regular interface between the parties, address maintenance and operational issues affecting the line, and provide an opportunity to initiate the Transmission Planning Process.

1.4 Load and Generation Planning Studies. Given that the Transmission Provider is not a Balancing Authority or a Control Area Operator, the Local Transmission Plan shall not include load or generation planning studies. The Transmission Provider will prioritize transmission planning and interconnection in accordance with FERC and/or NERC procedures.

1.5 Definitions. Terms capitalized and not otherwise defined in Appendix A of this Attachment K shall have the meanings set forth in Section 1 of the Tariff or the PEFA.

PART II: THE TRANSMISSION PROVIDER LOCAL TRANSMISSION PLANNING PROCESS

1. Overview

Every five (5) years, the Transmission Provider will complete its local transmission planning process, as detailed in this Section II of this Attachment K for the purpose of identifying Single System Projects to mitigate future reliability and load-service requirements for its Transmission System (the "Local Transmission Plan"). The Transmission Provider shall document the results of the local transmission planning process in the Final Local Transmission Plan as further detailed herein. The Final Local Transmission Plan shall include any reliability issues identified on the Transmission Provider's Transmission System and a list of Single System Projects proposed to address those issues. Any impacts on neighboring transmission systems and the projects to mitigate those impacts shall be identified and coordinated through the ColumbiaGrid regional planning process set forth in Part III of this Attachment K.

2. Planning Advisory Groups

- 2.1 Establishment.** A Planning Advisory Group shall be established and open to participation by all Interested Stakeholders, Transmission Provider's customers, generators interconnected to the Transmission Provider's Transmission System, other suppliers, neighboring transmission providers and control areas, and state utility regulatory agencies and offices of public advocates in the State of Montana. Any of the above-listed entities may designate a member to the Planning Advisory Group by providing written notice to the Transmission Provider identifying the name of the entity represented by the member, the member's name, address, telephone number, facsimile number, and electronic mail address. The entity may remove or replace such member at any time by written notice to the Transmission Provider. Each entity that participates in the Planning Advisory Group shall have one member of the group. The Transmission Provider shall act as the facilitator of the Planning Advisory Group.
- 2.2 Role of Planning Advisory Group.** The Planning Advisory Group's role is to provide input and feedback to the Transmission Provider during the development of the Local Transmission Plan. The Transmission Provider will document and track all input and respond to all suggestions, queries or comments in an open and transparent manner by circulating consolidated responses to the members of the Planning Advisory Group.
- 2.3 Frequency of Meetings.** The Planning Advisory Group, at a minimum, shall hold meetings biennially (i.e. every two years). Members shall be able to attend such biennial meetings in person or via teleconference. To the extent additional meetings may be warranted, such meetings may be held in person, or via telephone conference, electronic mail, or other written means. A meeting shall be held (i) as specified in the Local Transmission Plan; (ii) when the Transmission Provider deems a meeting is necessary, either upon its own or another entity's request; or (iii) at the request of a majority of the Planning Advisory Group.
- 2.4 Notice of Meetings.** The Transmission Provider shall provide notice of the Planning Advisory Group meetings by electronic mail to members of the Planning Advisory Group and shall post notice on the Transmission Provider's OASIS and website. Such notice shall be provided at a minimum four weeks prior to the meeting. A calendar of meetings and other significant events in the transmission planning process shall be posted on the OASIS and website.
- 2.5 Purpose of Meetings.** The Planning Advisory Group meetings shall provide an opportunity for the group members to provide input regarding: (i) data gathering and customer input into study development; (ii) review of study results; (iii) review of draft transmission plans; and (iv) coordination of draft plans with those of neighboring transmission providers. Participants in the Planning Advisory Group Meetings may also propose for consideration, among other things, local transmission needs driven by Public Policy Requirements and transmission, generation and demand response resource projects.

- 2.6 Transmission Provider Representative.** The Transmission Provider intends to establish an operating company to assist in managing the Transmission System after the in-service date. This team will include one person responsible for all technical interface issues. This person may also be designated as the transmission planner. Transmission planning activities including analysis and coordination of consultation efforts may be outsourced to third-party service providers at the Transmission Provider's discretion.
- 2.7 Mechanism to Invite Affected Entities to Participate in Meetings.** If the Transmission Provider identifies a particular entity that may be affected by the development of potential projects, or other significant events identified in the local planning process, the Transmission Provider shall notify the entity and invite them to participate in the related planning meetings.

3. General Transmission Planning Procedures

- 3.1 The Local Transmission Plan.** The Transmission Provider will undertake a review of the Transmission System every five years.
- 3.2 Scope of the Local Transmission Plan.** The **Local Transmission Plan** shall provide an assessment of the Transmission System needs in a consolidated manner, and the **Local Transmission Plan** is designed to maintain the reliability of the transmission system in an economic and environmentally acceptable manner. The **Local Transmission Plan** will be developed to meet the specific service requests of Transmission Customers and otherwise treat similarly situated customers comparably in transmission system planning.
- 3.3 Contents of the Local Transmission Plan.** The **Local Transmission Plan** shall utilize at least a five year planning horizon, and reflect at least five year capacity and load forecasts, if any. The **Local Transmission Plan** shall reflect transmission enhancements and expansions, load and energy forecasts, including expected demand response, transmission needs driven by Public Policy Requirements and generation additions and retirements for at least the ensuing five years, if any. The **Local Transmission Plan** shall identify, based on the results of the planning studies, a list of proposed transmission enhancements and expansions for at least each of the ensuing five years that are determined by Transmission Provider to be appropriate at the time of the issuance of the **Local Transmission Plan**. The **Local Transmission Plan** also shall include a list of transmission enhancements and expansions identified in the prior **Local Transmission Plan** that have not been completed at that time. The **Local Transmission Plan** shall take into account reliability and rating studies in accordance with WECC path rating procedures.
- 3.4** The Transmission Provider may also identify expansions, modifications or additions to the transmission line resulting from discussions with customers, market participants, interconnection requests or transmission service requests. For

these types of expansions, the Transmission Provider will use the following process:

- (a) In responding to a request for expansion of the Transmission Provider line, the Transmission Provider shall form a planning group inviting all Interested Stakeholders and connecting Balancing Authorities to participate. The invitation will be posted on the Transmission Provider's OASIS for 30 days;
- (b) Following a minimum 30 day review process with the planning group, the Transmission Provider shall conduct an economic feasibility study for the proposed expansion, funded by the requesting customer and/or the Transmission Provider, as negotiated. The study results shall be posted on the Transmission Provider's OASIS;
- (c) The Transmission Provider may then decide to hold an Open Season, or conduct an alternative process in conformance with FERC policy, to value and allocate the potential capacity;
- (d) If the results of the Open Season, or other such alternative process, are acceptable to the Transmission Provider and if the initial studies indicate that additional capacity is feasible, the Transmission Provider shall conduct reliability and rating studies in accordance with WECC path rating procedures;
- (e) If all regulatory approvals are obtained, and upon satisfaction of all outstanding conditions in its long term transmission contracts, the Transmission Provider will enter into agreements for the expansion.

3.5 Generator Interconnections. The Transmission Provider will process large generation interconnection requests in accordance with the terms of the Tariff. If generation interconnection is material to the path rating, the Transmission Provider shall seek to modify the path rating to include the generation interconnection in accordance with WECC path rating procedures.

3.6 Additions and Removals of Transmission Enhancements and Expansions. The Transmission Provider may add or remove transmission enhancements and expansions from the Local Transmission Plan at any time in a given year, and in doing so shall consult with and consider input from the Planning Advisory Group, within the scope of its respective functions.

3.7 Other Principles. The Local Transmission Plan shall be designed and implemented to (i) avoid unnecessary duplication of facilities; (ii) avoid the imposition of unreasonable costs upon the Transmission Provider and customers; (iii) take into account the legal and contractual rights and obligations of the Transmission Provider and the transmission-related legal and contractual rights and obligations of any other entity; (iv) provide for coordination with existing transmission systems and with appropriate interregional and local expansion plans; and (v) comply with NERC Reliability Standards and WECC standards, including WECC's Regional Planning and Project Rating Review

Process. The Transmission Provider has a WECC-accepted path rating and any material changes to the line will require path rating studies which would be subject to further review by a committee of WECC members.

- 3.8 Status of Identified Upgrades or Alternatives.** The status of upgrades or alternatives identified in the Local Transmission Plan shall be reflected in future plans. The Transmission Provider will post, at least annually, the status of upgrades and alternatives identified in the Local Transmission Plan on the Transmission Provider's website. The Transmission Provider will provide such notification of updated status only to the extent there are upgrades or other alternatives identified by a Local Transmission Plan for which notification of in-service status has not previously been provided. The status of identified upgrades or alternatives will be reflected in future plan development (i.e., whether the upgrade or alternative is in-service, under construction, planned, proposed, or concept).
- 3.9 Coordination of the Local Transmission Plan.** The Transmission Provider shall develop its Local Transmission Plan in coordination with all neighboring utilities, Balancing Authorities and regional transmission bodies, including the ColumbiaGrid regional planning process (See Part III of this Attachment K). The Transmission Provider may also participate as an affected party or as a stakeholder in the planning processes of neighboring utilities, Balancing Authorities and regional transmission bodies, including the ColumbiaGrid, both to support regional transmission development efforts and to protect its legitimate commercial interests.
- 3.10 Comparability.** The Transmission Provider shall treat similarly situated customers comparably in transmission system planning through the measures set forth in this Section 3.10 and through the procedures set forth elsewhere in Section 3. The Transmission Provider's projects and similarly situated customer-identified projects shall be treated on a comparable basis and given comparable consideration in the Local Transmission Planning Process. The Transmission Provider shall permit stakeholders (including but not limited to sponsors of customer-defined transmission solutions, generation solutions, and solutions utilizing demand resources) to participate throughout the Local Transmission Planning Process and to submit to the Transmission Provider alternative or proposed solutions, which the Transmission Provider shall review and evaluate on a comparable basis. The Transmission Provider shall include all valid and relevant data received from stakeholders (including load forecast data, generation data, and demand resource data) in the development of the Local Transmission Plan. Notwithstanding the foregoing, the Transmission Provider shall retain discretion regarding which projects to pursue and is not required to include all customer-identified projects in the Local Transmission Plan. The Transmission Provider shall select projects based on cost, economics, impact on reliability, and the other considerations set forth elsewhere in this Section 3.

4. **Methodology, Criteria, Process for Developing the Local Transmission Plan.**
- 4.1 **Initiation of the Local Transmission Plan.** The Transmission Provider shall solicit input on the regional needs for the updated or new Local Transmission Plan from members of the Planning Advisory Group. The Planning Advisory Group shall meet to perform its respective functions with the preparation of the Local Transmission Plan. Drafts of the Local Transmission Plan shall be provided to the Planning Advisory Group and input from the Planning Advisory Group shall be received and considered in preparing and revising subsequent drafts.
- 4.2 **Studies.** As necessary, the Transmission Provider shall conduct studies for the development of the Local Transmission Plan.
- 4.3 **Assumptions and Methodology Used in Developing the Local Transmission Plan.** Transmission Provider shall establish assumptions used in developing the Local Transmission Plan as described below. The Transmission Provider will use data received from the operation of the transmission line, the Balancing Authorities, WECC and other sources.
- 4.4 **Methodology.** The Transmission Provider will apply industry standard methodologies, criteria and processes in the development of local transmission plans. In particular, the Transmission Provider will apply the WECC Regional Planning process and Path Rating process for expansions or improvements to the transmission line. The Transmission Provider will use standard WECC base cases, NERC Reliability Standards/WECC reliability criteria and Balancing Authority standards in the study of its Transmission System. Base case development will include data from interconnected systems used to refine cases. The study plan will outline methodologies used in the analysis of the study results. Base cases and study results will be provided to participants for verification purposes. All planning processes and data will be posted on the OASIS. Such information will be made available for 1 year.
- 4.5 **Criteria Used.** Studies will be performed in accordance with NERC Reliability Standards TPL-001 through TPL-004, the WECC reliability criteria, and any other reliability criteria, including regional or local applicable criteria in establishing assumptions.
- 4.6 **Process for Establishing Assumptions.** The Transmission Provider uses industry standard assumptions, but the Planning Advisory Group may augment these industry standard assumptions and methodology consistent with local and regional needs as necessary.
- 4.7 **Methodology for Determining Import and Export Capability in Regional Studies.** The Transmission Provider determines the import and export capability as described in Attachment C to the Tariff regarding the methodology for assessment of available transfer capability.

- 4.8 Development of the Local Transmission Plan.** The Transmission Provider shall be responsible for the development of the **Local Transmission Plan** and for conducting studies on which the **Local Transmission Plan** is based. The Planning Advisory Group shall provide input and review drafts of the **Local Transmission Plan**.
- 4.9 Draft Local Transmission Plan and Briefing Paper.**
- 4.9.1** Upon completion of the studies and analysis, the Transmission Provider shall prepare a Draft Local Transmission Plan, which may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the needs. The Transmission Provider shall provide the Draft Local Transmission Plan to the Planning Advisory Group for review and comment. If requested by a member, a meeting of the Planning Advisory Group will be held to receive comments on the Draft Local Transmission Plan. Interested Stakeholders may submit comments on the recommended Draft Local Transmission Plan to the Transmission Provider.
- 4.9.2** The Draft Local Transmission Plan shall identify economically justified enhancements, expansions, or system reinforcements that relieve transmission constraints. The evaluation shall be premised on the goals of maintaining reliability and reducing congestion where economically justified.
- 4.9.3** Any member of the Planning Advisory Group may provide comments on the recommended plan and may offer alternatives. If the Transmission Provider, after review of any offered alternatives, adopts an alternative it shall make any necessary changes to the recommended plan.
- 4.9.4** At the request of a majority of the Planning Advisory Group, the Transmission Provider will circulate one additional draft of the Local Transmission Plan and briefing paper to the Planning Advisory Group for review and comment ("Briefing Paper"). At the Transmission Provider's discretion, additional drafts of the Draft Local Transmission Plan and Briefing Paper may be circulated to the Planning Advisory Group for review and comment.
- 4.10 Final Local Transmission Plan.** The Transmission Provider, upon consideration of the input and advice from the Planning Advisory Group shall develop a proposed Final Local Transmission Plan. Upon approval of the proposed Final Local Transmission Plan by the Transmission Provider's Board of Directors, it shall become the Final Local Transmission Plan. The Final Local Transmission Plan may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the need.
- 4.11 Publication of Final Local Transmission Plan.** The Transmission Provider shall publish the Final Local Transmission Plan and Briefing Paper on the Transmission Provider's OASIS. The Final Local Transmission Plan also will be distributed to the Planning

Advisory Group. Also, the Transmission Provider will post completed WECC path rating studies and other planning studies on the OASIS for a period of one year.

4.12 Procedures for Interim Modification to the Local Transmission Plan. The Transmission Provider, in consultation with the Planning Advisory Group, may modify the **Local Transmission Plan** on an interim basis as necessary to reflect additions or removals of transmission upgrades. Such interim modifications to the **Local Transmission Plan** shall be posted on Transmission Provider's OASIS.

4.13 Transmission Provider Technical Contact. The Transmission Provider shall identify on its internet website an individual or individuals to be the technical point of contact regarding questions about the modeling criteria, assumptions, and data underlying the **Local Transmission Plan**.

5. Disclosure of Criteria, Assumptions, and Data.

5.1 Availability of Information. The Transmission Provider shall make available to the Planning Advisory Group, subject to applicable confidentiality protections, a description of how its assumptions regarding transmission, generation, and demand resources are developed, including details regarding the types of resource, rating or size responsiveness and other operating information. Such information shall be available to Transmission Customers and other Interested Stakeholders at all stages of the planning process.

5.2 Process for Access to Underlying Data. Interested Stakeholders may request access to underlying data or assumptions used for transmission planning, such as power flow base cases and associated files needed for transmission planning through a written request to Transmission Provider. Such information generally will contain confidential information and be subject to the protections for the provision of such information.

5.3 Discussion of Assumptions. Members of the Planning Advisory Group shall have the opportunity to question and discuss principal assumptions used in the planning process. The process shall be through meetings of the Planning Advisory Group. Such meetings, if appropriate, may be held via email or other solicitation of written comments.

5.4 Requests For Additional Calculations. Upon request by a majority of the Planning Advisory Group, the Transmission Provider will run up to one additional calculation. Additional calculations may be run at the Transmission Provider's discretion.

5.5 Notification of Changes or Updates in Data Bases. The Transmission Provider shall notify Interested Stakeholders of changes or updates in the data bases used for transmission planning, including whether the changes were made independently by the Transmission Provider or in response to a stakeholder concern. Such notification shall be made via email to members of the Planning Advisory Group or a posting on OASIS.

5.6 Local Transmission Needs Driven by Public Policy Requirements. With respect to identified local transmission needs driven by Public Policy Requirements, if any, Transmission Provider will post on its OASIS (i) an explanation of which if such need(s) will be evaluated in Transmission Provider's local transmission planning process, and (ii) an explanation of why any of such need(s) may not be evaluated in the local transmission planning process.

6. Supply of Data.

6.1 Information Exchange. The information exchange required by this Attachment K pertains to information that relates to planning, not other studies performed in response to interconnection or transmission service requests. The Transmission Provider and Transmission Customers shall, at a minimum, follow the Commission-approved Modeling, Data and Analysis Reliability Standards specific requirements for generator owners and transmission owners to provide data to planning authorities, resource planners, and regional reliability organizations.

6.2 Information to be Provided. The Transmission Provider shall solicit Transmission Customers and other Interested Stakeholders, including, but not limited to electric utility regulatory agencies and consumer advocates in the State of Montana, to provide information required by, or anticipated to be useful to, the Transmission Provider in its preparation of the Local Transmission Plan.

6.3 Transmission Provider Obligations. The Transmission Provider will provide current and projected transmission needs to the interconnected Balancing Authorities. The Transmission Provider will exchange interconnection facilities data and associated methodologies with the two Balancing Authorities in order to calculate ratings such that the Balancing Authorities can integrate the transmission line into their respective plans. The Transmission Provider will submit future transmission plans to WECC through the existing annual reporting process. The Transmission Provider will actively participate in connecting Balancing Authority and WECC planning processes. The Transmission Provider shall exchange path data information with WECC and remain current in the WECC Path Rating Catalogue.

6.4 Transmission Customers Obligations. Transmission Customers shall provide requested data to the Transmission Provider. A Transmission Customer may provide additional data it considers would be helpful for the planning process.

6.5 Types of Data. Transmission Customers shall provide, at a minimum, the following data, as applicable:

- (a) Generators shall provide data concerning planned additions or upgrades (including status and expected in-service dates), planned retirements, and environmental restrictions.
- (b) Transmission Customers shall provide projections of need for service over the planning horizon, including transmission capacity, duration, and receipt of delivery points.

6.6 Process for Providing Data. Transmission Customers shall submit the required data, to the maximum extent practical and subject to the confidentiality procedures, if applicable, by email to the Transmission Provider as identified on the Transmission Provider's internet website.

6.7 Schedule for Providing Data. Transmission Customers shall submit the required data to Transmission Provider at least once a year by January 31st for the immediately preceding calendar year. The Transmission Provider may require additional information during the planning process. Transmission Customers may submit additional information during the planning process.

6.8 Notice of Material Changes. Transmission Customers are required to provide the Transmission Provider with written notice of material changes in any information previously provided to the Transmission Provider relating to its resources or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide service.

7. Dispute Resolution Procedures.

7.1 If a dispute arises concerning local transmission planning, the Transmission Provider will utilize the dispute resolution mechanism provided for in the Tariff. The use of this dispute resolution process will be limited to general and specific issues arising from this Attachment K and transmission planning.

7.2 All negotiations and proceedings pursuant to this process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law.

7.3 The basis of the dispute and final non-confidential decisions will be made available to stakeholders upon request.

7.4 Notwithstanding the above, all affected parties shall retain any rights they may have under Section 206 of the Federal Power Act to file a complaint with the Commission.

8. Local Planning Study Procedures.

8.1 Study Cycle. The Transmission Provider shall initiate local planning studies at least once every five (5) years. A more targeted study shall be conducted if: (i) required to address a need identified by the Transmission Provider in its on-going evaluation of the transmission line economic and operational adequacy and performance; (ii) required as result of the Transmission Provider's assessment of the transmission line's

compliance with NERC Reliability Standards and/or WECC reliability requirements; or (iii) constraints or available transfer capability shortages are identified by the Transmission Provider, possibly as a result of generation additions or retirements, or evaluation of load forecasts. A local planning study also may be initiated for any other circumstances which may warrant such a study.

8.2 Notice of Initiation. The Transmission Provider shall provide written notice of the initiation of a local planning study to all members of the Planning Advisory Group. Transmission Provider shall consider the input of the Planning Advisory Group in preparing the study's scope, assumptions and procedures.

8.3 Scope of Studies. In general, local planning studies shall include:

- (a) An identification of existing and projected limitation on the transmission line's physical, economic, and/or operational capability or performance, with accompanying simulations to identify the costs of controlling those limitations;
- (b) Evaluation and analysis of potential enhancements and expansions, including alternatives thereto, needed to mitigate such limitations;
- (c) Identification, evaluation and analysis of potential enhancements and expansions for the purpose of supporting competition on the transmission line;
- (d) Engineering studies needed to determine the effectiveness and compliance (with reliability and operating criteria) of recommended enhancements and expansions.

9. Economic Planning Studies.

The Transmission Provider shall undertake economic planning studies on behalf of Transmission Customers. Economic planning studies shall apply only to and evaluate potential upgrades or other investments that could reduce congestion or interconnect new resources. Generally, the studies will be conducted in connection with other planning studies. When requested to do so by the proper authority, the Transmission Provider will cooperate with energy agencies in the United States and Canada in regards to international import and export requirements and national interests.

9.1 Requests. Transmission Customers may submit written requests for economic planning studies to the Transmission Provider. Such requests shall specify in detail the specific proposed project to be the subject of the requested economic planning study. Requests for such studies to be considered in the development of the current Local Transmission Plan must be received by April 1 of the year of the Local Transmission Plan. Requests received after that date will be considered for the development of subsequent Local Transmission Plans, unless withdrawn by the requester. The requests shall be posted on OASIS, subject to the confidentiality provisions. Transmission Provider shall respond within 30 days of

receiving the request, to confirm receipt of the request and inform the requester whether the request is deficient. Transmission Customers that use the transmission line are responsible for their own economic evaluation for the Transmission Customer's use of the Transmission System.

9.2 Clustering of Studies. At the discretion of the Transmission Provider, such studies may be clustered or batched or incorporated with the other planning studies.

9.3 Data Requirements. Requesting parties with unique economic planning studies shall be required to provide data as required by the Transmission Provider. To the extent the Transmission Provider deems appropriate, the Transmission Provider shall use generic industry data in place of customer-specific data.

9.4 Recovery of Economic Planning Study Costs. Transmission Customers requesting economic planning studies shall be responsible for the costs associated with the study. A deposit of \$25,000 shall be provided by the requester prior to initiation of such a study. The requester shall be responsible for the actual costs of the study. At the completion of the study, the Transmission Provider shall either refund the amount of deposit in excess of the cost of the study or collect from the requester the amounts of the study cost in excess of the deposit.

10. Cost Allocation of New Facilities.

10.1 Reliability and Economic Projects. The costs of reliability and economic projects that are identified in the local transmission planning studies shall be allocated to Transmission Customers pursuant to Schedule 7 of the Tariff.

10.2 New Facilities Identified Through Requests for Service. The costs of new facilities required because of individual requests for service shall be allocated to Transmission Customers pursuant to Schedule 7 of the Tariff.

10.3 Stakeholder Involvement in Cost Allocation Process. The Transmission Provider shall determine, with input from the Planning Advisory Group, what projects are reliability and economic projects.

11. Recovery of Planning Costs.

The Transmission Provider's local transmission planning costs, to the extent not specifically recovered pursuant to other provisions in this Attachment K, shall not be recovered from Transmission Customer, except that interconnection costs will be recovered from the applicable interconnection customer.

PART III: THE COLUMBIAGRID REGIONAL TRANSMISSION PLANNING PROCESS

1. Overview.

The Transmission Provider participates in regional transmission planning as a party to the ColumbiaGrid PEFA (signatories to the PEFA other than ColumbiaGrid are defined by the PEFA as "Planning Parties"). ColumbiaGrid is a non-profit membership corporation whose purpose is to promote, in the public interest, coordinated and reliable planning, expansion, and operation of the interconnected transmission systems in the Pacific Northwest, taking into consideration environmental concerns, regional interests, and cost effectiveness.

Under the PEFA, any entity that owns or operates or proposes to own or operate transmission facilities in the Pacific Northwest may sign the PEFA, and thereby become a Planning Party. Under section 1.56 of the PEFA, ColumbiaGrid is to maintain a list of Planning Parties on its Website (<http://www.columbiagrid.org/>). Planning Parties are the entities that, as signatories to the PEFA, agree to participate in the ColumbiaGrid transmission planning process and agree that transmission facilities in the Pacific Northwest that they own or operate or propose to own or operate are included in the Order 1000 ColumbiaGrid Planning Region.

The PEFA provides that, each Planning Cycle, ColumbiaGrid is to develop and review a Draft Biennial Plan and is to adopt, by majority vote of the Board, a Biennial Plan. Although the planning process identified in the PEFA is described sequentially, it is anticipated that most of the planning activities under the PEFA will be generally performed on a flexible, iterative, and non-sequential basis.

The planning process described in this Part III of Attachment K to be followed under the PEFA is more fully described in the PEFA, including specifically its Appendix A.

In developing each Biennial Plan, ColumbiaGrid is to conduct such activities consistent with the PEFA and is to endeavor to:

- (i) facilitate analysis of Proposed Projects as if a single utility owned all relevant generating, transmission, and distribution facilities to enhance efficiency and reduce duplication of facilities, environmental impacts, and costs;
- (ii) model and study the RIS facilities through a system assessment and other analyses assuming that the information necessary to model the Projects is available and taking into account the input of Planning Parties and Interested Persons with respect to Potential Needs, including Potential Needs driven by a Public Policy Requirement;
- (iii) through the system assessment, identify Needs for which potential solutions should be identified and evaluated and task Study Teams to work in an open, transparent, non-discriminatory, and collaborative manner (subject to ColumbiaGrid's obligation to protect Confidential Information and CEII pursuant to the PEFA) to identify and evaluate solutions to address such Needs and evaluate such solutions, including their consistency with the solution evaluation factors described in section 2.3 of Appendix A of the PEFA; and
- (iv) apply the Order 1000 Cost Allocation Methodology to any Order 1000 Project in accordance with section 10 of Appendix A of the PEFA;

- (v) for Projects other than Order 1000 Projects, as appropriate, apply the cost allocation provisions of sections 5.4, 6.4, 8.4, or 9.4 of Appendix A of the PEFA;
- (vi) coordinate, as appropriate, with the planning activities of other regional planning entities and neighboring transmission systems, including other transmission planning regions (as such term is used in Order 1000);
- (vii) recognize each TOPP's responsibility for planning Projects on its Transmission System and responsibility for the planning necessary for its Single System Projects and service of its local loads from its Transmission System; and
- (viii) with respect to Non-Transmission Alternatives, defer to the development of such alternatives in other appropriate forums and limit analysis of such alternatives to analysis of whether a TOPP-proposed Non-Transmission Alternative will meet or defer a Need.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the last two sentences of the fourth paragraph of this section 1 to read as follows:

Under section 1.66 of the PEFA, ColumbiaGrid is to maintain a list of the Planning Parties on its Website. Planning Parties are the entities that, as signatories to the PEFA, agree to participate in the ColumbiaGrid transmission planning process and agree that transmission facilities in the Pacific Northwest that they own or operate or propose to own or operate are included in the Order 1000 ColumbiaGrid Planning Region.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise item (iv) of this section 1 to read as follows:

(iv) apply the Order 1000 Cost Allocation Methodology to any Order 1000 Project in accordance with sections 10, 13 and 14 of Appendix A of the PEFA;

2. Criteria and Factors.

2.1 Planning Criteria. Under section 2 of Appendix A of the PEFA, ColumbiaGrid is to apply the then current versions of the following as Planning Criteria for its system assessment, System Assessment Reports, and Need Statements:

- (i) planning standards applicable to TOPPs pursuant to law or regulation;
- (ii) NERC Reliability Standards;
- (iii) recognized regional planning or other reliability or transmission adequacy criteria developed by the consensus of the TOPPs for use on their Transmission Systems (ColumbiaGrid may sponsor a process for development of such criteria); *provided that* a TOPP may have other planning criteria that are more stringent than the ColumbiaGrid standards for use on its own Transmission System; and

- (iv) with respect to planning criteria applicable to any particular TOPP, such additional criteria then accepted by such TOPP and communicated to ColumbiaGrid by written notice; *provided that* any such additional criteria shall apply only to such TOPP.

It is ColumbiaGrid's policy to post general planning criteria and provide transparency throughout its planning process.

2.2 Needs Factors. The factors to be used in selecting among Potential Needs for inclusion in the system assessment are to include, as appropriate, the following:

- (i) the level and form of support for addressing the Potential Need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the Potential Need);
- (ii) the feasibility of addressing the Potential Need;
- (iii) the extent, if any, that addressing the Potential Need would also address other Potential Needs; and
- (iv) the factual basis supporting the Potential Need.

No single factor is to necessarily be determinative in selecting among Potential Needs for inclusion in the system assessment.

2.3 Solution Evaluation Factors. The factors used in evaluating proposed solutions to address Needs are to include, as appropriate, the following:

- (i) in the case of a Proposed Project, sponsorship and degree of development of a proposal for such Project;
- (ii) feasibility;
- (iii) coordination with any affected Transmission System and any other Affected Persons;
- (iv) economics;
- (v) effectiveness of performance;
- (vi) satisfaction of Need(s), including the extent to which the proposed solution satisfies multiple Needs; and
- (vii) consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor is to necessarily be determinative in evaluating proposed solutions to address Needs.

2.4 Non-Transmission Alternatives. In the evaluation of a Non-Transmission Alternative, if the Study Team determines that such alternative has a reasonable degree of development, eliminates or defers the Need(s) being studied by the Study Team, and is reasonable and adequate considering the factors described in section 2.3 of Appendix A of the PEFA, the Non-Transmission Alternative should be noted in the Plan. If such alternative is adopted by the Person on whose Electric System it would be located, such Non-Transmission Alternative is to be included in the assumptions used in future system assessments, subject to

subsequent updates on the status of such Non-Transmission Alternative.

3. **System Assessment Report and Need Statements.** Each year, ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to, under section 3 of Appendix A of the PEFA, prepare a Draft System Assessment Report that includes Draft Need Statements for the Biennial Plan then being developed; *provided that* Draft Need Statements need not be prepared for a Draft System Assessment Report for the second year of a Planning Cycle for any Need already identified in the previous system assessment or for any EOP Need that does not require a Near-Term EOP solution.

Under the PEFA, the procedure for the preparation of the Draft System Assessment Report and Draft Need Statements is to be as follows:

- 3.1 **Identification of Needs.** ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to perform a system assessment through screening studies of the RIS using the Planning Criteria to:

- (i) identify EOP Needs projected to occur during the Planning Horizon; and
- (ii) identify Needs other than EOP Needs projected to occur during the Planning Horizon as follows:

- (a) ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to consider and select Potential Needs from among the following for inclusion in the system assessment, based upon the factors as described in section 2.2 of Appendix A of the PEFA:

- 1. Potential Need of a TOPP identified by such TOPP:

- A. to respond to requests for transmission service and interconnection;
- B. to increase capacity on its Transmission System; and
- C. for a Single System Project; and

- 2. Potential Need identified by any Person for increased transmission capacity on the RIS.

- (b) ColumbiaGrid is to document the basis upon which a Potential Need was not selected for inclusion in the system assessment.

- 3.2 **System Assessments Based on WECC Planning Base Cases.**

ColumbiaGrid is to perform the system assessment and base such assessment on the then current and appropriate WECC planning base cases; *provided that* Planning Parties are to provide updates to the input previously provided to ColumbiaGrid pursuant to sections 4.1 and 4.6 of the body of the PEFA. ColumbiaGrid is to, insofar as practicable, update the then current WECC planning base case to reflect such updated information so that the system

assessment reflects on-going projects on the RIS and the likely completion dates of such projects to the extent such projects and completion dates are reasonably forecasted to occur prior to the end of the Planning Horizon.

- 3.3 Monitoring of Progress of Order 1000 Projects.** ColumbiaGrid is to determine in each system assessment, with respect to any Order 1000 Project included in the Plan, the status and on-going progress of such Project. The Order 1000 Sponsor is to provide for each such system assessment and such determination is to be based on updated Project information. The system assessment is to include an assessment of whether such Project continues to be expected to meet the underlying Need(s) in a timely manner. If such Project does not so continue to be expected to meet such Need(s) in a timely manner, ColumbiaGrid may remove such Project from its Biennial Plan. Upon such removal, such Project is not to be an Order 1000 Project. Such removal may result in alternative solutions in the transmission planning process to meet any applicable Need(s).
- 3.4 Posting of Draft System Assessment Results.** ColumbiaGrid is to post drafts of the system assessment results as they become available during the system assessment process on its Website subject to any appropriate conditions to protect Confidential Information and CEII.
- 3.5 Draft System Assessment Report.** ColumbiaGrid, in coordination with Planning Parties and Interested Persons, is to prepare a Draft System Assessment Report. Such Draft System Assessment Report is to reflect Needs that the system assessment has projected to occur during the Planning Horizon.

During the development of the Draft System Assessment Report, each Planning Party is to endeavor to inform Staff of any material change in conditions anticipated to occur during the Planning Horizon) with respect to such Planning Party of which it is aware affecting any Need(s) under consideration in the Draft System Assessment Report as a Need. ColumbiaGrid is to, insofar as practicable, take into account any such updates in its Draft System Assessment Report.

- 3.6 Consideration of Proposed Projects and Development of Conceptual Transmission Solutions.** ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to (a) consider Proposed Projects, and is to develop conceptual transmission solutions, that address any Need(s) (other than any Need(s) that is expected to result in a Single System Project for which Order 1000 Cost Allocation has not been requested in accordance with section 10 of Appendix A of the PEFA), and (b) identify which EOP Needs and related conceptual solutions are likely to result in Near-Term EOPs.

ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to develop a Draft Need Statement for each such Need. Each such Draft Need Statement is to include the following information at a minimum:

- (a) a narrative description of the Need and the assumptions, applicable Planning Criteria, and methodology used to determine the Need;
- (b) one or more conceptual transmission-based solutions to meet the Need with estimated timelines and estimated costs to implement each such solution; and
- (c) an indication of whether a non-transmission solution might be viable to eliminate or delay the necessity for such a transmission based solution.

Under the PEFA, in the event that the Planning Parties, Interested Persons participating in the system assessment, and ColumbiaGrid do not reach consensus on the content of any such Draft Need Statement, ColumbiaGrid Staff is to determine the content of such Draft Need Statement; *provided that* in making its determination, ColumbiaGrid Staff is to consider any comments and possible transmission solutions suggested by any Planning Party or Interested Person; *provided further that* ColumbiaGrid is to note in the Draft Need Statement that it determined the content of such statement and is to report the comments of Planning Parties and Interested Persons.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of this section 3.1.6 to read as follows:

ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to (i) consider Proposed Projects, and develop conceptual transmission solutions, that address any Need(s) (other than any Need(s) that is expected to result in a Single System Project for which Order 1000 Cost Allocation has not been requested in accordance with section 10 of Appendix A of the PEFA) and (ii) identify which EOP Needs and related conceptual solutions are likely to result in Near-Term EOPs.

- 3.7 Posting of Draft Need Statements.** ColumbiaGrid is to post drafts of the Draft Need Statements, as they become available, on its Website subject to any appropriate conditions to protect Confidential Information and CEII.
- 3.8 EOP Needs Not Likely to Result in Near-Term EOPs.** ColumbiaGrid, in coordination with the Planning Parties and Affected Persons, is to continue to work on EOP Needs not likely to result in Near-Term EOPs as needed and appropriate over time notwithstanding the fact that Draft Need Statements for such EOP Needs need not be prepared and included in the then current Draft System Assessment Report and Draft Need Statements.
- 3.9 Board Review of Draft System Assessment Report and Draft Need Statements.** ColumbiaGrid is to present the Draft System Assessment Report and Draft Need Statements to the Board for review and comment.
- 3.10 Incorporation of Board Comments on Draft System Assessment Report and Draft Need Statements in System Assessment Report and Need Statements.** ColumbiaGrid is to incorporate the comments of the

Board on the Draft System Assessment Report and Draft Need Statements into the System Assessment Report and Need Statements.

4. **Study Teams.** ColumbiaGrid, under section 4 of Appendix A of the PEFA, is to facilitate and participate in Study Teams. Planning Parties are to, and Affected Persons and Relevant State and Provincial Agencies and other Interested Persons may, actively participate in ColumbiaGrid planning activities through membership in Study Teams.

4.1 **Scope of Study Team Activities.** The general objective of a Study Team shall be, with respect to any Need(s) set out in a Need Statement(s), to collaboratively and timely develop all required elements of a plan of service as may be required to address such Need(s) as provided in this section 4 and sections 5.2, 6.3, 7.3, and 8.3 of Appendix A of the PEFA. In developing such plan of service, a Study Team will evaluate any of the following proposed solutions to a Need(s): Proposed Projects, NonTransmission Alternatives, and conceptual solutions that are:

- (i) reflected in the relevant Need Statement(s); or
- (ii) proposed by any Study Team participant to address such Need(s); *provided that* the information, including Project data, needed in order for the Study Team to evaluate such proposed solutions has been provided to ColumbiaGrid.

In performing such evaluation, the Study Team shall assess the ability of any such proposed solution to address a Need(s) considering the factors as described in section 2.3 of Appendix A to the PEFA. In addition, the Study Team shall assess whether there is a solution that is a more cost-effective and efficient alternative, applying such factors, to address Need(s). Taking such assessments into account, Study Teams shall attempt to reach agreement on all of the elements, as appropriate, of a plan of service to meet such Need(s).

A Study Team's evaluation may not necessarily result in a plan of service.

The specific objective of a Study Team's discussions may vary based upon the underlying Need(s). With respect to an EOP Need, a Study Team shall develop a proposed solution that addresses an EOP Need in a Need Statement. With respect to a Requested Service Project, the Study Team shall develop a proposed solution that serves the request for service in a manner that meets time constraints. With respect to a Single System Project, a Proposed Project's sponsor that is a TOPP may request a Study Team for Project development if such Proposed Project's sponsor also requests an Order 1000 Cost Allocation for such Project. If a TOPP proposing a Single System Project has not requested a Study Team, ColumbiaGrid may convene a Study Team to identify whether there are Material Adverse Impacts resulting from such Project. With respect to a Capacity Increase Project, a Proposed Project's sponsor that is a TOPP may request a Study Team for Project development. If a TOPP proposing a Proposed Capacity Increase Project has not requested a Study Team, any Affected Person may request a Study Team to identify and address Material Adverse Impacts resulting from such Proposed Capacity Increase Project.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the second sentence of the third paragraph of this section 4.1 to read as follows:

In addition, the Study Team is to assess whether there is a solution that is a more cost effective or efficient alternative, applying such factors, to address Need(s).

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the fifth paragraph of this section 4.1 to add the following at the end of and as part of such paragraph:

With respect to an ITP submitted pursuant to Section 14.2 of Appendix A of the PEFA, a Study Team is to evaluate such ITP as a proposed solution for a Need(s).

4.2 Study Teams to Develop Proposed Projects Other than in Response to Needs.

Under sections 7.1 (Single System Projects) and 8.1 (Capacity Increase Projects) of Appendix A of the PEFA, Study Teams may develop Proposed Projects other than to address Needs.

- 4.3 Participation in Study Teams.** Any Planning Party, Affected Person, Relevant State and Provincial Agency or other Interested Person may participate in a Study Team, with the exception that participation in a Requested Service Project Study Team may be limited due to tariffs or applicable law. TOPP(s) that are potentially materially affected by an EOP Need or a Proposed EOP are to participate in the Study Team relating to such EOP Need or Proposed EOP. With respect to an EOP, the TOPP(s) primarily affected by the EOP Need or a Proposed EOP is to assume primary responsibility for leading and performing necessary analytical work in the Study Team. With respect to a Proposed Requested Service Project, the TOPP(s) receiving a transmission service or interconnection request is to assume primary responsibility for leading and performing necessary analytical work in the Study Team. With respect to a Proposed Single System Project or Proposed Capacity Increase Project for which the Project's sponsor has requested that a Study Team assist in Project development, the Planning Party proposing such Project is to assume primary responsibility for leading and performing necessary analytical work in the Study Team.

At such time that ColumbiaGrid determines that a TOPP that is not involved may be materially affected by the proposed solution being developed, ColumbiaGrid is to so notify such TOPP, and such TOPP is to participate in the Study Team.

ColumbiaGrid is to participate in each Study Team and, as needed, manage and facilitate the Study Team process. ColumbiaGrid is to post drafts of summaries of the progress of the Study Teams, including developing plans of service.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first paragraph of this section 4.3 to add the following at the end of and as part of such paragraph:

With respect to an ITP, and consistent with Section 14.3 of Appendix A of the PEFA, the TOPP(s) or ITP Proponent(s) that submitted the ITP is to assume primary responsibility for leading and performing necessary analytical work for such ITP in the Study Team.

4.4. Formation of Study Teams. Under section 4.4 of Appendix A of the PEFA, ColumbiaGrid Staff is to (a) hold a public meeting, with general notice to Planning Parties and Relevant State and Provincial Agencies and other Interested Persons and specific notice to those TOPPs that ColumbiaGrid anticipates may be affected, for the purpose of reviewing the Need Statements and soliciting participation in a Study Team to address each Need Statement; (b) inform Planning Parties and "Interested Persons]" (see PEFA Appendix A, section 4.4) regarding those Study Teams that have been requested in accordance with the PEFA for purposes other than addressing Needs; (c) consider convening Study Teams that address more than one Need Statement; and (d) monitor the progress of each Study Team and, as appropriate, bring Study Teams together in order to resolve differences, gain efficiencies or effectiveness, or develop solutions that meet more than one Need Statement.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 4.4 to read in its entirety as follows:

Under section 4.4 of Appendix A of the PEFA, Staff is to (i) hold a public meeting, with general notice to Planning Parties and Relevant State and Provincial Agencies and other Interested Persons and specific notice to those TOPPs that ColumbiaGrid anticipates may be affected, for the purpose of reviewing each Need Statement(s) and soliciting participation in a Study Team to address each Need Statement; (ii) also inform Planning Parties and Interested Persons regarding those Study Teams that have been requested in accordance with the PEFA for purposes other than addressing Needs; (iii) also consider convening Study Teams that address more than one Need Statement; and (iv) monitor the progress of each Study Team and, as appropriate, bring Study Teams together in order to resolve differences, gain efficiencies or effectiveness, or develop solutions that meet more than one Need Statement.

5. Development of EOPs After Development of Needs Statements.

5.1 Formation of Study Teams. Under section 4.4 of Appendix A of the PEFA, ColumbiaGrid is to form Study Team(s) to develop a proposed solution to address an EOP Need(s) in an EOP Need Statement(s). When such Study Teams have been formed, ColumbiaGrid is to give specific notice to those TOPPs that ColumbiaGrid anticipates may be affected.

- 5.2 Elements of an EOP.** Under the PEFA, an EOP in a Biennial Plan (or Plan Update) is to include the following elements: a plan of service describing the modifications to the RIS to be made, list of Persons to make such modifications, estimated costs, schedule, cost allocation, allocation of transmission capacity increased or maintained by an EOP, and appropriate mitigation of Material Adverse Impacts resulting from such EOP; *provided that* an EOP is not to impose unmitigated Material Adverse Impacts on the RIS.
- 5.3 Non-Transmission Alternatives.** As part of the Study Team process, the Study Team is to, as provided in section 2.4 of Appendix A of the PEFA, evaluate, using factors that include those identified in section 2.3 of Appendix A of the PEFA, any Non-Transmission Alternative proposed by a Study Team participant. If the Study Team determines that such alternative has a reasonable degree of development, eliminates or defers the EOP Need(s) being studied by the Study Team, and is reasonable and adequate under such criteria, the Non-Transmission Alternative should be noted in the Plan and, if adopted by the Person on whose Electric System it would be located, included in the assumptions used in future system assessments, subject to subsequent updates on the status of such Non-Transmission Alternative.
- 5.4 Completion of a Proposed EOP.** With respect to a Near-Term EOP, under the PEFA, a Proposed EOP is to be ready for inclusion in a Draft Biennial Plan when all of the following that have actively participated in the Study Team have consented to each element of such Proposed EOP: Persons who would be identified as a Designated Person in section 6.1 of the body of the PEFA and any Person who would bear Material Adverse Impacts from such Proposed EOP if not for the mitigation included in such Proposed EOP.

In the event that such Affected Persons do not reach agreement on any element(s) of a "[p]roposed Near-Term EOP", ColumbiaGrid Staff is to make a recommendation for any unresolved element(s) of a "[p]roposed Near-Term EOP" and may, as ColumbiaGrid Staff finds appropriate, present fully-developed alternatives for the Board's consideration (see PEFA Appendix A, section 5.4). ColumbiaGrid Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among the Affected Persons, ColumbiaGrid Staff is to include its recommendation in the Draft Plan. In such event, ColumbiaGrid shall, in the absence of an Order 1000 Cost Allocation, endeavor to make an equitable allocation of the costs of a Staff-Recommended EOP taking into account (i) the causation of the EOP Need giving rise to such EOP or (ii) the delay or elimination during the Planning Horizon of any EOP Need as a result of such EOP.

Where there are two affected TOPPs, and one has an EOP Need and the best way to meet that EOP Need is to upgrade facilities on the other TOPP's system, ColumbiaGrid is to allocate costs, in a form of a Facilities Agreement, to the TOPP causing the EOP Need. ColumbiaGrid may also allocate costs to a TOPP in a Facilities Agreement whose EOP Need does not give rise to the Staff-

Recommended EOP but that has a EOP Need during the Planning Horizon that is met by such Staff- Recommended EOP; *provided that* ColumbiaGrid is not to allocate costs to such TOPP in an amount that exceeds the cost that would have been incurred by such TOPP had it met its EOP Need with a separate EOP. ColumbiaGrid Staff is not to allocate costs based upon other potential future system benefits. When ColumbiaGrid Staff submits the Draft Plan to the Board for approval, ColumbiaGrid Staff is to identify such elements and is to include a summary analysis of minority positions on any aspect of such Staff-Recommended EOP.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the second paragraph of this section 5.4 to read as follows:

In the event that such Affected Persons do not reach agreement on any element(s) of a proposed Near-Term EOP, the Staff is to make a recommendation for any unresolved element(s) of a proposed Near-Term EOP and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration.

6. Requested Service Projects.

6.1 Receipt of Transmission Service or Interconnection Request: Each TOPP is to receive new transmission and interconnection requests in accordance with such TOPP's procedures; *provided that* if ColumbiaGrid offers a functional agreement to provide processing services for transmission or interconnection requests in addition to those provided in the PEFA, eligible TOPPs may sign such agreement. With respect to any request for transmission service or interconnection received by any Planning Party, including Transmission Provider, nothing in this Attachment K shall, and nothing in the PEFA is to, preclude any Planning Party from responding if and as such Planning Party determines is otherwise appropriate under its Open Access Transmission Tariff.

6.2 Requested Service Assessment; Formation of Study Teams: Under section 6.2 of Appendix A of the PEFA, when a TOPP has a completed transmission service application, determines that it does not have sufficient capacity to serve such request and reasonably believes that the requested service may impact a transmission system other than that of such TOPP, and the customer has indicated to the TOPP that it wants to pursue further study, such TOPP is to notify ColumbiaGrid that it has a request for a study. ColumbiaGrid is to perform a Requested Service Assessment to determine which transmission systems, including those of non-Planning Parties, are affected.

Under section 6.2 of Appendix A of the PEFA, when a TOPP has received an interconnection request and reasonably believes that such request or a Proposed Project to satisfy the request will affect a transmission system other than that of such TOPP, such TOPP is to notify ColumbiaGrid of such request and such determination. ColumbiaGrid is to perform a Requested Service Assessment to determine which transmission systems, including those of non-Planning Parties, are affected.

In each such instance in section 6.2 of Appendix A of the PEFA, ColumbiaGrid is to notify those Persons it determines are potentially Affected Persons and convene a Study Team, which should develop a study agreement in accordance with the TOPP's policies and procedures; *provided that* participation in Study Teams convened for an interconnection request may be limited consistent with such TOPP's Open Access Transmission Tariff and applicable law. ColumbiaGrid, in consultation with Planning Parties and Interested Persons, is to cluster requests for purposes of performing studies when practical. The TOPP with the request is to inform its transmission or interconnection requesting Person regarding the needed study and the estimated costs. If the transmission or interconnection requesting Person is willing to assume the costs of such study and instructs the TOPP to proceed, the Study Team is to develop a solution to provide sufficient capacity to serve the request.

Under section 6.2 of Appendix A of the PEFA, upon execution of a study agreement, ColumbiaGrid is to (subject to any applicable confidentiality requirements under the Open Access Transmission Tariff under which the transmission or interconnection service request was submitted) post the request, information concerning any clustering of the request, the identity of the parties to the study agreement, and the study schedule, and is to from time to time update the posting to provide other pertinent information.

6.3 Elements of a Requested Service Project. The Study Team is to collaboratively develop a Proposed Requested Service Project. Each TOPP that receives a transmission service or interconnection request is to retain its obligation under its Open Access Transmission Tariff to perform studies, with participation of the requestor as appropriate in accordance with the TOPP's procedures. A Requested Service Project in a Biennial Plan (or Plan Update) is to include the following elements: a plan of service, estimated costs, transmission capacity allocation, cost and ownership allocation, and schedule.

6.4 Completion of a Proposed Requested Service Project. A Proposed Requested Service Project is to be ready for inclusion in a Draft Plan when: (i) all of the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team have agreed to each element of such Proposed Requested Service Project, (ii) the Study Team has confirmed that such Project meets the request and has appropriately mitigated Material Adverse Impacts resulting from such Project on any transmission systems, and (iii) the requestor has agreed to pursue the Project. Such Proposed Requested Service Project may be memorialized in a Project agreement prior to its inclusion in a Draft Plan and, in such instance, is to be included in such Draft Plan for informational purposes.

In the event that such Affected Persons do not reach agreement on a Proposed Requested Service Project in whole or in part within a reasonable time, ColumbiaGrid Staff is to make a recommendation for any unresolved element(s) and may, as ColumbiaGrid Staff finds appropriate, present fully-developed alternatives for the

Board's consideration. ColumbiaGrid Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement amongst the Affected Persons, ColumbiaGrid Staff is to develop a recommended plan of service. If there is an accompanying EOP Need which can be delayed or eliminated by the Staff-Recommended Requested Service Project within the Planning Horizon, ColumbiaGrid, in the absence of an Order 1000 Cost Allocation, is to endeavor to make an equitable allocation of costs of such Staff-Recommended Requested Service Project based upon the affected TOPP's Tariff requirements and the delay or elimination of the EOP Need. ColumbiaGrid may allocate costs in a Facilities Agreement to a TOPP that has a EOP Need during the Planning Horizon that is met by the Staff-Recommended Requested Service Project; *provided that* ColumbiaGrid is not to allocate costs in an amount that exceeds the cost that would have been incurred by such TOPP had it met its EOP Need with a separate potential EOP. ColumbiaGrid Staff is not to allocate costs based upon other potential future system benefits. A ColumbiaGrid Staff-Recommended Requested Service Project is not to have any unmitigated Material Adverse Impacts resulting from such Project on any transmission systems. ColumbiaGrid Staff may present more than one Staff-Recommended Requested Service Project for the Board to select from. When ColumbiaGrid Staff submits the Staff-Recommended Project to the Board for approval, ColumbiaGrid Staff is to identify any unresolved element(s) and is to include a summary analysis of positions advanced by any Affected Persons on such unresolved element(s). If the Staff-Recommended Requested Service Project is approved by the Board and agreed upon by the requestor and all Affected Persons it is to be included in the Plan.

7. Single System Projects.

7.1 Notification of Single System Projects: Under the PEFA, each Planning Party is to advise ColumbiaGrid of any Single System Projects that it is planning on its Transmission System. Single System Projects may be for purposes of addressing a Need(s) or for another purpose.

If the system assessment performed by ColumbiaGrid Staff under section 3 of Appendix A of the PEFA identifies an EOP Need on a single Transmission System, ColumbiaGrid Staff is to inform the subject TOPP of such EOP Need and, if such TOPP concludes that such EOP Need may be resolved on its Transmission System, the TOPP is to inform ColumbiaGrid of such resolution. In such instances, ColumbiaGrid Staff is to include such EOP Need in the Draft System Assessment Report for informational purposes.

7.2 Formation of Study Team to Evaluate Material Adverse Impacts. If any Affected Person requests, in accordance with section 7.2 of Appendix A of the PEFA, a Study Team to evaluate Material Adverse Impacts resulting from a potential Single System Project, and if a Study Team has not otherwise been requested under section 7.3 of Appendix A of the PEFA for such Project, ColumbiaGrid is to convene a Study Team to evaluate Material Adverse Impacts. If there are no unmitigated Material Adverse Impacts, ColumbiaGrid

is to include such potential Single System Project in the Plan as a Single System Project for informational purposes and include such Single System Project in future system assessments, subject to subsequent updates on the status of such Project. If there are unmitigated Material Adverse Impacts, such potential Project is not to be a Single System Project.

- 7.3 Formation of Study Team for Project Development.** If a TOPP requests in accordance with section 10 of Appendix A of the PEFA an Order 1000 Cost Allocation for a Proposed Single System Project on its Transmission System, such TOPP is to develop such Project through a ColumbiaGrid Study Team. Upon receipt of such a request, ColumbiaGrid is to convene a Study Team for development of such Project.

A Single System Project in a Biennial Plan (or Plan Update) developed by a Study Team convened for development of such Project is to include the following elements: a plan of service, estimated costs, cost allocation, if any, and schedule.

In the event that Affected Persons do not reach agreement on any element(s) of such Proposed Single System Project, and the Sponsor has not withdrawn its request for an Order 1000 Cost Allocation, the Staff is to make a recommendation for any unresolved element(s) of such Project and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration. The Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among the Affected Persons, the Staff is to include its recommendation in the Draft Plan.

8. Capacity Increase Projects.

- 8.1 Notification of Capacity Increase Projects:** Under the PEFA, each Planning Party is to advise ColumbiaGrid of any Capacity Increase Projects that it is planning or anticipates participating in on the RIS. Capacity Increase Projects may be for purposes of addressing a Need(s) or for another purpose.

8.2 Formation of Study Team:

- 8.2.1 Formation of Study Team for Project Development.** If the Proposed Project's sponsor requests a Study Team for Project development, ColumbiaGrid is to convene such Study Team for such purposes. In the event that Affected Persons do not reach agreement on any element(s) of a Proposed Capacity Increase Project developed by a Study Team convened for Project development of such Project, and the Project's sponsor(s) so requests, the Staff is to make a recommendation for any unresolved element(s) of such Project and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration. The Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among

the Affected Persons, the Staff is to include its recommendation in the Draft Plan.

8.2.2 Formation of Study Team for Evaluation of Material Adverse Impacts. If any Affected Person requests a Study Team to evaluate Material Adverse Impacts resulting from a Proposed Capacity Increase Project for which a Study Team has not otherwise been requested pursuant to section 8.2.1 of Appendix A of the PEFA, ColumbiaGrid is to convene such a Study Team to evaluate Material Adverse Impacts.

8.3 Elements of Capacity Increase Project. A Capacity Increase Project in a Biennial Plan (or Plan Update) is to include the following elements: plan of service, estimated costs, the expected amount of transmission capacity added for each new or existing path, reasons for the Project, alternatives considered using the solution evaluation factors described in section 2.3 of Appendix A of the PEFA, the Persons who are responsible for the costs and construction of the Project, the owners and operators of the added facilities, schedule, including estimated completion date, transmission rights allocation, Material Adverse Impacts, if any, and any mitigation of Material Adverse Impacts; *provided that* any unmitigated Material Adverse Impacts are to be subject to resolution in the WECC regional planning or path rating process.

8.4 Request for Cost Allocation for Proposed Capacity Increase Project. In the absence of an Order 1000 Cost Allocation, a TOPP may request a cost allocation recommendation from ColumbiaGrid on a Proposed Capacity Increase Project if the related Study Team is unable to come to voluntary agreement on the cost allocation. This recommendation is to be non-binding but can be used by the Study Teams to facilitate agreement on cost allocation. If ColumbiaGrid is otherwise unable to arrive at a non-binding recommendation for cost allocation as provided in this section, ColumbiaGrid's non-binding recommendation is to allocate 100 percent of the costs of such Proposed Capacity Increase Project among the Persons participating in such Project in proportion to the expected amount of added transmission capacity to be received by each such Person from such Project.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 8.4 by combining it into one paragraph and amending it to read in its entirety as follows:

In the absence of an Order 1000 Cost Allocation, a TOPP may request a cost allocation recommendation from ColumbiaGrid on a Proposed Capacity Increase Project if the related Study Team is unable to come to voluntary agreement on the cost allocation. This recommendation is to be non-binding but can be used by the Study Teams to facilitate agreement on cost allocation. If ColumbiaGrid is otherwise unable to arrive at a non-binding recommendation for cost allocation as provided in section 8.4 of Appendix A of the PEFA, ColumbiaGrid's non-binding recommendation is to be to allocate 100 percent of the costs of such Proposed Capacity Increase Project among the Persons participating in such

Project in proportion to the expected amount of added transmission capacity to be received by each such Person from such Project.

9. Expanded Scope Projects.

9.1 Assessing Interest in Expanding the Scope of a Proposed Project.

Under the PEFA, prior to including any Proposed Project in a Draft Biennial Plan or Draft Plan Update, ColumbiaGrid Staff is to determine, in an open process, whether there is interest in expanding the scope of such Proposed Project; *provided that* absent agreement of the TOPP(s) whose Transmission System(s) has a projected EOP Need, consideration of the request to expand the scope of a Proposed EOP is not to unreasonably delay Project development beyond the point where there is sufficient lead time for the original Project to be completed to meet such Need or as otherwise required.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 9.1 to read in its entirety as follows:

Under the PEFA, prior to including any Proposed Project (other than an ITP) in a Draft Biennial Plan or Draft Plan Update, the Staff is to determine, in an open process, whether there is interest in expanding the scope of such Proposed Project; provided that absent agreement of the TOPP(s) whose Transmission System(s) has a projected EOP Need, consideration of the request to expand the scope of a Proposed EOP is not to unreasonably delay Project development beyond the point where there is sufficient lead time for the original Project to be completed to meet such Need or as otherwise required.

9.2 Formation of Study Team. If there is interest, ColumbiaGrid Staff is to establish a Study Team to evaluate and develop the expansion. Those Planning Parties or Interested Persons who are interested in becoming Project sponsors are to assume primary responsibility for leading and performing necessary analytical work, and are to be responsible for the study costs of evaluating the expansion.

9.3 Completion of a Proposed Expanded Scope Project. ColumbiaGrid Staff is to assist the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team in resolving transmission capacity rights issues if such Persons are unable to reach agreement. A Proposed Expanded Scope Project is to be included in a Plan (or Draft Biennial Plan or Draft Plan Update) in lieu of the Project without expansion only when (i) the sponsors of the expansion have agreed to fund the incremental cost of such Proposed Expanded Scope Projects, (ii) each sponsor of the Project as originally configured would receive equivalent or better service (including meeting the applicable Need(s)) at no greater cost than it would have paid for the original Project, and (iii) such Proposed Expanded Service Project would not have unmitigated Material Adverse Impacts.

- 9.4 Cost Allocation Recommendations for Expanded Scope Project and Project with Multiple Classifications.** An Expanded Scope Project may be a combination of one or more EOPs, Requested Service Projects, Capacity Increase Projects, and Single System Projects. The provisions of the PEFA governing ColumbiaGrid cost allocation recommendations for such types of Projects are to be applied to the various portions of any Expanded Scope Project and Projects with Multiple Classifications, as applicable.

10. Order 1000 Projects and Cost Allocation.

- 10.1 Qualification as an Order 1000 Project.** A Proposed Project may qualify for and receive an Order 1000 Cost Allocation only if (i) such Proposed Project's Order 1000 Sponsor(s) makes a timely request in accordance with section 10.1.1 of Appendix A of the PEFA that such Proposed Project be selected as an Order 1000 Project, (ii) such Proposed Project's Order 1000 Sponsor(s) meets the requirements set out in section 10.1.2.1 of Appendix A of the PEFA, and (iii) such Proposed Project is selected as an Order 1000 Project in accordance with section 10.1.2 of Appendix A of the PEFA.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first paragraph of this section 10.1 to read in its entirety as follows:

A Proposed Project may qualify for and receive an Order 1000 Cost Allocation only if (i) such Proposed Project's Order 1000 Sponsor(s) makes a timely request in accordance with section 10.1.1 of Appendix A of the PEFA that such Proposed Project be selected as an Order 1000 Project, (ii) such Proposed Project's Order 1000 Sponsor(s) meets the requirements set out in section 10.1.2.1 of Appendix A of the PEFA, (iii) such Proposed Project is selected as an Order 1000 Project in accordance with section 10.1.2 of Appendix A of the PEFA, and (iv) if the Proposed Project is an ITP, the Order 1000 Sponsor also requests Interregional Cost Allocation for such Proposed Project in accordance with sections 13.5.1 and 14.4 of Appendix A of the PEFA.

10.1.1 Timely Request for Selection as Order 1000 Project.

Not later than 60 days after the issuance of the final Study Team report including the plan of service to address a Need(s), an Order 1000 Sponsor of a Proposed Project that is in such plan of service may request Order 1000 Cost Allocation for such Proposed Project; *provided that* with respect to a Proposed Single System Project, such Project's Order 1000 Sponsor is to request Order 1000 Cost Allocation at the time such Order 1000 Sponsor requests a Study Team for Project development in accordance with section 7.3 of Appendix A of the PEFA. Any request for an Order 1000 Cost Allocation is to be submitted in writing to ColumbiaGrid. ColumbiaGrid is to post all such requests on its Website, and distribute copies of such requests to all Planning Parties and participants in the Study Team for the Proposed

Project for which Order 1000 Cost Allocation has been requested. Any request submitted after the applicable foregoing deadline is not timely and is not to result in consideration of a Proposed Project for selection as an Order 1000 Project for the "[P]lan" (see PEFA Appendix A, section 10.1.1) then under development.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the last sentence of this section 10.1.1 to read as follows:

Any request submitted after the applicable foregoing deadline is to be not timely and is not to result in consideration of a Proposed Project for selection as an Order 1000 Project for the Plan then under development.

10.1.2 Selection as Order 1000 Project. No later than 30 days after the later of (i) the issuance of the final Study Team report with respect to a Proposed Project, including the plan of service to address the applicable Need(s) and (ii) the receipt by ColumbiaGrid of a timely request pursuant to section 10.1.1 of Appendix A of the PEFA for Order 1000 Cost Allocation for such Proposed Project, the Staff is to make a preliminary determination whether such Project qualifies as an Order 1000 Project pursuant to section 10.1.2.1 of Appendix A of the PEFA. ColumbiaGrid is to document Staff's preliminary determination in writing, post such determination on its Website, distribute such determination to Planning Parties and participants in the Study Team for the Proposed Project for which Order 1000 Cost Allocation has been requested, and communicate to its Interested Persons distribution list that such a determination has been posted on its Website. Planning Parties and Interested Persons are to have 30 days to provide written comments on the Staff's preliminary determination. After considering such written comments and modifying its preliminary determination as the Staff finds appropriate, the Staff is to present its determination to the Board for review and comment.

The Order 1000 Sponsor(s) that requested Order 1000 Cost Allocation for a Proposed Project in accordance with section 10 of Appendix A of the PEFA may withdraw its request for such Order 1000 Cost Allocation at any time; *provided that* after ColumbiaGrid's release of a draft Preliminary Cost Allocation Report for such Project, ColumbiaGrid is to not make a Non-Order 1000 Cost Allocation with respect to such Project. Such request may be withdrawn by submitting notice of withdrawal of such request to ColumbiaGrid in writing. In the event that more than one Order 1000 Sponsor has requested Order 1000 Cost Allocation for such Project, and ColumbiaGrid has determined that it is an Order 1000 Project in accordance with section 10.1.2 of Appendix A of the PEFA, so long as at least one such Order 1000 Sponsor's request has not been

withdrawn, ColumbiaGrid is to apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project.

If all Order 1000 Sponsors that requested an Order 1000 Cost Allocation for a Proposed Project timely withdraw such requests in accordance with section 10 of Appendix A of the PEFA, the Proposed Project is not to be identified as an Order 1000 Project in the Biennial Plan. In such an instance, however, if such Project would receive a Non-Order 1000 Cost Allocation under the PEFA had an Order 1000 Sponsor not requested Order 1000 Cost Allocation, ColumbiaGrid is to make a Non-Order 1000 Cost Allocation in accordance with the PEFA.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the third paragraph of this section 10.1.2 to read as follows:

If all Order 1000 Sponsors that requested an Order 1000 Cost Allocation for a Proposed Project timely withdraw such requests in accordance with section 10.1.2 of Appendix A of the PEFA, the Proposed Project is not to be identified as an Order 1000 Project in the Biennial Plan.

10.1.2.1 Order 1000 Project Selection Criteria. As part of the open, transparent, and collaborative development of a plan of service to address Need(s) pursuant to section 4 of Appendix A of the PEFA, the Study Team or ColumbiaGrid, as appropriate, is to evaluate and determine whether the following criteria are met:

- (i) the Order 1000 Sponsor's(s') proposed Order 1000 Project:
 - a. meets such Need(s);
 - b. is confirmed by the Study Team or ColumbiaGrid, as appropriate, to be the more cost effective and efficient solution to meet such Need(s);
 - c. has been developed by a Study Team and been included in the related plan of service; and
 - d. Order 1000 Cost Allocation for such Project has been timely requested (and such request has not been withdrawn by all Order 1000 Sponsors of such Project) pursuant to section 10.1.1 of Appendix A of the PEFA; and

- (ii) the Order 1000 Sponsor(s):
 - a. is found by ColumbiaGrid to meet the Order 1000 Sponsor qualifications set out in section 10.1.2.2 of Appendix A of the PEFA; *provided that* if ColumbiaGrid finds

that the Order 1000 Sponsor(s) does not meet such qualifications, ColumbiaGrid is to give to such Order 1000 Sponsor(s) written notice describing the deficiencies, and such Order 1000 Sponsor(s) is to have 30 days after receipt of such notice to cure such deficiencies; and

- b. has submitted required information on a timely basis, including Project data and Project development schedule, indicating required steps, such as granting of state, federal, and local approvals necessary to develop and construct the Proposed Project so as to timely meet the Need(s); *provided that* data relating to Order 1000 Sponsor qualifications is to be submitted at or before the time such Order 1000 Sponsor(s) requests Order 1000 Cost Allocation.

If the Order 1000 Sponsor(s) and its Proposed Project meet the criteria in section 10 of Appendix A of the PEFA, ColumbiaGrid is to select the Proposed Project as an Order 1000 Project. To the extent the Order 1000 Sponsor(s) and its Proposed Project do not meet the criteria in section 10.1.2 of Appendix A of the PEFA, ColumbiaGrid is not to select the Proposed Project as an Order 1000 Project and is to document in the Draft Plan and Biennial Plan an explanation of why such Project was not selected as an Order 1000 Project.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise item (i)b. of this section 10.1.2.1 to read as follows:

b. is confirmed by the Study Team or ColumbiaGrid, as appropriate, to be the more cost effective or efficient solution to meet such Need(s);

10.1.2.2 Order 1000 Sponsor Qualifications. In determining eligibility for selection as an Order 1000 Project pursuant to section 10.1.2.2 of Appendix A of the PEFA, ColumbiaGrid is to review the qualifications of any Order 1000 Sponsor to determine whether such Order 1000 Sponsor is technically, financially, and otherwise capable of:

- (i) developing, licensing, and constructing the Proposed Project for which Order 1000 Cost Allocation has been requested pursuant to section 10 of Appendix A of the PEFA in a timely and competent manner; and
- (ii) owning, operating, and maintaining the proposed Order 1000 Project facilities consistent with

Good Utility Practice and applicable reliability criteria for the life of such proposed Order 1000 Project.

Such Order 1000 Sponsor is to be a TOPP at the time Order 1000 Cost Allocation is requested in accordance with section 10 of Appendix A of the PEFA for the proposed Order 1000 Project. The following factors are to be considered in determining such Order 1000 Sponsor's eligibility:

- (i) the current and expected capabilities of the Order 1000 Sponsor to finance, seek licenses, plan, design, develop, and construct the proposed Order 1000 Project on a timely basis consistent with the proposed schedule and to own, reliably operate, and maintain such Project for the life of such Project;
- (ii) the financial resources of the Order 1000 Sponsor;
- (iii) demonstrated capability of the Order 1000 Sponsor to adhere to construction, maintenance, and operating practices consistent with Good Utility Practices with respect to facilities such as the proposed Order 1000 Project;
- (iv) demonstrated ability of the Order 1000 Sponsor to assume liability for major losses resulting from the failure of or damage to facilities that may be associated with the proposed Order 1000 Project; and
- (v) demonstrated cost containment capability and other advantages or disadvantages the Order 1000 Sponsor may have in developing and constructing the proposed Order 1000 Project.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the second paragraph of this section 10.1.2.2 to read as follows:

Such Order 1000 Sponsor is to be a TOPP or an ITP Proponent, as the case may be, at the time Order 1000 Cost Allocation is requested in accordance with section 10 of Appendix A of the PEFA for the proposed Order 1000 Project.

10.2 Opportunity for Voluntary Implementation of Plan of Service.

After ColumbiaGrid has selected a Proposed Project as an Order 1000 Project in accordance with section 10.1.2 of Appendix A of the PEFA, ColumbiaGrid is to allow six full calendar months and such additional time, if any, as requested by all Order 1000 Sponsors and other Affected Parties with respect to such Project for the Order 1000 Sponsors and other Affected Parties to reach agreement on Project implementation, including responsibility for the funding of such Project. If, after six full calendar months and such additional time, if any, as has been requested by all Order 1000 Sponsors and other Affected Parties with respect to such Project has elapsed, such an agreement has not been reached, ColumbiaGrid is to apply the Order 1000 Cost Allocation Methodology as set forth in section 10.3 of Appendix A to the PEFA to such Project.

10.3 Application of Order 1000 Cost Allocation Methodology. Unless the Order 1000 Sponsor(s) requesting Order 1000 Cost Allocation for such Order 1000 Project has timely withdrawn its request for Order 1000 Cost Allocation or agreement has been reached on Project implementation pursuant to section 10.2 of Appendix A of the PEFA, ColumbiaGrid is to apply the Order 1000 Cost Allocation Methodology to the Order 1000 Project in accordance with the following.

10.3.1 Order 1000 Project Costs. ColumbiaGrid is to project the costs of such Order 1000 Project. Such projection may be based on information provided by the Order 1000 Sponsor(s), the Study Team, and ColumbiaGrid. In developing such projection, ColumbiaGrid may also seek the input of others, including third-party experts. ColumbiaGrid is to document the basis for its projection and make supporting information available, to the extent practicable, consistent with any applicable CEII and confidentiality requirements.

10.3.2 Order 1000 Benefits and Beneficiaries. ColumbiaGrid is to identify any Order 1000 Beneficiaries and project the Order 1000 Benefits of each such beneficiary projected as a direct result of such Order 1000 Project.

10.3.2.1 Analytical Tools. Analytical tools used are to include, as appropriate:

- (i) power flow and stability studies to project the extent, if any, to which any TOPP would avoid costs due to elimination or deferral of planned transmission facility additions;
- (ii) power flow and stability studies to project changes in transfer capability; and
- (iii) production cost studies to project the estimated usage of any such changes in transfer capability.

Consideration of existing TOPP transmission or interconnection service queue requests may be included in projecting the estimated usage of such changes in transfer capability.

10.3.2.2 Calculation of Order 1000 Benefits. For purposes of calculating Order 1000 Benefits under item (i)a. of section 1.37 of the body of the PEFA,

- (i) the avoided costs of deferred transmission facilities are to be the borrowing costs (*i.e.*, interest costs) projected to be avoided during the Planning Horizon as a result of the deferral of the capital investment of such deferred facilities (rather than the capital costs themselves of such facilities) plus the incremental operations and maintenance costs of

- such deferred facilities projected to be avoided during the Planning Horizon; and
- (ii) the avoided costs of eliminated transmission facilities during the Planning Horizon are to be the portion of the projected avoided depreciation expense of such eliminated facilities that falls within the Planning Horizon plus the projected incremental operation and maintenance costs of such eliminated facilities avoided during the Planning Horizon (such projected avoided depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such eliminated facilities over their depreciable lives).

For purposes of calculating Order 1000 Benefits under item (i)b.1. of section 1.37 of the body of the PEFA, the projected cost that the TOPP(s) would, but for the Order 1000 Project, have otherwise incurred is to be:

- (i) the portion, falling within the Planning Horizon, of the projected depreciation expense of the transmission facilities that, in the absence of the Order 1000 Project, would have been incurred by such TOPP(s) to achieve an increase in capacity on its Transmission System(s) equivalent to that resulting from such Order 1000 Project (such projected depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such facilities over their depreciable lives); plus
- (ii) the projected incremental operation and maintenance costs of such transmission facilities avoided by such TOPP(s) during the Planning Horizon as a direct result of the Order 1000 Project.

For purposes of section 10.3.3 of Appendix A of the PEFA, the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s) are to be equal to the projected capital costs of the Order 1000 Project.

An increase in capacity of a Transmission System of a TOPP that results from any Order 1000 Project is to be deemed under the PEFA to be owned by such TOPP unless otherwise agreed to in writing by such TOPP.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 10.3.2.2 to read in its entirety as follows:

10.3.2.2 Calculation of Order 1000 Benefits. For purposes of calculating Order 1000 Benefits under item (i)a. of section 1.46 of the body of the PEFA,

(i) the avoided costs of deferred transmission facilities are to be the borrowing costs (i.e., interest costs) projected to be avoided during the Planning Horizon as a result of the deferral of the capital investment of such deferred facilities (rather than the capital costs themselves of such facilities) plus the incremental operations and maintenance costs of such deferred facilities projected to be avoided during the Planning Horizon; and

(ii) the avoided costs of eliminated transmission facilities during the Planning Horizon are to be the portion of the projected avoided depreciation expense of such eliminated facilities that falls within the Planning Horizon plus the projected incremental operation and maintenance costs of such eliminated facilities avoided during the Planning Horizon (such projected avoided depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such eliminated facilities over their depreciable lives).

For purposes of calculating Order 1000 Benefits under item (i)b.1. of section 1.46 of the body of the PEFA, the projected cost that the TOPP(s) would, but for the Order 1000 Project, have otherwise incurred is to be:

a. the portion, falling within the Planning Horizon, of the projected depreciation expense of the transmission facilities that, in the absence of the Order 1000 Project, would have been incurred by such TOPP(s) to achieve an increase in capacity on its Transmission System(s) equivalent to that resulting from such Order 1000 Project (such projected depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such facilities over their depreciable lives); plus

b. the projected incremental operation and maintenance costs of such transmission facilities avoided by such TOPP(s) during the Planning Horizon as a direct result of the Order 1000 Project.

For purposes of section 10.3.3 of Appendix A of the PEFA, the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s) are to be equal to the projected capital costs of the Order 1000 Project if it is not an ITP or the Assigned Regional Costs from Interregional Cost Allocation for such Order 1000 Project if it is an ITP.

An increase in capacity of a Transmission System of a TOPP that results from any Order 1000 Project is to be deemed under the PEFA to be owned by such TOPP unless otherwise agreed to in writing by such TOPP.

10.3.3 Cost Allocation. For purposes of the Order 1000 Cost Allocation for an Order 1000 Project, ColumbiaGrid is to allocate the costs of such Order 1000 Project as follows:

10.3.3.1 Cost Allocation to Non-Order 1000 Sponsors.

ColumbiaGrid is to allocate to each Order 1000 Beneficiary that is not an Order 1000 Sponsor an amount of the projected costs of such Order 1000 Project equal to the lesser of: (i) such beneficiary's Order 1000 Benefits; or (ii) the product of the projected costs of such Order 1000 Project multiplied by a fraction, the numerator of which is equal to such beneficiary's Order 1000 Benefits and the denominator of which is equal to the sum of the following: (1) the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Project that are not an Order 1000 Sponsor of such Project, plus (2) the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s). Such allocation to each Order 1000 Beneficiary that is not an Order 1000 Sponsor may be algebraically represented as follows:

Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) = The lesser of:

- (1) Such Order 1000 Beneficiary's Order 1000 Benefits, or
- (2) the product of the projected costs of the Order 1000 Project x (such Order 1000 Beneficiary's Order 1000 Benefits / ((sum of the Order 1000 Benefits of all Order 1000 Beneficiaries that are not an Order 1000 Sponsor of such Project) + (the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s))))

10.3.3.2 Cost Allocation to Order 1000 Sponsors.

ColumbiaGrid is to allocate to the Order 1000 Sponsor(s) in aggregate an amount of the projected costs of such Order 1000 Project equal to the amount, if any, by which the projected costs of such Order 1000 Project exceed the sum of the projected costs of such Order 1000 Project allocated pursuant to section 10.3.3.1 of Appendix A of the PEFA to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor.

Such allocation to Order 1000 Beneficiary(ies) that are Order 1000 Sponsor(s) may be algebraically represented as follows:

The sum of the Order 1000 Cost Allocation(s) to the Order 1000 Beneficiary(ies) that is an Order 1000 Sponsor =

The amount, if any, by which:

- (1) the projected costs of such Order 1000 Project exceed
- (2) the sum of the projected costs of such Order 1000 Project allocated to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 10.3.3 to read in its entirety as follows:

10.3.3 Cost Allocation. For purposes of the Order 1000 Cost Allocation for an Order 1000 Project, ColumbiaGrid is to allocate the costs of such Order 1000 Project, or, if such Order 1000 Project is an ITP, the Assigned Regional Costs from Interregional Cost Allocation of such ITP, as follows.

10.3.3.1 ColumbiaGrid is to allocate to each Order 1000 Beneficiary that is not an Order 1000 Sponsor an amount of the projected costs of such Order 1000 Project equal to the lesser of:

- (i) such beneficiary's Order 1000 Benefits; or
- (ii) the product of the projected costs of such Order 1000 Project if such Order 1000 Project is not an ITP or, if such Order 1000 Project is an ITP, the Assigned Regional Costs from Interregional Cost Allocation of such ITP, multiplied by a fraction, the numerator of which is equal to such beneficiary's Order 1000 Benefits and the denominator of which is equal to the sum of the following: (1) the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Project that are not an Order 1000 Sponsor of such Project, plus (2) the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s).

Such allocation to each Order 1000 Beneficiary that is not an Order 1000 Sponsor may be algebraically represented as follows:

<u>Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) for any Order 1000 Project that</u>	<u>=</u>	<u>The lesser of: (1) Such Order 1000 Beneficiary's Order 1000 Benefits, or (2) the product of the projected costs of the Order 1000 Project x</u>
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<u>is not an ITP</u>		<u>(such Order 1000 Beneficiary's Order 1000 Benefits/((sum of the Order 1000 Benefits of all Order 1000 Beneficiaries that are not an Order 1000 Sponsor of such Project) + (the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s)))</u>
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<u>Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) for any Order 1000 Project that is an ITP</u>	<u>=</u>	<u>The lesser of: (1) Such Order 1000 Beneficiary's Order 1000 Benefits, or (2) the product of the Assigned Regional Costs from Interregional Cost Allocation of such ITP x (such Order 1000 Beneficiary's Order 1000 Benefits/((sum of the Order 1000 Benefits of all Order 1000 Beneficiaries that are not an Order 1000 Sponsor of such Project) + (the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s)))</u>
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10.3.3.2 ColumbiaGrid is to allocate to the Order 1000 Sponsor(s) in aggregate an amount of the projected costs of such Order 1000 Project if such Order 1000 Project is not an ITP or, if such Order 1000 Project is an ITP, the Assigned Regional Costs from Interregional Cost Allocation of such ITP, equal to the amount, if any, by which such projected costs or Assigned Regional Costs from Interregional Cost Allocation of such Order 1000 Project exceed the sum of the projected costs of such Order

1000 Project allocated pursuant to section 10.3.3.1 of Appendix A of the PEFA to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor.

Such allocation to Order 1000 Sponsor(s) may be algebraically represented as follows:

<u>The Order 1000 Cost Allocation(s) to the Order 1000 Sponsor(s) in aggregate for any Order 1000 Project that is not an ITP</u>	<u>=</u>	<u>The amount, if any, by which: (1) the projected costs of such Order 1000 Project exceed (2) the sum of the projected costs of such Order 1000 Project allocated to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor(s)</u>
<u>The Order 1000 Cost Allocation(s) to the Order 1000 Sponsor(s) (including any Order 1000 Sponsor(s) that is not a TOPP) in aggregate for any Order 1000 Project that is an ITP</u>	<u>=</u>	<u>The amount, if any, by which: (1) the Assigned Regional Costs from Interregional Cost Allocation of such ITP, exceed (2) the sum of the projected costs of such Order 1000 Project allocated to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor(s)</u>

10.4 Preliminary Order 1000 Cost Allocation Report. The Staff is to document in a draft Preliminary Order 1000 Cost Allocation Report the selection of any Proposed Project as an Order 1000 Project and the results of Staff's application of the Order 1000 Cost Allocation Methodology to such Project.

Subject to any applicable provisions for protection of Confidential Information and CEII, the Staff is to share its draft Preliminary Order 1000 Cost Allocation Report with any TOPPs that have been identified in such draft report as Order 1000 Beneficiaries, the Study Team that developed such Proposed Project, and any Interested Person who requests such report, and is to provide an opportunity for written comment for a period of 30 days following the issuance of such draft report. The Staff is to evaluate any written comments and reflect them in a Preliminary Order 1000 Cost Allocation Report as follows: (i) if the Staff agrees with any revisions proposed by a potential Order 1000 Beneficiary, Study Team participant, or Interested Person, the Staff is to reflect such revisions in the Preliminary Order 1000 Cost Allocation Report accordingly; and (ii) if the Staff disagrees with any revisions proposed by a potential Order 1000 Beneficiary, Study Team participant, or Interested Person, the Staff is to summarize the proposed revisions and document the

reason why the Staff did not accept the proposed revisions in the Preliminary Order 1000 Cost Allocation Report.

After the Staff has prepared its Preliminary Order 1000 Cost Allocation Report with respect to an Order 1000 Project, ColumbiaGrid is to allow additional time, if requested by one or more Affected Persons with respect to such Project, for such Affected Persons to reach agreement on Project implementation, including responsibility for the funding of such Project. If after such additional time, if any, such an agreement has not been reached, the Staff is to include such Preliminary Order 1000 Cost Allocation Report in the Draft Plan.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the second paragraph of this section 10.4 to read as follows:

Subject to any applicable provisions for protection of Confidential Information and CEII, the Staff is to share its draft Preliminary Order 1000 Cost Allocation Report with any TOPPs and ITP Proponents that have been identified in such draft report as Order 1000 Beneficiaries, the Study Team that developed such Proposed Project, and any Interested Person who requests such report, and is to provide an opportunity for written comment for a period of 30 days following the issuance of such draft report.

10.5 Board Approval of Order 1000 Cost Allocation. The Board is to review the Preliminary Order 1000 Cost Allocation Report, including the selection of a Proposed Project as an Order 1000 Project, as part of its adoption of the Biennial Plan and, as set out in section 11.2 of Appendix A of the PEFA, the Board is to review the Draft Plan in an open, public process. If such Preliminary Order 1000 Cost Allocation Report is acceptable in its entirety, the Board is to approve and finalize such report as part of its adoption of the Biennial Plan, and the approved and finalized Order 1000 Cost Allocation Report is to be included in such Biennial Plan. Any report not approved by the Board may be remanded to the Staff which may, in cooperation with the Study Team, revise the Preliminary Order 1000 Cost Allocation Report and resubmit it to the Board; *provided that* the Board may modify a Preliminary Cost Allocation Report to the extent such modification is supported by the record.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 10.5 to read in its entirety as follows:

The Board is to review the Preliminary Order 1000 Cost Allocation Report, including the selection of a Proposed Project as an Order 1000 Project, as part of its adoption of the Plan and, as set out in section 11.2 of Appendix A of the PEFA, the Board is to review the Draft Plan in an open, public process. If such Preliminary Order 1000 Cost Allocation Report is acceptable in its entirety, the Board is to approve and finalize such report as part of its adoption of the Plan, and the approved and

finalized Order 1000 Cost Allocation Report is to be included in such Plan. Any report not approved by the Board may be remanded to the Staff which may, in cooperation with the Study Team, revise the Preliminary Order 1000 Cost Allocation Report and resubmit it to the Board; provided that the Board may modify a Preliminary Cost Allocation Report to the extent such modification is supported by the record.

11. Process for Adoption of Plans.

11.1 Draft Plan:

11.1.1 Contents of Draft Plan: Under the PEFA, ColumbiaGrid Staff is to prepare a Draft Plan based upon the ColumbiaGrid transmission planning process that contains the following Projects and information:

(A) **Recommended Projects**

(i) **EOPs**

(a) **Recommended Near-Term EOPs**

- (1) Recommended Near-Term EOPs, including an analysis of how such Projects meet their respective EOP Needs and a verification that each EOP does not result in unmitigated Material Adverse Impacts on any transmission system; and
- (2) Staff-Recommended Near-Term EOPs, including an analysis of how such Projects meet their respective EOP Needs, a verification that each such EOP does not result in unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other ColumbiaGrid Staff-recommended elements, such as cost or capacity allocation; *provided that* ColumbiaGrid Staff may only submit recommendations for Near-Term EOPs for which the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team have been unable to reach agreement in whole or in part; *provided further that* ColumbiaGrid Staff is to also provide for informational purposes the alternative opinions developed during the study process;

- (b) Recommended EOPs that the Affected Parties agree are ready for implementation, including an analysis of

how such Projects meet their underlying EOP Needs and a verification that each such Project does not result in Material Adverse Impacts on any transmission system;

- (c) A list of alternative plans of service for EOPs that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan; and
- (d) A list of Non-Transmission Alternatives that resulted in a deferral or elimination of an EOP Need;

(ii) **Recommended Requested Service Projects**

- (a) Recommended Requested Service Projects, including an analysis of how such Projects meet the underlying transmission service and interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system;
- (b) "Staff-Recommended Requested [Service] Projects" (see PEFA Appendix A, section 11.1.1(i)b.2), including an analysis of how such Projects meet the underlying transmission service or interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other ColumbiaGrid Staff recommended elements;
- (c) A list of Non-Transmission Alternatives, if any, that could result in a deferral or elimination of a Requested Service Project; and
- (d) A list of alternative plans of service for Requested Service Projects that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan;

(iii) **Capacity Increase Projects**

- (a) Recommended Capacity Increase Projects, including an analysis of how any such Project that is proposed to address a Need(s) addresses such Need and a verification that each Recommended Capacity Increase Project does not result in any unmitigated Material Adverse Impacts on any transmission system;

- (b) Staff-Recommended Capacity Increase Projects, including an analysis of how any such Project that is proposed to address a Need(s) addresses such Need and a verification that each Staff-Recommended Capacity Increase Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff-recommended elements; *provided further that* the Staff is to also provide for informational purposes the alternative solutions, opinions, and plans of service to such Capacity Increase Projects that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan;
 - (c) Capacity Increase Projects submitted for inclusion in the Draft Plan for informational purposes;
 - (d) An identification of unmitigated Material Adverse Impacts on any transmission system;
 - (e) A list of Non-Transmission Alternatives, if any, that could result in a deferral or elimination of a Capacity Increase Project; and
 - (f) A list of alternative plans of service, if any, that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan;
- (iv) **Single System Projects for which the Order 1000 Sponsor has requested a Study Team for Project development;**
- (a) Recommended Single System Projects, including an analysis of how any such Project that is proposed to address a Need(s) addresses such Need and a verification that each Recommended Single System Project does not result in any unmitigated Material Adverse Impacts on any transmission system;
 - (b) Staff-Recommended Single System Projects, including an analysis of how any such Project that is proposed to address a Need(s) addresses such Need and a verification that each Staff-Recommended Single System Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff-recommended elements; *provided further*

that the Staff is to also provide for informational purposes the alternative solutions, opinions, and plans of service to such Single System Projects that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan; and

(c) A list of Non-Transmission Alternatives, if any, that could result in a deferral or elimination of a Single System Project;

(v) Single System Projects submitted for inclusion in the Draft Plan for informational purposes; and

(vi) Expanded Scope Projects; including a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system;

(B) **Order 1000 Projects**

(i) A list of Order 1000 Projects;

(ii) A list of Proposed Project(s) for which Order 1000 Cost Allocation has been requested in accordance with section 10 of Appendix A of the PEFA but which did not qualify as an Order 1000 Project(s) and the deficiencies that precluded its selection as an Order 1000 Project; and

(iii) Preliminary Order 1000 Cost Allocation Reports for each Order 1000 Project;

(C) System Assessment Report and Need Statements;

(D) A list of Study Teams and their participants;

(E) A review of the current status of all pending Order 1000 Projects that received an Order 1000 Cost Allocation in a prior Plan or Plan Update; and

(F) Other information that the Board may find helpful in making its decision.

In preparing the Draft Plan, ColumbiaGrid Staff is to solicit and consider the comments of Interested Persons, Affected Persons, and Planning Parties. ColumbiaGrid Staff is to post a preliminary Draft Plan on the Website and obtain stakeholder comment prior to finalizing the Draft Plan and may include a summary of the comments received; *provided that* ColumbiaGrid Staff is to redact Confidential Information and CEII from the Draft Plan that is made public. ColumbiaGrid Staff is to include such redacted information in the Draft Plan submitted to the Board. ColumbiaGrid Staff is to include the documentation as ColumbiaGrid Staff finds appropriate for purposes of Board review and action; *provided that* the documentation should be sufficient for subsequent review in an appropriate forum. The Draft Plan is to clearly identify which Projects (i) must be commenced in the

upcoming Planning Cycle in order to have sufficient lead time for implementation or are ready for implementation, (ii) have planning underway but do not require commencement in the upcoming Planning Cycle yet are ready for implementation, or (iii) have planning at a conceptual or preliminary stage.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise item (i)b.2. of this section 11.1.1 to read as follows:

2. Staff-Recommended Requested Service Projects, including an analysis of how such Projects meet the underlying transmission service or interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff recommended elements;

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise item (ii) of this section 11.1.1 to read as follows:

(ii) Order 1000 Projects and ITPs

- a. A list of Interregional Transmission Projects;
- b. A list of Order 1000 Projects;
- c. A list of Proposed Project(s) for which Order 1000 Cost Allocation has been requested in accordance with section 10 of Appendix A of the PEFA but which did not qualify and the deficiencies that precluded its selection as an Order 1000 Project; and
- d. Preliminary Order 1000 Cost Allocation Reports for each Order 1000 Project;

11.1.2 Timing. ColumbiaGrid Staff is to submit the Draft Plan for Board adoption at a time interval no greater than every two years.

11.2 Review Process. The Board is to review the Draft Plan in an open, public process. In doing so, the Board is to make available the "[D]raft Plan" (see PEFA Appendix A, section 11.2), study reports and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Planning Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board. The Board may adopt additional procedures to carry out its review process.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the second sentence of this section 11.2 to read as follows:

In doing so, the Board is to make available the Draft Plan, study reports and electronic data files, subject to appropriate

protection of Confidential Information and CEII to all Planning Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board.

11.3 Basis for Plan Adoption. The Board is to base its review and adoption of the Plan on the technical merits of the Draft Plan, the consistency of the Projects listed in the Draft Plan with the PEFA, and considering comments and information provided during the review process.

11.4 Plan Adoption. The Board is to review and take action regarding the Draft Plan as follows:

11.4.1 Recommended Projects:

11.4.1.1(A) **EOPs**

11.4.1.1.1(i) **Recommended Near-Term EOPs and Recommended EOPs.** The Board is to review and may approve the following with respect to each Recommended EOP: the Study Team's determination that (a) it meets its underlying EOP Need Statement(s) and (b) does not impose unmitigated Material Adverse Impacts. Those elements that are not approved by the Board are to be remanded to ColumbiaGrid Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further consideration and analysis and development.

11.4.1.1.2(ii) **Staff-Recommended EOPs.** The Board is to review and may approve the following with respect to each Staff- Recommended EOP: the ColumbiaGrid Staff determination that it meets its underlying Need Statement(s), its plan of service, sponsorship, schedule, cost allocation, transmission rights allocation, and mitigation of Material Adverse Impacts. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to ColumbiaGrid Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

11.4.1.2(B) **Requested Service Projects**

11.4.1.2.1(i) **Recommended Requested Service Projects.** The Board is to review and may approve the Study Team's determination that each Recommended Requested Service Project (a) serves its underlying transmission service or interconnection request and (b) does not result in any unmitigated Material

Adverse Impacts on any transmission system; *provided that* no Recommended Requested Service Project is to be included in any Plan unless the requestor and all Affected Persons agree upon such Requested Service Project. If the Board determines that there are unmitigated Material Adverse Impacts, such Project is to be remanded to ColumbiaGrid Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis.

11.4.1.2.2(ii)

Staff-Recommended Requested Service Projects. The Board is to review and may approve ColumbiaGrid Staff's determination that each Staff-Recommended Requested Service Project serves the underlying transmission service or interconnection request, the plan of service, transmission capacity allocation, sponsorship, and mitigation of Material Adverse Impacts resulting from such Project on any transmission system; *provided that* no Staff-Recommended Requested Service Project is to be included in any Plan unless the requestor and all Affected Persons agree upon such Requested Service Project. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to ColumbiaGrid Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

11.4.1.3(c) **Capacity Increase Projects.** With respect to Capacity Increase Projects for which the Project's sponsor has requested a Study Team for Project development:

- (i) with respect to Recommended Capacity Increase Projects, the Board is to review and may approve the Study Team's determination that such Capacity Increase Project (a) meets its underlying Need Statement(s) and (b) does not result in any unmitigated Material Adverse Impacts on any transmission system. If the Board determines that there are unmitigated Material Adverse Impacts resulting from such a Project on any transmission system, the Board is to note such Material Adverse Impacts in the Plan and such Project is to be remanded to the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis or defer resolution of such Material Adverse Impacts to the WECC planning or path rating process; and

- (ii) with respect to Staff-Recommended Capacity Increase Projects, the Board is to review and may approve the following with respect to each Staff-Recommended Capacity Increase Project: the Staff determination that it meets its underlying Need Statement(s), its plan of service, sponsorship, schedule, cost allocation, transmission rights allocation, and mitigation of Material Adverse Impacts. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to the Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the next to the last sentence of this section 11.4.1.3 to read as follows:

The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative.

11.4.1.4 Single System Projects. ~~(D)~~——With respect to a Single System Project for which the Order 1000 Sponsor has requested Order 1000 Cost Allocation and a Study Team for Project development:

- (i) with respect to Recommended Single System Projects, the Board is to review and may approve the Study Team's determination that such Single System Project (a) meets its underlying Need Statement(s) and (b) does not impose unmitigated Material Adverse Impacts; and
- (ii) with respect to Staff-Recommended Single System Projects, the Board is to review and may approve the following with respect to each Staff-Recommended Single System Project: the Staff determination that it meets its underlying Need Statement(s), its plan of service, sponsorship, schedule, cost allocation, transmission rights allocation, and mitigation of Material Adverse Impacts. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to the Staff which may, in cooperation with the Study Team, revise the recommendation and

resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the next to the last sentence of this section 11.4.1.4 to read as follows:

The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative.

11.4.1.5(E) Expanded Scope Projects. The Board is to review and may approve the Study Team's determination that there are no unmitigated Material Adverse Impacts resulting from each such Expanded Scope Project on any transmission system and, for Expanded Scope Projects that have an underlying EOP or Requested Service Project, the underlying EOP Need or request is still met with an equivalent or better service at no greater cost than it would have paid for the underlying Project. The Board is not to disapprove or modify Project elements associated with the Project expansion (developed by the Project's sponsor(s) or a Study Team). If the Board determines that there are unmitigated Material Adverse Impacts resulting from such a Project on any transmission system or that the underlying EOP Need or request is not met with an equivalent or better service at no greater cost than it would have paid for the underlying Project, the Board is to remand such Project to ColumbiaGrid Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis.

11.4.1.6(F) Order 1000 Information. The Board is to include in the Biennial Plan:

- (i) a list of Order 1000 Projects; (ii) an Order 1000 Cost Allocation Report for each Order 1000 Project proposed in the current planning cycle; and
- (iii) a determination as to whether each Project that received an Order 1000 Cost Allocation in a prior Plan or Plan Update continues to be expected to meet the underlying Need(s) in a timely manner, and, if not, whether such Project should be removed from the Plan, resulting in loss of its Order 1000 Project status.

11.4.2 Other Information Included in the Draft Plan. The Board is to include in the Biennial Plan for informational purposes all of the other content in the Draft Biennial Plan that was provided for informational purposes unless the Board determines it has good cause not to include such content.

11.4.3 Remands. In the event that the Board remands an item to ColumbiaGrid Staff and a Study Team for further analysis and discussion, the Board is to identify specific questions or concerns to be answered or further researched by ColumbiaGrid Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team before the Board approves or confirms the matter that has been remanded. If the Board determines that a transmission alternative submitted in the public review process or that a transmission alternative to a Staff-Recommended Project is potentially preferable to the proposed Staff-Recommended Project, the Board may remand such alternative to ColumbiaGrid Staff, Planning Parties, and Interested Persons for further analysis and discussion. The Board and ColumbiaGrid Staff are to attempt to minimize the total number of times a Project is remanded.

11.4.4 Reconsideration Process. The Board is to develop and make available a reconsideration process that provides Persons who are materially impacted by such decision and did participate in any underlying Study Team to request within ten (10) days that the Board reconsider a specific decision within the Board's approval. If reconsideration of a Board decision is sought by any such Person, ColumbiaGrid is to promptly convene a meeting, chaired by the ColumbiaGrid President, to which it invites the chief executive officer or equivalent executive of all Affected Persons to determine whether they can reach agreement on the disputed decision. If agreement is not reached, the Board is to pursue the reconsideration process. The reconsideration process is to provide for input from all involved Persons (including Planning Parties) and ColumbiaGrid Staff, and the Board is to make its reconsidered decision known within ninety (90) days from the date of the request. If, upon reconsideration, the Board modifies its decision, the modification is to also be subject to a petition for reconsideration.

11.4.5 Post-Board Approval Project Modifications. In the event a Project's sponsor(s) discover during siting and environmental review processes that modifications are needed to an EOP in order for such EOP to receive needed regulatory approval or in order to implement such EOP, ColumbiaGrid Staff is to review the proposed modification(s) in a public process to determine whether the proposed modified Project continues to satisfy the EOP Need and whether Material Adverse Impacts to transmission systems, if any, are mitigated. ColumbiaGrid Staff is to communicate the results of its findings to the Board as follows.

11.4.5.1(A) Summary Change Statement. ColumbiaGrid Staff is to provide a summary change statement to the Board when such changes are found by ColumbiaGrid Staff to resolve the problem, mitigate Material Adverse Impacts, if any, and have the support of Affected Persons. In these situations the Board is not to be

required to take action for the revised plan to be included in the next Plan.

11.4.5.2(B) Staff Recommendation. ColumbiaGrid Staff, when it finds any of the following,

- (i) the plan of service being implemented does not resolve the EOP Need,
- (ii) there is disagreement between or among the sponsors and participants as to the plan of service, sponsorship, schedule, cost allocation, or transmission rights allocation, or
- (iii) mitigation of Material Adverse Impacts is lacking, Is to provide a recommendation to the Board on what actions if any the Board should take. For example, the ColumbiaGrid Staff recommendation could be one or a combination of the following:
 - (a) withdraw Board approval or acceptance of the Project,
 - (b) address the situation in a subsequent system assessment,
 - (c) start a Study Team to look at alternatives, or
 - (d) bring the Affected Persons together to see if there is interest in having ColumbiaGrid mediate differences.

11.4.5.36 **Board Consideration.** In these situations, the Board is to consider the ColumbiaGrid Staff recommendation and is to accept the recommendation or ask ColumbiaGrid Staff to reconsider its recommendation in light of additional factors that the Board may want included in the recommendation. No Project modification pursuant to section 11.4.5 of Appendix A of the PEFA is to be deemed to amend any Facilities Agreement, and any amendment to any Facilities Agreement is to be subject to and pursuant to the provisions of such Facilities Agreement for its amendment (and subject to the provisions of section 6.2 of the body of the PEFA).

12. ColumbiaGrid Non-Order 1000 Cost Allocation. Under the PEFA, ColumbiaGrid is to provide cost allocation recommendations pursuant to provisions of the PEFA other than section 10.3 of Appendix A of the PEFA (such as sections 5.4, 6.4, 8.4, or 9.4 of Appendix A of the PEFA), which facilitate the development of mutual agreement by parties on cost allocation. As discussed above, broad-based Study Teams are to be used extensively in the ColumbiaGrid processes, including the development of cost allocation recommendations. Study Teams are intended to be the primary tool for participation by Planning Parties, Affected Persons, and Interested Persons, in the development of Projects defined and included in the Plan of ColumbiaGrid. Non-Order 1000 Cost Allocation recommendations by ColumbiaGrid under the PEFA with respect to certain types of Projects are discussed above and are

summarized as set forth below in this section. In making Non-Order 1000 Cost Allocation recommendations,

ColumbiaGrid is, subject to the PEFA, to consider: (i) whether a cost allocation proposal fairly assigns costs among participants, including those who cause them to be incurred, and those who otherwise benefit from them; (ii) whether a cost allocation proposal provides adequate incentives to construct new transmission; and (iii) whether the proposal is generally supported by State authorities and participants across the region.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the first paragraph of this section 12 to read as follows:

Under the PEFA, ColumbiaGrid is to provide cost allocation recommendations pursuant to provisions of the PEFA other than section 10.3, 13, or 14 of Appendix A of the PEFA (such as section 5.4, 6.4, 8.4, or 9.4 of Appendix A of the PEFA), which facilitate the development of mutual agreement by parties on cost allocation.

12.1 EOPSS.

12.1.1 An EOP is to include an associated cost allocation to be included in a ColumbiaGrid Biennial Plan or Plan Update. As described in section 5.4 of Appendix A of the PEFA, ColumbiaGrid is to make a recommendation on cost allocation for a "[p]roposed Near-Term EOP" (see PEFA Appendix A, section 5.4), in the event that agreement is not reached on such cost allocation.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 12.1.1 to read in its entirety as follows:

An EOP is to include an associated cost allocation to be included in a ColumbiaGrid Biennial Plan or Plan Update. As described in section 5.4 of Appendix A of the PEFA, ColumbiaGrid is to make a recommendation on cost allocation for a proposed Near-Term EOP, in the event that agreement is not reached on such cost allocation.

12.1.2 When the ColumbiaGrid Staff submits the Draft Plan to the ColumbiaGrid Board for approval, the Staff is to make a recommendation for the cost allocation elements of any Near-Term EOP upon which Affected Persons have not reached agreement. The ColumbiaGrid Board is to review and may approve or remand to Staff a recommended cost-allocation for each Staff-Recommended EOP. Staff may, in cooperation with the Study Team, revise the remanded recommendation and resubmit it to the ColumbiaGrid Board. However, the ColumbiaGrid Board may also modify a recommendation by ColumbiaGrid Staff of cost allocation for the EOP to the extent such modification is supported by the record.

12.2 Requested Service Projects. A Requested Service Project is to include an associated cost allocation to be included in a ColumbiaGrid Biennial Plan or Plan Update. As described in section 6.4 of Appendix A of the PEFA, ColumbiaGrid is to make a recommendation on cost allocation for a Proposed Requested Service Project, in the event that agreement is not reached on such cost allocation.

12.3 Capacity Increase Project Cost Allocation. A Capacity Increase Project is to include an associated cost allocation to be included in a Biennial Plan (or Plan Update). As described in section 8 of Appendix A of the PEFA, ColumbiaGrid is to make a recommendation on cost allocation for a Proposed Capacity Increase Project, in the event that agreement is not reached on such cost allocation and a cost allocation recommendation is requested from ColumbiaGrid.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this Part III to add new sections 13 and 14 to read as follows:

13. Order 1000 ITPs and Interregional Cost Allocation

Section 13 of Appendix A of the PEFA sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. Nothing in section 13 of Appendix A of the PEFA will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

13.1 This section left intentionally blank

13.2 Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, ColumbiaGrid shall 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 ColumbiaGrid'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 (collectively referred to as "Annual Interregional Information").

ColumbiaGrid shall post its Annual Interregional Information on its Website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process ColumbiaGrid's Annual Interregional Information.

ColumbiaGrid may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions. ColumbiaGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by ColumbiaGrid in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if ColumbiaGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under ColumbiaGrid's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of ColumbiaGrid or any Planning Party in ColumbiaGrid, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

13.3 Annual Interregional Coordination Meeting

ColumbiaGrid shall participate in an Annual Interregional Coordination Meeting with the other Planning Regions. ColumbiaGrid shall host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. ColumbiaGrid shall provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

(i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

(ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and

(iii) updates of the status of ITPs being evaluated or previously included in ColumbiaGrid's regional transmission plan.

13.4 ITP Joint Evaluation Process

13.4.1 Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to section 13.4.2 of Appendix A of the PEFA by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

13.4.2 Joint Evaluation of an ITP

For each ITP that meets the requirements of section 13.4.1 of Appendix A of the PEFA, ColumbiaGrid (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with section 13.4.1 of Appendix A of the PEFA or the immediately following calendar year. With respect to any such ITP, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of section 13.4.1 of Appendix A of the PEFA, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under section 13.4.2 of Appendix A of the PEFA in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if ColumbiaGrid determines that the ITP will not meet any of its regional transmission needs; thereafter ColumbiaGrid has no obligation under section 13.4.2 of Appendix A of the PEFA to participate in the joint evaluation of the ITP; and (d) is to determine under

its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of ColumbiaGrid's regional transmission needs.

13.5 Interregional Cost Allocation Process

13.5.1 Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with section 13.4.1 of Appendix A of the PEFA, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from ColumbiaGrid and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

13.5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of section 13.5.1 of Appendix A of the PEFA, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

(i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;

(ii) ColumbiaGrid's regional benefits stated in dollars resulting from the ITP, if any; and

(iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to section 13.6.2 of Appendix A of the PEFA) to each Relevant Planning Region using the methodology described in section 13.5.2 of Appendix A of the PEFA.

For each ITP that meets the requirements of section 13.5.1 of Appendix A of the PEFA, ColumbiaGrid (if it is a Relevant Planning Region):

(a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's analysis;

(b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under section 13.5.2 of Appendix A of the PEFA in accordance with its regional transmission planning process;

(c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in

ColumbiaGrid, ColumbiaGrid shall use its regional cost allocation methodology, as applied to ITPs;

(d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

(e) 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;

(f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

(g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to section 13.5.2 of Appendix A of the PEFA in the same general time frame as its joint evaluation activities pursuant to section 13.4.2 of Appendix A of the PEFA.

13.6 Application of Regional Cost Allocation Methodology to Selected ITP

13.6.1 Selection by All Relevant Planning Regions

If ColumbiaGrid (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under sections 13.5.2(d) or 13.5.2(e) of Appendix A of the PEFA in accordance with its regional cost allocation methodology, as applied to ITPs.

13.6.2 Selection by at Least Two but Fewer than All Relevant Regions

If ColumbiaGrid (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall evaluate (or reevaluate, as the case may be) pursuant to sections 13.5.2(d), 13.5.2(e), and 13.5.2(f) of Appendix A of the PEFA whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as

necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of ColumbiaGrid and at least one other Relevant Planning Region, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under sections 13.5.2(d) or 13.5.2(e) of Appendix A of the PEFA in accordance with its regional cost allocation methodology, as applied to ITPs.

14. Order 1000 ITPs, Joint Evaluation, and Interregional Cost Allocation

14.1 ITP Agreement

Any Person that seeks to submit an ITP for joint evaluation pursuant to section 13.4 of Appendix A of the PEFA or seeks to request Interregional Cost Allocation pursuant to section 13.5 of Appendix A of the PEFA must either be a Planning Party or must enter into an ITP Agreement with ColumbiaGrid, which ITP Agreement is to be substantially in the form attached to the PEFA as Appendix C.

14.2 Submission for Joint Evaluation

Submission of an ITP into the ColumbiaGrid regional transmission planning process in accordance with section 13.4.1 of Appendix A of the PEFA is to be accomplished as set forth in section 14.2 of Appendix A of the PEFA. Section 14.2 of Appendix A of the PEFA is not to apply to any ITP for which ColumbiaGrid is not a Relevant Planning Region.

A TOPP or an ITP Proponent of an ITP may seek to have its ITP evaluated in the Order 1000 ColumbiaGrid Planning Region pursuant to section 13.4.2 of Appendix A of the PEFA by submitting a written request for such evaluation to ColumbiaGrid; *provided that* ColumbiaGrid is to deem such written request properly submitted to ColumbiaGrid only if, and at such time as, ColumbiaGrid receives the written request and: (1) such written request specifically references section 13.4 of Appendix A of the PEFA, and (2) such written request includes a list of all other Planning Regions to which the ITP is being submitted for joint evaluation.

ColumbiaGrid is to seek to confirm with each other Relevant Planning Region that such TOPP or ITP Proponent has submitted such ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s). In the event that ColumbiaGrid is unable to confirm that the TOPP or ITP Proponent has submitted its ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s), ColumbiaGrid is to notify the TOPP or ITP Proponent in writing, and the TOPP or ITP Proponent is to have 30 days from the date of such notice to provide ColumbiaGrid evidence, reasonably acceptable to ColumbiaGrid, that the TOPP or ITP Proponent has timely submitted its ITP for evaluation to each other Relevant Planning Region(s) as required by section 14.2 of Appendix A of the PEFA. If a TOPP or ITP Proponent fails to provide such evidence, the TOPP's or ITP

Proponent's ITP is to be deemed withdrawn and is not to be eligible for evaluation pursuant to section 13.4.2 of Appendix A of the PEFA.

Prior to commencing the joint evaluation of an ITP pursuant to section 13.4.2 of Appendix A of the PEFA, ColumbiaGrid is to require an ITP Proponent that is seeking such evaluation of an ITP to submit to ColumbiaGrid information in accordance with section 10.1.2.1(ii)b. of Appendix A of the PEFA, which, to the extent permitted by law, is to include a copy of all ITP data being submitted by the TOPP or an ITP Proponent to any of the other Relevant Planning Regions for such ITP. A TOPP seeking evaluation of an ITP pursuant to section 13.4.2 of Appendix A of the PEFA is to submit to ColumbiaGrid the information required by the last paragraph of section 14.2 of Appendix A of the PEFA.

14.3 Joint Evaluation Implementation

For purposes of ColumbiaGrid's evaluation of an ITP pursuant to section 13.4.2 of Appendix A of the PEFA,

(i) development of such ITP is to be through a Study Team; and

(ii) evaluation of such ITP in the ColumbiaGrid regional transmission planning process for purposes of section 13.4.2 of Appendix A of the PEFA is to be through the development and evaluation of such ITP as a Proposed Project through the ColumbiaGrid regional planning process under the PEFA.

Upon receipt of a properly submitted request for such evaluation pursuant to sections 13.4.1 and 14.2 of Appendix A of the PEFA, ColumbiaGrid is to convene a Study Team (or refer such ITP to an existing Study Team) for development of such ITP. With respect to an ITP, the TOPP(s) or ITP Proponent(s) that submitted the ITP is to assume primary responsibility for leading and performing necessary analytical work for such ITP in the Study Team.

14.4 Interregional Cost Allocation Process

For each ITP that meets the requirements of sections 13.5.1 and 14.2 of Appendix A of the PEFA and for which Interregional Cost Allocation for such ITP has been timely requested pursuant to section 10.1 of Appendix A of the PEFA, ColumbiaGrid (if and so long as it is a Relevant Planning Region) is to:

(i) pursuant to item (c) of section 13.5.2 of Appendix A of the PEFA, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;

(ii) pursuant to section 13.5.2(ii) of Appendix A of the PEFA, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;

(iii) pursuant to item (d) of section 13.5.2 of Appendix A of the PEFA, calculate ColumbiaGrid's assigned *pro rata* share of the projected costs of such ITP (such share also referred to as Assigned Regional Costs from Interregional Cost

Allocation), which share is to be equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which is to be the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which is to be the sum of (A) the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (B) the sum of the regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its regional transmission planning process and provided to ColumbiaGrid by such other Relevant Planning Region;

(iv) determine what its regional cost allocation would be if ColumbiaGrid were to select the ITP as an Order 1000 Project in its Plan by performing a preliminary determination of:

a. the Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) should such ITP be selected as an Order 1000 Project, using the methodology with respect to an ITP in section 10.3.3.1 of Appendix A of the PEFA, and

b. the sum of the Order 1000 Cost Allocation(s) to the Order 1000 Beneficiary(ies) that is an Order 1000 Sponsor(s) should such ITP be selected as an Order 1000 Project, using the methodology with respect to an ITP in section 10.3.3.2 of Appendix A of the PEFA.

Pursuant to item (e) of section 13.5.2 of Appendix A of the PEFA, ColumbiaGrid is to share the above determinations with the other Relevant Planning Regions with regard to such ITP.

(v) If ColumbiaGrid receives information from one or more other Relevant Planning Regions regarding what such Relevant Planning Region's 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 (such total share also referred to as Total Regional Costs from Interregional Cost Allocation) in order to determine, pursuant to section 14.5 of Appendix A of the PEFA, whether to select the ITP as an Order 1000 Project.

For purposes of Interregional Cost Allocation, the projected costs of any ITP 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.

Determinations and other activities pursuant to items (iii), (iv), and (v) of section 14.4 of Appendix A of the PEFA may be reperformed as a result of application of section 13.6.2 of Appendix A of the PEFA.

14.5 Determination of Whether to Select the ITP in ColumbiaGrid Regional Transmission Plan for Purposes of Interregional Cost Allocation

For each ITP that meets the requirements of sections 13.5.1 and 14.2 of Appendix A of the PEFA and for which Interregional Cost Allocation for such ITP has been timely requested by a TOPP or ITP Proponent pursuant to section 10.1 of Appendix A of the PEFA, ColumbiaGrid (if and so long as it is a Relevant Planning Region) is to determine, as required by section 13.5.2(f) of Appendix A of the PEFA, whether to select the ITP as an Order 1000 Project in accordance with section 10.1 of Appendix A of the PEFA, based on its regional transmission planning process and taking into account the Total Regional Costs from Interregional Cost Allocation.

Determinations pursuant to section 14.5 of Appendix A of the PEFA may be reperformed as a result of application of section 13.6.2 of Appendix A of the PEFA.

14.6 Implementation of Application of Regional Cost Allocation Methodology to Selected ITP

For any ITP for which ColumbiaGrid is to apply its regional cost allocation methodology pursuant to section 13.6.1 or 13.6.2 of Appendix A of the PEFA, ColumbiaGrid is to apply its regional cost allocation methodology (Order 1000 Cost Allocation Methodology) by determining:

- (i) the Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) of such ITP, using the methodology with respect to an ITP in section 10.3.3.1 of Appendix A of the PEFA, and
- (ii) the sum of the Order 1000 Cost Allocation(s) to the Order 1000 Sponsor(s) of such ITP, using the methodology with respect to an ITP in section 10.3.3.2 of Appendix A of the PEFA.

Any amounts associated with the information ColumbiaGrid receives as described in item (e) of section 13.5.2 of Appendix A of the PEFA and item (v) of section 14.4 of Appendix A of the PEFA are not to be included in the amounts allocated pursuant to section 10.3.3.2 of Appendix A of the PEFA.

~~13. Dispute Resolution.~~

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section to renumber the heading so that the heading for this section reads as follows:

15. Dispute Resolution

Disputes among PEFA Parties within the scope of the arbitration provisions of section 16.1 of the PEFA shall be addressed through the provisions of that section. However, nothing in this Attachment K restricts the rights of any person to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Disputes that are not within the scope of PEFA dispute resolution procedures but that arise out of Attachment K between a Transmission Provider and one or more of its Transmission Customers shall be addressed pursuant to Section 12 (Dispute Resolution Procedures) of the Tariff.

ColumbiaGrid is intended to provide a forum for resolving substantive and procedural disputes. Specifically, ColumbiaGrid is a separate and operationally independent entity that makes decisions or recommendations regarding multi-system planning issues, and thus provides a neutral forum through which transmission customers, transmission providers, Planning Parties, and other stakeholders can raise and address issues arising out of ColumbiaGrid planning activities. All interested persons have an additional opportunity to present their perspectives when the staff's recommendation is presented to the Board. When reviewing the draft Biennial Plan, the Board can remand items back to the staff for further work and public input.

Disputes that are not within the scope of the foregoing dispute resolution processes but that arise out of Attachment K in connection with the ColumbiaGrid planning processes may be addressed, with the agreement of all parties to the dispute, through non-binding mediation using the FERC Dispute Resolution Service or other non-binding mediation mechanism mutually agreeable to all parties to the dispute.

~~Disputes among PEFA Parties within the scope of the arbitration provisions of the PEFA shall be addressed through the provisions of included therein. However, nothing in this Attachment K restricts the rights of any person to file a Complaint with the Commission under relevant provisions of the Federal Power Act.~~

~~Disputes that are not within the scope of PEFA dispute resolution procedures, but that arise out of Attachment K between a Transmission Provider and one or more of its Transmission Customers, shall be addressed pursuant to section 12 (Dispute Resolution Procedures) of the Tariff.~~

~~ColumbiaGrid is intended to provide a forum for resolving substantive and procedural disputes. Specifically, ColumbiaGrid is a separate and operationally independent entity that makes decisions or recommendations regarding multi system planning issues, and thus provides a neutral forum through which transmission customers, transmission providers, Planning Parties, and other stakeholders can raise and address issues arising out of ColumbiaGrid planning activities. All interested persons have an additional opportunity to present their perspectives when the ColumbiaGrid Staff's recommendation is presented to the Board. When reviewing the draft Biennial Plan, the Board can remand items back to ColumbiaGrid Staff for further work and public input.~~

~~Disputes that are not within the scope of the foregoing dispute resolution processes, but that arise out of Attachment K in connection with the ColumbiaGrid planning processes, may be addressed, with the agreement of all parties to the dispute, through non binding mediation using the FERC Dispute Resolution Service or other non binding mediation mechanism mutually agreeable to all parties to the dispute.~~

1516. Western Interconnection Planning Group Coordination. ColumbiaGrid is sometimes referred to as a Western Interconnection sub-regional planning group ("SPG") and coordinates with other SPGs for projects and studies that involve ColumbiaGrid and one or more other SPGs. In addition, ColumbiaGrid is to participate in the Western Interconnection planning process through regular joint SPG meetings (at least three times yearly) as described in the Regional Planning (Western Interconnection) section of ColumbiaGrid's Policy Statement Regarding Planning - Coordinated, Open and Transparent Planning Processes for Single and Multiple Transmission Systems, which is available at <http://www.columbiagrid.org/AttachKdocuments.com>. The purpose of these meetings is to review and coordinate study activities, to work on development of WECC base case assumptions and requests, to share planning information, and to coordinate requests to WECC for economic studies.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section to renumber the heading so that the heading for this section reads as follows:

16. Western Interconnection "Sub-Regional" Planning Group Coordination

PART IV: CONFIDENTIALITY

1. Confidentiality of Information.

1.1 Confidential Information. Confidential Information may include Transmission Provider Proprietary Data or Confidential Information provided to the Transmission Provider. The Transmission Provider has an obligation to protect Confidential Information and proprietary information marked as confidential and received from third parties. This includes but is not limited to operating studies and maintenance plans that may have commercial impact for customers or energy markets.

1.2 Access to Confidential Information. Entities with a right or need for the Confidential Information, shall submit a written request for access to Confidential Information. A party seeking access to Confidential Information shall satisfy the Transmission Provider that its access to the Confidential Information is required and execute a non-disclosure agreement. The forms of non-disclosure agreement will be posted on the Transmission Provider's website as part of Transmission Providers procedure for disclosure of Confidential Information. Transmission Provider will seek agreement from entities that provided information marked as confidential prior to release of such information.

1.3 Disclosure to FERC, its Staff, State Commission and Other Authorized Parties. If FERC or its staff, during the course of an investigation or otherwise, requests information from the Transmission Provider that is otherwise required to be maintained in confidence pursuant to this Attachment, Transmission Provider shall provide the requested information to FERC or its staff within the time provided for in the request for information. In providing the information to FERC or its staff, the Transmission

Provider must, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. To the extent applicable, the Transmission Provider shall provide notice to the party that provided the Confidential Information to the Transmission Provider when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

- 1.4 Breach and Liability.** A party that fails to observe and follow the terms of this section and any non-disclosure agreement will be a breaching party. The Transmission Provider shall have no responsibility for any damages or liability or equitable remedies resulting from another party's breach of its non-disclosure agreement or the provisions of this section. The provisions of this section shall not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this provision).

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**APPENDIX A
DEFINITIONS**

The following terms shall have the following definitions when used in this Attachment K. Other terms defined in Section 1 of the Tariff or in the PEFA that is Transmission Provider's Rate Schedule FERC No. CG1 shall have the meanings set forth in such Section 1 of the Tariff or the PEFA where used in this Attachment K.

Affected Persons with respect to a Project means those Planning Parties and Persons that would bear Material Adverse Impacts from such Project or are otherwise materially affected by such Project.

Biennial Plan means each biennial transmission plan adopted by the Board pursuant to the PEFA. A "Draft Biennial Plan" refers to a draft of a Biennial Plan presented by ColumbiaGrid Staff to the Board for adoption pursuant to the PEFA, but not yet adopted by the Board.

Board of Directors or **Board** means the Board of Directors of ColumbiaGrid.

Briefing Paper means the report, completed by the Transmission Provider, which includes any reliability impacts identified on the local transmission system and a list of projects proposed to mitigate those issues.

Bylaws means the then current bylaws of ColumbiaGrid.

Capacity Increase Project means a voluntary modification of the Regional Interconnected Systems that is: (i) for the purpose of increasing transmission capacity on the Regional Interconnected Systems; (ii) voluntarily undertaken by one or more Planning Parties; and (iii) not an Existing Obligation Project or Requested Service Project.

ColumbiaGrid Staff or **Staff** means the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff's responsibilities under the PEFA. The activities of ColumbiaGrid Staff under this Agreement will be performed under the supervision and guidance of the ColumbiaGrid Board.

Confidential Information shall mean: all information, regardless of the manner in which it is furnished, marked as "Confidential Information" at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who had a legal right to do so; (iii) independently developed by the receiving Party or known to such Party prior to its disclosure under this Agreement; (iv) information that is normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law or other directive of a court, administrative agency or arbitration panel.

Critical Energy Infrastructure Information or **CEII** means information determined to be CEII by Transmission Provider as that term is defined in 18 C.F.R. § 388.113(c), as may be amended from time to time, about existing and proposed systems or assets, whether physical or virtual, relating to the production, generation, transportation, transmission, or distribution of energy that could be useful to a person in planning an attack on such systems or assets, the incapacity or destruction of which would negatively affect security, economic security, or public health or safety.

Designated Person with respect to a form of Facilities Agreement means each of the Persons designated as such pursuant to the PEFA by ColumbiaGrid in such form.

Draft Local Transmission Plan means the Local Transmission Plan prepared by the Transmission Provider following completion of the studies and analysis. Such Draft Local Transmission Plan may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the needs.

Existing Obligation Project or **EOP** means any modification to be made to the Regional Interconnected Systems that is: (i) for the purpose of meeting a Need on a TOPP's system; (ii) not a Single System Project; and (iii) approved by the Board and included as an EOP in a Plan.

Expanded Scope Project means any Project that is expanded pursuant to the PEFA.

Facilities Agreement means an agreement tendered by ColumbiaGrid to Designated Parties for purposes of effectuating an EOP pursuant to the PEFA.

Final Local Transmission Plan means the Local Transmission Plan developed by the Transmission Provider and the Planning Advisory Group and approved by the Transmission Provider's Board of Directors.

Functional Type at any time means each Functional Type as then adopted by NERC.

Interested Person means any Person who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons will be identified on the Interested Persons list compiled by ColumbiaGrid in accordance with the ColumbiaGrid Bylaws.

Interested Stakeholder means any Person who has expressed an interest in the business of the Transmission Provider and wishes to participate in the planning process.

Local Transmission Plan means the plan compiled every five (5) years for the purpose of identifying Single System Projects to mitigate future reliability and load-service requirements for the Transmission System.

Material Adverse Impacts with respect to a Project means a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such Project that is material, that would result from a Project, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of this

Agreement, Material Adverse Impacts of a Project are considered mitigated if there would not be any Material Adverse Impacts due to such Project.

Near-Term Existing Obligation Project or **Near-Term EOP** means, at any time, an Existing Obligation Project that must be commenced prior to the end of the then next Planning Cycle in order to have sufficient lead time for implementation to meet the Need giving rise to such Existing Obligation Project.

Need means any projected inability of a Transmission Owner or Operator Planning Party (anticipated to occur during the Planning Horizon) to serve, consistent with the Planning Criteria, (i) its network load and native load customer obligations, if any, as those terms are defined in such Transmission Owner or Operator Planning Party's Open Access Transmission Tariff; and (ii) other existing long-term firm transmission obligations.

Need Statement means, with respect to a Need, a statement developed by ColumbiaGrid Staff pursuant to the PEFA and included for informational purposes in a Plan. A "Draft Need Statement" means a proposal for a Need Statement presented by ColumbiaGrid Staff to the Board for review and comment.

NERC means North America Electric Reliability Corporation or its successor.

NERC Reliability Standard means at any time any NERC Reliability Standard then in effect as adopted by NERC.

Non-Transmission Alternative means an alternative that does not involve the construction of high voltage transmission facilities and that ColumbiaGrid has determined would result in the elimination or delay of a Need by modifying the loads and/or resources reflected in the system assessments. Examples of such alternatives that may constitute Non-Transmission Alternatives include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

Order 1000 means the Commission's Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012) as it may be amended, supplemented, or superseded from time to time.

Order 1000 Beneficiary means a Transmission Owner or Operator Planning Party that is identified in an Order 1000 Cost Allocation Report as a Transmission Owner or Operator Planning Party that would receive Order 1000 Benefits as a direct result of an Order 1000 Project.

Order 1000 Benefits means, as more fully described in section 10.3.2 of Appendix A of the PEFA:

- (i) with respect to an Order 1000 Project and a Transmission Owner or Operator Planning Party that is not an Order 1000 Sponsor of such Project, the Order 1000 Benefits of such Transmission Owner or Operator Planning Party shall be equal to the sum of:

- a. the projected costs that such Transmission Owner or Operator Planning Party is projected to avoid over the Planning Horizon due to elimination or deferral, as a direct result of such Order 1000 Project, of planned additions of transmission facilities in the Order 1000 ColumbiaGrid Planning Region, plus;
 - b. if and to the extent not reflected in item (i)a. above of this section, the value that such Transmission Owner or Operator Planning Party is projected to realize on its Transmission System over the Planning Horizon, as a direct result of such Order 1000 Project, where such value is equal to the lessor of:
 - 1. the projected costs (excluding any projected costs included in item (i)a. above of this section) that such Transmission Owner or Operator Planning Party would, but for such Order 1000 Project, have otherwise incurred over the Planning Horizon to achieve an increase in capacity on its Transmission System equivalent to that resulting from such Order 1000 Project; or
 - 2. the projected changes in revenues based on cost-based transmission rates over the Planning Horizon to such Transmission Owner or Operator Planning Party directly resulting from such Order 1000 Project or such Project's elimination or deferral of planned transmission facilities, which projected changes in revenues shall be based on projected changes of usage of such Transmission Owner or Operator Planning Party's Transmission System that are projected, using a robust economic analysis (including, as appropriate, production cost, power flow, and stability analyses and evaluation of transmission queues) and are repeatable over a wide range of reasonable assumptions, to result over the Planning Horizon from the projected changes in capacity on such Transmission Owner or Operator Planning Party's Transmission System resulting from such Order 1000 Project or such Project's elimination or deferral of planned transmission facilities; and
- (ii) with respect to an Order 1000 Project and any Order 1000 Sponsor(s) of such Project, the aggregate Order 1000 Benefits of such Order 1000 Sponsor(s) shall be equal to the projected capital costs of such Project.

Order 1000 ColumbiaGrid Planning Region means the Transmission Systems that Transmission Owner or Operator Planning Parties own or operate or propose to own or operate in the Regional Interconnected Systems. The transmission facilities, existing or proposed, of any Person that is enrolled in a neighboring transmission planning region (as such term is used in Order 1000) of the Order 1000 ColumbiaGrid Planning Region shall not be part of the Order 1000 ColumbiaGrid Planning Region, and such facilities shall not be part of or compromise an intraregional project (as such term is used in Order 1000) of the Order 1000 ColumbiaGrid Planning Region for purposes of Order 1000 Cost Allocation.

Order 1000 Cost Allocation means an allocation, using the Order 1000 Cost Allocation Methodology, pursuant to section 10.3.3 of Appendix A, or costs of an Order 1000 Project among one or more Transmission Owner or Operator Planning Parties. A cost allocation with respect to an interregional project (as such term is used in Order 1000) is specifically excluded from the meaning of Order 1000 Cost Allocation. "**Non-Order 1000 Cost Allocation**" means a cost allocation pursuant to provisions of this Agreement other than section 10.3 of Appendix A (such as sections 5.4, 6.4, 8.4, or 9.4 of Appendix A to the PEFA). Any Non-Order 1000 Cost Allocation does not constitute a cost allocation for purposes of Order 1000. The term "**any cost allocation**" includes any Order 1000 Cost Allocation or any Non-Order 1000 Cost Allocation.

Order 1000 Cost Allocation Methodology means the cost allocation methodology set out in section 10.3 of Appendix A to the PEFA that is to be applied by ColumbiaGrid in making an Order 1000 Cost Allocation.

Order 1000 Cost Allocation Report means the report prepared by ColumbiaGrid Staff and approved and finalized by the Board in accordance with section 10 of Appendix A to the PEFA that includes: (i) with respect to each Order 1000 Project selected for inclusion in a Biennial Plan, the results of and documentation relating to ColumbiaGrid's application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including (a) the identified Order 1000 Benefits and an explanation of such Order 1000 Benefits, and (b) the identified Order 1000 Beneficiaries of such Order 1000 Project, and (ii) with respect to any proposed Project for which Order 1000 Cost Allocation was requested in accordance with section 10 of Appendix A to the PEFA but that was not selected as an Order 1000 Project, an explanation of why such Proposed Project was not selected as an Order 1000 Project.

Order 1000 Preliminary Cost Allocation Report means, with respect to an Order 1000 Project, the ColumbiaGrid Staff's results of and documentation in accordance with section 10 of Appendix A to the PEFA relating to ColumbiaGrid Staff's application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including the comments of the relevant Study Team's participants.

Order 1000 Project means any Project in the Order 1000 ColumbiaGrid Planning Region, for which Order 1000 Cost Allocation has been requested and that has been selected as an Order 1000 Project, all in accordance with section 10 of Appendix A to the PEFA; *provided that*, if and to the extent any transmission facilities of such Project are not located in the Order 1000 ColumbiaGrid Planning Region, such Project for purposes of section 10 of Appendix A to the PEFA and any other provisions of the PEFA relating to selection of a Project as an Order 1000 Project or relating to Order 1000 Cost Allocation shall be deemed to not include such transmission facilities not located in the Order 1000 ColumbiaGrid Planning Region. For avoidance of doubt, Order 1000 Project specifically excludes (i) any facilities if and to the extent they are not located in the Order 1000 ColumbiaGrid Planning Region or are not

owned or operated or proposed to be owned or operated by a Transmission Owner or Operator Planning Party, and (ii) any Project, notwithstanding the fact that the Project otherwise satisfies the requirements to be an Order 1000 Project, for which the Transmission Owner or Operator Planning Party(ies) that requested Order 1000 Cost Allocation has subsequently withdrawn such request in accordance with section 10 of Appendix A to the PEFA.

Order 1000 Sponsor means, with respect to any Project for which Order 1000 Cost Allocation has been requested in accordance with section 10 of Appendix A to the PEFA; any Transmission Owner or Operator Planning party that proposes to own or operate transmission facilities of such Project. Order 1000 Sponsor specifically excludes a Merchant Transmission Developer with respect to a Project in the Order 1000 ColumbiaGrid Planning Region.

Pacific Northwest means the (i) sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

Party means a signatory to the ColumbiaGrid Planning and Expansion Functional Agreement.

Person means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States or Canada.

Plan means at any time the then current Biennial Plan, as then revised by any Plan Updates. A "Draft Plan" refers to a Draft Biennial Plan or a Draft Plan Update.

Plan Update means an update to the then current Plan adopted by the Board pursuant to the PEFA. A "Draft Plan Update" means a plan update presented by ColumbiaGrid Staff to the Board for adoption but not yet adopted by the Board.

Planning Criteria means the then current planning standards that ColumbiaGrid is to apply, as provided in the PEFA, in any system assessment, System Assessment Report, or Needs Statement.

Planning Cycle means a period of approximately twenty-four (24) months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

Planning and Expansion Functional Agreement or **PEFA** means the ColumbiaGrid Planning and Expansion Functional Agreement on file with the Commission.

Planning Horizon means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii)

the planning period required by the Commission in its pro forma Tariff, as it may be amended from time to time.

Planning Party means each Party other than ColumbiaGrid.

Project means any of the following (including any expansion in the Plan of Service therefore pursuant to the PEFA) included in a Plan: (i) Capacity Increase Project, (ii) Existing Obligation Project, (iii) Requested Service Project, or (iv) Single System Project.

Proposed Capacity Increase Project means a proposal for a Capacity Increase Project at such time as it is being discussed in the planning process, whether that be for purposes of identifying unmitigated Material Adverse Impacts of such Project or for purposes of developing the Project under the PEFA.

Proposed Existing Obligation Project or **Proposed EOP** means a proposal for an EOP at such time as it is being proposed in the planning process; a "Recommended Existing Obligation Project" or "Recommended EOP" means a recommendation, developed by the agreement of Affected Persons pursuant to the PEFA, for an EOP that is included as such in a Draft Biennial Plan or Draft Plan Update; a "Staff-Recommended Existing Obligation Project" or "Staff-Recommended EOP" means a recommendation, made by ColumbiaGrid Staff pursuant to the PEFA, for a Near-Term Existing Obligation Project that is included as such in a Draft Biennial Plan or Draft Plan Update.

Proposed Requested Service Project means a proposal for a Requested Service Project at such time as it is being proposed in the planning process under this Agreement; a "Recommended Requested Service Project" means a recommendation for a Requested Service Project that is developed by the agreement of Affected Persons and that is included in a Plan; a "Staff-Recommended Requested Service Project" means a recommendation by ColumbiaGrid Staff for a Requested Service Project following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Requested Service Project.

Public Policy Requirements means enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level.

Regional Interconnected Systems or **RIS** means the interconnected transmission systems in the Pacific Northwest.

Requested Service Assessment means, with respect to a request to a TOPP for study related to a transmission service or interconnection, an assessment of the effect of such request on such TOPP's Transmission System and on other transmission systems.

Requested Service Project means any modification of the Regional Interconnected Systems that: (i) is for the purpose of providing service pursuant to a transmission service or interconnection request made to a TOPP; and (ii) involves more than one Transmission System.

Single System Project means any modification of a single Transmission System that:
(i) is for the purpose of meeting a Need that impacts only such single Transmission System; (ii) does not result in Material Adverse Impacts on any

transmission system; and (iii) is included as a Single System Project in a Plan.

Study Team with respect to a Project being defined means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Planning Parties, (ii) any Affected Persons identified with respect to such Project, and (iii) any Interested Persons; *provided that* the Study Team for a Requested Service Project shall include only ColumbiaGrid and Affected Persons identified with respect to such Project. The Study Team for an Existing Obligation Project will develop solution(s) to meet the Need giving rise to such Existing Obligation Project. The Study Team for a Requested Service Project will develop a Project to serve the request giving rise to such Requested Service Project. The Study Team for any other Project will assist in either the identification or mitigation of Material Adverse Impacts, if any, resulting from such Project or, depending upon the type of Project and the election of the Project sponsor(s), participate in the planning of such Project.

System Assessment Report means each system assessment report developed by Staff pursuant to the PEFA.

Third Person means any Person other than a Party.

Transmission Owner or Operator Planning Party or **TOPP** means a Party that is a transmission owner or operator.

Transmission Provider Proprietary Data means any (i) non-public or confidential trade secrets, commercial or financial information or other information of Transmission Provider, whether of a technical, business or other nature, or (ii) information that has been made available to Transmission Provider by any third party or entity that Transmission Provider is obligated to keep non-public or confidential, used by Transmission Provider in its transmission planning processes pursuant to this Attachment K.

Website means the website maintained by ColumbiaGrid at www.columbiagrid.org.

Western Electricity Coordinating Council or **WECC** means the Western Electricity Coordinating Council or any successor entity.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this Appendix A to read in its entirety as follows:

APPENDIX A
DEFINITIONS

The following terms shall have the following definitions where used in this Attachment K. Other terms defined in Section 1 of the Tariff shall have the meanings set forth in such section where used in this Attachment K.

A.1 "Additional Entity" means at any time each entity that is not a NERC Entity but that has facilities (i) that are then located in Transmission Provider's Balancing Authority Area or are interconnected with Transmission Provider's Transmission System and (ii) that then fall within a Functional Type.

A.2 "Affected Persons" with respect to a Project or Proposed Project means those Planning Parties and Persons that would bear Material Adverse Impacts from such Project or Proposed Project or are otherwise materially affected thereby.

A.3 "Annual Interregional Coordination Meeting" shall have the meaning set forth in section 13.3 of Appendix A of the PEFA and restated in Part III, section 13.3, of this Attachment K.

A.4 "Annual Interregional Information" shall have the meaning set forth in section 13.2 of Appendix A of the PEFA and restated in Part III, section 13.2, of this Attachment K.

A.5 "Assigned Regional Costs from Interregional Cost Allocation" shall have the meaning given such term in section 1.46 of the body of the PEFA.

A.6 "Biennial Plan" means each biennial transmission plan adopted by the Board pursuant to section 2 of the body of the PEFA. A "Draft Biennial Plan" refers to a draft of a Biennial Plan presented by Staff to the Board for adoption pursuant to section 2 of the body of the PEFA but not yet adopted by the Board.

A.7 "Board of Directors" or "Board" means the Board of Directors of ColumbiaGrid.

A.8 "Bylaws" means the then current bylaws of ColumbiaGrid.

A.9 "Capacity Increase Project" means a voluntary modification of the Regional Interconnected Systems:

(i) to the extent that it is for the purpose of providing new or increased transmission capacity (e.g., increased rating or improved availability) on the Regional Interconnected Systems;

(ii) that is voluntarily undertaken by one or more Transmission Owner or Operator Planning Party(ies), whether or not undertaken in conjunction with one or more other Persons; and

(iii) to the extent that it is not an Existing Obligation Project, Requested Service Project, or Single System Project.

A "Proposed Capacity Increase Project" means a proposal for a Capacity Increase Project at such time as it is being discussed in the transmission planning process, whether that be for purposes of identifying unmitigated Material Adverse Impacts of such Project or for purposes of developing the Project under section 8 of Appendix A of the PEFA; a "Recommended Capacity Increase Project" means a recommendation, developed by the agreement of Affected Persons pursuant to section 8 of Appendix A of the PEFA, for a Capacity Increase Project that is included as such in a Draft Biennial Plan or Draft Plan Update; a "Staff-Recommended Capacity Increase Project" means a recommendation, made by Staff pursuant to section 8 of Appendix A of the PEFA following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Capacity Increase Project that is included as such in a Draft Biennial Plan or Draft Plan Update.

A.10 "Commission" means the Federal Energy Regulatory Commission or any successor entity.

A.11 "Confidential Information" shall mean: all information, regardless of the manner in which it is furnished, marked as "Confidential Information" at the time of its furnishing; provided that Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who had a legal right to do so; (iii) independently developed by the receiving Party or known to such Party prior to its disclosure under the PEFA; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

A.12 "Critical Energy Infrastructure Information" or "CEII" means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time, about existing and proposed systems or assets, whether physical or virtual, relating to the production, generation, transportation, transmission, or distribution of energy that could be useful to a person in planning an attack on such systems or assets, the incapacity or destruction of which would negatively affect security, economic security, public health, or safety.

A.13 "Demand Response Resource Data" has the meaning set forth in Part IX, section 2.3 of this Attachment K.

A.14 "Designated Person" with respect to a form of Facilities Agreement means each of the Persons designated as such pursuant to section 6.1 of the body of the PEFA by ColumbiaGrid in such form.

A.15 "Economic Study" means a study of Transmission Provider's Transmission System, separately or in conjunction with study of other transmission systems, to evaluate (i) congestion, (ii) the integration on an aggregated or Western Interconnection (or Western Interconnection "sub-regional") wide basis of new resources or new loads, or (iii) Local Economic Study.

A.16 "Enhanced Reliability Upgrade" means, for purposes of this Attachment K, an upgrade to the Washington area facilities of Transmission Provider's Transmission System that

(i) is intended to provide a transmission customer for Network Integration Transmission Service or Point-to-Point Transmission Service on Transmission Provider's Transmission System with (A) enhanced reliability with respect to the transmission customer's Network Integration Transmission Service or Point-to-Point Transmission Service over and above the reliability necessary to satisfy the planning criteria applicable to Transmission Provider, or (B) reduced Curtailments with respect to the transmission customer's Network Integration Transmission Service or Point-to-Point Transmission Service as compared with the Curtailments that would otherwise occur with respect to such transmission service,

(ii) does not result in a reduction of transmission capacity on another transmission system (or other adverse impact on such other transmission system that is generally considered in transmission planning in the

Western Interconnection) that is material and that is unacceptable to the owner or operator of such other transmission system, and

(iii) is installed pursuant to Part VIII of this Attachment K. "Enhanced Reliability Upgrade" shall in no event include any upgrade to Transmission Provider's Transmission System that (a) is installed or required for the provision of bundled service to its Native Load Customers, or (b) is installed or required pursuant to any provision of the Tariff other than Part VIII of this Attachment K.

A.17 "EOP Need" means any projected inability of a Transmission Owner or Operator Planning Party (anticipated to occur during the Planning Horizon) to serve, consistent with the Planning Criteria:

(i) its network load or native load customer obligations, if any, as those terms are defined in such Transmission Owner or Operator Planning Party's Open Access Transmission Tariff; or

(ii) other existing long-term firm transmission obligations.

A.18 "Existing Obligation Project" or "EOP" means any modification to be made to the Regional Interconnected Systems

(i) to the extent that it is for the purpose of meeting an EOP Need on a Transmission Owner or Operator Planning Party's Transmission System;

(ii) to the extent that it is not a Capacity Increase Project, Requested Service Project, or Single System Project;

(iii) that is undertaken by one or more Transmission Owner or Operator Planning Party(ies); and

(iv) that is approved by the Board and included as an Existing Obligation Project in a Plan.

A "Proposed Existing Obligation Project" or "Proposed EOP" means a proposal for an Existing Obligation Project at such time as it is being proposed in the transmission planning process; a "Recommended Existing Obligation Project" or "Recommended EOP" means a recommendation, developed by the agreement of Affected Persons pursuant to section 5 of Appendix A of the PEFA, for an Existing Obligation Project that is included as such in a Draft Biennial Plan or Draft Plan Update; a "Staff-Recommended Existing Obligation Project" or "Staff-Recommended EOP" means a recommendation, made by Staff pursuant to section 5.4 of Appendix A of the PEFA, for a Near-Term Existing Obligation Project that is included as such in a Draft Biennial Plan or Draft Plan Update.

A.19 "Expanded Scope Project" means any Project (other than an ITP) if and to the extent that it is expanded pursuant to section 9 of Appendix A of the PEFA. A "Proposed Expanded Scope Project" means a proposal for an Expanded Scope Project that is voluntarily undertaken by one or more Transmission Owner or Operator Planning Party(ies) at such time as it is being proposed in the transmission planning process.

A.20 "Facilities Agreement" means, for purposes of Part III of this Attachment K, a future agreement tendered by ColumbiaGrid to Designated

Persons that may be separately entered into for purposes of effectuating an Existing Obligation Project pursuant to section 6 of the body of the PEFA.

A.21 "Fourth Amendment and Restatement" means the Planning and Expansion Functional Agreement ("PEFA") as amended by the Fourth Amendment and Restatement if and after such time as such amendments become effective in accordance with section 17.1 of the Fourth Amendment and Restatement of the PEFA.

A.22 "Functional Type" at any time means each Functional Type as then adopted by NERC. As of December 7, 2007, for example, the functional types adopted by NERC were set forth in its Statement of Compliance Registry Criteria (Revision 3.1).

A.23 "Grandfathered Transmission Service" means any transmission service (or interconnection) provided by Transmission Provider that is subject to the jurisdiction of the Commission but not provided pursuant to the OATT.

A.24 "Interested Person" means, for purposes of Parts II and III of this Attachment K, any Person (including, but not limited to, any Relevant State or Provincial Agency, Tribe, Non-Incumbent Transmission Developer or Merchant Transmission Developer) who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons is to be identified on the Interested Persons List compiled by ColumbiaGrid in accordance with Section 4.2 of the ColumbiaGrid Bylaws. For purposes of section 13 of Appendix A of the PEFA, Interested Persons are referred to as stakeholders.

A.25 "Interregional Cost Allocation" means the assignment of ITP costs between or among Planning Regions as described in section 13.5.2 of Appendix A of the PEFA.

A.26 "Interregional Transmission Project" or "ITP" 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 section 13.4.1 of Appendix A of the PEFA.

A.27 "Interregional Transmission Project Proponent" or "ITP Proponent" shall have the meaning given such term in section 1.53 of the body of the PEFA.

A.28 "Interregional Transmission Project Agreement" or "ITP Agreement" shall have the meaning given such term in section 1.53 of the body of the PEFA.

A.29 "Local Economic Study" means an Economic Study that (i) evaluates congestion (and possible remedies) only on Transmission Provider's Washington Area transmission facilities of its Transmission System, or (ii) evaluates a potential Enhanced Reliability Upgrade. A Local Economic Study will not encompass or entail a production cost model study.

A.30 "Material Adverse Impacts" with respect to a Project or Proposed Project means, for purposes of Part III of this Attachment K, a reduction of transmission capacity on a transmission system (or other adverse impact on

such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such Project that is material, that would result from a Project, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of Part III of this Attachment K, Material Adverse Impacts of a Project or Proposed Project are considered mitigated if there would not be any Material Adverse Impacts due to such Project.

A.31 "Merchant Transmission Developer" means any Person that owns or operates, or proposes to own or operate, transmission facilities in the Order 1000 ColumbiaGrid Planning Region and intends to recover its costs through negotiated rates and is therefore to be not eligible to request Order 1000 Cost Allocation for such facilities.

A.32 "Near-Term Existing Obligation Project" or "Near-Term EOP" means, at any time, an Existing Obligation Project that must be commenced prior to the end of the then next Planning Cycle in order to have sufficient lead time for implementation to meet the EOP Need giving rise to such Existing Obligation Project.

A.33 "Need" means, for purposes of Parts III and V of this Attachment K, any of the following Needs as identified in a System Assessment Report pursuant to section 3 of Appendix A of the PEFA: EOP Need, Need for a Requested Service Project, Need for a Capacity Increase Project, and Need for a Single System Project, including any such Needs that are driven by Public Policy Requirements. "Potential Need," for purposes of Parts III and V of this Attachment K, is an item that is proposed or considered for inclusion in the system assessment for possible identification in the System Assessment Report as a Need. For purposes of section 13 of Appendix A of the PEFA, a Need in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission need.

A.34 "Need Statement" means, with respect to a Need, a statement developed by Staff pursuant to section 3 of Appendix A of the PEFA and included for informational purposes in a Plan. A "Draft Need Statement" means a proposal for a Need Statement presented by Staff to the Board for review and comment.

A.35 "NERC" means North America Electric Reliability Corporation or its successor.

A.36 "NERC Data" means all Planning Input Data provided or to be provided (or deemed provided or to be deemed provided) to Transmission Provider pursuant to Part IX.1 of this Attachment K.

A.37 "NERC Entity" means at any time each entity with facilities (i) that are then located in Transmission Provider's Balancing Authority Area or are directly interconnected with Transmission Provider's Transmission System, (ii) that then fall within a Functional Type, and (iii) to which any NERC Standard then applies.

A.38 "NERC Standard" means at any time any NERC Reliability Standard then in effect as adopted by NERC and approved by the Commission.

A.39 "Network Service Data" has the meaning set forth in Part IX, section 2.1 of this Attachment K.

A.40 "Non-Incumbent Transmission Developer" means any Person that proposes to own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region, which Person does not own or operate existing transmission facilities in the Order 1000 ColumbiaGrid Planning Region.

A.41 "Non-Order 1000 Cost Allocation" shall have the meaning given such term in section 1.48 of the body of the PEFA.

A.42 "Non-Transmission Alternative" means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of a Need by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

A.43 "Open Access Transmission Tariff" or "OATT," for purposes of Part III of this Attachment K, means, for each Transmission Owner or Operator Planning Party, such Transmission Owner or Operator Planning Party's open access transmission tariff and, if such Transmission Owner or Operator Planning Party does not have such a tariff, the Commission's pro forma open access transmission tariff.

A.44 "Order 1000" means the Commission's Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012)) as it may be amended, supplemented, or superseded from time to time.

A.45 "Order 1000 Beneficiary" means a Transmission Owner or Operator Planning Party that is identified in an Order 1000 Cost Allocation Report as a Transmission Owner or Operator Planning Party that would receive Order 1000 Benefits as a direct result of an Order 1000 Project.

A.46 "Order 1000 Benefits" means, as more fully described in section 10.3.2 of Appendix A of the PEFA:

(i) with respect to an Order 1000 Project and a Transmission Owner or Operator Planning Party that is not an Order 1000 Sponsor of such Project, the Order 1000 Benefits of such Transmission Owner or Operator Planning Party are to be equal to the sum of:

a. the projected costs that such Transmission Owner or Operator Planning Party is projected to avoid over the Planning Horizon due to elimination or deferral, as a direct result of such Order 1000 Project, of planned additions of transmission facilities in the Order 1000 ColumbiaGrid Planning Region, plus;

b. if and to the extent not reflected in item (i)a. of section 1.46 of the body of the PEFA, the value that such Transmission Owner or Operator Planning Party is projected to realize on its Transmission System over the Planning Horizon, as a direct result of such Order 1000 Project, where such value is equal to the lesser of:

1. the projected costs (excluding any projected costs included in item (i)a. of section 1.46 of the body of the PEFA) that such Transmission Owner or Operator Planning Party would, but for such Order 1000 Project, have otherwise incurred over the Planning Horizon to achieve an increase in capacity on its Transmission System equivalent to that resulting from such Order 1000 Project; or

2. the projected changes in revenues based on cost-based transmission rates over the Planning Horizon to such Transmission Owner or Operator Planning Party directly resulting from such Order 1000 Project or such Project's elimination or deferral of planned transmission facilities, which projected changes in revenues are to be based on projected changes of usage of such Transmission Owner or Operator Planning Party's Transmission System that are projected, using a robust economic analysis (including, as appropriate, production cost, power flow, and stability analyses and evaluation of transmission queues) and are repeatable over a wide range of reasonable assumptions, to result over the Planning Horizon from the projected changes in capacity on such Transmission Owner or Operator Planning Party's Transmission System resulting from such Order 1000 Project or such Project's elimination or deferral of planned transmission facilities; and

(ii) with respect to an Order 1000 Project and any Order 1000 Sponsor(s) of such Project, the aggregate Order 1000 Benefits of such Order 1000 Sponsor(s) are to be equal to the projected capital costs of such Project if it is not an ITP or the Assigned Regional Costs from Interregional Cost Allocation for such Project if it is an ITP.

"Regional Benefits for Purposes of Interregional Cost Allocation" means, with respect to an ITP, an amount equal to the sum of (I) the aggregate Order 1000 Benefits calculated in accordance with the provisions of item (i) of section 1.46 of the body of the PEFA for any Transmission Owner(s) or Operator(s) that is not an Order 1000 Sponsor(s) of such ITP; plus (II) the aggregate Order 1000 Benefits calculated in accordance with the provisions of item (i) above of this section 1.46 for any Transmission Owner(s) or Operator(s) that is an Order 1000 Sponsor(s) of such ITP; provided, that such benefits will be determined for each Transmission Owner or Operator that is an Order 1000 Sponsor of such ITP as though it were not an Order 1000 Sponsor. For purposes of items (ii) and (c) of section 13.5.2 of Appendix A of the PEFA, Regional Benefits for Purposes of Interregional Cost Allocation is referred to as ColumbiaGrid's regional benefits stated in dollars resulting from the ITP.

"Assigned Regional Costs from Interregional Cost Allocation" means, with respect to an ITP, ColumbiaGrid's assigned pro rata share of the projected costs of such ITP calculated pursuant to item (d) of section 13.5.2 of Appendix A of the PEFA and item (iii) of section 14.4 of Appendix A of the PEFA. Assigned Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of section 13.6.2 of Appendix A of the PEFA.

"Total Regional Costs from Interregional Cost Allocation" means, with respect to an ITP, the sum of (A) the amounts allocated to each TOPP(s) that would be, or is, an Order 1000 Beneficiary that would not be, or is not, an Order

1000 Sponsor for such ITP pursuant to item (iv) of section 14.4 of Appendix A of the PEFA; and (B) the amounts allocated to TOPP(s) that is an Order 1000 Sponsor(s) of such ITP pursuant to items (iv) and (v) of section 14.4 of Appendix A of the PEFA. Total Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of section 13.6.2 of Appendix A of the PEFA.

A.47 "Order 1000 ColumbiaGrid Planning Region" means the Transmission Systems that Transmission Owner or Operator Planning Parties own or operate or propose to own or operate in the Regional Interconnected Systems. The transmission facilities, existing or proposed, of any Person that is enrolled in a neighboring transmission planning region (as such term is used in Order 1000) of the Order 1000 ColumbiaGrid Planning Region are not to be part of the Order 1000 ColumbiaGrid Planning Region, and such facilities are not to be part of or comprise intraregional facilities (as such term is used in Order 1000) of the Order 1000 ColumbiaGrid Planning Region for purposes of Order 1000 Cost Allocation.

A.48 "Order 1000 Cost Allocation" means an allocation, using the Order 1000 Cost Allocation Methodology, pursuant to section 10.3.3 of Appendix A of the PEFA, of costs of an Order 1000 Project among one or more Transmission Owner or Operator Planning Parties or ITP Proponents. "Non-Order 1000 Cost Allocation" means a cost allocation pursuant to provisions of the PEFA other than section 10.3, 13 or 14 of Appendix A of the PEFA (such as section 5.4, 6.4, 8.4 or 9.4 of Appendix A of the PEFA). Any Non-Order 1000 Cost Allocation is not to constitute a cost allocation for purposes of Order 1000. The term "any cost allocation" includes any Order 1000 Cost Allocation or any Non-Order 1000 Cost Allocation.

A.49 "Order 1000 Cost Allocation Methodology" means the cost allocation methodology set out in section 10.3 of Appendix A of the PEFA that is to be applied by ColumbiaGrid in making an Order 1000 Cost Allocation.

A.50 "Order 1000 Cost Allocation Report" means the report prepared by Staff and approved and finalized by the Board in accordance with section 10 of Appendix A of the PEFA that includes: (i) with respect to each Order 1000 Project selected for inclusion in a Biennial Plan, the results of and documentation relating to ColumbiaGrid's application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including (a) the identified Order 1000 Benefits and an explanation of such Order 1000 Benefits, and (b) the identified Order 1000 Beneficiaries of such Order 1000 Project, and, (ii) with respect to any Proposed Project for which Order 1000 Cost Allocation was requested in accordance with section 10 of Appendix A of the PEFA but that was not selected as an Order 1000 Project, an explanation of why such Proposed Project was not selected as an Order 1000 Project.

A.51 "Order 1000 Preliminary Cost Allocation Report" means, with respect to an Order 1000 Project, the Staff's results of and documentation in accordance with section 10 of Appendix A of the PEFA relating to the Staff's application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including the comments of the relevant Study Team's participants.

A.52 "Order 1000 Project" means (i) any Project, other than an ITP, for which Order 1000 Cost Allocation has been requested and that has been selected as an Order 1000 Project, all in accordance with section 10 of Appendix A of the PEFA or (ii) any ITP for which Interregional

Cost Allocation has been requested and that has been selected as an Order 1000 Project, all in accordance with sections 10, 13 and 14 of Appendix A of the PEFA; provided that, if the Project would directly interconnect electrically with existing or planned transmission facilities in two or more Relevant Planning Regions, such Project shall not be eligible to be an Order 1000 Project except as an ITP. For purposes of the cost allocation provisions of the PEFA, an ITP may be deemed to be an Order 1000 Project notwithstanding the fact that the selection of an ITP as an Order 1000 Project under the PEFA occurs after cost allocation calculations have been performed with respect to such ITP. For the avoidance of doubt, Order 1000 Project specifically excludes any facilities for which all Transmission Owner or Operator Planning Party(ies) and the ITP Proponent(s), as applicable, that requested Order 1000 Cost Allocation has subsequently withdrawn such request in accordance with section 10 of Appendix A of the PEFA.

A.53 "Order 1000 Sponsor" means, with respect to any Project for which Order 1000 Cost Allocation has been requested in accordance with section 10 of Appendix A of the PEFA and, with respect to a Project that is an ITP for which Interregional Cost Allocation has been requested in accordance with sections 13 and 14 of Appendix A of the PEFA,

- i. any Transmission Owner or Operator Planning Party that proposes to own or operate transmission facilities of such Project; or
- ii. any ITP Proponent of such Project (if it is an ITP).

Order 1000 Sponsor specifically excludes a Merchant Transmission Developer with respect to a Project.

"ITP Proponent" means, with respect to an ITP, a Person (other than a Party) that

- a. seeks to have such ITP jointly evaluated by the Relevant Planning Regions pursuant to section 13.4.2 of Appendix A of the PEFA;
- b. enters into an agreement regarding such ITP with ColumbiaGrid, which Interregional Transmission Project Agreement ("ITP Agreement") is to be substantially in the form attached as Appendix C ("Pro Forma ITP Proponent Agreement") of the PEFA; and
- c. makes the payment to ColumbiaGrid as required by such ITP Agreement.

For purposes of section 13 of Appendix A of the PEFA, an ITP Proponent is referred to as a proponent of an ITP.

A.54 "Pacific Northwest" means the (i) sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

A.55 "Party" means, for purposes of Parts II and III of this Attachment K, a signatory to the PEFA.

A.56 "Person" means, for purposes of Part III of this Attachment K, an individual, corporation, cooperative corporation, municipal corporation,

quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States or Canada.

A.57 "Plan" means, for purposes of Part III of this Attachment K, at any time the then current Biennial Plan, as then revised by any Plan Updates. A "Draft Plan" refers to a Draft Biennial Plan or a Draft Plan Update. For purposes of section 13 of Appendix A of the PEFA, a Plan in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission plan.

A.58 "Planning Region" means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

A.59 "Plan Update" means an update to the then current Plan adopted by the Board pursuant to section 2.4 of the body of the PEFA. A "Draft Plan Update" means a plan update presented by Staff to the Board for adoption but not yet adopted by the Board.

A.60 "Planning and Expansion Functional Agreement" or "PEFA" means at any time the ColumbiaGrid Planning and Expansion Functional Agreement then on file with the Commission.

A.61 "Planning Criteria" means the then current planning standards that ColumbiaGrid shall apply, as provided in section 2.1 of Appendix A of the PEFA, in any system assessment, System Assessment Report, or Need Statement.

A.62 "Planning Cycle" means a period of approximately 24 months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

A.63 "Planning Horizon," for purposes of Part III of this Attachment K, means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii) the planning period required by the Commission in its pro forma OATT, as it may be amended from time to time.

A.64 "Planning Input Data" means NERC Data, Demand Response Resource Data, Generating Facility Data, Network Service Data and Transmission Service Data provided or deemed provided (or to be provided or to be deemed provided) to Transmission Provider pursuant to this Attachment K.

A.65 "Planning Party" means, for purposes of Part III of this Attachment K, each Party other than ColumbiaGrid. ColumbiaGrid is to maintain a list of the Planning Parties on its Website.

A.66 "Point-to-Point Customer" means an entity receiving service pursuant to the terms of the Transmission Provider's Point-to-Point Transmission Service under Part II of the Tariff.

A.67 "Project" means, for purposes of Part III of this Attachment K, any of the following included in a Plan, under development in the transmission planning processes under the PEFA, or under consideration for inclusion in a Plan, as the context requires: (i) Capacity Increase Project, (ii) Existing Obligation Project, (iii) Requested Service Project, (iv) Single System Project, or (v) an ITP. A Project may be classified as one or more of the foregoing types of Projects. A Project that is classified as more than one of the foregoing types is sometimes referred to in the PEFA as a "Project with Multiple Classifications". An "Expanded Scope Project" is a Project (other than an ITP) the scope of which is expanded in accordance with section 9 of Appendix A of the PEFA and may be a combination of one or more Existing Obligation Projects, Requested Service Projects, Capacity Increase Projects, and Single System Projects. A "Proposed Project" means a proposal for a Project at such time as it is being discussed in the transmission planning process.

A.68 "MATL Proprietary Information" means, for purposes of this Attachment K, any

(i) non-public or confidential trade secrets, commercial or financial information or other information of Transmission Provider, whether of a technical, business or other nature, or

(ii) information that has been made available to Transmission Provider by any third party or entity that Transmission Provider is obligated to keep non-public or confidential, that is used by Transmission Provider in its transmission planning processes pursuant to this Attachment K.

A.69 "Public Policy Requirements" means enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level.

A.70 "Regional Benefits for Purposes of Interregional Cost Allocation" shall have the meaning given such term in section 1.46 of the body of the PEFA.

A.71 "Regional Interconnected Systems" or "RIS" means the interconnected transmission systems in the Pacific Northwest.

A.72 "Relevant Planning Regions" means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with section 13.4.2 of Appendix A of the PEFA, at which time it shall no longer be considered a Relevant Planning Region.

A.73 "Relevant State or Provincial Agency" means any State or Provincial agency with authority over energy regulation, transmission, or planning that has expressed an interest in the ColumbiaGrid transmission planning process and has requested to be included on the Interested Persons list. For example, these may include the Washington Utilities and Transportation Commission, Idaho Public Utilities Commission, Oregon Public Utility Commission, Washington Department of Commerce (specifically the Energy Office within that department), Washington Energy Facility Site Evaluation Council, and the appointees to the Northwest Power and Conservation Council. If requested by a governor in the Pacific Northwest, Relevant State and Provincial Agency may also include a representative from

such governor's office. For the purposes of this definition the term also includes any successor to these agencies.

A.74 "Replication Data" means basic criteria, assumptions and data necessary to replicate the results of Transmission Provider's planning studies performed pursuant to this Attachment K that underlie the MATL Plan.

A.75 "Requested Service Assessment" means, with respect to a request to a Transmission Owner or Operator Planning Party for study related to a transmission service or interconnection, an assessment of the effect of such request on such Transmission Owner or Operator Planning Party's Transmission System and on other transmission systems.

A.76 "Requested Service Project" means any modification of the Regional Interconnected Systems

(i) to the extent that it is for the purpose of providing service pursuant to a transmission service or interconnection request made to a Transmission Owner or Operator Planning Party;

(ii) that is undertaken by one or more Transmission Owner or Operator Planning Party(ies);

(iii) to the extent that it is not an Existing Obligation Project, Capacity Increase Project, or Single System Project; and

(iv) that involves more than one Transmission System.

A "Proposed Requested Service Project" means a proposal for a Requested Service Project at such time as it is being proposed in the transmission planning process under the PEFA; a "Recommended Requested Service Project" means a recommendation for a Requested Service Project that is developed by the agreement of Affected Persons and that is included in a Plan; a "Staff-Recommended Requested Service Project" means a recommendation by the Staff for a Requested Service Project following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Requested Service Project.

A.77 "Single System Project" means any modification of a single Transmission System of a Transmission Owner or Operator Planning Party that

(i) is for the purpose of meeting a Need or other purpose of such Transmission Owner or Operator Planning Party that impacts only such single Transmission System;

(ii) does not result in Material Adverse Impacts on any transmission system;

(iii) to the extent that it is not an Existing Obligation Project, Capacity Increase Project, or Requested Service Project; and

(iv) is included as a Single System Project in a Plan.

With respect to a Transmission Owner or Operator Planning Party's Single System Project for which such Transmission Owner or Operator Planning Party as sponsor of such Project has requested an Order 1000 Cost Allocation in

accordance with section 10 of Appendix A of the PEFA: a "Proposed Single System Project" means a proposal for a Single System Project at such time as it is being proposed in the transmission planning process under the PEFA; a "Recommended Single System Project" means a recommendation for a Single System Project that is developed by the agreement of Affected Persons and that is included in a Plan; and a "Staff-Recommended Single System Project" means a recommendation by the Staff for a Single System Project following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Single System Project.

A.78 "Staff" means, for purposes of Part III of this Attachment K, the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff's responsibilities under the PEFA. The activities of Staff under the PEFA are to be performed under the supervision and guidance of the ColumbiaGrid Board.

A.79 "Study Team" with respect to a Proposed Project being defined means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Planning Parties, (ii) any Affected Persons identified with respect to such Project, (iii) any Interested Persons, and (iv) any ITP Proponent(s) of such Project; *provided that* participation in a Requested Service Project Study Team may be limited due to tariffs or applicable law.

A.80 "System Assessment Report" means each system assessment report developed by Staff pursuant to section 3 of Appendix A of the PEFA.

A.81 "Third Person" means, for purposes of Part III of this Attachment K, any Person other than a Party.

A.82 "Total Regional Costs from Interregional Cost Allocation" shall have the meaning given such term in section 1.46 of the body of the PEFA.

A.83 "Transmission Owner or Operator Planning Party" or "TOPP" means a Party that is, or proposes to be, an owner or operator of transmission facilities in the Pacific Northwest. For purposes of the PEFA, an "owner" includes, but is not limited to, a Party that has a leasehold interest in or other beneficial use of the subject facilities, where, for financing purposes, legal title is held by another entity.

A.84 "Transmission Service Data" has the meaning set forth in Part IX, section 2.2 of this Attachment K.

A.85 "Transmission System" means, for purposes of Parts III and V of this Attachment K, with respect to a Transmission Owner or Operator Planning Party, the transmission facilities in the Pacific Northwest owned or operated or proposed to be owned or operated by such Transmission Owner or Operator Planning Party.

A.86 "Website" means, for purposes of Part III of this Attachment K, the website maintained by ColumbiaGrid at <http://www.columbiagrid.org>.

A.87 "Western Electricity Coordinating Council" or "WECC" means the Western Electricity Coordinating Council or any successor entity.

ATTACHMENT K

PART I: INTRODUCTION

1. General

1.1 Preamble. The Transmission Provider's Transmission System consists of a point-to-point, merchant electric transmission line. The Transmission Provider will operate, manage and plan for the use of its asset in a manner that maximizes shareholder value by meeting market demands for transmission capacity while respecting customer agreements, regulatory constraints and reliability standards.

The Transmission Provider anticipates engaging in transmission planning procedures for one of three reasons:

- (a) As a regular update on its project and its future potential, every five (5) years the Transmission Provider will launch and conclude a local transmission planning process, which, apart from providing for stakeholder input on the Transmission Provider's development options, will respect the needs of the WECC path rating and reliability planning processes;
- (b) In response to customer demand or interest, the Transmission Provider will explore development options to meet anticipated future transmission needs; and
- (c) The Transmission Provider will cooperate with and participate in the planning processes of neighboring utilities, Balancing Authorities and the ColumbiaGrid both in support of regional transmission development efforts and commercial interests.

1.2 Purpose and Objective. This Transmission planning process shall be used for planning of the local transmission system. The purpose of the Transmission planning process detailed in Part II of this Attachment K is to set forth the process by which the Transmission Provider will plan for the enhancement and expansion of the Transmission System to ensure that the Transmission System can meet the needs of both the Transmission Provider and its Transmission Customers on a comparable and nondiscriminatory basis. This is intended to be a coordinated, open and transparent planning process with the Transmission Customers and other Interested Stakeholders, including interconnected systems within its region and Interested Persons in the ColumbiaGrid regional planning process.

The ColumbiaGrid regional planning process is structured to support and manage the coordination of the multi-system planning of the ColumbiaGrid TOPPs (Transmission Owner or Operator Planning Party), including related studies. Such responsibilities are detailed in the ColumbiaGrid Planning and Expansion Functional Agreement ("PEFA"), which is posted on the ColumbiaGrid Website. Part III of this Attachment K describes Transmission Provider's participation in regional transmission

planning as a party to PEFA. The regional planning process also provides a mechanism for the recovery and allocation of planning costs.

1.3 Identification of Connected Systems. The Transmission Provider's Transmission System is interconnected to the Alberta Electric System Operator ("AESO") in Canada and the system owned and operated by NorthWestern Energy ("NorthWestern") in Montana. Operating issues associated with the Transmission Provider's line have been provided for under a Coordinated Operating Agreement ("COA") among Montana Alberta Tie Ltd. and MATL LLP and the Independent System Operators, operating as the Alberta Electrical System Operator ("AESO"), (MATL LLP, Rate Schedule FERC No. 1 filed with the FERC on January 28, 2008 in Docket No. ER08-369-000). The COA provides mechanisms for ensuring the line is operated to industry standards by NorthWestern Energy ("NWE") and the AESO. It also provides for a Joint Operating Committee structure which will provide a regular interface between the parties, address maintenance and operational issues affecting the line, and provide an opportunity to initiate the Transmission Planning Process.

1.4 Load and Generation Planning Studies. Given that the Transmission Provider is not a Balancing Authority or a Control Area Operator, the Local Transmission Plan shall not include load or generation planning studies. The Transmission Provider will prioritize transmission planning and interconnection in accordance with FERC and/or NERC procedures.

1.5 Definitions. Terms capitalized and not otherwise defined in Appendix A of this Attachment K shall have the meanings set forth in Section 1 of the Tariff or the PEFA.

PART II: THE TRANSMISSION PROVIDER LOCAL TRANSMISSION PLANNING PROCESS

1. Overview

Every five (5) years, the Transmission Provider will complete its local transmission planning process, as detailed in this Section II of this Attachment K for the purpose of identifying Single System Projects to mitigate future reliability and load-service requirements for its Transmission System (the "Local Transmission Plan"). The Transmission Provider shall document the results of the local transmission planning process in the Final Local Transmission Plan as further detailed herein. The Final Local Transmission Plan shall include any reliability issues identified on the Transmission Provider's Transmission System and a list of Single System Projects proposed to address those issues. Any impacts on neighboring transmission systems and the projects to mitigate those impacts shall be identified and coordinated through the ColumbiaGrid regional planning process set forth in Part III of this Attachment K.

2. Planning Advisory Groups

- 2.1 Establishment.** A Planning Advisory Group shall be established and open to participation by all Interested Stakeholders, Transmission Provider's customers, generators interconnected to the Transmission Provider's Transmission System, other suppliers, neighboring transmission providers and control areas, and state utility regulatory agencies and offices of public advocates in the State of Montana. Any of the above-listed entities may designate a member to the Planning Advisory Group by providing written notice to the Transmission Provider identifying the name of the entity represented by the member, the member's name, address, telephone number, facsimile number, and electronic mail address. The entity may remove or replace such member at any time by written notice to the Transmission Provider. Each entity that participates in the Planning Advisory Group shall have one member of the group. The Transmission Provider shall act as the facilitator of the Planning Advisory Group.
- 2.2 Role of Planning Advisory Group.** The Planning Advisory Group's role is to provide input and feedback to the Transmission Provider during the development of the Local Transmission Plan. The Transmission Provider will document and track all input and respond to all suggestions, queries or comments in an open and transparent manner by circulating consolidated responses to the members of the Planning Advisory Group.
- 2.3 Frequency of Meetings.** The Planning Advisory Group, at a minimum, shall hold meetings biennially (i.e. every two years). Members shall be able to attend such biennial meetings in person or via teleconference. To the extent additional meetings may be warranted, such meetings may be held in person, or via telephone conference, electronic mail, or other written means. A meeting shall be held (i) as specified in the Local Transmission Plan; (ii) when the Transmission Provider deems a meeting is necessary, either upon its own or another entity's request; or (iii) at the request of a majority of the Planning Advisory Group.
- 2.4 Notice of Meetings.** The Transmission Provider shall provide notice of the Planning Advisory Group meetings by electronic mail to members of the Planning Advisory Group and shall post notice on the Transmission Provider's OASIS and website. Such notice shall be provided at a minimum four weeks prior to the meeting. A calendar of meetings and other significant events in the transmission planning process shall be posted on the OASIS and website.
- 2.5 Purpose of Meetings.** The Planning Advisory Group meetings shall provide an opportunity for the group members to provide input regarding: (i) data gathering and customer input into study development; (ii) review of study results; (iii) review of draft transmission plans; and (iv) coordination of draft plans with those of neighboring transmission providers. Participants in the Planning Advisory Group Meetings may also propose for consideration, among other things, local transmission needs driven by Public Policy Requirements and transmission, generation and demand response resource projects.

- 2.6 Transmission Provider Representative.** The Transmission Provider intends to establish an operating company to assist in managing the Transmission System after the in-service date. This team will include one person responsible for all technical interface issues. This person may also be designated as the transmission planner. Transmission planning activities including analysis and coordination of consultation efforts may be outsourced to third-party service providers at the Transmission Provider's discretion.
- 2.7 Mechanism to Invite Affected Entities to Participate in Meetings.** If the Transmission Provider identifies a particular entity that may be affected by the development of potential projects, or other significant events identified in the local planning process, the Transmission Provider shall notify the entity and invite them to participate in the related planning meetings.

3. General Transmission Planning Procedures

- 3.1 The Local Transmission Plan.** The Transmission Provider will undertake a review of the Transmission System every five years.
- 3.2 Scope of the Local Transmission Plan.** The **Local Transmission Plan** shall provide an assessment of the Transmission System needs in a consolidated manner, and the **Local Transmission Plan** is designed to maintain the reliability of the transmission system in an economic and environmentally acceptable manner. The **Local Transmission Plan** will be developed to meet the specific service requests of Transmission Customers and otherwise treat similarly situated customers comparably in transmission system planning.
- 3.3 Contents of the Local Transmission Plan.** The **Local Transmission Plan** shall utilize at least a five year planning horizon, and reflect at least five year capacity and load forecasts, if any. The **Local Transmission Plan** shall reflect transmission enhancements and expansions, load and energy forecasts, including expected demand response, transmission needs driven by Public Policy Requirements and generation additions and retirements for at least the ensuing five years, if any. The **Local Transmission Plan** shall identify, based on the results of the planning studies, a list of proposed transmission enhancements and expansions for at least each of the ensuing five years that are determined by Transmission Provider to be appropriate at the time of the issuance of the **Local Transmission Plan**. The **Local Transmission Plan** also shall include a list of transmission enhancements and expansions identified in the prior **Local Transmission Plan** that have not been completed at that time. The **Local Transmission Plan** shall take into account reliability and rating studies in accordance with WECC path rating procedures.
- 3.4** The Transmission Provider may also identify expansions, modifications or additions to the transmission line resulting from discussions with customers, market participants, interconnection requests or transmission service requests. For

these types of expansions, the Transmission Provider will use the following process:

- (a) In responding to a request for expansion of the Transmission Provider line, the Transmission Provider shall form a planning group inviting all Interested Stakeholders and connecting Balancing Authorities to participate. The invitation will be posted on the Transmission Provider's OASIS for 30 days;
- (b) Following a minimum 30 day review process with the planning group, the Transmission Provider shall conduct an economic feasibility study for the proposed expansion, funded by the requesting customer and/or the Transmission Provider, as negotiated. The study results shall be posted on the Transmission Provider's OASIS;
- (c) The Transmission Provider may then decide to hold an Open Season, or conduct an alternative process in conformance with FERC policy, to value and allocate the potential capacity;
- (d) If the results of the Open Season, or other such alternative process, are acceptable to the Transmission Provider and if the initial studies indicate that additional capacity is feasible, the Transmission Provider shall conduct reliability and rating studies in accordance with WECC path rating procedures;
- (e) If all regulatory approvals are obtained, and upon satisfaction of all outstanding conditions in its long term transmission contracts, the Transmission Provider will enter into agreements for the expansion.

3.5 Generator Interconnections. The Transmission Provider will process large generation interconnection requests in accordance with the terms of the Tariff. If generation interconnection is material to the path rating, the Transmission Provider shall seek to modify the path rating to include the generation interconnection in accordance with WECC path rating procedures.

3.6 Additions and Removals of Transmission Enhancements and Expansions. The Transmission Provider may add or remove transmission enhancements and expansions from the Local Transmission Plan at any time in a given year, and in doing so shall consult with and consider input from the Planning Advisory Group, within the scope of its respective functions.

3.7 Other Principles. The Local Transmission Plan shall be designed and implemented to (i) avoid unnecessary duplication of facilities; (ii) avoid the imposition of unreasonable costs upon the Transmission Provider and customers; (iii) take into account the legal and contractual rights and obligations of the Transmission Provider and the transmission-related legal and contractual rights and obligations of any other entity; (iv) provide for coordination with existing transmission systems and with appropriate interregional and local expansion plans; and (v) comply with NERC Reliability Standards and WECC standards, including WECC's Regional Planning and Project Rating Review

Process. The Transmission Provider has a WECC-accepted path rating and any material changes to the line will require path rating studies which would be subject to further review by a committee of WECC members.

- 3.8 Status of Identified Upgrades or Alternatives.** The status of upgrades or alternatives identified in the Local Transmission Plan shall be reflected in future plans. The Transmission Provider will post, at least annually, the status of upgrades and alternatives identified in the Local Transmission Plan on the Transmission Provider's website. The Transmission Provider will provide such notification of updated status only to the extent there are upgrades or other alternatives identified by a Local Transmission Plan for which notification of in-service status has not previously been provided. The status of identified upgrades or alternatives will be reflected in future plan development (i.e., whether the upgrade or alternative is in-service, under construction, planned, proposed, or concept).
- 3.9 Coordination of the Local Transmission Plan.** The Transmission Provider shall develop its Local Transmission Plan in coordination with all neighboring utilities, Balancing Authorities and regional transmission bodies, including the ColumbiaGrid regional planning process (See Part III of this Attachment K). The Transmission Provider may also participate as an affected party or as a stakeholder in the planning processes of neighboring utilities, Balancing Authorities and regional transmission bodies, including the ColumbiaGrid, both to support regional transmission development efforts and to protect its legitimate commercial interests.
- 3.10 Comparability.** The Transmission Provider shall treat similarly situated customers comparably in transmission system planning through the measures set forth in this Section 3.10 and through the procedures set forth elsewhere in Section 3. The Transmission Provider's projects and similarly situated customer-identified projects shall be treated on a comparable basis and given comparable consideration in the Local Transmission Planning Process. The Transmission Provider shall permit stakeholders (including but not limited to sponsors of customer-defined transmission solutions, generation solutions, and solutions utilizing demand resources) to participate throughout the Local Transmission Planning Process and to submit to the Transmission Provider alternative or proposed solutions, which the Transmission Provider shall review and evaluate on a comparable basis. The Transmission Provider shall include all valid and relevant data received from stakeholders (including load forecast data, generation data, and demand resource data) in the development of the Local Transmission Plan. Notwithstanding the foregoing, the Transmission Provider shall retain discretion regarding which projects to pursue and is not required to include all customer-identified projects in the Local Transmission Plan. The Transmission Provider shall select projects based on cost, economics, impact on reliability, and the other considerations set forth elsewhere in this Section 3.

4. **Methodology, Criteria, Process for Developing the Local Transmission Plan.**
- 4.1 **Initiation of the Local Transmission Plan.** The Transmission Provider shall solicit input on the regional needs for the updated or new Local Transmission Plan from members of the Planning Advisory Group. The Planning Advisory Group shall meet to perform its respective functions with the preparation of the Local Transmission Plan. Drafts of the Local Transmission Plan shall be provided to the Planning Advisory Group and input from the Planning Advisory Group shall be received and considered in preparing and revising subsequent drafts.
- 4.2 **Studies.** As necessary, the Transmission Provider shall conduct studies for the development of the Local Transmission Plan.
- 4.3 **Assumptions and Methodology Used in Developing the Local Transmission Plan.** Transmission Provider shall establish assumptions used in developing the Local Transmission Plan as described below. The Transmission Provider will use data received from the operation of the transmission line, the Balancing Authorities, WECC and other sources.
- 4.4 **Methodology.** The Transmission Provider will apply industry standard methodologies, criteria and processes in the development of local transmission plans. In particular, the Transmission Provider will apply the WECC Regional Planning process and Path Rating process for expansions or improvements to the transmission line. The Transmission Provider will use standard WECC base cases, NERC Reliability Standards/WECC reliability criteria and Balancing Authority standards in the study of its Transmission System. Base case development will include data from interconnected systems used to refine cases. The study plan will outline methodologies used in the analysis of the study results. Base cases and study results will be provided to participants for verification purposes. All planning processes and data will be posted on the OASIS. Such information will be made available for 1 year.
- 4.5 **Criteria Used.** Studies will be performed in accordance with NERC Reliability Standards TPL-001 through TPL-004, the WECC reliability criteria, and any other reliability criteria, including regional or local applicable criteria in establishing assumptions.
- 4.6 **Process for Establishing Assumptions.** The Transmission Provider uses industry standard assumptions, but the Planning Advisory Group may augment these industry standard assumptions and methodology consistent with local and regional needs as necessary.
- 4.7 **Methodology for Determining Import and Export Capability in Regional Studies.** The Transmission Provider determines the import and export capability as described in Attachment C to the Tariff regarding the methodology for assessment of available transfer capability.

- 4.8 Development of the Local Transmission Plan.** The Transmission Provider shall be responsible for the development of the **Local Transmission Plan** and for conducting studies on which the **Local Transmission Plan** is based. The Planning Advisory Group shall provide input and review drafts of the **Local Transmission Plan**.
- 4.9 Draft Local Transmission Plan and Briefing Paper.**
- 4.9.1** Upon completion of the studies and analysis, the Transmission Provider shall prepare a Draft Local Transmission Plan, which may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the needs. The Transmission Provider shall provide the Draft Local Transmission Plan to the Planning Advisory Group for review and comment. If requested by a member, a meeting of the Planning Advisory Group will be held to receive comments on the Draft Local Transmission Plan. Interested Stakeholders may submit comments on the recommended Draft Local Transmission Plan to the Transmission Provider.
- 4.9.2** The Draft Local Transmission Plan shall identify economically justified enhancements, expansions, or system reinforcements that relieve transmission constraints. The evaluation shall be premised on the goals of maintaining reliability and reducing congestion where economically justified.
- 4.9.3** Any member of the Planning Advisory Group may provide comments on the recommended plan and may offer alternatives. If the Transmission Provider, after review of any offered alternatives, adopts an alternative it shall make any necessary changes to the recommended plan.
- 4.9.4** At the request of a majority of the Planning Advisory Group, the Transmission Provider will circulate one additional draft of the Local Transmission Plan and briefing paper to the Planning Advisory Group for review and comment ("Briefing Paper"). At the Transmission Provider's discretion, additional drafts of the Draft Local Transmission Plan and Briefing Paper may be circulated to the Planning Advisory Group for review and comment.
- 4.10 Final Local Transmission Plan.** The Transmission Provider, upon consideration of the input and advice from the Planning Advisory Group shall develop a proposed Final Local Transmission Plan. Upon approval of the proposed Final Local Transmission Plan by the Transmission Provider's Board of Directors, it shall become the Final Local Transmission Plan. The Final Local Transmission Plan may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the need.
- 4.11 Publication of Final Local Transmission Plan.** The Transmission Provider shall publish the Final Local Transmission Plan and Briefing Paper on the Transmission Provider's OASIS. The Final Local Transmission Plan also will be distributed to the Planning

Advisory Group. Also, the Transmission Provider will post completed WECC path rating studies and other planning studies on the OASIS for a period of one year.

4.12 Procedures for Interim Modification to the Local Transmission Plan. The Transmission Provider, in consultation with the Planning Advisory Group, may modify the **Local Transmission Plan** on an interim basis as necessary to reflect additions or removals of transmission upgrades. Such interim modifications to the **Local Transmission Plan** shall be posted on Transmission Provider's OASIS.

4.13 Transmission Provider Technical Contact. The Transmission Provider shall identify on its internet website an individual or individuals to be the technical point of contact regarding questions about the modeling criteria, assumptions, and data underlying the **Local Transmission Plan**.

5. Disclosure of Criteria, Assumptions, and Data.

5.1 Availability of Information. The Transmission Provider shall make available to the Planning Advisory Group, subject to applicable confidentiality protections, a description of how its assumptions regarding transmission, generation, and demand resources are developed, including details regarding the types of resource, rating or size responsiveness and other operating information. Such information shall be available to Transmission Customers and other Interested Stakeholders at all stages of the planning process.

5.2 Process for Access to Underlying Data. Interested Stakeholders may request access to underlying data or assumptions used for transmission planning, such as power flow base cases and associated files needed for transmission planning through a written request to Transmission Provider. Such information generally will contain confidential information and be subject to the protections for the provision of such information.

5.3 Discussion of Assumptions. Members of the Planning Advisory Group shall have the opportunity to question and discuss principal assumptions used in the planning process. The process shall be through meetings of the Planning Advisory Group. Such meetings, if appropriate, may be held via email or other solicitation of written comments.

5.4 Requests For Additional Calculations. Upon request by a majority of the Planning Advisory Group, the Transmission Provider will run up to one additional calculation. Additional calculations may be run at the Transmission Provider's discretion.

5.5 Notification of Changes or Updates in Data Bases. The Transmission Provider shall notify Interested Stakeholders of changes or updates in the data bases used for transmission planning, including whether the changes were made independently by the Transmission Provider or in response to a stakeholder concern. Such notification shall be made via email to members of the Planning Advisory Group or a posting on OASIS.

5.6 Local Transmission Needs Driven by Public Policy Requirements. With respect to identified local transmission needs driven by Public Policy Requirements, if any, Transmission Provider will post on its OASIS (i) an explanation of which if such need(s) will be evaluated in Transmission Provider's local transmission planning process, and (ii) an explanation of why any of such need(s) may not be evaluated in the local transmission planning process.

6. Supply of Data.

6.1 Information Exchange. The information exchange required by this Attachment K pertains to information that relates to planning, not other studies performed in response to interconnection or transmission service requests. The Transmission Provider and Transmission Customers shall, at a minimum, follow the Commission-approved Modeling, Data and Analysis Reliability Standards specific requirements for generator owners and transmission owners to provide data to planning authorities, resource planners, and regional reliability organizations.

6.2 Information to be Provided. The Transmission Provider shall solicit Transmission Customers and other Interested Stakeholders, including, but not limited to electric utility regulatory agencies and consumer advocates in the State of Montana, to provide information required by, or anticipated to be useful to, the Transmission Provider in its preparation of the Local Transmission Plan.

6.3 Transmission Provider Obligations. The Transmission Provider will provide current and projected transmission needs to the interconnected Balancing Authorities. The Transmission Provider will exchange interconnection facilities data and associated methodologies with the two Balancing Authorities in order to calculate ratings such that the Balancing Authorities can integrate the transmission line into their respective plans. The Transmission Provider will submit future transmission plans to WECC through the existing annual reporting process. The Transmission Provider will actively participate in connecting Balancing Authority and WECC planning processes. The Transmission Provider shall exchange path data information with WECC and remain current in the WECC Path Rating Catalogue.

6.4 Transmission Customers Obligations. Transmission Customers shall provide requested data to the Transmission Provider. A Transmission Customer may provide additional data it considers would be helpful for the planning process.

6.5 Types of Data. Transmission Customers shall provide, at a minimum, the following data, as applicable:

- (a) Generators shall provide data concerning planned additions or upgrades (including status and expected in-service dates), planned retirements, and environmental restrictions.
- (b) Transmission Customers shall provide projections of need for service over the planning horizon, including transmission capacity, duration, and receipt of delivery points.

6.6 Process for Providing Data. Transmission Customers shall submit the required data, to the maximum extent practical and subject to the confidentiality procedures, if applicable, by email to the Transmission Provider as identified on the Transmission Provider's internet website.

6.7 Schedule for Providing Data. Transmission Customers shall submit the required data to Transmission Provider at least once a year by January 31st for the immediately preceding calendar year. The Transmission Provider may require additional information during the planning process. Transmission Customers may submit additional information during the planning process.

6.8 Notice of Material Changes. Transmission Customers are required to provide the Transmission Provider with written notice of material changes in any information previously provided to the Transmission Provider relating to its resources or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide service.

7. Dispute Resolution Procedures.

7.1 If a dispute arises concerning local transmission planning, the Transmission Provider will utilize the dispute resolution mechanism provided for in the Tariff. The use of this dispute resolution process will be limited to general and specific issues arising from this Attachment K and transmission planning.

7.2 All negotiations and proceedings pursuant to this process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law.

7.3 The basis of the dispute and final non-confidential decisions will be made available to stakeholders upon request.

7.4 Notwithstanding the above, all affected parties shall retain any rights they may have under Section 206 of the Federal Power Act to file a complaint with the Commission.

8. Local Planning Study Procedures.

8.1 Study Cycle. The Transmission Provider shall initiate local planning studies at least once every five (5) years. A more targeted study shall be conducted if: (i) required to address a need identified by the Transmission Provider in its on-going evaluation of the transmission line economic and operational adequacy and performance; (ii) required as result of the Transmission Provider's assessment of the transmission line's

compliance with NERC Reliability Standards and/or WECC reliability requirements; or (iii) constraints or available transfer capability shortages are identified by the Transmission Provider, possibly as a result of generation additions or retirements, or evaluation of load forecasts. A local planning study also may be initiated for any other circumstances which may warrant such a study.

8.2 Notice of Initiation. The Transmission Provider shall provide written notice of the initiation of a local planning study to all members of the Planning Advisory Group. Transmission Provider shall consider the input of the Planning Advisory Group in preparing the study's scope, assumptions and procedures.

8.3 Scope of Studies. In general, local planning studies shall include:

- (a) An identification of existing and projected limitation on the transmission line's physical, economic, and/or operational capability or performance, with accompanying simulations to identify the costs of controlling those limitations;
- (b) Evaluation and analysis of potential enhancements and expansions, including alternatives thereto, needed to mitigate such limitations;
- (c) Identification, evaluation and analysis of potential enhancements and expansions for the purpose of supporting competition on the transmission line;
- (d) Engineering studies needed to determine the effectiveness and compliance (with reliability and operating criteria) of recommended enhancements and expansions.

9. Economic Planning Studies.

The Transmission Provider shall undertake economic planning studies on behalf of Transmission Customers. Economic planning studies shall apply only to and evaluate potential upgrades or other investments that could reduce congestion or interconnect new resources. Generally, the studies will be conducted in connection with other planning studies. When requested to do so by the proper authority, the Transmission Provider will cooperate with energy agencies in the United States and Canada in regards to international import and export requirements and national interests.

9.1 Requests. Transmission Customers may submit written requests for economic planning studies to the Transmission Provider. Such requests shall specify in detail the specific proposed project to be the subject of the requested economic planning study. Requests for such studies to be considered in the development of the current Local Transmission Plan must be received by April 1 of the year of the Local Transmission Plan. Requests received after that date will be considered for the development of subsequent Local Transmission Plans, unless withdrawn by the requester. The requests shall be posted on OASIS, subject to the confidentiality provisions. Transmission Provider shall respond within 30 days of

receiving the request, to confirm receipt of the request and inform the requester whether the request is deficient. Transmission Customers that use the transmission line are responsible for their own economic evaluation for the Transmission Customer's use of the Transmission System.

- 9.2 Clustering of Studies.** At the discretion of the Transmission Provider, such studies may be clustered or batched or incorporated with the other planning studies.
- 9.3 Data Requirements.** Requesting parties with unique economic planning studies shall be required to provide data as required by the Transmission Provider. To the extent the Transmission Provider deems appropriate, the Transmission Provider shall use generic industry data in place of customer-specific data.
- 9.4 Recovery of Economic Planning Study Costs.** Transmission Customers requesting economic planning studies shall be responsible for the costs associated with the study. A deposit of \$25,000 shall be provided by the requester prior to initiation of such a study. The requester shall be responsible for the actual costs of the study. At the completion of the study, the Transmission Provider shall either refund the amount of deposit in excess of the cost of the study or collect from the requester the amounts of the study cost in excess of the deposit.

10. Cost Allocation of New Facilities.

- 10.1 Reliability and Economic Projects.** The costs of reliability and economic projects that are identified in the local transmission planning studies shall be allocated to Transmission Customers pursuant to Schedule 7 of the Tariff.
- 10.2 New Facilities Identified Through Requests for Service.** The costs of new facilities required because of individual requests for service shall be allocated to Transmission Customers pursuant to Schedule 7 of the Tariff.
- 10.3 Stakeholder Involvement in Cost Allocation Process.** The Transmission Provider shall determine, with input from the Planning Advisory Group, what projects are reliability and economic projects.

11. Recovery of Planning Costs.

The Transmission Provider's local transmission planning costs, to the extent not specifically recovered pursuant to other provisions in this Attachment K, shall not be recovered from Transmission Customer, except that interconnection costs will be recovered from the applicable interconnection customer.

PART III: THE COLUMBIAGRID REGIONAL TRANSMISSION PLANNING PROCESS

1. Overview.

The Transmission Provider participates in regional transmission planning as a party to the ColumbiaGrid PEFA (signatories to the PEFA other than ColumbiaGrid are defined by the PEFA as "Planning Parties"). ColumbiaGrid is a non-profit membership corporation whose purpose is to promote, in the public interest, coordinated and reliable planning, expansion, and operation of the interconnected transmission systems in the Pacific Northwest, taking into consideration environmental concerns, regional interests, and cost effectiveness.

Under the PEFA, any entity that owns or operates or proposes to own or operate transmission facilities in the Pacific Northwest may sign the PEFA, and thereby become a Planning Party. Under section 1.56 of the PEFA, ColumbiaGrid is to maintain a list of Planning Parties on its Website (<http://www.columbiagrid.org/>). Planning Parties are the entities that, as signatories to the PEFA, agree to participate in the ColumbiaGrid transmission planning process and agree that transmission facilities in the Pacific Northwest that they own or operate or propose to own or operate are included in the Order 1000 ColumbiaGrid Planning Region.

The PEFA provides that, each Planning Cycle, ColumbiaGrid is to develop and review a Draft Biennial Plan and is to adopt, by majority vote of the Board, a Biennial Plan. Although the planning process identified in the PEFA is described sequentially, it is anticipated that most of the planning activities under the PEFA will be generally performed on a flexible, iterative, and non-sequential basis.

The planning process described in this Part III of Attachment K to be followed under the PEFA is more fully described in the PEFA, including specifically its Appendix A.

In developing each Biennial Plan, ColumbiaGrid is to conduct such activities consistent with the PEFA and is to endeavor to:

- (i) facilitate analysis of Proposed Projects as if a single utility owned all relevant generating, transmission, and distribution facilities to enhance efficiency and reduce duplication of facilities, environmental impacts, and costs;
- (ii) model and study the RIS facilities through a system assessment and other analyses assuming that the information necessary to model the Projects is available and taking into account the input of Planning Parties and Interested Persons with respect to Potential Needs, including Potential Needs driven by a Public Policy Requirement;
- (iii) through the system assessment, identify Needs for which potential solutions should be identified and evaluated and task Study Teams to work in an open, transparent, non-discriminatory, and collaborative manner (subject to ColumbiaGrid's obligation to protect Confidential Information and CEII pursuant to the PEFA) to identify and evaluate solutions to address such Needs and evaluate such solutions, including their consistency with the solution evaluation factors described in section 2.3 of Appendix A of the PEFA; and
- (iv) apply the Order 1000 Cost Allocation Methodology to any Order 1000 Project in accordance with section 10 of Appendix A of the PEFA;

- (v) for Projects other than Order 1000 Projects, as appropriate, apply the cost allocation provisions of sections 5.4, 6.4, 8.4, or 9.4 of Appendix A of the PEFA;
- (vi) coordinate, as appropriate, with the planning activities of other regional planning entities and neighboring transmission systems, including other transmission planning regions (as such term is used in Order 1000);
- (vii) recognize each TOPP's responsibility for planning Projects on its Transmission System and responsibility for the planning necessary for its Single System Projects and service of its local loads from its Transmission System; and
- (viii) with respect to Non-Transmission Alternatives, defer to the development of such alternatives in other appropriate forums and limit analysis of such alternatives to analysis of whether a TOPP-proposed Non-Transmission Alternative will meet or defer a Need.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the last two sentences of the fourth paragraph of this section 1 to read as follows:

Under section 1.66 of the PEFA, ColumbiaGrid is to maintain a list of the Planning Parties on its Website. Planning Parties are the entities that, as signatories to the PEFA, agree to participate in the ColumbiaGrid transmission planning process and agree that transmission facilities in the Pacific Northwest that they own or operate or propose to own or operate are included in the Order 1000 ColumbiaGrid Planning Region.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise item (iv) of this section 1 to read as follows:

- (iv) apply the Order 1000 Cost Allocation Methodology to any Order 1000 Project in accordance with sections 10, 13 and 14 of Appendix A of the PEFA;

2. Criteria and Factors.

2.1 Planning Criteria. Under section 2 of Appendix A of the PEFA, ColumbiaGrid is to apply the then current versions of the following as Planning Criteria for its system assessment, System Assessment Reports, and Need Statements:

- (i) planning standards applicable to TOPPs pursuant to law or regulation;
- (ii) NERC Reliability Standards;
- (iii) recognized regional planning or other reliability or transmission adequacy criteria developed by the consensus of the TOPPs for use on their Transmission Systems (ColumbiaGrid may sponsor a process for development of such criteria); *provided that* a TOPP may have other planning criteria that are more stringent than the ColumbiaGrid standards for use on its own Transmission System; and

- (iv) with respect to planning criteria applicable to any particular TOPP, such additional criteria then accepted by such TOPP and communicated to ColumbiaGrid by written notice; *provided that* any such additional criteria shall apply only to such TOPP.

It is ColumbiaGrid's policy to post general planning criteria and provide transparency throughout its planning process.

2.2 Needs Factors. The factors to be used in selecting among Potential Needs for inclusion in the system assessment are to include, as appropriate, the following:

- (i) the level and form of support for addressing the Potential Need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the Potential Need);
- (ii) the feasibility of addressing the Potential Need;
- (iii) the extent, if any, that addressing the Potential Need would also address other Potential Needs; and
- (iv) the factual basis supporting the Potential Need.

No single factor is to necessarily be determinative in selecting among Potential Needs for inclusion in the system assessment.

2.3 Solution Evaluation Factors. The factors used in evaluating proposed solutions to address Needs are to include, as appropriate, the following:

- (i) in the case of a Proposed Project, sponsorship and degree of development of a proposal for such Project;
- (ii) feasibility;
- (iii) coordination with any affected Transmission System and any other Affected Persons;
- (iv) economics;
- (v) effectiveness of performance;
- (vi) satisfaction of Need(s), including the extent to which the proposed solution satisfies multiple Needs; and
- (vii) consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor is to necessarily be determinative in evaluating proposed solutions to address Needs.

2.4 Non-Transmission Alternatives. In the evaluation of a Non-Transmission Alternative, if the Study Team determines that such alternative has a reasonable degree of development, eliminates or defers the Need(s) being studied by the Study Team, and is reasonable and adequate considering the factors described in section 2.3 of Appendix A of the PEFA, the Non-Transmission Alternative should be noted in the Plan. If such alternative is adopted by the Person on whose Electric System it would be located, such Non-Transmission Alternative is to be included in the assumptions used in future system assessments, subject to

subsequent updates on the status of such Non-Transmission Alternative.

3. **System Assessment Report and Need Statements.** Each year, ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to, under section 3 of Appendix A of the PEFA, prepare a Draft System Assessment Report that includes Draft Need Statements for the Biennial Plan then being developed; *provided that* Draft Need Statements need not be prepared for a Draft System Assessment Report for the second year of a Planning Cycle for any Need already identified in the previous system assessment or for any EOP Need that does not require a Near-Term EOP solution.

Under the PEFA, the procedure for the preparation of the Draft System Assessment Report and Draft Need Statements is to be as follows:

- 3.1 **Identification of Needs.** ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to perform a system assessment through screening studies of the RIS using the Planning Criteria to:

- (i) identify EOP Needs projected to occur during the Planning Horizon; and
- (ii) identify Needs other than EOP Needs projected to occur during the Planning Horizon as follows:

- (a) ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to consider and select Potential Needs from among the following for inclusion in the system assessment, based upon the factors as described in section 2.2 of Appendix A of the PEFA:

1. Potential Need of a TOPP identified by such TOPP:

- A. to respond to requests for transmission service and interconnection;
- B. to increase capacity on its Transmission System; and
- C. for a Single System Project; and

2. Potential Need identified by any Person for increased transmission capacity on the RIS.

- (b) ColumbiaGrid is to document the basis upon which a Potential Need was not selected for inclusion in the system assessment.

- 3.2 **System Assessments Based on WECC Planning Base Cases.**

ColumbiaGrid is to perform the system assessment and base such assessment on the then current and appropriate WECC planning base cases; *provided that* Planning Parties are to provide updates to the input previously provided to ColumbiaGrid pursuant to sections 4.1 and 4.6 of the body of the PEFA. ColumbiaGrid is to, insofar as practicable, update the then current WECC planning base case to reflect such updated information so that the system

assessment reflects on-going projects on the RIS and the likely completion dates of such projects to the extent such projects and completion dates are reasonably forecasted to occur prior to the end of the Planning Horizon.

- 3.3 Monitoring of Progress of Order 1000 Projects.** ColumbiaGrid is to determine in each system assessment, with respect to any Order 1000 Project included in the Plan, the status and on-going progress of such Project. The Order 1000 Sponsor is to provide for each such system assessment and such determination is to be based on updated Project information. The system assessment is to include an assessment of whether such Project continues to be expected to meet the underlying Need(s) in a timely manner. If such Project does not so continue to be expected to meet such Need(s) in a timely manner, ColumbiaGrid may remove such Project from its Biennial Plan. Upon such removal, such Project is not to be an Order 1000 Project. Such removal may result in alternative solutions in the transmission planning process to meet any applicable Need(s).
- 3.4 Posting of Draft System Assessment Results.** ColumbiaGrid is to post drafts of the system assessment results as they become available during the system assessment process on its Website subject to any appropriate conditions to protect Confidential Information and CEII.
- 3.5 Draft System Assessment Report.** ColumbiaGrid, in coordination with Planning Parties and Interested Persons, is to prepare a Draft System Assessment Report. Such Draft System Assessment Report is to reflect Needs that the system assessment has projected to occur during the Planning Horizon.

During the development of the Draft System Assessment Report, each Planning Party is to endeavor to inform Staff of any material change in conditions anticipated to occur during the Planning Horizon) with respect to such Planning Party of which it is aware affecting any Need(s) under consideration in the Draft System Assessment Report as a Need. ColumbiaGrid is to, insofar as practicable, take into account any such updates in its Draft System Assessment Report.

- 3.6 Consideration of Proposed Projects and Development of Conceptual Transmission Solutions.** ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to (a) consider Proposed Projects, and is to develop conceptual transmission solutions, that address any Need(s) (other than any Need(s) that is expected to result in a Single System Project for which Order 1000 Cost Allocation has not been requested in accordance with section 10 of Appendix A of the PEFA), and (b) identify which EOP Needs and related conceptual solutions are likely to result in Near-Term EOPs.

ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to develop a Draft Need Statement for each such Need. Each such Draft Need Statement is to include the following information at a minimum:

- (a) a narrative description of the Need and the assumptions, applicable Planning Criteria, and methodology used to determine the Need;
- (b) one or more conceptual transmission-based solutions to meet the Need with estimated timelines and estimated costs to implement each such solution; and
- (c) an indication of whether a non-transmission solution might be viable to eliminate or delay the necessity for such a transmission based solution.

Under the PEFA, in the event that the Planning Parties, Interested Persons participating in the system assessment, and ColumbiaGrid do not reach consensus on the content of any such Draft Need Statement, ColumbiaGrid Staff is to determine the content of such Draft Need Statement; *provided that* in making its determination, ColumbiaGrid Staff is to consider any comments and possible transmission solutions suggested by any Planning Party or Interested Person; *provided further that* ColumbiaGrid is to note in the Draft Need Statement that it determined the content of such statement and is to report the comments of Planning Parties and Interested Persons.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of this section 3.1.6 to read as follows:

ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to (i) consider Proposed Projects, and develop conceptual transmission solutions, that address any Need(s) (other than any Need(s) that is expected to result in a Single System Project for which Order 1000 Cost Allocation has not been requested in accordance with section 10 of Appendix A of the PEFA) and (ii) identify which EOP Needs and related conceptual solutions are likely to result in Near-Term EOPs.

- 3.7 Posting of Draft Need Statements.** ColumbiaGrid is to post drafts of the Draft Need Statements, as they become available, on its Website subject to any appropriate conditions to protect Confidential Information and CEII.
- 3.8 EOP Needs Not Likely to Result in Near-Term EOPs.** ColumbiaGrid, in coordination with the Planning Parties and Affected Persons, is to continue to work on EOP Needs not likely to result in Near-Term EOPs as needed and appropriate over time notwithstanding the fact that Draft Need Statements for such EOP Needs need not be prepared and included in the then current Draft System Assessment Report and Draft Need Statements.
- 3.9 Board Review of Draft System Assessment Report and Draft Need Statements.** ColumbiaGrid is to present the Draft System Assessment Report and Draft Need Statements to the Board for review and comment.
- 3.10 Incorporation of Board Comments on Draft System Assessment Report and Draft Need Statements in System Assessment Report and Need Statements.** ColumbiaGrid is to incorporate the comments of the

Board on the Draft System Assessment Report and Draft Need Statements into the System Assessment Report and Need Statements.

4. **Study Teams.** ColumbiaGrid, under section 4 of Appendix A of the PEFA, is to facilitate and participate in Study Teams. Planning Parties are to, and Affected Persons and Relevant State and Provincial Agencies and other Interested Persons may, actively participate in ColumbiaGrid planning activities through membership in Study Teams.

4.1 **Scope of Study Team Activities.** The general objective of a Study Team shall be, with respect to any Need(s) set out in a Need Statement(s), to collaboratively and timely develop all required elements of a plan of service as may be required to address such Need(s) as provided in this section 4 and sections 5.2, 6.3, 7.3, and 8.3 of Appendix A of the PEFA. In developing such plan of service, a Study Team will evaluate any of the following proposed solutions to a Need(s): Proposed Projects, NonTransmission Alternatives, and conceptual solutions that are:

- (i) reflected in the relevant Need Statement(s); or
- (ii) proposed by any Study Team participant to address such Need(s); *provided that* the information, including Project data, needed in order for the Study Team to evaluate such proposed solutions has been provided to ColumbiaGrid.

In performing such evaluation, the Study Team shall assess the ability of any such proposed solution to address a Need(s) considering the factors as described in section 2.3 of Appendix A to the PEFA. In addition, the Study Team shall assess whether there is a solution that is a more cost-effective and efficient alternative, applying such factors, to address Need(s). Taking such assessments into account, Study Teams shall attempt to reach agreement on all of the elements, as appropriate, of a plan of service to meet such Need(s).

A Study Team's evaluation may not necessarily result in a plan of service.

The specific objective of a Study Team's discussions may vary based upon the underlying Need(s). With respect to an EOP Need, a Study Team shall develop a proposed solution that addresses an EOP Need in a Need Statement. With respect to a Requested Service Project, the Study Team shall develop a proposed solution that serves the request for service in a manner that meets time constraints. With respect to a Single System Project, a Proposed Project's sponsor that is a TOPP may request a Study Team for Project development if such Proposed Project's sponsor also requests an Order 1000 Cost Allocation for such Project. If a TOPP proposing a Single System Project has not requested a Study Team, ColumbiaGrid may convene a Study Team to identify whether there are Material Adverse Impacts resulting from such Project. With respect to a Capacity Increase Project, a Proposed Project's sponsor that is a TOPP may request a Study Team for Project development. If a TOPP proposing a Proposed Capacity Increase Project has not requested a Study Team, any Affected Person may request a Study Team to identify and address Material Adverse Impacts resulting from such Proposed Capacity Increase Project.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the second sentence of the third paragraph of this section 4.1 to read as follows:

In addition, the Study Team is to assess whether there is a solution that is a more cost effective or efficient alternative, applying such factors, to address Need(s).

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the fifth paragraph of this section 4.1 to add the following at the end of and as part of such paragraph:

With respect to an ITP submitted pursuant to Section 14.2 of Appendix A of the PEFA, a Study Team is to evaluate such ITP as a proposed solution for a Need(s).

4.2 Study Teams to Develop Proposed Projects Other than in Response to Needs.

Under sections 7.1 (Single System Projects) and 8.1 (Capacity Increase Projects) of Appendix A of the PEFA, Study Teams may develop Proposed Projects other than to address Needs.

4.3 Participation in Study Teams. Any Planning Party, Affected Person, Relevant State and Provincial Agency or other Interested Person may participate in a Study Team, with the exception that participation in a Requested Service Project Study Team may be limited due to tariffs or applicable law. TOPP(s) that are potentially materially affected by an EOP Need or a Proposed EOP are to participate in the Study Team relating to such EOP Need or Proposed EOP. With respect to an EOP, the TOPP(s) primarily affected by the EOP Need or a Proposed EOP is to assume primary responsibility for leading and performing necessary analytical work in the Study Team. With respect to a Proposed Requested Service Project, the TOPP(s) receiving a transmission service or interconnection request is to assume primary responsibility for leading and performing necessary analytical work in the Study Team. With respect to a Proposed Single System Project or Proposed Capacity Increase Project for which the Project's sponsor has requested that a Study Team assist in Project development, the Planning Party proposing such Project is to assume primary responsibility for leading and performing necessary analytical work in the Study Team.

At such time that ColumbiaGrid determines that a TOPP that is not involved may be materially affected by the proposed solution being developed, ColumbiaGrid is to so notify such TOPP, and such TOPP is to participate in the Study Team.

ColumbiaGrid is to participate in each Study Team and, as needed, manage and facilitate the Study Team process. ColumbiaGrid is to post drafts of summaries of the progress of the Study Teams, including developing plans of service.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first paragraph of this section 4.3 to add the following at the end of and as part of such paragraph:

With respect to an ITP, and consistent with Section 14.3 of Appendix A of the PEFA, the TOPP(s) or ITP Proponent(s) that submitted the ITP is to assume primary responsibility for leading and performing necessary analytical work for such ITP in the Study Team.

4.4. Formation of Study Teams. Under section 4.4 of Appendix A of the PEFA, ColumbiaGrid Staff is to (a) hold a public meeting, with general notice to Planning Parties and Relevant State and Provincial Agencies and other Interested Persons and specific notice to those TOPPs that ColumbiaGrid anticipates may be affected, for the purpose of reviewing the Need Statements and soliciting participation in a Study Team to address each Need Statement; (b) inform Planning Parties and "Interested Persons]" (see PEFA Appendix A, section 4.4) regarding those Study Teams that have been requested in accordance with the PEFA for purposes other than addressing Needs; (c) consider convening Study Teams that address more than one Need Statement; and (d) monitor the progress of each Study Team and, as appropriate, bring Study Teams together in order to resolve differences, gain efficiencies or effectiveness, or develop solutions that meet more than one Need Statement.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 4.4 to read in its entirety as follows:

Under section 4.4 of Appendix A of the PEFA, Staff is to (i) hold a public meeting, with general notice to Planning Parties and Relevant State and Provincial Agencies and other Interested Persons and specific notice to those TOPPs that ColumbiaGrid anticipates may be affected, for the purpose of reviewing each Need Statement(s) and soliciting participation in a Study Team to address each Need Statement; (ii) also inform Planning Parties and Interested Persons regarding those Study Teams that have been requested in accordance with the PEFA for purposes other than addressing Needs; (iii) also consider convening Study Teams that address more than one Need Statement; and (iv) monitor the progress of each Study Team and, as appropriate, bring Study Teams together in order to resolve differences, gain efficiencies or effectiveness, or develop solutions that meet more than one Need Statement.

5. Development of EOPs After Development of Needs Statements.

5.1 Formation of Study Teams. Under section 4.4 of Appendix A of the PEFA, ColumbiaGrid is to form Study Team(s) to develop a proposed solution to address an EOP Need(s) in an EOP Need Statement(s). When such Study Teams have been formed, ColumbiaGrid is to give specific notice to those TOPPs that ColumbiaGrid anticipates may be affected.

- 5.2 Elements of an EOP.** Under the PEFA, an EOP in a Biennial Plan (or Plan Update) is to include the following elements: a plan of service describing the modifications to the RIS to be made, list of Persons to make such modifications, estimated costs, schedule, cost allocation, allocation of transmission capacity increased or maintained by an EOP, and appropriate mitigation of Material Adverse Impacts resulting from such EOP; *provided that* an EOP is not to impose unmitigated Material Adverse Impacts on the RIS.
- 5.3 Non-Transmission Alternatives.** As part of the Study Team process, the Study Team is to, as provided in section 2.4 of Appendix A of the PEFA, evaluate, using factors that include those identified in section 2.3 of Appendix A of the PEFA, any Non-Transmission Alternative proposed by a Study Team participant. If the Study Team determines that such alternative has a reasonable degree of development, eliminates or defers the EOP Need(s) being studied by the Study Team, and is reasonable and adequate under such criteria, the Non-Transmission Alternative should be noted in the Plan and, if adopted by the Person on whose Electric System it would be located, included in the assumptions used in future system assessments, subject to subsequent updates on the status of such Non-Transmission Alternative.
- 5.4 Completion of a Proposed EOP.** With respect to a Near-Term EOP, under the PEFA, a Proposed EOP is to be ready for inclusion in a Draft Biennial Plan when all of the following that have actively participated in the Study Team have consented to each element of such Proposed EOP: Persons who would be identified as a Designated Person in section 6.1 of the body of the PEFA and any Person who would bear Material Adverse Impacts from such Proposed EOP if not for the mitigation included in such Proposed EOP.

In the event that such Affected Persons do not reach agreement on any element(s) of a "[p]roposed Near-Term EOP", ColumbiaGrid Staff is to make a recommendation for any unresolved element(s) of a "[p]roposed Near-Term EOP" and may, as ColumbiaGrid Staff finds appropriate, present fully-developed alternatives for the Board's consideration (see PEFA Appendix A, section 5.4). ColumbiaGrid Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among the Affected Persons, ColumbiaGrid Staff is to include its recommendation in the Draft Plan. In such event, ColumbiaGrid shall, in the absence of an Order 1000 Cost Allocation, endeavor to make an equitable allocation of the costs of a Staff-Recommended EOP taking into account (i) the causation of the EOP Need giving rise to such EOP or (ii) the delay or elimination during the Planning Horizon of any EOP Need as a result of such EOP.

Where there are two affected TOPPs, and one has an EOP Need and the best way to meet that EOP Need is to upgrade facilities on the other TOPP's system, ColumbiaGrid is to allocate costs, in a form of a Facilities Agreement, to the TOPP causing the EOP Need. ColumbiaGrid may also allocate costs to a TOPP in a Facilities Agreement whose EOP Need does not give rise to the Staff-

Recommended EOP but that has a EOP Need during the Planning Horizon that is met by such Staff- Recommended EOP; *provided that* ColumbiaGrid is not to allocate costs to such TOPP in an amount that exceeds the cost that would have been incurred by such TOPP had it met its EOP Need with a separate EOP. ColumbiaGrid Staff is not to allocate costs based upon other potential future system benefits. When ColumbiaGrid Staff submits the Draft Plan to the Board for approval, ColumbiaGrid Staff is to identify such elements and is to include a summary analysis of minority positions on any aspect of such Staff-Recommended EOP.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the second paragraph of this section 5.4 to read as follows:

In the event that such Affected Persons do not reach agreement on any element(s) of a proposed Near-Term EOP, the Staff is to make a recommendation for any unresolved element(s) of a proposed Near-Term EOP and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration.

6. Requested Service Projects.

6.1 Receipt of Transmission Service or Interconnection Request: Each TOPP is to receive new transmission and interconnection requests in accordance with such TOPP's procedures; *provided that* if ColumbiaGrid offers a functional agreement to provide processing services for transmission or interconnection requests in addition to those provided in the PEFA, eligible TOPPs may sign such agreement. With respect to any request for transmission service or interconnection received by any Planning Party, including Transmission Provider, nothing in this Attachment K shall, and nothing in the PEFA is to, preclude any Planning Party from responding if and as such Planning Party determines is otherwise appropriate under its Open Access Transmission Tariff.

6.2 Requested Service Assessment; Formation of Study Teams: Under section 6.2 of Appendix A of the PEFA, when a TOPP has a completed transmission service application, determines that it does not have sufficient capacity to serve such request and reasonably believes that the requested service may impact a transmission system other than that of such TOPP, and the customer has indicated to the TOPP that it wants to pursue further study, such TOPP is to notify ColumbiaGrid that it has a request for a study. ColumbiaGrid is to perform a Requested Service Assessment to determine which transmission systems, including those of non-Planning Parties, are affected.

Under section 6.2 of Appendix A of the PEFA, when a TOPP has received an interconnection request and reasonably believes that such request or a Proposed Project to satisfy the request will affect a transmission system other than that of such TOPP, such TOPP is to notify ColumbiaGrid of such request and such determination. ColumbiaGrid is to perform a Requested Service Assessment to determine which transmission systems, including those of non-Planning Parties, are affected.

In each such instance in section 6.2 of Appendix A of the PEFA, ColumbiaGrid is to notify those Persons it determines are potentially Affected Persons and convene a Study Team, which should develop a study agreement in accordance with the TOPP's policies and procedures; *provided that* participation in Study Teams convened for an interconnection request may be limited consistent with such TOPP's Open Access Transmission Tariff and applicable law. ColumbiaGrid, in consultation with Planning Parties and Interested Persons, is to cluster requests for purposes of performing studies when practical. The TOPP with the request is to inform its transmission or interconnection requesting Person regarding the needed study and the estimated costs. If the transmission or interconnection requesting Person is willing to assume the costs of such study and instructs the TOPP to proceed, the Study Team is to develop a solution to provide sufficient capacity to serve the request.

Under section 6.2 of Appendix A of the PEFA, upon execution of a study agreement, ColumbiaGrid is to (subject to any applicable confidentiality requirements under the Open Access Transmission Tariff under which the transmission or interconnection service request was submitted) post the request, information concerning any clustering of the request, the identity of the parties to the study agreement, and the study schedule, and is to from time to time update the posting to provide other pertinent information.

6.3 Elements of a Requested Service Project. The Study Team is to collaboratively develop a Proposed Requested Service Project. Each TOPP that receives a transmission service or interconnection request is to retain its obligation under its Open Access Transmission Tariff to perform studies, with participation of the requestor as appropriate in accordance with the TOPP's procedures. A Requested Service Project in a Biennial Plan (or Plan Update) is to include the following elements: a plan of service, estimated costs, transmission capacity allocation, cost and ownership allocation, and schedule.

6.4 Completion of a Proposed Requested Service Project. A Proposed Requested Service Project is to be ready for inclusion in a Draft Plan when: (i) all of the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team have agreed to each element of such Proposed Requested Service Project, (ii) the Study Team has confirmed that such Project meets the request and has appropriately mitigated Material Adverse Impacts resulting from such Project on any transmission systems, and (iii) the requestor has agreed to pursue the Project. Such Proposed Requested Service Project may be memorialized in a Project agreement prior to its inclusion in a Draft Plan and, in such instance, is to be included in such Draft Plan for informational purposes.

In the event that such Affected Persons do not reach agreement on a Proposed Requested Service Project in whole or in part within a reasonable time, ColumbiaGrid Staff is to make a recommendation for any unresolved element(s) and may, as ColumbiaGrid Staff finds appropriate, present fully-developed alternatives for the

Board's consideration. ColumbiaGrid Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement amongst the Affected Persons, ColumbiaGrid Staff is to develop a recommended plan of service. If there is an accompanying EOP Need which can be delayed or eliminated by the Staff-Recommended Requested Service Project within the Planning Horizon, ColumbiaGrid, in the absence of an Order 1000 Cost Allocation, is to endeavor to make an equitable allocation of costs of such Staff-Recommended Requested Service Project based upon the affected TOPP's Tariff requirements and the delay or elimination of the EOP Need. ColumbiaGrid may allocate costs in a Facilities Agreement to a TOPP that has a EOP Need during the Planning Horizon that is met by the Staff-Recommended Requested Service Project; *provided that* ColumbiaGrid is not to allocate costs in an amount that exceeds the cost that would have been incurred by such TOPP had it met its EOP Need with a separate potential EOP. ColumbiaGrid Staff is not to allocate costs based upon other potential future system benefits. A ColumbiaGrid Staff-Recommended Requested Service Project is not to have any unmitigated Material Adverse Impacts resulting from such Project on any transmission systems. ColumbiaGrid Staff may present more than one Staff-Recommended Requested Service Project for the Board to select from. When ColumbiaGrid Staff submits the Staff-Recommended Project to the Board for approval, ColumbiaGrid Staff is to identify any unresolved element(s) and is to include a summary analysis of positions advanced by any Affected Persons on such unresolved element(s). If the Staff-Recommended Requested Service Project is approved by the Board and agreed upon by the requestor and all Affected Persons it is to be included in the Plan.

7. Single System Projects.

7.1 Notification of Single System Projects: Under the PEFA, each Planning Party is to advise ColumbiaGrid of any Single System Projects that it is planning on its Transmission System. Single System Projects may be for purposes of addressing a Need(s) or for another purpose.

If the system assessment performed by ColumbiaGrid Staff under section 3 of Appendix A of the PEFA identifies an EOP Need on a single Transmission System, ColumbiaGrid Staff is to inform the subject TOPP of such EOP Need and, if such TOPP concludes that such EOP Need may be resolved on its Transmission System, the TOPP is to inform ColumbiaGrid of such resolution. In such instances, ColumbiaGrid Staff is to include such EOP Need in the Draft System Assessment Report for informational purposes.

7.2 Formation of Study Team to Evaluate Material Adverse Impacts. If any Affected Person requests, in accordance with section 7.2 of Appendix A of the PEFA, a Study Team to evaluate Material Adverse Impacts resulting from a potential Single System Project, and if a Study Team has not otherwise been requested under section 7.3 of Appendix A of the PEFA for such Project, ColumbiaGrid is to convene a Study Team to evaluate Material Adverse Impacts. If there are no unmitigated Material Adverse Impacts, ColumbiaGrid

is to include such potential Single System Project in the Plan as a Single System Project for informational purposes and include such Single System Project in future system assessments, subject to subsequent updates on the status of such Project. If there are unmitigated Material Adverse Impacts, such potential Project is not to be a Single System Project.

- 7.3 Formation of Study Team for Project Development.** If a TOPP requests in accordance with section 10 of Appendix A of the PEFA an Order 1000 Cost Allocation for a Proposed Single System Project on its Transmission System, such TOPP is to develop such Project through a ColumbiaGrid Study Team. Upon receipt of such a request, ColumbiaGrid is to convene a Study Team for development of such Project.

A Single System Project in a Biennial Plan (or Plan Update) developed by a Study Team convened for development of such Project is to include the following elements: a plan of service, estimated costs, cost allocation, if any, and schedule.

In the event that Affected Persons do not reach agreement on any element(s) of such Proposed Single System Project, and the Sponsor has not withdrawn its request for an Order 1000 Cost Allocation, the Staff is to make a recommendation for any unresolved element(s) of such Project and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration. The Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among the Affected Persons, the Staff is to include its recommendation in the Draft Plan.

8. Capacity Increase Projects.

- 8.1 Notification of Capacity Increase Projects:** Under the PEFA, each Planning Party is to advise ColumbiaGrid of any Capacity Increase Projects that it is planning or anticipates participating in on the RIS. Capacity Increase Projects may be for purposes of addressing a Need(s) or for another purpose.

8.2 Formation of Study Team:

- 8.2.1 Formation of Study Team for Project Development.** If the Proposed Project's sponsor requests a Study Team for Project development, ColumbiaGrid is to convene such Study Team for such purposes. In the event that Affected Persons do not reach agreement on any element(s) of a Proposed Capacity Increase Project developed by a Study Team convened for Project development of such Project, and the Project's sponsor(s) so requests, the Staff is to make a recommendation for any unresolved element(s) of such Project and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration. The Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among

the Affected Persons, the Staff is to include its recommendation in the Draft Plan.

8.2.2 Formation of Study Team for Evaluation of Material Adverse Impacts. If any Affected Person requests a Study Team to evaluate Material Adverse Impacts resulting from a Proposed Capacity Increase Project for which a Study Team has not otherwise been requested pursuant to section 8.2.1 of Appendix A of the PEFA, ColumbiaGrid is to convene such a Study Team to evaluate Material Adverse Impacts.

8.3 Elements of Capacity Increase Project. A Capacity Increase Project in a Biennial Plan (or Plan Update) is to include the following elements: plan of service, estimated costs, the expected amount of transmission capacity added for each new or existing path, reasons for the Project, alternatives considered using the solution evaluation factors described in section 2.3 of Appendix A of the PEFA, the Persons who are responsible for the costs and construction of the Project, the owners and operators of the added facilities, schedule, including estimated completion date, transmission rights allocation, Material Adverse Impacts, if any, and any mitigation of Material Adverse Impacts; *provided that* any unmitigated Material Adverse Impacts are to be subject to resolution in the WECC regional planning or path rating process.

8.4 Request for Cost Allocation for Proposed Capacity Increase Project. In the absence of an Order 1000 Cost Allocation, a TOPP may request a cost allocation recommendation from ColumbiaGrid on a Proposed Capacity Increase Project if the related Study Team is unable to come to voluntary agreement on the cost allocation. This recommendation is to be non-binding but can be used by the Study Teams to facilitate agreement on cost allocation. If ColumbiaGrid is otherwise unable to arrive at a non-binding recommendation for cost allocation as provided in this section, ColumbiaGrid's non-binding recommendation is to allocate 100 percent of the costs of such Proposed Capacity Increase Project among the Persons participating in such Project in proportion to the expected amount of added transmission capacity to be received by each such Person from such Project.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 8.4 by combining it into one paragraph and amending it to read in its entirety as follows:

In the absence of an Order 1000 Cost Allocation, a TOPP may request a cost allocation recommendation from ColumbiaGrid on a Proposed Capacity Increase Project if the related Study Team is unable to come to voluntary agreement on the cost allocation. This recommendation is to be non-binding but can be used by the Study Teams to facilitate agreement on cost allocation. If ColumbiaGrid is otherwise unable to arrive at a non-binding recommendation for cost allocation as provided in section 8.4 of Appendix A of the PEFA, ColumbiaGrid's non-binding recommendation is to be to allocate 100 percent of the costs of such Proposed Capacity Increase Project among the Persons participating in such

Project in proportion to the expected amount of added transmission capacity to be received by each such Person from such Project.

9. Expanded Scope Projects.

9.1 Assessing Interest in Expanding the Scope of a Proposed Project.

Under the PEFA, prior to including any Proposed Project in a Draft Biennial Plan or Draft Plan Update, ColumbiaGrid Staff is to determine, in an open process, whether there is interest in expanding the scope of such Proposed Project; *provided that* absent agreement of the TOPP(s) whose Transmission System(s) has a projected EOP Need, consideration of the request to expand the scope of a Proposed EOP is not to unreasonably delay Project development beyond the point where there is sufficient lead time for the original Project to be completed to meet such Need or as otherwise required.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 9.1 to read in its entirety as follows:

Under the PEFA, prior to including any Proposed Project (other than an ITP) in a Draft Biennial Plan or Draft Plan Update, the Staff is to determine, in an open process, whether there is interest in expanding the scope of such Proposed Project; *provided that* absent agreement of the TOPP(s) whose Transmission System(s) has a projected EOP Need, consideration of the request to expand the scope of a Proposed EOP is not to unreasonably delay Project development beyond the point where there is sufficient lead time for the original Project to be completed to meet such Need or as otherwise required.

9.2 Formation of Study Team. If there is interest, ColumbiaGrid Staff is to establish a Study Team to evaluate and develop the expansion. Those Planning Parties or Interested Persons who are interested in becoming Project sponsors are to assume primary responsibility for leading and performing necessary analytical work, and are to be responsible for the study costs of evaluating the expansion.

9.3 Completion of a Proposed Expanded Scope Project. ColumbiaGrid Staff is to assist the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team in resolving transmission capacity rights issues if such Persons are unable to reach agreement. A Proposed Expanded Scope Project is to be included in a Plan (or Draft Biennial Plan or Draft Plan Update) in lieu of the Project without expansion only when (i) the sponsors of the expansion have agreed to fund the incremental cost of such Proposed Expanded Scope Projects, (ii) each sponsor of the Project as originally configured would receive equivalent or better service (including meeting the applicable Need(s)) at no greater cost than it would have paid for the original Project, and (iii) such Proposed Expanded Service Project would not have unmitigated Material Adverse Impacts.

9.4 Cost Allocation Recommendations for Expanded Scope Project and Project with Multiple Classifications. An Expanded Scope Project may be a combination of one or more EOPs, Requested Service Projects, Capacity Increase Projects, and Single System Projects. The provisions of the PEFA governing ColumbiaGrid cost allocation recommendations for such types of Projects are to be applied to the various portions of any Expanded Scope Project and Projects with Multiple Classifications, as applicable.

10. Order 1000 Projects and Cost Allocation.

10.1 Qualification as an Order 1000 Project. A Proposed Project may qualify for and receive an Order 1000 Cost Allocation only if (i) such Proposed Project's Order 1000 Sponsor(s) makes a timely request in accordance with section 10.1.1 of Appendix A of the PEFA that such Proposed Project be selected as an Order 1000 Project, (ii) such Proposed Project's Order 1000 Sponsor(s) meets the requirements set out in section 10.1.2.1 of Appendix A of the PEFA, and (iii) such Proposed Project is selected as an Order 1000 Project in accordance with section 10.1.2 of Appendix A of the PEFA.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first paragraph of this section 10.1 to read in its entirety as follows:

A Proposed Project may qualify for and receive an Order 1000 Cost Allocation only if (i) such Proposed Project's Order 1000 Sponsor(s) makes a timely request in accordance with section 10.1.1 of Appendix A of the PEFA that such Proposed Project be selected as an Order 1000 Project, (ii) such Proposed Project's Order 1000 Sponsor(s) meets the requirements set out in section 10.1.2.1 of Appendix A of the PEFA, (iii) such Proposed Project is selected as an Order 1000 Project in accordance with section 10.1.2 of Appendix A of the PEFA, and (iv) if the Proposed Project is an ITP, the Order 1000 Sponsor also requests Interregional Cost Allocation for such Proposed Project in accordance with sections 13.5.1 and 14.4 of Appendix A of the PEFA.

10.1.1 Timely Request for Selection as Order 1000 Project.

Not later than 60 days after the issuance of the final Study Team report including the plan of service to address a Need(s), an Order 1000 Sponsor of a Proposed Project that is in such plan of service may request Order 1000 Cost Allocation for such Proposed Project; *provided that* with respect to a Proposed Single System Project, such Project's Order 1000 Sponsor is to request Order 1000 Cost Allocation at the time such Order 1000 Sponsor requests a Study Team for Project development in accordance with section 7.3 of Appendix A of the PEFA. Any request for an Order 1000 Cost Allocation is to be submitted in writing to ColumbiaGrid. ColumbiaGrid is to post all such requests on its Website, and distribute copies of such requests to all Planning Parties and participants in the Study Team for the Proposed

Project for which Order 1000 Cost Allocation has been requested. Any request submitted after the applicable foregoing deadline is not timely and is not to result in consideration of a Proposed Project for selection as an Order 1000 Project for the "[P]lan" (see PEFA Appendix A, section 10.1.1) then under development.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the last sentence of this section 10.1.1 to read as follows:

Any request submitted after the applicable foregoing deadline is to be not timely and is not to result in consideration of a Proposed Project for selection as an Order 1000 Project for the Plan then under development.

10.1.2 Selection as Order 1000 Project. No later than 30 days after the later of (i) the issuance of the final Study Team report with respect to a Proposed Project, including the plan of service to address the applicable Need(s) and (ii) the receipt by ColumbiaGrid of a timely request pursuant to section 10.1.1 of Appendix A of the PEFA for Order 1000 Cost Allocation for such Proposed Project, the Staff is to make a preliminary determination whether such Project qualifies as an Order 1000 Project pursuant to section 10.1.2.1 of Appendix A of the PEFA. ColumbiaGrid is to document Staff's preliminary determination in writing, post such determination on its Website, distribute such determination to Planning Parties and participants in the Study Team for the Proposed Project for which Order 1000 Cost Allocation has been requested, and communicate to its Interested Persons distribution list that such a determination has been posted on its Website. Planning Parties and Interested Persons are to have 30 days to provide written comments on the Staff's preliminary determination. After considering such written comments and modifying its preliminary determination as the Staff finds appropriate, the Staff is to present its determination to the Board for review and comment.

The Order 1000 Sponsor(s) that requested Order 1000 Cost Allocation for a Proposed Project in accordance with section 10 of Appendix A of the PEFA may withdraw its request for such Order 1000 Cost Allocation at any time; *provided that* after ColumbiaGrid's release of a draft Preliminary Cost Allocation Report for such Project, ColumbiaGrid is to not make a Non-Order 1000 Cost Allocation with respect to such Project. Such request may be withdrawn by submitting notice of withdrawal of such request to ColumbiaGrid in writing. In the event that more than one Order 1000 Sponsor has requested Order 1000 Cost Allocation for such Project, and ColumbiaGrid has determined that it is an Order 1000 Project in accordance with section 10.1.2 of Appendix A of the PEFA, so long as at least one such Order 1000 Sponsor's request has not been

withdrawn, ColumbiaGrid is to apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project.

If all Order 1000 Sponsors that requested an Order 1000 Cost Allocation for a Proposed Project timely withdraw such requests in accordance with section 10 of Appendix A of the PEFA, the Proposed Project is not to be identified as an Order 1000 Project in the Biennial Plan. In such an instance, however, if such Project would receive a Non-Order 1000 Cost Allocation under the PEFA had an Order 1000 Sponsor not requested Order 1000 Cost Allocation, ColumbiaGrid is to make a Non-Order 1000 Cost Allocation in accordance with the PEFA.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the third paragraph of this section 10.1.2 to read as follows:

If all Order 1000 Sponsors that requested an Order 1000 Cost Allocation for a Proposed Project timely withdraw such requests in accordance with section 10.1.2 of Appendix A of the PEFA, the Proposed Project is not to be identified as an Order 1000 Project in the Biennial Plan.

10.1.2.1 Order 1000 Project Selection Criteria. As part of the open, transparent, and collaborative development of a plan of service to address Need(s) pursuant to section 4 of Appendix A of the PEFA, the Study Team or ColumbiaGrid, as appropriate, is to evaluate and determine whether the following criteria are met:

- (i) the Order 1000 Sponsor's(s') proposed Order 1000 Project:
 - a. meets such Need(s);
 - b. is confirmed by the Study Team or ColumbiaGrid, as appropriate, to be the more cost effective and efficient solution to meet such Need(s);
 - c. has been developed by a Study Team and been included in the related plan of service; and
 - d. Order 1000 Cost Allocation for such Project has been timely requested (and such request has not been withdrawn by all Order 1000 Sponsors of such Project) pursuant to section 10.1.1 of Appendix A of the PEFA; and

- (ii) the Order 1000 Sponsor(s):
 - a. is found by ColumbiaGrid to meet the Order 1000 Sponsor qualifications set out in section 10.1.2.2 of Appendix A of the PEFA; *provided that* if ColumbiaGrid finds

that the Order 1000 Sponsor(s) does not meet such qualifications, ColumbiaGrid is to give to such Order 1000 Sponsor(s) written notice describing the deficiencies, and such Order 1000 Sponsor(s) is to have 30 days after receipt of such notice to cure such deficiencies; and

- b. has submitted required information on a timely basis, including Project data and Project development schedule, indicating required steps, such as granting of state, federal, and local approvals necessary to develop and construct the Proposed Project so as to timely meet the Need(s); *provided that* data relating to Order 1000 Sponsor qualifications is to be submitted at or before the time such Order 1000 Sponsor(s) requests Order 1000 Cost Allocation.

If the Order 1000 Sponsor(s) and its Proposed Project meet the criteria in section 10 of Appendix A of the PEFA, ColumbiaGrid is to select the Proposed Project as an Order 1000 Project. To the extent the Order 1000 Sponsor(s) and its Proposed Project do not meet the criteria in section 10.1.2 of Appendix A of the PEFA, ColumbiaGrid is not to select the Proposed Project as an Order 1000 Project and is to document in the Draft Plan and Biennial Plan an explanation of why such Project was not selected as an Order 1000 Project.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise item (i)b. of this section 10.1.2.1 to read as follows:

- b. is confirmed by the Study Team or ColumbiaGrid, as appropriate, to be the more cost effective or efficient solution to meet such Need(s);

10.1.2.2 Order 1000 Sponsor Qualifications. In determining eligibility for selection as an Order 1000 Project pursuant to section 10.1.2.2 of Appendix A of the PEFA, ColumbiaGrid is to review the qualifications of any Order 1000 Sponsor to determine whether such Order 1000 Sponsor is technically, financially, and otherwise capable of:

- (i) developing, licensing, and constructing the Proposed Project for which Order 1000 Cost Allocation has been requested pursuant to section 10 of Appendix A of the PEFA in a timely and competent manner; and
- (ii) owning, operating, and maintaining the proposed Order 1000 Project facilities consistent with

Good Utility Practice and applicable reliability criteria for the life of such proposed Order 1000 Project.

Such Order 1000 Sponsor is to be a TOPP at the time Order 1000 Cost Allocation is requested in accordance with section 10 of Appendix A of the PEFA for the proposed Order 1000 Project. The following factors are to be considered in determining such Order 1000 Sponsor's eligibility:

- (i) the current and expected capabilities of the Order 1000 Sponsor to finance, seek licenses, plan, design, develop, and construct the proposed Order 1000 Project on a timely basis consistent with the proposed schedule and to own, reliably operate, and maintain such Project for the life of such Project;
- (ii) the financial resources of the Order 1000 Sponsor;
- (iii) demonstrated capability of the Order 1000 Sponsor to adhere to construction, maintenance, and operating practices consistent with Good Utility Practices with respect to facilities such as the proposed Order 1000 Project;
- (iv) demonstrated ability of the Order 1000 Sponsor to assume liability for major losses resulting from the failure of or damage to facilities that may be associated with the proposed Order 1000 Project; and
- (v) demonstrated cost containment capability and other advantages or disadvantages the Order 1000 Sponsor may have in developing and constructing the proposed Order 1000 Project.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the second paragraph of this section 10.1.2.2 to read as follows:

Such Order 1000 Sponsor is to be a TOPP or an ITP Proponent, as the case may be, at the time Order 1000 Cost Allocation is requested in accordance with section 10 of Appendix A of the PEFA for the proposed Order 1000 Project.

10.2 Opportunity for Voluntary Implementation of Plan of Service.

After ColumbiaGrid has selected a Proposed Project as an Order 1000 Project in accordance with section 10.1.2 of Appendix A of the PEFA, ColumbiaGrid is to allow six full calendar months and such additional time, if any, as requested by all Order 1000 Sponsors and other Affected Parties with respect to such Project for the Order 1000 Sponsors and other Affected Parties to reach agreement on Project implementation, including responsibility for the funding of such Project. If, after six full calendar months and such additional time, if any, as has been requested by all Order 1000 Sponsors and other Affected Parties with respect to such Project has elapsed, such an agreement has not been reached, ColumbiaGrid is to apply the Order 1000 Cost Allocation Methodology as set forth in section 10.3 of Appendix A to the PEFA to such Project.

10.3 Application of Order 1000 Cost Allocation Methodology. Unless the Order 1000 Sponsor(s) requesting Order 1000 Cost Allocation for such Order 1000 Project has timely withdrawn its request for Order 1000 Cost Allocation or agreement has been reached on Project implementation pursuant to section 10.2 of Appendix A of the PEFA, ColumbiaGrid is to apply the Order 1000 Cost Allocation Methodology to the Order 1000 Project in accordance with the following.

10.3.1 Order 1000 Project Costs. ColumbiaGrid is to project the costs of such Order 1000 Project. Such projection may be based on information provided by the Order 1000 Sponsor(s), the Study Team, and ColumbiaGrid. In developing such projection, ColumbiaGrid may also seek the input of others, including third-party experts. ColumbiaGrid is to document the basis for its projection and make supporting information available, to the extent practicable, consistent with any applicable CEII and confidentiality requirements.

10.3.2 Order 1000 Benefits and Beneficiaries. ColumbiaGrid is to identify any Order 1000 Beneficiaries and project the Order 1000 Benefits of each such beneficiary projected as a direct result of such Order 1000 Project.

10.3.2.1 Analytical Tools. Analytical tools used are to include, as appropriate:

- (i) power flow and stability studies to project the extent, if any, to which any TOPP would avoid costs due to elimination or deferral of planned transmission facility additions;
- (ii) power flow and stability studies to project changes in transfer capability; and
- (iii) production cost studies to project the estimated usage of any such changes in transfer capability.

Consideration of existing TOPP transmission or interconnection service queue requests may be included in projecting the estimated usage of such changes in transfer capability.

10.3.2.2 Calculation of Order 1000 Benefits. For purposes of calculating Order 1000 Benefits under item (i)a. of section 1.37 of the body of the PEFA,

- (i) the avoided costs of deferred transmission facilities are to be the borrowing costs (*i.e.*, interest costs) projected to be avoided during the Planning Horizon as a result of the deferral of the capital investment of such deferred facilities (rather than the capital costs themselves of such facilities) plus the incremental operations and maintenance costs of

- such deferred facilities projected to be avoided during the Planning Horizon; and
- (ii) the avoided costs of eliminated transmission facilities during the Planning Horizon are to be the portion of the projected avoided depreciation expense of such eliminated facilities that falls within the Planning Horizon plus the projected incremental operation and maintenance costs of such eliminated facilities avoided during the Planning Horizon (such projected avoided depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such eliminated facilities over their depreciable lives).

For purposes of calculating Order 1000 Benefits under item (i)b.1. of section 1.37 of the body of the PEFA, the projected cost that the TOPP(s) would, but for the Order 1000 Project, have otherwise incurred is to be:

- (i) the portion, falling within the Planning Horizon, of the projected depreciation expense of the transmission facilities that, in the absence of the Order 1000 Project, would have been incurred by such TOPP(s) to achieve an increase in capacity on its Transmission System(s) equivalent to that resulting from such Order 1000 Project (such projected depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such facilities over their depreciable lives); plus
- (ii) the projected incremental operation and maintenance costs of such transmission facilities avoided by such TOPP(s) during the Planning Horizon as a direct result of the Order 1000 Project.

For purposes of section 10.3.3 of Appendix A of the PEFA, the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s) are to be equal to the projected capital costs of the Order 1000 Project.

An increase in capacity of a Transmission System of a TOPP that results from any Order 1000 Project is to be deemed under the PEFA to be owned by such TOPP unless otherwise agreed to in writing by such TOPP.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 10.3.2.2 to read in its entirety as follows:

10.3.2.2 Calculation of Order 1000 Benefits. For purposes of calculating Order 1000 Benefits under item (i)a. of section 1.46 of the body of the PEFA,

(i) the avoided costs of deferred transmission facilities are to be the borrowing costs (*i.e.*, interest costs) projected to be avoided during the Planning Horizon as a result of the deferral of the capital investment of such deferred facilities (rather than the capital costs themselves of such facilities) plus the incremental operations and maintenance costs of such deferred facilities projected to be avoided during the Planning Horizon; and

(ii) the avoided costs of eliminated transmission facilities during the Planning Horizon are to be the portion of the projected avoided depreciation expense of such eliminated facilities that falls within the Planning Horizon plus the projected incremental operation and maintenance costs of such eliminated facilities avoided during the Planning Horizon (such projected avoided depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such eliminated facilities over their depreciable lives).

For purposes of calculating Order 1000 Benefits under item (i)b.1. of section 1.46 of the body of the PEFA, the projected cost that the TOPP(s) would, but for the Order 1000 Project, have otherwise incurred is to be:

a. the portion, falling within the Planning Horizon, of the projected depreciation expense of the transmission facilities that, in the absence of the Order 1000 Project, would have been incurred by such TOPP(s) to achieve an increase in capacity on its Transmission System(s) equivalent to that resulting from such Order 1000 Project (such projected depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such facilities over their depreciable lives); plus

b. the projected incremental operation and maintenance costs of such transmission facilities avoided by such TOPP(s) during the Planning Horizon as a direct result of the Order 1000 Project.

For purposes of section 10.3.3 of Appendix A of the PEFA, the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s) are to be equal to the projected capital costs of the Order 1000 Project if it is not an ITP or the Assigned Regional Costs from Interregional Cost Allocation for such Order 1000 Project if it is an ITP.

An increase in capacity of a Transmission System of a TOPP that results from any Order 1000 Project is to be deemed under the PEFA to be owned by such TOPP unless otherwise agreed to in writing by such TOPP.

10.3.3 Cost Allocation. For purposes of the Order 1000 Cost Allocation for an Order 1000 Project, ColumbiaGrid is to allocate the costs of such Order 1000 Project as follows:

10.3.3.1 Cost Allocation to Non-Order 1000 Sponsors.

ColumbiaGrid is to allocate to each Order 1000 Beneficiary that is not an Order 1000 Sponsor an amount of the projected costs of such Order 1000 Project equal to the lesser of: (i) such beneficiary's Order 1000 Benefits; or (ii) the product of the projected costs of such Order 1000 Project multiplied by a fraction, the numerator of which is equal to such beneficiary's Order 1000 Benefits and the denominator of which is equal to the sum of the following: (1) the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Project that are not an Order 1000 Sponsor of such Project, plus (2) the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s). Such allocation to each Order 1000 Beneficiary that is not an Order 1000 Sponsor may be algebraically represented as follows:

Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) = The lesser of:

- (1) Such Order 1000 Beneficiary's Order 1000 Benefits, or
- (2) the product of the projected costs of the Order 1000 Project x (such Order 1000 Beneficiary's Order 1000 Benefits / ((sum of the Order 1000 Benefits of all Order 1000 Beneficiaries that are not an Order 1000 Sponsor of such Project) + (the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s))))

10.3.3.2 Cost Allocation to Order 1000 Sponsors.

ColumbiaGrid is to allocate to the Order 1000 Sponsor(s) in aggregate an amount of the projected costs of such Order 1000 Project equal to the amount, if any, by which the projected costs of such Order 1000 Project exceed the sum of the projected costs of such Order 1000 Project allocated pursuant to section 10.3.3.1 of Appendix A of the PEFA to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor.

Such allocation to Order 1000 Beneficiary(ies) that are Order 1000 Sponsor(s) may be algebraically represented as follows:

The sum of the Order 1000 Cost Allocation(s) to the Order 1000 Beneficiary(ies) that is an Order 1000 Sponsor =

The amount, if any, by which:

- (1) the projected costs of such Order 1000 Project exceed
- (2) the sum of the projected costs of such Order 1000 Project allocated to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 10.3.3 to read in its entirety as follows:

10.3.3 Cost Allocation. For purposes of the Order 1000 Cost Allocation for an Order 1000 Project, ColumbiaGrid is to allocate the costs of such Order 1000 Project, or, if such Order 1000 Project is an ITP, the Assigned Regional Costs from Interregional Cost Allocation of such ITP, as follows.

10.3.3.1 ColumbiaGrid is to allocate to each Order 1000 Beneficiary that is not an Order 1000 Sponsor an amount of the projected costs of such Order 1000 Project equal to the lesser of:

- (i) such beneficiary's Order 1000 Benefits; or
- (ii) the product of the projected costs of such Order 1000 Project if such Order 1000 Project is not an ITP or, if such Order 1000 Project is an ITP, the Assigned Regional Costs from Interregional Cost Allocation of such ITP, multiplied by a fraction, the numerator of which is equal to such beneficiary's Order 1000 Benefits and the denominator of which is equal to the sum of the following: (1) the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Project that are not an Order 1000 Sponsor of such Project, plus (2) the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s).

Such allocation to each Order 1000 Beneficiary that is not an Order 1000 Sponsor may be algebraically represented as follows:

Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) for any Order 1000 Project that	=	The lesser of: (1) Such Order 1000 Beneficiary's Order 1000 Benefits, or (2) the product of the projected costs of the Order 1000 Project x
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is not an ITP		(such Order 1000 Beneficiary's Order 1000 Benefits/((sum of the Order 1000 Benefits of all Order 1000 Beneficiaries that are not an Order 1000 Sponsor of such Project) + (the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s)))
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Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) for any Order 1000 Project that is an ITP	=	The lesser of: (1) Such Order 1000 Beneficiary's Order 1000 Benefits, or (2) the product of the Assigned Regional Costs from Interregional Cost Allocation of such ITP x (such Order 1000 Beneficiary's Order 1000 Benefits/((sum of the Order 1000 Benefits of all Order 1000 Beneficiaries that are not an Order 1000 Sponsor of such Project) + (the aggregate Order 1000 Benefits of the Order 1000 Sponsor(s)))
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10.3.3.2 ColumbiaGrid is to allocate to the Order 1000 Sponsor(s) in aggregate an amount of the projected costs of such Order 1000 Project if such Order 1000 Project is not an ITP or, if such Order 1000 Project is an ITP, the Assigned Regional Costs from Interregional Cost Allocation of such ITP, equal to the amount, if any, by which such projected costs or Assigned Regional Costs from Interregional Cost Allocation of such Order 1000 Project exceed the sum of the projected costs of such Order

1000 Project allocated pursuant to section 10.3.3.1 of Appendix A of the PEFA to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor.

Such allocation to Order 1000 Sponsor(s) may be algebraically represented as follows:

The Order 1000 Cost Allocation(s) to the Order 1000 Sponsor(s) in aggregate for any Order 1000 Project that is not an ITP	=	The amount, if any, by which: (1) the projected costs of such Order 1000 Project exceed (2) the sum of the projected costs of such Order 1000 Project allocated to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor(s)
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The Order 1000 Cost Allocation(s) to the Order 1000 Sponsor(s) (including any Order 1000 Sponsor(s) that is not a TOPP) in aggregate for any Order 1000 Project that is an ITP	=	The amount, if any, by which: (1) the Assigned Regional Costs from Interregional Cost Allocation of such ITP, exceed (2) the sum of the projected costs of such Order 1000 Project allocated to all Order 1000 Beneficiary(ies) that are not an Order 1000 Sponsor(s)
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10.4 Preliminary Order 1000 Cost Allocation Report. The Staff is to document in a draft Preliminary Order 1000 Cost Allocation Report the selection of any Proposed Project as an Order 1000 Project and the results of Staff's application of the Order 1000 Cost Allocation Methodology to such Project.

Subject to any applicable provisions for protection of Confidential Information and CEII, the Staff is to share its draft Preliminary Order 1000 Cost Allocation Report with any TOPPs that have been identified in such draft report as Order 1000 Beneficiaries, the Study Team that developed such Proposed Project, and any Interested Person who requests such report, and is to provide an opportunity for written comment for a period of 30 days following the issuance of such draft report. The Staff is to evaluate any written comments and reflect them in a Preliminary Order 1000 Cost Allocation Report as follows: (i) if the Staff agrees with any revisions proposed by a potential Order 1000 Beneficiary, Study Team participant, or Interested Person, the Staff is to reflect such revisions in the Preliminary Order 1000 Cost Allocation Report accordingly; and (ii) if the Staff disagrees with any revisions proposed by a potential Order 1000 Beneficiary, Study Team participant, or Interested Person, the Staff is to summarize the proposed revisions and document the

reason why the Staff did not accept the proposed revisions in the Preliminary Order 1000 Cost Allocation Report.

After the Staff has prepared its Preliminary Order 1000 Cost Allocation Report with respect to an Order 1000 Project, ColumbiaGrid is to allow additional time, if requested by one or more Affected Persons with respect to such Project, for such Affected Persons to reach agreement on Project implementation, including responsibility for the funding of such Project. If after such additional time, if any, such an agreement has not been reached, the Staff is to include such Preliminary Order 1000 Cost Allocation Report in the Draft Plan.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the second paragraph of this section 10.4 to read as follows:

Subject to any applicable provisions for protection of Confidential Information and CEII, the Staff is to share its draft Preliminary Order 1000 Cost Allocation Report with any TOPPs and ITP Proponents that have been identified in such draft report as Order 1000 Beneficiaries, the Study Team that developed such Proposed Project, and any Interested Person who requests such report, and is to provide an opportunity for written comment for a period of 30 days following the issuance of such draft report.

10.5 Board Approval of Order 1000 Cost Allocation. The Board is to review the Preliminary Order 1000 Cost Allocation Report, including the selection of a Proposed Project as an Order 1000 Project, as part of its adoption of the Biennial Plan and, as set out in section 11.2 of Appendix A of the PEFA, the Board is to review the Draft Plan in an open, public process. If such Preliminary Order 1000 Cost Allocation Report is acceptable in its entirety, the Board is to approve and finalize such report as part of its adoption of the Biennial Plan, and the approved and finalized Order 1000 Cost Allocation Report is to be included in such Biennial Plan. Any report not approved by the Board may be remanded to the Staff which may, in cooperation with the Study Team, revise the Preliminary Order 1000 Cost Allocation Report and resubmit it to the Board; *provided that* the Board may modify a Preliminary Cost Allocation Report to the extent such modification is supported by the record.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 10.5 to read in its entirety as follows:

The Board is to review the Preliminary Order 1000 Cost Allocation Report, including the selection of a Proposed Project as an Order 1000 Project, as part of its adoption of the Plan and, as set out in section 11.2 of Appendix A of the PEFA, the Board is to review the Draft Plan in an open, public process. If such Preliminary Order 1000 Cost Allocation Report is acceptable in its entirety, the Board is to approve and finalize such report as part of its adoption of the Plan, and the approved and

finalized Order 1000 Cost Allocation Report is to be included in such Plan. Any report not approved by the Board may be remanded to the Staff which may, in cooperation with the Study Team, revise the Preliminary Order 1000 Cost Allocation Report and resubmit it to the Board; *provided that* the Board may modify a Preliminary Cost Allocation Report to the extent such modification is supported by the record.

11. Process for Adoption of Plans.

11.1 Draft Plan:

11.1.1 Contents of Draft Plan: Under the PEFA, ColumbiaGrid Staff is to prepare a Draft Plan based upon the ColumbiaGrid transmission planning process that contains the following Projects and information:

(A) **Recommended Projects**

(i) **EOPs**

(a) **Recommended Near-Term EOPs**

- (1) Recommended Near-Term EOPs, including an analysis of how such Projects meet their respective EOP Needs and a verification that each EOP does not result in unmitigated Material Adverse Impacts on any transmission system; and
- (2) Staff-Recommended Near-Term EOPs, including an analysis of how such Projects meet their respective EOP Needs, a verification that each such EOP does not result in unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other ColumbiaGrid Staff-recommended elements, such as cost or capacity allocation; *provided that* ColumbiaGrid Staff may only submit recommendations for Near-Term EOPs for which the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team have been unable to reach agreement in whole or in part; *provided further that* ColumbiaGrid Staff is to also provide for informational purposes the alternative opinions developed during the study process;

- (b) Recommended EOPs that the Affected Parties agree are ready for implementation, including an analysis of

how such Projects meet their underlying EOP Needs and a verification that each such Project does not result in Material Adverse Impacts on any transmission system;

- (c) A list of alternative plans of service for EOPs that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan; and
- (d) A list of Non-Transmission Alternatives that resulted in a deferral or elimination of an EOP Need;

(ii) **Recommended Requested Service Projects**

- (a) Recommended Requested Service Projects, including an analysis of how such Projects meet the underlying transmission service and interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system;
- (b) "Staff-Recommended Requested [Service] Projects" (see PEFA Appendix A, section 11.1.1(i)b.2), including an analysis of how such Projects meet the underlying transmission service or interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other ColumbiaGrid Staff recommended elements;
- (c) A list of Non-Transmission Alternatives, if any, that could result in a deferral or elimination of a Requested Service Project; and
- (d) A list of alternative plans of service for Requested Service Projects that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan;

(iii) **Capacity Increase Projects**

- (a) Recommended Capacity Increase Projects, including an analysis of how any such Project that is proposed to address a Need(s) addresses such Need and a verification that each Recommended Capacity Increase Project does not result in any unmitigated Material Adverse Impacts on any transmission system;

- (b) Staff-Recommended Capacity Increase Projects, including an analysis of how any such Project that is proposed to address a Need(s) addresses such Need and a verification that each Staff-Recommended Capacity Increase Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff-recommended elements; *provided further that* the Staff is to also provide for informational purposes the alternative solutions, opinions, and plans of service to such Capacity Increase Projects that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan;
 - (c) Capacity Increase Projects submitted for inclusion in the Draft Plan for informational purposes;
 - (d) An identification of unmitigated Material Adverse Impacts on any transmission system;
 - (e) A list of Non-Transmission Alternatives, if any, that could result in a deferral or elimination of a Capacity Increase Project; and
 - (f) A list of alternative plans of service, if any, that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan;
- (iv) **Single System Projects for which the Order 1000 Sponsor has requested a Study Team for Project development;**
- (a) Recommended Single System Projects, including an analysis of how any such Project that is proposed to address a Need(s) addresses such Need and a verification that each Recommended Single System Project does not result in any unmitigated Material Adverse Impacts on any transmission system;
 - (b) Staff-Recommended Single System Projects, including an analysis of how any such Project that is proposed to address a Need(s) addresses such Need and a verification that each Staff-Recommended Single System Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff-recommended elements; *provided further*

that the Staff is to also provide for informational purposes the alternative solutions, opinions, and plans of service to such Single System Projects that were identified and considered in the ColumbiaGrid transmission planning process for possible inclusion in the Draft Plan; and

- (c) A list of Non-Transmission Alternatives, if any, that could result in a deferral or elimination of a Single System Project;
 - (v) Single System Projects submitted for inclusion in the Draft Plan for informational purposes; and
 - (vi) Expanded Scope Projects; including a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system;
- (B) **Order 1000 Projects**
- (i) A list of Order 1000 Projects;
 - (ii) A list of Proposed Project(s) for which Order 1000 Cost Allocation has been requested in accordance with section 10 of Appendix A of the PEFA but which did not qualify as an Order 1000 Project(s) and the deficiencies that precluded its selection as an Order 1000 Project; and
 - (iii) Preliminary Order 1000 Cost Allocation Reports for each Order 1000 Project;
- (C) System Assessment Report and Need Statements;
 - (D) A list of Study Teams and their participants;
 - (E) A review of the current status of all pending Order 1000 Projects that received an Order 1000 Cost Allocation in a prior Plan or Plan Update; and
 - (F) Other information that the Board may find helpful in making its decision.

In preparing the Draft Plan, ColumbiaGrid Staff is to solicit and consider the comments of Interested Persons, Affected Persons, and Planning Parties. ColumbiaGrid Staff is to post a preliminary Draft Plan on the Website and obtain stakeholder comment prior to finalizing the Draft Plan and may include a summary of the comments received; *provided that* ColumbiaGrid Staff is to redact Confidential Information and CEII from the Draft Plan that is made public. ColumbiaGrid Staff is to include such redacted information in the Draft Plan submitted to the Board. ColumbiaGrid Staff is to include the documentation as ColumbiaGrid Staff finds appropriate for purposes of Board review and action; *provided that* the documentation should be sufficient for subsequent review in an appropriate forum. The Draft Plan is to clearly identify which Projects (i) must be commenced in the

upcoming Planning Cycle in order to have sufficient lead time for implementation or are ready for implementation, (ii) have planning underway but do not require commencement in the upcoming Planning Cycle yet are ready for implementation, or (iii) have planning at a conceptual or preliminary stage.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise item (i)b.2. of this section 11.1.1 to read as follows:

2. Staff-Recommended Requested Service Projects, including an analysis of how such Projects meet the underlying transmission service or interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff recommended elements;

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise item (ii) of this section 11.1.1 to read as follows:

(ii) Order 1000 Projects and ITPs

- a. A list of Interregional Transmission Projects;
- b. A list of Order 1000 Projects;
- c. A list of Proposed Project(s) for which Order 1000 Cost Allocation has been requested in accordance with section 10 of Appendix A of the PEFA but which did not qualify and the deficiencies that precluded its selection as an Order 1000 Project; and
- d. Preliminary Order 1000 Cost Allocation Reports for each Order 1000 Project;

11.1.2 Timing. ColumbiaGrid Staff is to submit the Draft Plan for Board adoption at a time interval no greater than every two years.

11.2 Review Process. The Board is to review the Draft Plan in an open, public process. In doing so, the Board is to make available the "[D]raft Plan" (see PEFA Appendix A, section 11.2), study reports and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Planning Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board. The Board may adopt additional procedures to carry out its review process.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the second sentence of this section 11.2 to read as follows:

In doing so, the Board is to make available the Draft Plan, study reports and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Planning

Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board.

11.3 Basis for Plan Adoption. The Board is to base its review and adoption of the Plan on the technical merits of the Draft Plan, the consistency of the Projects listed in the Draft Plan with the PEFA, and considering comments and information provided during the review process.

11.4 Plan Adoption. The Board is to review and take action regarding the Draft Plan as follows:

11.4.1 Recommended Projects:

11.4.1.1 EOPs

11.4.1.1.1 Recommended Near-Term EOPs and Recommended EOPs. The Board is to review and may approve the following with respect to each Recommended EOP: the Study Team's determination that (a) it meets its underlying EOP Need Statement(s) and (b) does not impose unmitigated Material Adverse Impacts. Those elements that are not approved by the Board are to be remanded to ColumbiaGrid Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further consideration and analysis and development.

11.4.1.1.2 Staff-Recommended EOPs. The Board is to review and may approve the following with respect to each Staff- Recommended EOP: the ColumbiaGrid Staff determination that it meets its underlying Need Statement(s), its plan of service, sponsorship, schedule, cost allocation, transmission rights allocation, and mitigation of Material Adverse Impacts. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to ColumbiaGrid Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

11.4.1.2 Requested Service Projects

11.4.1.2.1 Recommended Requested Service Projects. The Board is to review and may approve the Study Team's determination that each Recommended Requested Service Project (a) serves its underlying transmission service or interconnection request and (b) does not result in any unmitigated Material Adverse Impacts on any transmission system; *provided that* no Recommended

Requested Service Project is to be included in any Plan unless the requestor and all Affected Persons agree upon such Requested Service Project. If the Board determines that there are unmitigated Material Adverse Impacts, such Project is to be remanded to ColumbiaGrid Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis.

11.4.1.2.2 Staff-Recommended Requested Service Projects.

The Board is to review and may approve ColumbiaGrid Staff's determination that each Staff-Recommended Requested Service Project serves the underlying transmission service or interconnection request, the plan of service, transmission capacity allocation, sponsorship, and mitigation of Material Adverse Impacts resulting from such Project on any transmission system; *provided that* no Staff-Recommended Requested Service Project is to be included in any Plan unless the requestor and all Affected Persons agree upon such Requested Service Project. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to ColumbiaGrid Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

11.4.1.3 Capacity Increase Projects. With respect to Capacity Increase Projects for which the Project's sponsor has requested a Study Team for Project development:

- (i) with respect to Recommended Capacity Increase Projects, the Board is to review and may approve the Study Team's determination that such Capacity Increase Project (a) meets its underlying Need Statement(s) and (b) does not result in any unmitigated Material Adverse Impacts on any transmission system. If the Board determines that there are unmitigated Material Adverse Impacts resulting from such a Project on any transmission system, the Board is to note such Material Adverse Impacts in the Plan and such Project is to be remanded to the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis or defer resolution of such Material Adverse Impacts to the WECC planning or path rating process; and
- (ii) with respect to Staff-Recommended Capacity Increase Projects, the Board is to review and may approve the following with respect to each

Staff-Recommended Capacity Increase Project: the Staff determination that it meets its underlying Need Statement(s), its plan of service, sponsorship, schedule, cost allocation, transmission rights allocation, and mitigation of Material Adverse Impacts. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to the Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the next to the last sentence of this section 11.4.1.3 to read as follows:

The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative.

11.4.1.4 Single System Projects. With respect to a Single System Project for which the Order 1000 Sponsor has requested Order 1000 Cost Allocation and a Study Team for Project development:

- (i) with respect to Recommended Single System Projects, the Board is to review and may approve the Study Team's determination that such Single System Project (a) meets its underlying Need Statement(s) and (b) does not impose unmitigated Material Adverse Impacts; and
- (ii) with respect to Staff-Recommended Single System Projects, the Board is to review and may approve the following with respect to each Staff-Recommended Single System Project: the Staff determination that it meets its underlying Need Statement(s), its plan of service, sponsorship, schedule, cost allocation, transmission rights allocation, and mitigation of Material Adverse Impacts. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to the Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission

capacity allocation to the extent such modification is supported by the record.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the next to the last sentence of this section 11.4.1.4 to read as follows:

The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative.

11.4.1.5 Expanded Scope Projects. The Board is to review and may approve the Study Team's determination that there are no unmitigated Material Adverse Impacts resulting from each such Expanded Scope Project on any transmission system and, for Expanded Scope Projects that have an underlying EOP or Requested Service Project, the underlying EOP Need or request is still met with an equivalent or better service at no greater cost than it would have paid for the underlying Project. The Board is not to disapprove or modify Project elements associated with the Project expansion (developed by the Project's sponsor(s) or a Study Team). If the Board determines that there are unmitigated Material Adverse Impacts resulting from such a Project on any transmission system or that the underlying EOP Need or request is not met with an equivalent or better service at no greater cost than it would have paid for the underlying Project, the Board is to remand such Project to ColumbiaGrid Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis.

11.4.1.6 Order 1000 Information. The Board is to include in the Biennial Plan:

- (i) a list of Order 1000 Projects; (ii) an Order 1000 Cost Allocation Report for each Order 1000 Project proposed in the current planning cycle; and
- (iii) a determination as to whether each Project that received an Order 1000 Cost Allocation in a prior Plan or Plan Update continues to be expected to meet the underlying Need(s) in a timely manner, and, if not, whether such Project should be removed from the Plan, resulting in loss of its Order 1000 Project status.

11.4.2 Other Information Included in the Draft Plan. The Board is to include in the Biennial Plan for informational purposes all of the other content in the Draft Biennial Plan that was provided for informational purposes unless the Board determines it has good cause not to include such content.

11.4.3 Remands. In the event that the Board remands an item to ColumbiaGrid Staff and a Study Team for further analysis and discussion, the Board is to identify specific questions

or concerns to be answered or further researched by ColumbiaGrid Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team before the Board approves or confirms the matter that has been remanded. If the Board determines that a transmission alternative submitted in the public review process or that a transmission alternative to a Staff-Recommended Project is potentially preferable to the proposed Staff-Recommended Project, the Board may remand such alternative to ColumbiaGrid Staff, Planning Parties, and Interested Persons for further analysis and discussion. The Board and ColumbiaGrid Staff are to attempt to minimize the total number of times a Project is remanded.

11.4.4 Reconsideration Process. The Board is to develop and make available a reconsideration process that provides Persons who are materially impacted by such decision and did participate in any underlying Study Team to request within ten (10) days that the Board reconsider a specific decision within the Board's approval. If reconsideration of a Board decision is sought by any such Person, ColumbiaGrid is to promptly convene a meeting, chaired by the ColumbiaGrid President, to which it invites the chief executive officer or equivalent executive of all Affected Persons to determine whether they can reach agreement on the disputed decision. If agreement is not reached, the Board is to pursue the reconsideration process. The reconsideration process is to provide for input from all involved Persons (including Planning Parties) and ColumbiaGrid Staff, and the Board is to make its reconsidered decision known within ninety (90) days from the date of the request. If, upon reconsideration, the Board modifies its decision, the modification is to also be subject to a petition for reconsideration.

11.4.5 Post-Board Approval Project Modifications. In the event a Project's sponsor(s) discover during siting and environmental review processes that modifications are needed to an EOP in order for such EOP to receive needed regulatory approval or in order to implement such EOP, ColumbiaGrid Staff is to review the proposed modification(s) in a public process to determine whether the proposed modified Project continues to satisfy the EOP Need and whether Material Adverse Impacts to transmission systems, if any, are mitigated. ColumbiaGrid Staff is to communicate the results of its findings to the Board as follows.

11.4.5.1 Summary Change Statement. ColumbiaGrid Staff is to provide a summary change statement to the Board when such changes are found by ColumbiaGrid Staff to resolve the problem, mitigate Material Adverse Impacts, if any, and have the support of Affected Persons. In these situations the Board is not to be required to take action for the revised plan to be included in the next Plan.

11.4.5.2 Staff Recommendation. ColumbiaGrid Staff, when it finds any of the following,

- (i) the plan of service being implemented does not resolve the EOP Need,
- (ii) there is disagreement between or among the sponsors and participants as to the plan of service, sponsorship, schedule, cost allocation, or transmission rights allocation, or
- (iii) mitigation of Material Adverse Impacts is lacking, Is to provide a recommendation to the Board on what actions if any the Board should take. For example, the ColumbiaGrid Staff recommendation could be one or a combination of the following:
 - (a) withdraw Board approval or acceptance of the Project,
 - (b) address the situation in a subsequent system assessment,
 - (c) start a Study Team to look at alternatives, or
 - (d) bring the Affected Persons together to see if there is interest in having ColumbiaGrid mediate differences.

11.4.5.3 Board Consideration. In these situations, the Board is to consider the ColumbiaGrid Staff recommendation and is to accept the recommendation or ask ColumbiaGrid Staff to reconsider its recommendation in light of additional factors that the Board may want included in the recommendation. No Project modification pursuant to section 11.4.5 of Appendix A of the PEFA is to be deemed to amend any Facilities Agreement, and any amendment to any Facilities Agreement is to be subject to and pursuant to the provisions of such Facilities Agreement for its amendment (and subject to the provisions of section 6.2 of the body of the PEFA).

12. ColumbiaGrid Non-Order 1000 Cost Allocation. Under the PEFA, ColumbiaGrid is to provide cost allocation recommendations pursuant to provisions of the PEFA other than section 10.3 of Appendix A of the PEFA (such as sections 5.4, 6.4, 8.4, or 9.4 of Appendix A of the PEFA), which facilitate the development of mutual agreement by parties on cost allocation. As discussed above, broad-based Study Teams are to be used extensively in the ColumbiaGrid processes, including the development of cost allocation recommendations. Study Teams are intended to be the primary tool for participation by Planning Parties, Affected Persons, and Interested Persons, in the development of Projects defined and included in the Plan of ColumbiaGrid. Non-Order 1000 Cost Allocation recommendations by ColumbiaGrid under the PEFA with respect to certain types of Projects are discussed above and are summarized as set forth below in this section. In making Non-Order 1000 Cost Allocation recommendations,

ColumbiaGrid is, subject to the PEFA, to consider: (i) whether a cost allocation proposal fairly assigns costs among participants, including those who cause them to be incurred, and those who otherwise benefit from them; (ii) whether a cost allocation proposal provides adequate incentives to construct new transmission; and (iii) whether the proposal is generally supported by State authorities and participants across the region.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise the first sentence of the first paragraph of this section 12 to read as follows:

Under the PEFA, ColumbiaGrid is to provide cost allocation recommendations pursuant to provisions of the PEFA other than section 10.3, 13, or 14 of Appendix A of the PEFA (such as section 5.4, 6.4, 8.4, or 9.4 of Appendix A of the PEFA), which facilitate the development of mutual agreement by parties on cost allocation.

12.1 EOPs.

12.1.1 An EOP is to include an associated cost allocation to be included in a ColumbiaGrid Biennial Plan or Plan Update. As described in section 5.4 of Appendix A of the PEFA, ColumbiaGrid is to make a recommendation on cost allocation for a "[p]roposed Near-Term EOP" (see PEFA Appendix A, section 5.4), in the event that agreement is not reached on such cost allocation.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section 12.1.1 to read in its entirety as follows:

An EOP is to include an associated cost allocation to be included in a ColumbiaGrid Biennial Plan or Plan Update. As described in section 5.4 of Appendix A of the PEFA, ColumbiaGrid is to make a recommendation on cost allocation for a proposed Near-Term EOP, in the event that agreement is not reached on such cost allocation.

12.1.2 When the ColumbiaGrid Staff submits the Draft Plan to the ColumbiaGrid Board for approval, the Staff is to make a recommendation for the cost allocation elements of any Near-Term EOP upon which Affected Persons have not reached agreement. The ColumbiaGrid Board is to review and may approve or remand to Staff a recommended cost-allocation for each Staff-Recommended EOP. Staff may, in cooperation with the Study Team, revise the remanded recommendation and resubmit it to the ColumbiaGrid Board. However, the ColumbiaGrid Board may also modify a recommendation by ColumbiaGrid Staff of cost allocation for the EOP to the extent such modification is supported by the record.

12.2 Requested Service Projects. A Requested Service Project is to include an associated cost allocation to be included in a ColumbiaGrid Biennial Plan or Plan Update. As described in

section 6.4 of Appendix A of the PEFA, ColumbiaGrid is to make a recommendation on cost allocation for a Proposed Requested Service Project, in the event that agreement is not reached on such cost allocation.

12.3 Capacity Increase Project Cost Allocation. A Capacity Increase Project is to include an associated cost allocation to be included in a Biennial Plan (or Plan Update). As described in section 8 of Appendix A of the PEFA, ColumbiaGrid is to make a recommendation on cost allocation for a Proposed Capacity Increase Project, in the event that agreement is not reached on such cost allocation and a cost allocation recommendation is requested from ColumbiaGrid.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this Part III to add new sections 13 and 14 to read as follows:

13. Order 1000 ITPs and Interregional Cost Allocation

Section 13 of Appendix A of the PEFA sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. Nothing in section 13 of Appendix A of the PEFA will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

13.1 *This section left intentionally blank*

13.2 Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, ColumbiaGrid shall 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 ColumbiaGrid'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 (collectively referred to as "Annual Interregional Information").

ColumbiaGrid shall post its Annual Interregional Information on its Website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process ColumbiaGrid's Annual Interregional Information.

ColumbiaGrid may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions. ColumbiaGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by ColumbiaGrid in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if ColumbiaGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under ColumbiaGrid's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of ColumbiaGrid or any Planning Party in ColumbiaGrid, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

13.3 Annual Interregional Coordination Meeting

ColumbiaGrid shall participate in an Annual Interregional Coordination Meeting with the other Planning Regions. ColumbiaGrid shall host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The Annual Interregional Coordination Meeting is to be open to stakeholders. ColumbiaGrid shall provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in ColumbiaGrid's regional transmission plan.

13.4 ITP Joint Evaluation Process

13.4.1 Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to section 13.4.2 of Appendix A of the PEFA by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

13.4.2 Joint Evaluation of an ITP

For each ITP that meets the requirements of section 13.4.1 of Appendix A of the PEFA, ColumbiaGrid (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with section 13.4.1 of Appendix A of the PEFA or the immediately following calendar year. With respect to any such ITP, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of section 13.4.1 of Appendix A of the PEFA, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under section 13.4.2 of Appendix A of the PEFA in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if ColumbiaGrid determines that the ITP will not meet any of its regional transmission needs; thereafter ColumbiaGrid has no obligation under section 13.4.2 of Appendix A of the PEFA to participate in the joint evaluation of the ITP; and (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to

one or more of ColumbiaGrid's regional transmission needs.

13.5 Interregional Cost Allocation Process

13.5.1 Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with section 13.4.1 of Appendix A of the PEFA, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from ColumbiaGrid and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

13.5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of section 13.5.1 of Appendix A of the PEFA, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

(i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;

(ii) ColumbiaGrid's regional benefits stated in dollars resulting from the ITP, if any; and

(iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to section 13.6.2 of Appendix A of the PEFA) to each Relevant Planning Region using the methodology described in section 13.5.2 of Appendix A of the PEFA.

For each ITP that meets the requirements of section 13.5.1 of Appendix A of the PEFA, ColumbiaGrid (if it is a Relevant Planning Region):

(a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's analysis;

(b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under section 13.5.2 of Appendix A of the PEFA in accordance with its regional transmission planning process;

(c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in ColumbiaGrid, ColumbiaGrid shall use its regional cost allocation methodology, as applied to ITPs;

(d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

(e) 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;

(f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

(g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to section 13.5.2 of Appendix A of the PEFA in the same general time frame as its joint evaluation activities pursuant to section 13.4.2 of Appendix A of the PEFA.

13.6 Application of Regional Cost Allocation Methodology to Selected ITP

13.6.1 Selection by All Relevant Planning Regions

If ColumbiaGrid (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under sections 13.5.2(d) or 13.5.2(e) of Appendix A of the PEFA in accordance with its regional cost allocation methodology, as applied to ITPs.

13.6.2 Selection by at Least Two but Fewer than All Relevant Regions

If ColumbiaGrid (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall evaluate (or reevaluate, as the case may be) pursuant to sections 13.5.2(d), 13.5.2(e), and 13.5.2(f) of Appendix A of the PEFA whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of ColumbiaGrid and at least one other Relevant Planning Region, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under sections 13.5.2(d) or 13.5.2(e) of Appendix A of the PEFA in accordance with its regional cost allocation methodology, as applied to ITPs.

14. Order 1000 ITPs, Joint Evaluation, and Interregional Cost Allocation

14.1 ITP Agreement

Any Person that seeks to submit an ITP for joint evaluation pursuant to section 13.4 of Appendix A of the PEFA or seeks to request Interregional Cost Allocation pursuant to section 13.5 of Appendix A of the PEFA must either be a Planning Party or must enter into an ITP Agreement with ColumbiaGrid, which ITP Agreement is to be substantially in the form attached to the PEFA as Appendix C.

14.2 Submission for Joint Evaluation

Submission of an ITP into the ColumbiaGrid regional transmission planning process in accordance with section 13.4.1 of Appendix A of the PEFA is to be accomplished as set forth in section 14.2 of Appendix A of the PEFA. Section 14.2 of Appendix A of the PEFA is not to apply to any ITP for which ColumbiaGrid is not a Relevant Planning Region.

A TOPP or an ITP Proponent of an ITP may seek to have its ITP evaluated in the Order 1000 ColumbiaGrid Planning Region pursuant to section 13.4.2 of Appendix A of the PEFA by submitting a written request for such evaluation to ColumbiaGrid; *provided that* ColumbiaGrid is to deem such written request properly submitted to ColumbiaGrid only if, and at such time as, ColumbiaGrid receives the written request and: (1) such written request specifically references section 13.4 of Appendix A of the PEFA, and (2) such written request includes a list of all other Planning Regions to which the ITP is being submitted for joint evaluation.

ColumbiaGrid is to seek to confirm with each other Relevant Planning Region that such TOPP or ITP Proponent has submitted such ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s). In the event that ColumbiaGrid is unable to confirm that the TOPP or ITP Proponent has submitted its ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s), ColumbiaGrid is to notify the TOPP or ITP Proponent in writing, and the TOPP or ITP Proponent is to have 30 days from the date of such notice to provide ColumbiaGrid evidence, reasonably acceptable to ColumbiaGrid, that the TOPP or ITP Proponent has timely submitted its ITP for evaluation to each other Relevant Planning Region(s) as required by section 14.2 of Appendix A of the PEFA. If a TOPP or ITP Proponent fails to provide such evidence, the TOPP's or ITP Proponent's ITP is to be deemed withdrawn and is not to be eligible for evaluation pursuant to section 13.4.2 of Appendix A of the PEFA.

Prior to commencing the joint evaluation of an ITP pursuant to section 13.4.2 of Appendix A of the PEFA, ColumbiaGrid is to require an ITP Proponent that is seeking such evaluation of an ITP to submit to ColumbiaGrid information in accordance with section 10.1.2.1(ii)b. of Appendix A of the PEFA, which, to the extent permitted by law, is to include a copy of all ITP data being submitted by the TOPP or an ITP Proponent to any of the other Relevant Planning Regions for such ITP. A TOPP seeking evaluation of an ITP pursuant to section 13.4.2 of Appendix A of the PEFA is to submit to ColumbiaGrid the information required by the last paragraph of section 14.2 of Appendix A of the PEFA.

14.3 Joint Evaluation Implementation

For purposes of ColumbiaGrid's evaluation of an ITP pursuant to section 13.4.2 of Appendix A of the PEFA,

- (i) development of such ITP is to be through a Study Team; and
- (ii) evaluation of such ITP in the ColumbiaGrid regional transmission planning process for purposes of section 13.4.2 of Appendix A of the PEFA is to be through the development and evaluation of such ITP as a Proposed Project through the ColumbiaGrid regional planning process under the PEFA.

Upon receipt of a properly submitted request for such evaluation pursuant to sections 13.4.1 and 14.2 of Appendix A of the PEFA, ColumbiaGrid is to convene a Study Team (or refer such ITP to an existing Study Team) for development of such ITP. With respect to an ITP, the TOPP(s) or ITP Proponent(s) that submitted the ITP is to assume primary responsibility for leading and performing necessary analytical work for such ITP in the Study Team.

14.4 Interregional Cost Allocation Process

For each ITP that meets the requirements of sections 13.5.1 and 14.2 of Appendix A of the PEFA and for which Interregional Cost Allocation for such ITP has been timely requested pursuant to section 10.1 of Appendix A of the PEFA, ColumbiaGrid (if and so long as it is a Relevant Planning Region) is to:

- (i) pursuant to item (c) of section 13.5.2 of Appendix A of the PEFA, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;
- (ii) pursuant to section 13.5.2(ii) of Appendix A of the PEFA, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;
- (iii) pursuant to item (d) of section 13.5.2 of Appendix A of the PEFA, calculate ColumbiaGrid's assigned *pro rata* share of the projected costs of such ITP (such share also referred to as Assigned Regional Costs from Interregional Cost Allocation), which share is to be equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which is to be the amount of Regional Benefits for

Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which is to be the sum of (A) the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (B) the sum of the regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its regional transmission planning process and provided to ColumbiaGrid by such other Relevant Planning Region;

(iv) determine what its regional cost allocation would be if ColumbiaGrid were to select the ITP as an Order 1000 Project in its Plan by performing a preliminary determination of:

a. the Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) should such ITP be selected as an Order 1000 Project, using the methodology with respect to an ITP in section 10.3.3.1 of Appendix A of the PEFA, and

b. the sum of the Order 1000 Cost Allocation(s) to the Order 1000 Beneficiary(ies) that is an Order 1000 Sponsor(s) should such ITP be selected as an Order 1000 Project, using the methodology with respect to an ITP in section 10.3.3.2 of Appendix A of the PEFA.

Pursuant to item (e) of section 13.5.2 of Appendix A of the PEFA, ColumbiaGrid is to share the above determinations with the other Relevant Planning Regions with regard to such ITP.

(v) If ColumbiaGrid receives information from one or more other Relevant Planning Regions regarding what such Relevant Planning Region's 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 (such total share also referred to as Total Regional Costs from Interregional Cost Allocation) in order to determine, pursuant to section 14.5 of Appendix A of the PEFA, whether to select the ITP as an Order 1000 Project.

For purposes of Interregional Cost Allocation, the projected costs of any ITP 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.

Determinations and other activities pursuant to items (iii), (iv), and (v) of section 14.4 of Appendix A of the PEFA may be reperformed as a result of application of section 13.6.2 of Appendix A of the PEFA.

14.5 Determination of Whether to Select the ITP in ColumbiaGrid Regional Transmission Plan for Purposes of Interregional Cost Allocation

For each ITP that meets the requirements of sections 13.5.1 and 14.2 of Appendix A of the PEFA and for which Interregional Cost Allocation for such ITP has been timely requested by a TOPP or ITP Proponent pursuant to section 10.1 of Appendix A of the PEFA, ColumbiaGrid (if and so long as it is a Relevant Planning Region) is to determine, as required by section 13.5.2(f) of Appendix A of the PEFA, whether to select the ITP as an Order 1000 Project in accordance with section 10.1 of Appendix A of the PEFA, based on its regional transmission planning process and taking into account the Total Regional Costs from Interregional Cost Allocation.

Determinations pursuant to section 14.5 of Appendix A of the PEFA may be reperformed as a result of application of section 13.6.2 of Appendix A of the PEFA.

14.6 Implementation of Application of Regional Cost Allocation Methodology to Selected ITP

For any ITP for which ColumbiaGrid is to apply its regional cost allocation methodology pursuant to section 13.6.1 or 13.6.2 of Appendix A of the PEFA, ColumbiaGrid is to apply its regional cost allocation methodology (Order 1000 Cost Allocation Methodology) by determining:

- (i) the Order 1000 Cost Allocation to each Order 1000 Beneficiary (except for Order 1000 Sponsor(s)) of such ITP, using the methodology with respect to an ITP in section 10.3.3.1 of Appendix A of the PEFA, and
- (ii) the sum of the Order 1000 Cost Allocation(s) to the Order 1000 Sponsor(s) of such ITP, using the methodology with respect to an ITP in section 10.3.3.2 of Appendix A of the PEFA.

Any amounts associated with the information ColumbiaGrid receives as described in item (e) of section 13.5.2 of Appendix A of the PEFA and item (v) of section 14.4 of Appendix A of the PEFA are not to be included in the amounts allocated pursuant to section 10.3.3.2 of Appendix A of the PEFA.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section to renumber the heading so that the heading for this section reads as follows:

15. Dispute Resolution

Disputes among PEFA Parties within the scope of the arbitration provisions of section 16.1 of the PEFA shall be addressed through the provisions of that section. However, nothing in this Attachment K restricts the rights of any person to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Disputes that are not within the scope of PEFA dispute resolution procedures but that arise out of Attachment K between a Transmission Provider and one or more of its Transmission Customers shall be

addressed pursuant to Section 12 (Dispute Resolution Procedures) of the Tariff.

ColumbiaGrid is intended to provide a forum for resolving substantive and procedural disputes. Specifically, ColumbiaGrid is a separate and operationally independent entity that makes decisions or recommendations regarding multi-system planning issues, and thus provides a neutral forum through which transmission customers, transmission providers, Planning Parties, and other stakeholders can raise and address issues arising out of ColumbiaGrid planning activities. All interested persons have an additional opportunity to present their perspectives when the staff's recommendation is presented to the Board. When reviewing the draft Biennial Plan, the Board can remand items back to the staff for further work and public input.

Disputes that are not within the scope of the foregoing dispute resolution processes but that arise out of Attachment K in connection with the ColumbiaGrid planning processes may be addressed, with the agreement of all parties to the dispute, through non-binding mediation using the FERC Dispute Resolution Service or other non-binding mediation mechanism mutually agreeable to all parties to the dispute.

- 16. Western Interconnection Planning Group Coordination.** ColumbiaGrid is sometimes referred to as a Western Interconnection sub-regional planning group ("SPG") and coordinates with other SPGs for projects and studies that involve ColumbiaGrid and one or more other SPGs. In addition, ColumbiaGrid is to participate in the Western Interconnection planning process through regular joint SPG meetings (at least three times yearly) as described in the Regional Planning (Western Interconnection) section of ColumbiaGrid's Policy Statement Regarding Planning - Coordinated, Open and Transparent Planning Processes for Single and Multiple Transmission Systems, which is available at <http://www.columbiagrid.org/AttachKdocuments.com>. The purpose of these meetings is to review and coordinate study activities, to work on development of WECC base case assumptions and requests, to share planning information, and to coordinate requests to WECC for economic studies.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this section to renumber the heading so that the heading for this section reads as follows:

16. Western Interconnection "Sub-Regional" Planning Group Coordination

PART IV: CONFIDENTIALITY

1. Confidentiality of Information.

1.1 Confidential Information. Confidential Information may include Transmission Provider Proprietary Data or Confidential Information provided to the Transmission Provider. The Transmission Provider has an obligation to protect Confidential Information and proprietary information marked as confidential and received from third parties.

This includes but is not limited to operating studies and maintenance plans that may have commercial impact for customers or energy markets.

- 1.2 Access to Confidential Information.** Entities with a right or need for the Confidential Information, shall submit a written request for access to Confidential Information. A party seeking access to Confidential Information shall satisfy the Transmission Provider that its access to the Confidential Information is required and execute a non-disclosure agreement. The forms of non-disclosure agreement will be posted on the Transmission Provider's website as part of Transmission Providers procedure for disclosure of Confidential Information. Transmission Provider will seek agreement from entities that provided information marked as confidential prior to release of such information.
- 1.3 Disclosure to FERC, its Staff, State Commission and Other Authorized Parties.** If FERC or its staff, during the course of an investigation or otherwise, requests information from the Transmission Provider that is otherwise required to be maintained in confidence pursuant to this Attachment, Transmission Provider shall provide the requested information to FERC or its staff within the time provided for in the request for information. In providing the information to FERC or its staff, the Transmission Provider must, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. To the extent applicable, the Transmission Provider shall provide notice to the party that provided the Confidential Information to the Transmission Provider when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.
- 1.4 Breach and Liability.** A party that fails to observe and follow the terms of this section and any non-disclosure agreement will be a breaching party. The Transmission Provider shall have no responsibility for any damages or liability or equitable remedies resulting from another party's breach of its non-disclosure agreement or the provisions of this section. The provisions of this section shall not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this provision).

APPENDIX A
DEFINITIONS

The following terms shall have the following definitions when used in this Attachment K. Other terms defined in Section 1 of the Tariff or in the PEFA that is Transmission Provider's Rate Schedule FERC No. CG1 shall have the meanings set forth in such Section 1 of the Tariff or the PEFA where used in this Attachment K.

Affected Persons with respect to a Project means those Planning Parties and Persons that would bear Material Adverse Impacts from such Project or are otherwise materially affected by such Project.

Biennial Plan means each biennial transmission plan adopted by the Board pursuant to the PEFA. A "Draft Biennial Plan" refers to a draft of a Biennial Plan presented by ColumbiaGrid Staff to the Board for adoption pursuant to the PEFA, but not yet adopted by the Board.

Board of Directors or **Board** means the Board of Directors of ColumbiaGrid.

Briefing Paper means the report, completed by the Transmission Provider, which includes any reliability impacts identified on the local transmission system and a list of projects proposed to mitigate those issues.

Bylaws means the then current bylaws of ColumbiaGrid.

Capacity Increase Project means a voluntary modification of the Regional Interconnected Systems that is: (i) for the purpose of increasing transmission capacity on the Regional Interconnected Systems; (ii) voluntarily undertaken by one or more Planning Parties; and (iii) not an Existing Obligation Project or Requested Service Project.

ColumbiaGrid Staff or **Staff** means the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff's responsibilities under the PEFA. The activities of ColumbiaGrid Staff under this Agreement will be performed under the supervision and guidance of the ColumbiaGrid Board.

Confidential Information shall mean: all information, regardless of the manner in which it is furnished, marked as "Confidential Information" at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who had a legal right to do so; (iii) independently developed by the receiving Party or known to such Party prior to its disclosure under this Agreement; (iv) information that is normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law or other directive of a court, administrative agency or arbitration panel.

Critical Energy Infrastructure Information or **CEII** means information determined to be CEII by Transmission Provider as that term is defined in 18 C.F.R. § 388.113(c), as may be amended from time to time, about existing and proposed systems or assets, whether physical or virtual, relating to the production, generation, transportation, transmission, or distribution of energy that could be useful to a person in planning an attack on such systems or assets, the incapacity or destruction of which would negatively affect security, economic security, or public health or safety.

Designated Person with respect to a form of Facilities Agreement means each of the Persons designated as such pursuant to the PEFA by ColumbiaGrid in such form.

Draft Local Transmission Plan means the Local Transmission Plan prepared by the Transmission Provider following completion of the studies and analysis. Such Draft Local Transmission Plan may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the needs.

Existing Obligation Project or **EOP** means any modification to be made to the Regional Interconnected Systems that is: (i) for the purpose of meeting a Need on a TOPP's system; (ii) not a Single System Project; and (iii) approved by the Board and included as an EOP in a Plan.

Expanded Scope Project means any Project that is expanded pursuant to the PEFA.

Facilities Agreement means an agreement tendered by ColumbiaGrid to Designated Parties for purposes of effectuating an EOP pursuant to the PEFA.

Final Local Transmission Plan means the Local Transmission Plan developed by the Transmission Provider and the Planning Advisory Group and approved by the Transmission Provider's Board of Directors.

Functional Type at any time means each Functional Type as then adopted by NERC.

Interested Person means any Person who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons will be identified on the Interested Persons list compiled by ColumbiaGrid in accordance with the ColumbiaGrid Bylaws.

Interested Stakeholder means any Person who has expressed an interest in the business of the Transmission Provider and wishes to participate in the planning process.

Local Transmission Plan means the plan compiled every five (5) years for the purpose of identifying Single System Projects to mitigate future reliability and load-service requirements for the Transmission System.

Material Adverse Impacts with respect to a Project means a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such Project that is material, that would result from a Project, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of this

Agreement, Material Adverse Impacts of a Project are considered mitigated if there would not be any Material Adverse Impacts due to such Project.

Near-Term Existing Obligation Project or **Near-Term EOP** means, at any time, an Existing Obligation Project that must be commenced prior to the end of the then next Planning Cycle in order to have sufficient lead time for implementation to meet the Need giving rise to such Existing Obligation Project.

Need means any projected inability of a Transmission Owner or Operator Planning Party (anticipated to occur during the Planning Horizon) to serve, consistent with the Planning Criteria, (i) its network load and native load customer obligations, if any, as those terms are defined in such Transmission Owner or Operator Planning Party's Open Access Transmission Tariff; and (ii) other existing long-term firm transmission obligations.

Need Statement means, with respect to a Need, a statement developed by ColumbiaGrid Staff pursuant to the PEFA and included for informational purposes in a Plan. A "Draft Need Statement" means a proposal for a Need Statement presented by ColumbiaGrid Staff to the Board for review and comment.

NERC means North America Electric Reliability Corporation or its successor.

NERC Reliability Standard means at any time any NERC Reliability Standard then in effect as adopted by NERC.

Non-Transmission Alternative means an alternative that does not involve the construction of high voltage transmission facilities and that ColumbiaGrid has determined would result in the elimination or delay of a Need by modifying the loads and/or resources reflected in the system assessments. Examples of such alternatives that may constitute Non-Transmission Alternatives include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

Order 1000 means the Commission's Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012) as it may be amended, supplemented, or superseded from time to time.

Order 1000 Beneficiary means a Transmission Owner or Operator Planning Party that is identified in an Order 1000 Cost Allocation Report as a Transmission Owner or Operator Planning Party that would receive Order 1000 Benefits as a direct result of an Order 1000 Project.

Order 1000 Benefits means, as more fully described in section 10.3.2 of Appendix A of the PEFA:

- (i) with respect to an Order 1000 Project and a Transmission Owner or Operator Planning Party that is not an Order 1000 Sponsor of such Project, the Order 1000 Benefits of such Transmission Owner or Operator Planning Party shall be equal to the sum of:

- a. the projected costs that such Transmission Owner or Operator Planning Party is projected to avoid over the Planning Horizon due to elimination or deferral, as a direct result of such Order 1000 Project, of planned additions of transmission facilities in the Order 1000 ColumbiaGrid Planning Region, plus;
 - b. if and to the extent not reflected in item (i)a. above of this section, the value that such Transmission Owner or Operator Planning Party is projected to realize on its Transmission System over the Planning Horizon, as a direct result of such Order 1000 Project, where such value is equal to the lessor of:
 - 1. the projected costs (excluding any projected costs included in item (i)a. above of this section) that such Transmission Owner or Operator Planning Party would, but for such Order 1000 Project, have otherwise incurred over the Planning Horizon to achieve an increase in capacity on its Transmission System equivalent to that resulting from such Order 1000 Project; or
 - 2. the projected changes in revenues based on cost-based transmission rates over the Planning Horizon to such Transmission Owner or Operator Planning Party directly resulting from such Order 1000 Project or such Project's elimination or deferral of planned transmission facilities, which projected changes in revenues shall be based on projected changes of usage of such Transmission Owner or Operator Planning Party's Transmission System that are projected, using a robust economic analysis (including, as appropriate, production cost, power flow, and stability analyses and evaluation of transmission queues) and are repeatable over a wide range of reasonable assumptions, to result over the Planning Horizon from the projected changes in capacity on such Transmission Owner or Operator Planning Party's Transmission System resulting from such Order 1000 Project or such Project's elimination or deferral of planned transmission facilities; and
- (ii) with respect to an Order 1000 Project and any Order 1000 Sponsor(s) of such Project, the aggregate Order 1000 Benefits of such Order 1000 Sponsor(s) shall be equal to the projected capital costs of such Project.

Order 1000 ColumbiaGrid Planning Region means the Transmission Systems that Transmission Owner or Operator Planning Parties own or operate or propose to own or operate in the Regional Interconnected Systems. The transmission facilities, existing or proposed, of any Person that is enrolled in a neighboring transmission planning region (as such term is used in Order 1000) of the Order 1000 ColumbiaGrid Planning Region shall not be part of the Order 1000 ColumbiaGrid Planning Region, and such facilities shall not be part of or compromise an intraregional project (as such term is used in Order 1000) of the Order 1000 ColumbiaGrid Planning Region for purposes of Order 1000 Cost Allocation.

Order 1000 Cost Allocation means an allocation, using the Order 1000 Cost Allocation Methodology, pursuant to section 10.3.3 of Appendix A, or costs of an Order 1000 Project among one or more Transmission Owner or Operator Planning Parties. A cost allocation with respect to an interregional project (as such term is used in Order 1000) is specifically excluded from the meaning of Order 1000 Cost Allocation. "**Non-Order 1000 Cost Allocation**" means a cost allocation pursuant to provisions of this Agreement other than section 10.3 of Appendix A (such as sections 5.4, 6.4, 8.4, or 9.4 of Appendix A to the PEFA). Any Non-Order 1000 Cost Allocation does not constitute a cost allocation for purposes of Order 1000. The term "**any cost allocation**" includes any Order 1000 Cost Allocation or any Non-Order 1000 Cost Allocation.

Order 1000 Cost Allocation Methodology means the cost allocation methodology set out in section 10.3 of Appendix A to the PEFA that is to be applied by ColumbiaGrid in making an Order 1000 Cost Allocation.

Order 1000 Cost Allocation Report means the report prepared by ColumbiaGrid Staff and approved and finalized by the Board in accordance with section 10 of Appendix A to the PEFA that includes: (i) with respect to each Order 1000 Project selected for inclusion in a Biennial Plan, the results of and documentation relating to ColumbiaGrid's application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including (a) the identified Order 1000 Benefits and an explanation of such Order 1000 Benefits, and (b) the identified Order 1000 Beneficiaries of such Order 1000 Project, and (ii) with respect to any proposed Project for which Order 1000 Cost Allocation was requested in accordance with section 10 of Appendix A to the PEFA but that was not selected as an Order 1000 Project, an explanation of why such Proposed Project was not selected as an Order 1000 Project.

Order 1000 Preliminary Cost Allocation Report means, with respect to an Order 1000 Project, the ColumbiaGrid Staff's results of and documentation in accordance with section 10 of Appendix A to the PEFA relating to ColumbiaGrid Staff's application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including the comments of the relevant Study Team's participants.

Order 1000 Project means any Project in the Order 1000 ColumbiaGrid Planning Region, for which Order 1000 Cost Allocation has been requested and that has been selected as an Order 1000 Project, all in accordance with section 10 of Appendix A to the PEFA; *provided that*, if and to the extent any transmission facilities of such Project are not located in the Order 1000 ColumbiaGrid Planning Region, such Project for purposes of section 10 of Appendix A to the PEFA and any other provisions of the PEFA relating to selection of a Project as an Order 1000 Project or relating to Order 1000 Cost Allocation shall be deemed to not include such transmission facilities not located in the Order 1000 ColumbiaGrid Planning Region. For avoidance of doubt, Order 1000 Project specifically excludes (i) any facilities if and to the extent they are not located in the Order 1000 ColumbiaGrid Planning Region or are not

owned or operated or proposed to be owned or operated by a Transmission Owner or Operator Planning Party, and (ii) any Project, notwithstanding the fact that the Project otherwise satisfies the requirements to be an Order 1000 Project, for which the Transmission Owner or Operator Planning Party(ies) that requested Order 1000 Cost Allocation has subsequently withdrawn such request in accordance with section 10 of Appendix A to the PEFA.

Order 1000 Sponsor means, with respect to any Project for which Order 1000 Cost Allocation has been requested in accordance with section 10 of Appendix A to the PEFA; any Transmission Owner or Operator Planning party that proposes to own or operate transmission facilities of such Project. Order 1000 Sponsor specifically excludes a Merchant Transmission Developer with respect to a Project in the Order 1000 ColumbiaGrid Planning Region.

Pacific Northwest means the (i) sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

Party means a signatory to the ColumbiaGrid Planning and Expansion Functional Agreement.

Person means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States or Canada.

Plan means at any time the then current Biennial Plan, as then revised by any Plan Updates. A "Draft Plan" refers to a Draft Biennial Plan or a Draft Plan Update.

Plan Update means an update to the then current Plan adopted by the Board pursuant to the PEFA. A "Draft Plan Update" means a plan update presented by ColumbiaGrid Staff to the Board for adoption but not yet adopted by the Board.

Planning Criteria means the then current planning standards that ColumbiaGrid is to apply, as provided in the PEFA, in any system assessment, System Assessment Report, or Needs Statement.

Planning Cycle means a period of approximately twenty-four (24) months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

Planning and Expansion Functional Agreement or **PEFA** means the ColumbiaGrid Planning and Expansion Functional Agreement on file with the Commission.

Planning Horizon means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii)

the planning period required by the Commission in its pro forma Tariff, as it may be amended from time to time.

Planning Party means each Party other than ColumbiaGrid.

Project means any of the following (including any expansion in the Plan of Service therefore pursuant to the PEFA) included in a Plan: (i) Capacity Increase Project, (ii) Existing Obligation Project, (iii) Requested Service Project, or (iv) Single System Project.

Proposed Capacity Increase Project means a proposal for a Capacity Increase Project at such time as it is being discussed in the planning process, whether that be for purposes of identifying unmitigated Material Adverse Impacts of such Project or for purposes of developing the Project under the PEFA.

Proposed Existing Obligation Project or **Proposed EOP** means a proposal for an EOP at such time as it is being proposed in the planning process; a "Recommended Existing Obligation Project" or "Recommended EOP" means a recommendation, developed by the agreement of Affected Persons pursuant to the PEFA, for an EOP that is included as such in a Draft Biennial Plan or Draft Plan Update; a "Staff-Recommended Existing Obligation Project" or "Staff-Recommended EOP" means a recommendation, made by ColumbiaGrid Staff pursuant to the PEFA, for a Near-Term Existing Obligation Project that is included as such in a Draft Biennial Plan or Draft Plan Update.

Proposed Requested Service Project means a proposal for a Requested Service Project at such time as it is being proposed in the planning process under this Agreement; a "Recommended Requested Service Project" means a recommendation for a Requested Service Project that is developed by the agreement of Affected Persons and that is included in a Plan; a "Staff-Recommended Requested Service Project" means a recommendation by ColumbiaGrid Staff for a Requested Service Project following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Requested Service Project.

Public Policy Requirements means enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level.

Regional Interconnected Systems or **RIS** means the interconnected transmission systems in the Pacific Northwest.

Requested Service Assessment means, with respect to a request to a TOPP for study related to a transmission service or interconnection, an assessment of the effect of such request on such TOPP's Transmission System and on other transmission systems.

Requested Service Project means any modification of the Regional Interconnected Systems that: (i) is for the purpose of providing service pursuant to a transmission service or interconnection request made to a TOPP; and (ii) involves more than one Transmission System.

Single System Project means any modification of a single Transmission System that:

(i) is for the purpose of meeting a Need that impacts only such single Transmission System; (ii) does not result in Material Adverse Impacts on any

transmission system; and (iii) is included as a Single System Project in a Plan.

Study Team with respect to a Project being defined means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Planning Parties, (ii) any Affected Persons identified with respect to such Project, and (iii) any Interested Persons; *provided that* the Study Team for a Requested Service Project shall include only ColumbiaGrid and Affected Persons identified with respect to such Project. The Study Team for an Existing Obligation Project will develop solution(s) to meet the Need giving rise to such Existing Obligation Project. The Study Team for a Requested Service Project will develop a Project to serve the request giving rise to such Requested Service Project. The Study Team for any other Project will assist in either the identification or mitigation of Material Adverse Impacts, if any, resulting from such Project or, depending upon the type of Project and the election of the Project sponsor(s), participate in the planning of such Project.

System Assessment Report means each system assessment report developed by Staff pursuant to the PEFA.

Third Person means any Person other than a Party.

Transmission Owner or Operator Planning Party or **TOPP** means a Party that is a transmission owner or operator.

Transmission Provider Proprietary Data means any (i) non-public or confidential trade secrets, commercial or financial information or other information of Transmission Provider, whether of a technical, business or other nature, or (ii) information that has been made available to Transmission Provider by any third party or entity that Transmission Provider is obligated to keep non-public or confidential, used by Transmission Provider in its transmission planning processes pursuant to this Attachment K.

Website means the website maintained by ColumbiaGrid at www.columbiagrid.org.

Western Electricity Coordinating Council or **WECC** means the Western Electricity Coordinating Council or any successor entity.

Further, at such time as the Fourth Restatement becomes effective in accordance with section 17.1 thereof, this Attachment K will be amended to revise this Appendix A to read in its entirety as follows:

APPENDIX A DEFINITIONS

The following terms shall have the following definitions where used in this Attachment K. Other terms defined in Section 1 of the Tariff shall have the meanings set forth in such section where used in this Attachment K.

A.1 "Additional Entity" means at any time each entity that is not a NERC Entity but that has facilities (i) that are then located in Transmission Provider's Balancing Authority Area or are interconnected with Transmission Provider's Transmission System and (ii) that then fall within a Functional Type.

A.2 "Affected Persons" with respect to a Project or Proposed Project means those Planning Parties and Persons that would bear Material Adverse Impacts from such Project or Proposed Project or are otherwise materially affected thereby.

A.3 "Annual Interregional Coordination Meeting" shall have the meaning set forth in section 13.3 of Appendix A of the PEFA and restated in Part III, section 13.3, of this Attachment K.

A.4 "Annual Interregional Information" shall have the meaning set forth in section 13.2 of Appendix A of the PEFA and restated in Part III, section 13.2, of this Attachment K.

A.5 "Assigned Regional Costs from Interregional Cost Allocation" shall have the meaning given such term in section 1.46 of the body of the PEFA.

A.6 "Biennial Plan" means each biennial transmission plan adopted by the Board pursuant to section 2 of the body of the PEFA. A "Draft Biennial Plan" refers to a draft of a Biennial Plan presented by Staff to the Board for adoption pursuant to section 2 of the body of the PEFA but not yet adopted by the Board.

A.7 "Board of Directors" or "Board" means the Board of Directors of ColumbiaGrid.

A.8 "Bylaws" means the then current bylaws of ColumbiaGrid.

A.9 "Capacity Increase Project" means a voluntary modification of the Regional Interconnected Systems:

(i) to the extent that it is for the purpose of providing new or increased transmission capacity (e.g., increased rating or improved availability) on the Regional Interconnected Systems;

(ii) that is voluntarily undertaken by one or more Transmission Owner or Operator Planning Party(ies), whether or not undertaken in conjunction with one or more other Persons; and

(iii) to the extent that it is not an Existing Obligation Project, Requested Service Project, or Single System Project.

A "Proposed Capacity Increase Project" means a proposal for a Capacity Increase Project at such time as it is being discussed in the transmission planning process, whether that be for purposes of identifying unmitigated Material Adverse Impacts of such Project or for purposes of developing the Project under section 8 of Appendix A of the PEFA; a "Recommended Capacity Increase Project" means a recommendation, developed by the agreement of Affected Persons pursuant to section 8 of Appendix A of the PEFA, for a Capacity Increase Project that is included as such in a Draft Biennial Plan or Draft Plan Update; a "Staff-Recommended Capacity Increase Project" means a recommendation, made by Staff pursuant to section 8 of Appendix A of the PEFA following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Capacity Increase Project that is included as such in a Draft Biennial Plan or Draft Plan Update.

A.10 "Commission" means the Federal Energy Regulatory Commission or any successor entity.

A.11 "Confidential Information" shall mean: all information, regardless of the manner in which it is furnished, marked as "Confidential Information" at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who had a legal right to do so; (iii) independently developed by the receiving Party or known to such Party prior to its disclosure under the PEFA; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

A.12 "Critical Energy Infrastructure Information" or "CEII" means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time, about existing and proposed systems or assets, whether physical or virtual, relating to the production, generation, transportation, transmission, or distribution of energy that could be useful to a person in planning an attack on such systems or assets, the incapacity or destruction of which would negatively affect security, economic security, public health, or safety.

A.13 "Demand Response Resource Data" has the meaning set forth in Part IX, section 2.3 of this Attachment K.

A.14 "Designated Person" with respect to a form of Facilities Agreement means each of the Persons designated as such pursuant to section 6.1 of the body of the PEFA by ColumbiaGrid in such form.

A.15 "Economic Study" means a study of Transmission Provider's Transmission System, separately or in conjunction with study of other transmission systems, to evaluate (i) congestion, (ii) the integration on an aggregated or Western Interconnection (or Western Interconnection "sub-regional") wide basis of new resources or new loads, or (iii) Local Economic Study.

A.16 "Enhanced Reliability Upgrade" means, for purposes of this Attachment K, an upgrade to the Washington area facilities of Transmission Provider's Transmission System that

(i) is intended to provide a transmission customer for Network Integration Transmission Service or Point-to-Point Transmission Service on Transmission Provider's Transmission System with (A) enhanced reliability with respect to the transmission customer's Network Integration Transmission Service or Point-to-Point Transmission Service over and above the reliability necessary to satisfy the planning criteria applicable to Transmission Provider, or (B) reduced Curtailments with respect to the transmission customer's Network Integration Transmission Service or Point-to-Point Transmission Service as compared with the Curtailments that would otherwise occur with respect to such transmission service,

(ii) does not result in a reduction of transmission capacity on another transmission system (or other adverse impact on such other transmission system that is generally considered in transmission planning in the

Western Interconnection) that is material and that is unacceptable to the owner or operator of such other transmission system, and

(iii) is installed pursuant to Part VIII of this Attachment K. "Enhanced Reliability Upgrade" shall in no event include any upgrade to Transmission Provider's Transmission System that (a) is installed or required for the provision of bundled service to its Native Load Customers, or (b) is installed or required pursuant to any provision of the Tariff other than Part VIII of this Attachment K.

A.17 "EOP Need" means any projected inability of a Transmission Owner or Operator Planning Party (anticipated to occur during the Planning Horizon) to serve, consistent with the Planning Criteria:

(i) its network load or native load customer obligations, if any, as those terms are defined in such Transmission Owner or Operator Planning Party's Open Access Transmission Tariff; or

(ii) other existing long-term firm transmission obligations.

A.18 "Existing Obligation Project" or "EOP" means any modification to be made to the Regional Interconnected Systems

(i) to the extent that it is for the purpose of meeting an EOP Need on a Transmission Owner or Operator Planning Party's Transmission System;

(ii) to the extent that it is not a Capacity Increase Project, Requested Service Project, or Single System Project;

(iii) that is undertaken by one or more Transmission Owner or Operator Planning Party(ies); and

(iv) that is approved by the Board and included as an Existing Obligation Project in a Plan.

A "Proposed Existing Obligation Project" or "Proposed EOP" means a proposal for an Existing Obligation Project at such time as it is being proposed in the transmission planning process; a "Recommended Existing Obligation Project" or "Recommended EOP" means a recommendation, developed by the agreement of Affected Persons pursuant to section 5 of Appendix A of the PEFA, for an Existing Obligation Project that is included as such in a Draft Biennial Plan or Draft Plan Update; a "Staff-Recommended Existing Obligation Project" or "Staff-Recommended EOP" means a recommendation, made by Staff pursuant to section 5.4 of Appendix A of the PEFA, for a Near-Term Existing Obligation Project that is included as such in a Draft Biennial Plan or Draft Plan Update.

A.19 "Expanded Scope Project" means any Project (other than an ITP) if and to the extent that it is expanded pursuant to section 9 of Appendix A of the PEFA. A "Proposed Expanded Scope Project" means a proposal for an Expanded Scope Project that is voluntarily undertaken by one or more Transmission Owner or Operator Planning Party(ies) at such time as it is being proposed in the transmission planning process.

A.20 "Facilities Agreement" means, for purposes of Part III of this Attachment K, a future agreement tendered by ColumbiaGrid to Designated

Persons that may be separately entered into for purposes of effectuating an Existing Obligation Project pursuant to section 6 of the body of the PEFA.

A.21 "Fourth Amendment and Restatement" means the Planning and Expansion Functional Agreement ("PEFA") as amended by the Fourth Amendment and Restatement if and after such time as such amendments become effective in accordance with section 17.1 of the Fourth Amendment and Restatement of the PEFA.

A.22 "Functional Type" at any time means each Functional Type as then adopted by NERC. As of December 7, 2007, for example, the functional types adopted by NERC were set forth in its Statement of Compliance Registry Criteria (Revision 3.1).

A.23 "Grandfathered Transmission Service" means any transmission service (or interconnection) provided by Transmission Provider that is subject to the jurisdiction of the Commission but not provided pursuant to the OATT.

A.24 "Interested Person" means, for purposes of Parts II and III of this Attachment K, any Person (including, but not limited to, any Relevant State or Provincial Agency, Tribe, Non-Incumbent Transmission Developer or Merchant Transmission Developer) who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons is to be identified on the Interested Persons List compiled by ColumbiaGrid in accordance with Section 4.2 of the ColumbiaGrid Bylaws. For purposes of section 13 of Appendix A of the PEFA, Interested Persons are referred to as stakeholders.

A.25 "Interregional Cost Allocation" means the assignment of ITP costs between or among Planning Regions as described in section 13.5.2 of Appendix A of the PEFA.

A.26 "Interregional Transmission Project" or "ITP" 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 section 13.4.1 of Appendix A of the PEFA.

A.27 "Interregional Transmission Project Proponent" or "ITP Proponent" shall have the meaning given such term in section 1.53 of the body of the PEFA.

A.28 "Interregional Transmission Project Agreement" or "ITP Agreement" shall have the meaning given such term in section 1.53 of the body of the PEFA.

A.29 "Local Economic Study" means an Economic Study that (i) evaluates congestion (and possible remedies) only on Transmission Provider's Washington Area transmission facilities of its Transmission System, or (ii) evaluates a potential Enhanced Reliability Upgrade. A Local Economic Study will not encompass or entail a production cost model study.

A.30 "Material Adverse Impacts" with respect to a Project or Proposed Project means, for purposes of Part III of this Attachment K, a reduction of transmission capacity on a transmission system (or other adverse impact on

such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such Project that is material, that would result from a Project, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of Part III of this Attachment K, Material Adverse Impacts of a Project or Proposed Project are considered mitigated if there would not be any Material Adverse Impacts due to such Project.

A.31 "Merchant Transmission Developer" means any Person that owns or operates, or proposes to own or operate, transmission facilities in the Order 1000 ColumbiaGrid Planning Region and intends to recover its costs through negotiated rates and is therefore to be not eligible to request Order 1000 Cost Allocation for such facilities.

A.32 "Near-Term Existing Obligation Project" or "Near-Term EOP" means, at any time, an Existing Obligation Project that must be commenced prior to the end of the then next Planning Cycle in order to have sufficient lead time for implementation to meet the EOP Need giving rise to such Existing Obligation Project.

A.33 "Need" means, for purposes of Parts III and V of this Attachment K, any of the following Needs as identified in a System Assessment Report pursuant to section 3 of Appendix A of the PEFA: EOP Need, Need for a Requested Service Project, Need for a Capacity Increase Project, and Need for a Single System Project, including any such Needs that are driven by Public Policy Requirements. "Potential Need," for purposes of Parts III and V of this Attachment K, is an item that is proposed or considered for inclusion in the system assessment for possible identification in the System Assessment Report as a Need. For purposes of section 13 of Appendix A of the PEFA, a Need in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission need.

A.34 "Need Statement" means, with respect to a Need, a statement developed by Staff pursuant to section 3 of Appendix A of the PEFA and included for informational purposes in a Plan. A "Draft Need Statement" means a proposal for a Need Statement presented by Staff to the Board for review and comment.

A.35 "NERC" means North America Electric Reliability Corporation or its successor.

A.36 "NERC Data" means all Planning Input Data provided or to be provided (or deemed provided or to be deemed provided) to Transmission Provider pursuant to Part IX.1 of this Attachment K.

A.37 "NERC Entity" means at any time each entity with facilities (i) that are then located in Transmission Provider's Balancing Authority Area or are directly interconnected with Transmission Provider's Transmission System, (ii) that then fall within a Functional Type, and (iii) to which any NERC Standard then applies.

A.38 "NERC Standard" means at any time any NERC Reliability Standard then in effect as adopted by NERC and approved by the Commission.

A.39 "Network Service Data" has the meaning set forth in Part IX, section 2.1 of this Attachment K.

A.40 "Non-Incumbent Transmission Developer" means any Person that proposes to own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region, which Person does not own or operate existing transmission facilities in the Order 1000 ColumbiaGrid Planning Region.

A.41 "Non-Order 1000 Cost Allocation" shall have the meaning given such term in section 1.48 of the body of the PEFA.

A.42 "Non-Transmission Alternative" means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of a Need by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

A.43 "Open Access Transmission Tariff" or "OATT," for purposes of Part III of this Attachment K, means, for each Transmission Owner or Operator Planning Party, such Transmission Owner or Operator Planning Party's open access transmission tariff and, if such Transmission Owner or Operator Planning Party does not have such a tariff, the Commission's pro forma open access transmission tariff.

A.44 "Order 1000" means the Commission's Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012)) as it may be amended, supplemented, or superseded from time to time.

A.45 "Order 1000 Beneficiary" means a Transmission Owner or Operator Planning Party that is identified in an Order 1000 Cost Allocation Report as a Transmission Owner or Operator Planning Party that would receive Order 1000 Benefits as a direct result of an Order 1000 Project.

A.46 "Order 1000 Benefits" means, as more fully described in section 10.3.2 of Appendix A of the PEFA:

(i) with respect to an Order 1000 Project and a Transmission Owner or Operator Planning Party that is not an Order 1000 Sponsor of such Project, the Order 1000 Benefits of such Transmission Owner or Operator Planning Party are to be equal to the sum of:

a. the projected costs that such Transmission Owner or Operator Planning Party is projected to avoid over the Planning Horizon due to elimination or deferral, as a direct result of such Order 1000 Project, of planned additions of transmission facilities in the Order 1000 ColumbiaGrid Planning Region, plus;

b. if and to the extent not reflected in item (i)a. of section 1.46 of the body of the PEFA, the value that such Transmission Owner or Operator Planning Party is projected to realize on its Transmission System over the Planning Horizon, as a direct result of such Order 1000 Project, where such value is equal to the lesser of:

1. the projected costs (excluding any projected costs included in item (i)a. of section 1.46 of the body of the PEFA) that such Transmission Owner or Operator Planning Party would, but for such Order 1000 Project, have otherwise incurred over the Planning Horizon to achieve an increase in capacity on its Transmission System equivalent to that resulting from such Order 1000 Project; or
2. the projected changes in revenues based on cost-based transmission rates over the Planning Horizon to such Transmission Owner or Operator Planning Party directly resulting from such Order 1000 Project or such Project's elimination or deferral of planned transmission facilities, which projected changes in revenues are to be based on projected changes of usage of such Transmission Owner or Operator Planning Party's Transmission System that are projected, using a robust economic analysis (including, as appropriate, production cost, power flow, and stability analyses and evaluation of transmission queues) and are repeatable over a wide range of reasonable assumptions, to result over the Planning Horizon from the projected changes in capacity on such Transmission Owner or Operator Planning Party's Transmission System resulting from such Order 1000 Project or such Project's elimination or deferral of planned transmission facilities; and

(ii) with respect to an Order 1000 Project and any Order 1000 Sponsor(s) of such Project, the aggregate Order 1000 Benefits of such Order 1000 Sponsor(s) are to be equal to the projected capital costs of such Project if it is not an ITP or the Assigned Regional Costs from Interregional Cost Allocation for such Project if it is an ITP.

"Regional Benefits for Purposes of Interregional Cost Allocation" means, with respect to an ITP, an amount equal to the sum of (I) the aggregate Order 1000 Benefits calculated in accordance with the provisions of item (i) of section 1.46 of the body of the PEFA for any Transmission Owner(s) or Operator(s) that is not an Order 1000 Sponsor(s) of such ITP; plus (II) the aggregate Order 1000 Benefits calculated in accordance with the provisions of item (i) above of this section 1.46 for any Transmission Owner(s) or Operator(s) that is an Order 1000 Sponsor(s) of such ITP; *provided, that* such benefits will be determined for each Transmission Owner or Operator that is an Order 1000 Sponsor of such ITP as though it were not an Order 1000 Sponsor. For purposes of items (ii) and (c) of section 13.5.2 of Appendix A of the PEFA, Regional Benefits for Purposes of Interregional Cost Allocation is referred to as ColumbiaGrid's regional benefits stated in dollars resulting from the ITP.

"Assigned Regional Costs from Interregional Cost Allocation" means, with respect to an ITP, ColumbiaGrid's assigned *pro rata* share of the projected costs of such ITP calculated pursuant to item (d) of section 13.5.2 of Appendix A of the PEFA and item (iii) of section 14.4 of Appendix A of the PEFA. Assigned Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of section 13.6.2 of Appendix A of the PEFA.

"Total Regional Costs from Interregional Cost Allocation" means, with respect to an ITP, the sum of (A) the amounts allocated to each TOPP(s) that would be, or is, an Order 1000 Beneficiary that would not be, or is not, an Order

1000 Sponsor for such ITP pursuant to item (iv) of section 14.4 of Appendix A of the PEFA; and (B) the amounts allocated to TOPP(s) that is an Order 1000 Sponsor(s) of such ITP pursuant to items (iv) and (v) of section 14.4 of Appendix A of the PEFA. Total Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of section 13.6.2 of Appendix A of the PEFA.

A.47 "Order 1000 ColumbiaGrid Planning Region" means the Transmission Systems that Transmission Owner or Operator Planning Parties own or operate or propose to own or operate in the Regional Interconnected Systems. The transmission facilities, existing or proposed, of any Person that is enrolled in a neighboring transmission planning region (as such term is used in Order 1000) of the Order 1000 ColumbiaGrid Planning Region are not to be part of the Order 1000 ColumbiaGrid Planning Region, and such facilities are not to be part of or comprise intraregional facilities (as such term is used in Order 1000) of the Order 1000 ColumbiaGrid Planning Region for purposes of Order 1000 Cost Allocation.

A.48 "Order 1000 Cost Allocation" means an allocation, using the Order 1000 Cost Allocation Methodology, pursuant to section 10.3.3 of Appendix A of the PEFA, of costs of an Order 1000 Project among one or more Transmission Owner or Operator Planning Parties or ITP Proponents. "Non-Order 1000 Cost Allocation" means a cost allocation pursuant to provisions of the PEFA other than section 10.3, 13 or 14 of Appendix A of the PEFA (such as section 5.4, 6.4, 8.4 or 9.4 of Appendix A of the PEFA). Any Non-Order 1000 Cost Allocation is not to constitute a cost allocation for purposes of Order 1000. The term "any cost allocation" includes any Order 1000 Cost Allocation or any Non-Order 1000 Cost Allocation.

A.49 "Order 1000 Cost Allocation Methodology" means the cost allocation methodology set out in section 10.3 of Appendix A of the PEFA that is to be applied by ColumbiaGrid in making an Order 1000 Cost Allocation.

A.50 "Order 1000 Cost Allocation Report" means the report prepared by Staff and approved and finalized by the Board in accordance with section 10 of Appendix A of the PEFA that includes: (i) with respect to each Order 1000 Project selected for inclusion in a Biennial Plan, the results of and documentation relating to ColumbiaGrid's application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including (a) the identified Order 1000 Benefits and an explanation of such Order 1000 Benefits, and (b) the identified Order 1000 Beneficiaries of such Order 1000 Project, and, (ii) with respect to any Proposed Project for which Order 1000 Cost Allocation was requested in accordance with section 10 of Appendix A of the PEFA but that was not selected as an Order 1000 Project, an explanation of why such Proposed Project was not selected as an Order 1000 Project.

A.51 "Order 1000 Preliminary Cost Allocation Report" means, with respect to an Order 1000 Project, the Staff's results of and documentation in accordance with section 10 of Appendix A of the PEFA relating to the Staff's application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including the comments of the relevant Study Team's participants.

A.52 "Order 1000 Project" means (i) any Project, other than an ITP, for which Order 1000 Cost Allocation has been requested and that has been selected as an Order 1000 Project, all in accordance with section 10 of Appendix A of the PEFA or (ii) any ITP for which Interregional

Cost Allocation has been requested and that has been selected as an Order 1000 Project, all in accordance with sections 10, 13 and 14 of Appendix A of the PEFA; *provided that*, if the Project would directly interconnect electrically with existing or planned transmission facilities in two or more Relevant Planning Regions, such Project shall not be eligible to be an Order 1000 Project except as an ITP. For purposes of the cost allocation provisions of the PEFA, an ITP may be deemed to be an Order 1000 Project notwithstanding the fact that the selection of an ITP as an Order 1000 Project under the PEFA occurs after cost allocation calculations have been performed with respect to such ITP. For the avoidance of doubt, Order 1000 Project specifically excludes any facilities for which all Transmission Owner or Operator Planning Party(ies) and the ITP Proponent(s), as applicable, that requested Order 1000 Cost Allocation has subsequently withdrawn such request in accordance with section 10 of Appendix A of the PEFA.

A.53 "Order 1000 Sponsor" means, with respect to any Project for which Order 1000 Cost Allocation has been requested in accordance with section 10 of Appendix A of the PEFA and, with respect to a Project that is an ITP for which Interregional Cost Allocation has been requested in accordance with sections 13 and 14 of Appendix A of the PEFA,

- i. any Transmission Owner or Operator Planning Party that proposes to own or operate transmission facilities of such Project; or
- ii. any ITP Proponent of such Project (if it is an ITP).

Order 1000 Sponsor specifically excludes a Merchant Transmission Developer with respect to a Project.

"ITP Proponent" means, with respect to an ITP, a Person (other than a Party) that

- a. seeks to have such ITP jointly evaluated by the Relevant Planning Regions pursuant to section 13.4.2 of Appendix A of the PEFA;
- b. enters into an agreement regarding such ITP with ColumbiaGrid, which Interregional Transmission Project Agreement ("ITP Agreement") is to be substantially in the form attached as Appendix C ("Pro Forma ITP Proponent Agreement") of the PEFA; and
- c. makes the payment to ColumbiaGrid as required by such ITP Agreement.

For purposes of section 13 of Appendix A of the PEFA, an ITP Proponent is referred to as a proponent of an ITP.

A.54 "Pacific Northwest" means the (i) sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

A.55 "Party" means, for purposes of Parts II and III of this Attachment K, a signatory to the PEFA.

A.56 "Person" means, for purposes of Part III of this Attachment K, an individual, corporation, cooperative corporation, municipal corporation,

quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States or Canada.

A.57 "Plan" means, for purposes of Part III of this Attachment K, at any time the then current Biennial Plan, as then revised by any Plan Updates. A "Draft Plan" refers to a Draft Biennial Plan or a Draft Plan Update. For purposes of section 13 of Appendix A of the PEFA, a Plan in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission plan.

A.58 "Planning Region" means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

A.59 "Plan Update" means an update to the then current Plan adopted by the Board pursuant to section 2.4 of the body of the PEFA. A "Draft Plan Update" means a plan update presented by Staff to the Board for adoption but not yet adopted by the Board.

A.60 "Planning and Expansion Functional Agreement" or "PEFA" means at any time the ColumbiaGrid Planning and Expansion Functional Agreement then on file with the Commission.

A.61 "Planning Criteria" means the then current planning standards that ColumbiaGrid shall apply, as provided in section 2.1 of Appendix A of the PEFA, in any system assessment, System Assessment Report, or Need Statement.

A.62 "Planning Cycle" means a period of approximately 24 months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

A.63 "Planning Horizon," for purposes of Part III of this Attachment K, means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii) the planning period required by the Commission in its pro forma OATT, as it may be amended from time to time.

A.64 "Planning Input Data" means NERC Data, Demand Response Resource Data, Generating Facility Data, Network Service Data and Transmission Service Data provided or deemed provided (or to be provided or to be deemed provided) to Transmission Provider pursuant to this Attachment K.

A.65 "Planning Party" means, for purposes of Part III of this Attachment K, each Party other than ColumbiaGrid. ColumbiaGrid is to maintain a list of the Planning Parties on its Website.

A.66 "Point-to-Point Customer" means an entity receiving service pursuant to the terms of the Transmission Provider's Point-to-Point Transmission Service under Part II of the Tariff.

A.67 "Project" means, for purposes of Part III of this Attachment K, any of the following included in a Plan, under development in the transmission planning processes under the PEFA, or under consideration for inclusion in a Plan, as the context requires: (i) Capacity Increase Project, (ii) Existing Obligation Project, (iii) Requested Service Project, (iv) Single System Project, or (v) an ITP. A Project may be classified as one or more of the foregoing types of Projects. A Project that is classified as more than one of the foregoing types is sometimes referred to in the PEFA as a "Project with Multiple Classifications". An "Expanded Scope Project" is a Project (other than an ITP) the scope of which is expanded in accordance with section 9 of Appendix A of the PEFA and may be a combination of one or more Existing Obligation Projects, Requested Service Projects, Capacity Increase Projects, and Single System Projects. A "Proposed Project" means a proposal for a Project at such time as it is being discussed in the transmission planning process.

A.68 "MATL Proprietary Information" means, for purposes of this Attachment K, any

(i) non-public or confidential trade secrets, commercial or financial information or other information of Transmission Provider, whether of a technical, business or other nature, or

(ii) information that has been made available to Transmission Provider by any third party or entity that Transmission Provider is obligated to keep non-public or confidential, that is used by Transmission Provider in its transmission planning processes pursuant to this Attachment K.

A.69 "Public Policy Requirements" means enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level.

A.70 "Regional Benefits for Purposes of Interregional Cost Allocation" shall have the meaning given such term in section 1.46 of the body of the PEFA.

A.71 "Regional Interconnected Systems" or "RIS" means the interconnected transmission systems in the Pacific Northwest.

A.72 "Relevant Planning Regions" means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with section 13.4.2 of Appendix A of the PEFA, at which time it shall no longer be considered a Relevant Planning Region.

A.73 "Relevant State or Provincial Agency" means any State or Provincial agency with authority over energy regulation, transmission, or planning that has expressed an interest in the ColumbiaGrid transmission planning process and has requested to be included on the Interested Persons list. For example, these may include the Washington Utilities and Transportation Commission, Idaho Public Utilities Commission, Oregon Public Utility Commission, Washington Department of Commerce (specifically the Energy Office within that department), Washington Energy Facility Site Evaluation Council, and the appointees to the Northwest Power and Conservation Council. If requested by a governor in the Pacific Northwest, Relevant State and Provincial Agency may also include a representative from

such governor's office. For the purposes of this definition the term also includes any successor to these agencies.

A.74 "Replication Data" means basic criteria, assumptions and data necessary to replicate the results of Transmission Provider's planning studies performed pursuant to this Attachment K that underlie the MATL Plan.

A.75 "Requested Service Assessment" means, with respect to a request to a Transmission Owner or Operator Planning Party for study related to a transmission service or interconnection, an assessment of the effect of such request on such Transmission Owner or Operator Planning Party's Transmission System and on other transmission systems.

A.76 "Requested Service Project" means any modification of the Regional Interconnected Systems

(i) to the extent that it is for the purpose of providing service pursuant to a transmission service or interconnection request made to a Transmission Owner or Operator Planning Party;

(ii) that is undertaken by one or more Transmission Owner or Operator Planning Party(ies);

(iii) to the extent that it is not an Existing Obligation Project, Capacity Increase Project, or Single System Project; and

(iv) that involves more than one Transmission System.

A "Proposed Requested Service Project" means a proposal for a Requested Service Project at such time as it is being proposed in the transmission planning process under the PEFA; a "Recommended Requested Service Project" means a recommendation for a Requested Service Project that is developed by the agreement of Affected Persons and that is included in a Plan; a "Staff-Recommended Requested Service Project" means a recommendation by the Staff for a Requested Service Project following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Requested Service Project.

A.77 "Single System Project" means any modification of a single Transmission System of a Transmission Owner or Operator Planning Party that

(i) is for the purpose of meeting a Need or other purpose of such Transmission Owner or Operator Planning Party that impacts only such single Transmission System;

(ii) does not result in Material Adverse Impacts on any transmission system;

(iii) to the extent that it is not an Existing Obligation Project, Capacity Increase Project, or Requested Service Project; and

(iv) is included as a Single System Project in a Plan.

With respect to a Transmission Owner or Operator Planning Party's Single System Project for which such Transmission Owner or Operator Planning Party as sponsor of such Project has requested an Order 1000 Cost Allocation in

accordance with section 10 of Appendix A of the PEFA: a "Proposed Single System Project" means a proposal for a Single System Project at such time as it is being proposed in the transmission planning process under the PEFA; a "Recommended Single System Project" means a recommendation for a Single System Project that is developed by the agreement of Affected Persons and that is included in a Plan; and a "Staff-Recommended Single System Project" means a recommendation by the Staff for a Single System Project following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Single System Project.

A.78 "Staff" means, for purposes of Part III of this Attachment K, the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff's responsibilities under the PEFA. The activities of Staff under the PEFA are to be performed under the supervision and guidance of the ColumbiaGrid Board.

A.79 "Study Team" with respect to a Proposed Project being defined means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Planning Parties, (ii) any Affected Persons identified with respect to such Project, (iii) any Interested Persons, and (iv) any ITP Proponent(s) of such Project; *provided that* participation in a Requested Service Project Study Team may be limited due to tariffs or applicable law.

A.80 "System Assessment Report" means each system assessment report developed by Staff pursuant to section 3 of Appendix A of the PEFA.

A.81 "Third Person" means, for purposes of Part III of this Attachment K, any Person other than a Party.

A.82 "Total Regional Costs from Interregional Cost Allocation" shall have the meaning given such term in section 1.46 of the body of the PEFA.

A.83 "Transmission Owner or Operator Planning Party" or "TOPP" means a Party that is, or proposes to be, an owner or operator of transmission facilities in the Pacific Northwest. For purposes of the PEFA, an "owner" includes, but is not limited to, a Party that has a leasehold interest in or other beneficial use of the subject facilities, where, for financing purposes, legal title is held by another entity.

A.84 "Transmission Service Data" has the meaning set forth in Part IX, section 2.2 of this Attachment K.

A.85 "Transmission System" means, for purposes of Parts III and V of this Attachment K, with respect to a Transmission Owner or Operator Planning Party, the transmission facilities in the Pacific Northwest owned or operated or proposed to be owned or operated by such Transmission Owner or Operator Planning Party.

A.86 "Website" means, for purposes of Part III of this Attachment K, the website maintained by ColumbiaGrid at <http://www.columbiagrid.org>.

A.87 "Western Electricity Coordinating Council" or "WECC" means the Western Electricity Coordinating Council or any successor entity.