

ATTACHMENT K
Transmission Planning Process

TABLE OF CONTENTS

I.	<u>Overview Of The SPR Operating Companies Transmission Planning Process</u>	253B
II.	<u>SPR Operating Companies Transmission Planning</u>	253D
	A. SPR Operating Companies Transmission Planning Process	253D
	B. SPR Operating Companies Stakeholder / Open Public Meeting Process	253P
	C. Twenty Year Transmission System Plan	253T
	D. Ten Year Transmission System Plan	253T
III.	<u>Subregional And Regional Coordination</u>	253U
	A. Overview	253U
	B. SWAT’s Role in the Subregional Transmission Planning Process	253V
	C. SSPG’s Role in the Subregional Transmission Planning Process	253Z
	D. WestConnect’s Role in SWAT and the Subregional Transmission Planning Process	253AA
	E. Quarterly Schedule of Subregional and Local Transmission Planning Meetings	253BB
IV.	<u>Coordination At The Western Interconnection Level</u>	253FF
V.	<u>Recovery Of Planning Costs</u>	253GG
VI.	<u>Dispute Resolution Procedures</u>	253HH
VII.	<u>Cost Allocation Used For The Development, Construction, Ownership And Operation Of Bulk Power Facilities</u>	253II
	A. Projects Covered Under Existing OATT Cost Allocation Methodology	253II
	B. Cost Allocation Approach For New Transmission Projects	253II
	<u>Attachment K, Exhibit 1: Flow Chart</u>	253KK

I. Overview Of The SPR Operating Companies Transmission Planning Process

Sierra Pacific Power Company (SPPC) and Nevada Power Company (NPC) are vertically integrated public utilities that are wholly owned subsidiaries of Sierra Pacific Resources (SPR) and are referred to herein as the SPR Operating Companies. The SPR Operating Companies are Transmission Providers providing Transmission Service and Interconnection Service under the SPR Operating Companies Open Access Transmission Tariff (OATT) and are engaged in the business of generating, transmitting and distributing electricity in fifteen of Nevada's seventeen counties and in seven counties of California. The SPR Operating Companies provide electric transmission and related reliability services under state and federal statutes and regulations. The SPR Operating Companies' transmission planning process is based on the following three core objectives:

- Maintain reliable and cost effective electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

The SPR Operating Companies' transmission planning process is intended to facilitate a timely, coordinated and transparent process that fosters the development of electric infrastructure that maintains reliability and meets load growth, so that the SPR Operating Companies can continue to provide reliable low cost electric power to its customers and transmission service to third parties from its available transfer capability.

The transmission planning process conducted by SPR Operating Companies includes a series of open planning meetings that the SPR Operating Companies will conduct at least twice a year to allow anyone, including, but not limited to, Network and Point-to-Point Transmission Customers, Interconnection Customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, interconnected neighbors, regulatory and state bodies and other stakeholders, input into and participation in all stages of development of the SPR Operating Companies' transmission plan.

Issued by: Patricia M. Franklin,
Manager, FERC/CA Regulatory

Effective: December 7, 2007
Docket No. OA08-38-002

Issued on: October 15, 2008 – Filed to comply with FERC *Order On Compliance* issued July 17, 2008 in
Docket No. OA08-38-000, 124 FERC ¶ 61,051.

If you have any question on the planning process please contact the SPR Operating Companies at the e-mail address identified on the SPPC and NPC OASIS web sites (see the [SPR Attachment K Hyperlinks List](#) in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) or call (775) 834-5875. The SPR Operating Companies have identified a contact person on the SPPC and NPC OASIS web sites to respond to customer/stakeholder questions regarding the planning process, modeling, criteria, assumptions, and data underlying transmission system plans.

II. SPR Operating Companies Transmission Planning

A. SPR Operating Companies Transmission Planning Process

Participation in the SPR Operating Companies' transmission planning process is open to all affected parties, including, but not limited to, all transmission and interconnection customers, sponsors of transmission solutions, generation solutions, and solutions utilizing demand response resources, state authorities, and other stakeholders.

1. Confidential or Proprietary Information

The SPR Operating Companies transmission planning studies may include base case data that are WECC proprietary data or classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC). A stakeholder must hold membership in or execute a non-disclosure agreement with WECC (see the [SPR Attachment K Hyperlinks List](#) in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) in order to obtain requested base case data from the SPR Operating Companies. A stakeholder may obtain transmission planning information classified as CEII from the SPR Operating Companies upon execution of a non-disclosure agreement with NPC or SPPC.

2. Types of Planning Studies

a. **Transmission Planning Studies.** SPR Operating Companies will conduct reliability planning studies to ensure that all network transmission customers' and SPR Operating Companies' retail customers' requirements for planned loads and resources, including demand response resources, are met for each year of the ten year planning horizon, and that all North American Electric Reliability Corporation (NERC), WECC, and local reliability standards are met. These reliability planning studies will be coordinated through the appropriate subregional transmission planning organizations (SWAT or SSPG) and ultimately through the WECC TEPPC process.

- b. Economic Planning Studies. Economic planning studies are performed when undertaken as specified in section II.A.4 to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads.. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions, and solutions utilizing demand response resources, (iii) the associated costs of congestion, and (iv) the costs associated with relieving congestion through system enhancements (or other means) , and, as appropriate (v) the economic impacts of integrating new resources and loads. SPR Operating Companies will perform, or cause to be performed, economic planning studies at the request of any transmission customer or stakeholder. All economic planning studies performed, either by SPR Operating Companies or TEPPC, will utilize the TEPPC public data base.
3. SPR Operating Companies' Transmission Planning Study Process (see flow chart attached as Attachment K Exhibit 1)
 - a. Transmission Plan Needs Assessment. The SPR Operating Companies transmission planning process consists of an assessment of the following needs:
 - i. Provision of adequate transmission to access sufficient resources in order to reliably and economically serve retail and network loads.
 - ii. Where feasible, identify alternatives such as demand response resources that could meet or mitigate the need for transmission additions or upgrades.
 - iii. Support of the SPR Operating Companies' local transmission and sub-transmission systems.
 - iv. Provision for the interconnection of new generation resources.
 - v. Reflect the impact of any demand response resources.
 - vi. Coordinate new interconnections with other transmission systems.
 - vii. Accommodate requests for long-term transmission access.

b. SPR Operating Companies' Transmission Planning Cycle

- i. Planning Cycle. Each of the SPR Operating Companies conducts transmission planning on a three year cycle for a twenty year planning horizon in accordance with the Twenty Year "Integrated Resource Plan" Process described in below (3. b).
- ii. Triennial Twenty Year Plan. Each of the SPR Operating Companies updates its twenty year plan every three years and amends the plan as necessary during the intervening period. The Integrated Resource Plan (IRP) is filed with the Public Utilities Commission of Nevada (PUCN). The NPC and SPPC resource plans and amendments are available on the PUCN web site (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- iii. The SPR Operating Companies work with and provide data to the Nevada State Office of Energy (NSOE) which publishes an annual report called the "Status of Energy in Nevada"². This report is available on NSOE web site (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).

c. Transmission Customer's Responsibility for Providing Data

- i. Use of Customer Data. The SPR Operating Companies use information provided by their transmission customers to, among other things, assess network load and resource projections (including demand response resources), transmission needs, operating dates and retirements for generation resources on the Operating Companies' Transmission Systems, and to update regional models used to conduct planning studies.

² The NSOE's annual "Status of Energy in Nevada" process evaluates the transmission providers' filed twenty year plans, changes in system from the previous year, and other study reports on an annual.

- ii. Submission of Data by Network Transmission Customers. As required pursuant to the SPR Operating Companies' OATT, network transmission customers shall supply information on their ten year projected network load and network resources (including demand response resources) to either NPC or SPPC, as applicable, on an annual basis. This information *must* be submitted electronically by network transmission customers to the SPR Operating Companies contact person at identified on the SPPC and NPC OASIS web sites (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) by September 1 each year.
- iii. Submission of Data by Other Customers. To maximize the effectiveness of the SPR Operating Companies planning process, it is essential that all other customers provide their ten year needs in the form of relevant data for inclusion in the SPR Operating Companies transmission planning process. This information must be submitted electronically by transmission customers to the SPR Operating Companies contact person at identified on the SPPC and NPC OASIS web sites (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) by September 1 each year in order to be included in the planning process for the transmission plan that SPR Operating Companies submit to the PUCN.
- iv. Types of Transmission Customer Data. To the maximum extent practical and consistent with protection of proprietary information, data submitted by Network Transmission Customers and other Transmission Customers should include for the ten year planning horizon:
 - (a) Generators - planned additions or upgrades (including status and expected in-service dates), planned retirements and environmental restrictions.
 - (b) Demand response resources - existing and planned demand resources and their impacts on demand and peak demand.
 - (c) Network Customers - forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
 - (d) Point-to-Point Transmission Customers - projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.

- v. Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to the SPR Operating Companies of material changes in any of the information previously provided to SPR Operating Companies related to the transmission customer's load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect the SPR Operating Companies' ability to provide service.

- d. Stakeholder Participation in SPR Operating Companies' Transmission Planning Study Process
 - i. In its 2nd Quarter public planning meeting, SPR Operating Companies will (a) review its current transmission study plan with transmission customers and stakeholders; (b) provide an opportunity for transmission customers to update the loads, resources (including demand response resources), and other data submitted by September 1 of the prior year (see Section II.A.3.c); (c) provide an opportunity for stakeholder input on any aspect of its transmission study plan; (d) review any stakeholder proposals previously submitted to SPR Operating Companies for study plan alternatives; (e) invite the submittal of additional stakeholder study plan proposals for review and discussion; and (f) provide updates on SPR Operating Companies' planned transmission projects.

 - ii. In its 4th Quarter public planning meeting, SPR Operating Companies will present a draft of its Ten Year Transmission Plan for the following calendar year for stakeholder review and comments.

 - iii. This schedule may be modified to coordinate with subregional and regional transmission planning processes, subject to updated postings on the SPR Operating Companies' OASIS and WestConnect websites.

- e. Coordination of the SPR Operating Companies' Study Cycle with SWAT Study Cycle. The SPR Operating Companies will coordinate the timing of its transmission planning study cycle with the development of the assumptions, coordinated base cases and power flow cases performed with the SWAT planning group, which is open to participation by all interested parties.

- f. SPR Operating Companies' Point of Contact for Questions on the SPR Operating Companies' Transmission Planning Study Process. The SPR Operating Companies will identify a Point of Contact on its OASIS to respond to transmission customer and stakeholder questions regarding transmission planning modeling, criteria, assumptions and data underlying system plans. (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)
 - g. SPR Operating Companies Transmission Planning Study Criteria and Guidelines. Transmission customers and stakeholders should refer to the SPR Operating Companies' Transmission Planning Process and Guidelines for the SPR Operating Companies' transmission planning criteria, guidelines, assumptions and data. The SPR Planning Guidelines are posted on the SPR OASIS. (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)
4. Economic Planning Study Requests (see flow chart attached as Attachment K Exhibit 1)
 - a. Requesting Economic Planning Studies. Any of the SPR Operating Companies customers or other stakeholder ("Requester"), including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, may submit a study request for an economic planning study directly to the SPR Operating Companies or TEPPC. The Requester must submit its study request(s) no later than September 30 of each year if it wishes the SPR Operating Companies to review the study request(s) with stakeholders at its 4th Quarter open public planning meeting. The SPR Operating Companies require that study request(s) be submitted to Transmission_Planning@sierrapacific.com, electronically. The SPR Operating Companies will coordinate the timing of their economic planning study cycle with the TEPPC process.
 - b. Process for Handling Economic Transmission Planning Study Requests by the SPR Operating Companies. The SPR Operating Companies shall ensure that any economic planning study requests received by the SPR Operating Companies are properly handled under this Attachment K by:

- i. TEPPC Master List. Forwarding to TEPPC for inclusion in the TEPPC Master List of economic planning studies for the Western Interconnection and for consideration by TEPPC as a priority request. TEPPC's Master List is publicly available. (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)
- ii. Stakeholder Review of Economic Transmission Study Requests. The SPR Operating Companies shall review and seek stakeholder input on requests that it receives for economic planning studies at its next open public transmission planning meeting. The SPR Operating Companies shall then determine whether the study request should be classified as a local priority request and performed by the SPR Operating Companies or whether the study request encompasses a sub-region or region. In such a case the SPR Operating Companies will transfer the request to TEPPC for consideration as a priority request at TEPPC's stakeholder meeting. Typically, local priority requests are requests that involve facilities that are included in the SPR Operating Companies filed Integrated Resource Plans (IRP) or any amendments to those plans. The criteria TEPPC utilizes to prioritize requests for regional economic studies are posted on the WECC website. (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)
- iii. Criteria Used to Determine Whether an Economic Planning Study Request is a Local Study Request. Based in part on the number and type of study requests received, the SPR Operating Companies shall consider the following criteria to determine whether the economic transmission planning study request is a local study request:
 - (a) Whether the study request affects interconnected transmission systems,
 - (b) Whether the remedies are confined to a local area and can be resolved within the local area, i. e. , the SPR Operating Companies' service territories.

- iv. Criteria Used to Determine Whether a Local Economic Planning Study Request is a Priority Request. The SPR Operating Companies shall consider the following criteria to determine whether a local economic planning study request is a priority request:
- (a) What portion of the SPR Operating Companies' local transmission system will be under consideration in the study?
 - (b) Does the request raise fundamental design issues of interest to multiple parties?
 - (c) Does the request raise policy issues of national, regional or state interest, e.g., with respect to access to renewable power, and location of both conventional and renewable resources?
 - (d) Can the objectives of the study be met by other studies?
 - (e) Will the study provide information of broad value to customers, regulators, transmission providers and other interested stakeholders?
 - (f) Can similar requests for studies or scenarios be represented generically if the projects are generally electrically equivalent?
 - (g) Can requests be aggregated into energy or load aggregation zones with generic transmission expansion between?
 - (h) Does the study request require the use of production cost simulation or can it be better addressed through technical studies, i.e., power flow and stability analysis?
- v. Economic Transmission Planning Study Requests Determined to be a Local Priority
- (a) If the SPR Operating Companies determine that the study request is a local priority request, the SPR Operating Companies will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors as appropriate. The SPR Operating Companies will have no obligation to conduct and pay for more than three priority local economic planning studies per calendar year. SPR will have no obligation to conduct and pay for more than three priority local economic planning studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a priority local economic planning study.

- (b) If the SPR Operating Companies receive more than three requests for local economic studies that are determined to be priority local requests in the calendar year, it may perform one or more additional studies at its sole discretion. If the SPR Operating Companies elect not to perform such an additional study, the Requester may request, and the SPR Operating Companies will provide, assistance in having a third party perform the economic planning study at the Requester's expense. The Requester will have use of the TEPPC economic study data base and the SPR Operating Companies will support the Requester in ensuring that the study is coordinated through local, subregional or regional planning groups.
- c. Process for Handling Economic Study Requests Received by TEPPC. TEPPC will review economic planning study requests received from either transmission providers or from Requesters directly. TEPPC shall review such study requests during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic planning studies. The SPR Operating Companies shall participate in the TEPPC prioritization process and provide input as to whether a study request should be included in the TEPPC study plan. The Requester is also encouraged to participate and provide input in the TEPPC prioritization process. Additionally, WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. For more detail regarding the TEPPC economic planning study process, see the executive summary overview of the TEPPC Transmission Planning Protocol. (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)
- d. Low Priority Economic Study Requests. If the SPR Operating Companies and TEPPC determine, after reviewing through an open stakeholder process, that the requested economic planning study is not a priority study, the Requester may request the SPR Operating Companies' assistance in having a third party perform the economic planning analysis at the Requester's expense. The Requester will have use of the TEPPC economic study data base and the SPR Operating Companies will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.

- e. Clustering Local Priority Economic Planning Studies. The SPR Operating Companies may determine that any number of Requesters' economic planning study requests should be studied together, or a Requester may request that the SPR Operating Companies study its request together with other requests. The SPR Operating Companies will combine such studies as they deem appropriate. The SPR Operating Companies will consider the following criteria to determine whether to cluster priority local economic studies, both on its own volition and in response to a Requester's request:
- i. SPR-Proposed Clusters. In the event that the SPR Operating Companies propose to cluster certain studies, they shall provide notice to each Requester that they propose to include in the study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from the SPR Operating Companies. . If a requester opts out of a proposed cluster, the request will be treated as a normal non-clustered project in the order in which it was requested.
 - ii. Requester-Proposed Clusters. If a Requester wishes to propose a cluster study, prior to submitting an economic planning study cluster request to the SPR Operating Companies, the Requester must contact all of the other Requesters whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. SPR will reasonably determine whether the economic planning study requests that the Requester proposes to cluster and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. SPR reserves the right to reject a customer-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group, is not likely to provide a result significantly different than separate studies or if the proposed clustering impairs administration or timely processing of the economic study process. The Transmission Provider will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.

If study requests are combined, the study costs will be allocated equally among the combined Requesters.

f. Cost Responsibility for Economic Planning Studies

- i. Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.4.b.v, including clustered priority local economic planning studies selected pursuant to Section II.A.4.e, will be performed or caused to be performed by the SPR Operating Companies at the SPR Operating Companies' expense, and will recover the costs of such studies through its transmission rates.
- ii. Priority Regional Economic Planning Studies. Regional economic studies will be performed by TEPPC and funded by WECC.
- iii. Other Local Economic Study Requests. Local economic study requests not selected pursuant to Sections II.A.4.b.v or II.A.4.e may be performed at the Requester's expense. The SPR Operating Companies, at their discretion, may perform the study work, but undertake no obligation to do so, or work with the Requester and its third party contractor as specified by the Requester.
- iv. If not a Local Priority Study, the SPR Operating Companies will assign the cost of producing the clustered economic planning study, including any third-party study work required by the SPR Operating Companies, on an equal basis to each Requester participating in that study.

g. Exchange of Data Unique to Economic Planning Studies

- i. The SPR Operating Companies obtain data used for economic planning studies from the TEPPC data base.
- ii. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.
- iii. Requester's request for economic planning studies and responses to such requests shall be posted on the SPPC / NPC (as applicable) OASIS and the WestConnect website (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) subject to confidentiality requirements.

- h. Economic Planning Study Cycle. The SPR Operating Companies will coordinate the timing of their economic planning study cycle process with the TEPPC process. The SPR Operating Companies will require that the Requester submit its study request at least one month prior to the study submission date required for the TEPPC study process.
- i. SPR Operating Companies Point of Contact for Study Requests. The SPR Operating Companies have identified a contract person on the SPPC and NPC OASIS web sites to respond to Requester questions regarding modeling, criteria, assumptions, and data underlying transmission system plans. (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)

B. SPR Operating Companies Stakeholder / Open Public Meeting Process

The SPR Operating Companies will hold at least two open public transmission planning meetings a year that will allow and promote customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, interconnected neighbors, regulatory and state bodies and other stakeholders to participate in a coordinated, nondiscriminatory process for development of the SPR Operating Companies transmission plans. One of the two meetings will be held during the 4th Quarter and the SPR Operating Companies, along with customers and stakeholders will review the economic study requests that were submitted in October that year.

1. Purpose and Scope

These public meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to the SPR Operating Companies during all stages, including the early stages, of their transmission planning. These public transmission planning meetings will serve to:

- a. Provide a forum for open and transparent communications among the state's transmission providers, state regulatory authorities, customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other interested stakeholders;
- b. Promote discussion of all aspects of the SPR Operating Companies transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
- c. Provide a forum for the SPR Operating Companies to understand better the specific electric transmission interests of key stakeholders.

2. The SPR Operating Companies Public Planning Meeting Process

- a. Open Stakeholder Meetings. All public transmission planning meetings will be open to all stakeholders.
- b. The SPR Operating Companies Planning Meeting Schedule. The SPR Operating Companies will establish their public planning meeting schedule as needed, but no less than twice annually.

- c. Meeting Purpose. Meetings will be conducted to (i) allow the SPR Operating Companies to maximize their understanding of their customers' forecasted needs for the SPR Operating Companies transmission systems; (ii) offer transmission customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders an opportunity to be informed about, offer input and advice into, the SPR Operating Companies transmission systems and planning process, as well as to propose alternatives for any upgrades identified by the SPR Operating Companies; (iii) review study results; and (iv) review transmission plans.
- d. Coordination with subregional groups. Through past experience, the SPR Operating Companies anticipate that much of their local transmission planning process will be conducted and coordinated through SWAT or SSPG planning groups. The SPR Operating Companies will schedule public meetings to coordinate with the SWAT quarterly planning schedule, which is described in more detail below (see Section III. B. 8).
- e. Posting of Meeting Notices. Meeting Notices, including date, time, place and meeting agenda will be posted on the NPC / SPPC OASIS web sites and WestConnect website (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>), at least two weeks prior to the meeting. The SPR Operating Companies will establish their public planning meeting schedule as needed, but no less than twice annually.
- f. Meeting Agendas. The agendas for the SPR Operating Companies' public planning meetings will be sufficiently detailed, posted on the NPC /SPPC OASIS web sites (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>), and circulated to its distribution list in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.

- g. Meeting Process. At the SPR Operating Companies meetings to be held during the 2nd and 4th Quarter each year, the SPR Operating Companies shall (i) review their transmission planning process and current study plan with stakeholders; (ii) request stakeholder review of the current study plan; (iii) provide an opportunity for comment on any aspect of their transmission planning process; (iv) invite the submittal of transmission study requests from stakeholders for review and discussion; and (v) provide updates on their planned projects. The SPR Operating Companies may solicit information on load resources and other needs from customers and stakeholders for the preparation of a draft study plan at any one of these meetings. During the meeting, and for fifteen (15) calendar days following the meeting, all stakeholders and interested parties will be encouraged to provide the SPR Operating Companies with any comments on the study results presented in the SPR Operating Companies meeting. The final local study results and study plan will be posted on the NPC / SPPC OASIS and the WestConnect websites (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- i. The SPR Operating Companies Distribution List. All existing SPR Operating Companies' Network and Point-to-Point Transmission Customers and Interconnection Customers will be included on the SPR Operating Companies' distribution list and actively notified via email of all upcoming public meetings. Any other stakeholder wanting to be included on the SPR Operating Companies' email distribution list should contact the SPR Operating Companies contact person at identified on the SPPC and NPC OASIS web sites (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). It is the responsibility of the customers and stakeholders to provide the SPR Operating Companies with current contact information, including email addresses.

- j. Electronic Input and Comments. Stakeholders are encouraged to provide input, comments, advice and questions into the process at any time via the SPR Operating Companies contact person at identified on the SPPC and NPC OASIS web sites (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- k. Public Planning Meeting Schedule.
- i. At the 2nd Quarter public planning meetings, The SPR Operating Companies will review information on loads, resources (including demand response resources), and other needs from its transmission customers, together with specific requests submitted either prior to or during the SPR 2nd Quarter meeting (see Section II.A.3.d.i) for inclusion in SPR's draft transmission study plan. The SPR Operating Companies may solicit information on load resources and other needs from customers and stakeholders for the preparation of the draft study plan.
- ii. At the 4th Quarter public planning meetings, The SPR Operating Companies will review economic planning study requests received by October 31 (see Section II.A.4.a) and present a draft of its Ten Year Transmission Plan for stakeholder review and comment.
- iii. This schedule may be modified to coordinate with the subregional and regional transmission planning processes, subject to updated postings on the SPR Operating Companies OASIS and WestConnect website (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).

- l. Posting of Meeting Documents. The SPR Operating Companies will post all meeting-related notes, documents and draft or final reports on the SPPC and NPC OASIS web sites and copies will be forwarded to WestConnect for inclusion on WestConnect website (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
- m. Posting of Public Documents. In order to permit all stakeholders access to the information posted on the SPPC and NPC OASIS web sites and the WestConnect website, only public information will be shared and public business conducted in the SPR Operating Companies open public meetings.

C. Twenty Year Transmission System Plan

Each year the SPR Operating Companies use the planning process described in Section II. A above to complete an informal update their transmission plan (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). Every three years the planning process will be used to develop the Integrated Resource Plan (IRP) filling with the PUCN. The Twenty Year Transmission System Plan identifies all new transmission facilities, 200 kV and above, and all facility replacements and/or upgrades required over the next twenty years to reliably and economically meet customers needs. The primary focus of the plan is a three year action plan which covers the next three years in detail.

D. Ten Year Transmission System Plan

Each year WestConnect collects data for a ten year Transmission System Plan from the subregional planning groups. Both SWAT and SSPG will be providing data for this process. The WestConnect Ten Year Transmission System Plan identifies all of the new transmission facilities, 115 kV and above, and all facility replacements and/or upgrades required over the next ten years to reliably and economically meets its customers needs.

Issued by: Patricia M. Franklin,
Manager, FERC/CA Regulatory

Effective: December 7, 2007
Docket No. OA08-38-002

Issued on: October 15, 2008 – Filed to comply with FERC *Order On Compliance* issued July 17, 2008 in
Docket No. OA08-38-000, 124 FERC ¶ 61,051.

III. Subregional And Regional Coordination

Subregional Planning and Coordination at the WestConnect-SWAT-CCPG-SSPG subregional level.

A. Overview

The SPR Operating Companies are party to the WestConnect STP Project Agreement (see the [SPR Attachment K Hyperlinks List](#) in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>) and is actively engaged in the SWAT planning group. The WestConnect footprint, which includes the regions covered by SWAT, CCPG and SSPG, encompasses the states of Arizona, Colorado, New Mexico, Nevada, and parts of California, Texas and Wyoming. The SPR Operating Companies submit their transmission plans to its relevant subregional planning group, SWAT or SSPG, as required for inclusion in and coordination with SWAT's transmission plan. The SPR Operating Companies participate in the SWAT or SSPG planning process to ensure that the SPR Operating Companies' data and assumptions are coordinated with the SWAT or SSPG subregional plan. The WestConnect planning manager will ensure that the SWAT and SSPG transmission plans are coordinated with the CCPG plan to produce the WestConnect Transmission Plan.

Issued by: Patricia M. Franklin,
Manager, FERC/CA Regulatory

Effective: December 7, 2007
Docket No. OA08-38-002

Issued on: October 15, 2008 – Filed to comply with FERC *Order On Compliance* issued July 17, 2008 in
Docket No. OA08-38-000, 124 FERC ¶ 61,051.

B. SWAT's Role in the Subregional Transmission Planning Process

1. SWAT's Role. SWAT is tasked with bringing transmission planning information together and sharing updates on active projects within the Southwest subregion. The SWAT subregional transmission planning group provides an open forum where any stakeholder interested in the planning of the transmission system in the SWAT footprint, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. SWAT neither conducts nor has a role in conducting economic planning studies.
2. SWAT Participation. The SWAT subregional planning group is comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities. Membership is voluntary and open to all interested stakeholders, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources. The SPR Operating Companies will participate in SWAT and relevant SWAT subcommittees and work groups and will submit its Ten Year Transmission Plan to the relevant work groups. SPR's Ten Year Transmission Plan will then be incorporated within the SWAT subregional transmission plan in accordance with the WestConnect STP Project Agreement (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). The SPR Operating Companies will incorporate any applicable information, data or study results from SWAT into the SPR planning process.

3. Subregional Coordination through SWAT. The goal of SWAT is to promote subregional planning and transmission development in the Desert Southwest and to ensure that all of the individual transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs. The SWAT subregional planning group includes six main geographically based subcommittees and two footprint wide subcommittees, which are overseen by the SWAT oversight committee. The subcommittee study groups provide an open forum for entities, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, to address transmission planning issues within their geographic areas. (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)
4. SWAT Provides a Forum for Project Sponsors. The SWAT subregional transmission planning group and its subcommittees provide an open forum for: (i) stakeholders to participate in the planning of the transmission system in the SWAT footprint, obtain information regarding base cases, plans and projects, and provide input and/or express their needs as they relate to the transmission system; (ii) project sponsors, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, to introduce their specific projects to interested stakeholders and potential partners; and (iii) initiation of joint studies of these projects, coordination with other projects, and project participation, including ownership from other interested parties.
5. SWAT's Subregional Open Planning Meetings. Each WestConnect party is a signatory to the WestConnect STP Project Agreement, which sets forth the parties' responsibilities to participate in the SWAT, CCPG and/or SSPG subregional planning groups, as appropriate. The STP Project Agreement is also open for participation by other transmission providers within the WestConnect footprint. SWAT, CCPG and SSPG are also developing charter and/or governance requirements for their respective planning groups. The responsibilities of the SPR Operating Companies and other WestConnect parties under the STP Project Agreement and the subregional planning group charters are generally as follows:

Issued by: Patricia M. Franklin,
Manager, FERC/CA Regulatory

Effective: December 7, 2007
Docket No. OA08-38-002

Issued on: October 15, 2008 – Filed to comply with FERC *Order On Compliance* issued July 17, 2008 in
Docket No. OA08-38-000, 124 FERC ¶ 61,051.

- a. To provide funding, procure manpower and other goods and services to support the subregional transmission planning efforts of the planning groups active within the WestConnect footprint, coordinate such planning efforts with other subregional planning groups within the Western Interconnection and with WECC TEPPC, and produce and submit for approval an annual WestConnect Ten Year Transmission Plan.
- b. To utilize and make available to all study participants the planning standards, objectives, assumptions and base cases developed through stakeholder processes by SWAT, CCPG and SSPG for subregional transmission planning. The base cases will include all previously assumed facilities and agreed-upon additions for the baseline scenario.
- c. To develop and submit to SWAT, CCPG and/or SSPG , as appropriate, a minimum 10-year expansion plan for each WestConnect party's respective transmission system consistent with the planning objectives and planning standards, including plans for addressing all currently identified or projected system needs.
- d. To participate in the subregional planning processes conducted by SWAT, CCPG and/or SSPG , by giving input and commenting on policy issues, objectives, study scope, assumptions and methodologies, and alternatives for consideration in the planning and study process.
- e. To evaluate a broad range of assumptions and alternatives that have been developed through stakeholder processes for incorporation in the SWAT, CCPG and/or SSPG study plans.

6. Customer Involvement in SWAT. Customers and stakeholders wishing to participate in the planning processes for the transmission system in the Desert Southwest should engage the SWAT subregional planning group. The SPR Operating Companies will assist customers and stakeholders interested in becoming involved in the transmission planning process, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, through direction to appropriate contact persons and websites. All customers and stakeholders should notify SWAT beforehand and bring their plans for future generators, demand resources, loads or transmission service to the SWAT planning meetings.
7. Customer Involvement in SSPG. Customers and stakeholders wishing to participate in the planning processes for the transmission system in the SSPG subregion should engage the SSPG subregional planning group. The SPR Operating Companies will assist customers and stakeholders interested in becoming involved in the transmission planning process, including sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources, through direction to appropriate contact persons and websites. All customers and stakeholders should notify SSPG beforehand and bring their plans for future generators, demand resources, loads or transmission service to the SSPG planning meetings.
8. Meeting Agendas. The SPR Operating Companies will work with SWAT and WestConnect to ensure that the meeting agendas for SWAT, WestConnect, The SPR Operating Companies and any other planning meetings scheduled in conjunction with the SWAT meetings are sufficiently detailed, posted on the WestConnect website at www.westconnect.com (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>), and circulated to the appropriate distribution list(s) in advance of the meetings in order to allow transmission customers and stakeholders the ability to choose their meeting attendance most efficiently.

C. SSPG's Role in the Subregional Transmission Planning Process

The SSPG Subregional Transmission Planning Process is new and may change as the group grows and develops. A general overview is as follows:

1. SSPG is tasked with bringing transmission planning information together and sharing updates on active projects. The SSPG subregional planning group provides an open forum where any stakeholder interested in the planning of the transmission system in the SSPG footprint which includes northern California and northern Nevada can go to obtain information regarding base cases, plans, and projects and to provide input or express their needs as they relate to the transmission system.
2. The SSPG subregional planning group is comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities to participate. Membership is voluntary and open to all interested transmission owners interested in the SSPG footprint.
3. The goal of SSPG is to promote subregional planning and transmission development in the northern California and northern Nevada area to ensure that all of the individual transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs. All meetings are started with the following statement:

“This is an open meeting to share public information on transmission planning in the Sierra Subregional Planning Group footprint. Please refrain from any commercial discussion on energy sales, pricing, or availability before, during or after this meeting.”

4. SSPG also provides a forum for project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects, coordination with other projects, and project participation including ownership from other interested parties. Project sponsors have the option to hold their own project meetings separate from SSPG if they desire.
5. Customers and stakeholders wishing to participate in the planning processes for the transmission system in the northern California or northern Nevada area should engage the SSPG subregional planning group. The SPR Operating Companies will assist customers and stakeholders interested in becoming involved in the transmission planning process through direction to appropriate contact persons and websites. All customers and stakeholders should submit their plans for future generators, loads, or transmission service prior to the SSPG planning meetings. Additionally, all materials will be posted, open and public, on the WestConnect web site.

D. WestConnect's Role in SWAT and the Subregional Transmission Planning Process

1. WestConnect STP Project Agreement. Each WestConnect party is a signatory to the West Connect STP Project Agreement (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>), which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate subregional transmission planning among the WestConnect participants and the subregional planning groups (SWAT-CCPG-SSPG), participate in the SWAT, CCPG and/or SSPG, as appropriate, and produce a WestConnect Transmission Plan. The WestConnect STP Project Agreement is also open for participation by other non-WestConnect transmission providers that participate in the transmission planning activities of SWAT, CCPG, SSPG or any other subregional transmission planning group that may form within the WestConnect footprint.
2. WestConnect Objectives and Procedures for Regional Transmission Planning. Under the WestConnect Objectives and Procedures for Regional Transmission Planning, the SPR Operating Companies, along with the other WestConnect STP Project Agreement participants, agree to work through the SWAT, CCPG and SSPG planning processes to integrate its transmission plan with the other WestConnect participant transmission plans into one ten year regional transmission plan for the WestConnect footprint by, among other activities:
 - a. Actively participating in the subregional transmission planning processes, including submitting its respective expansion plan, associated study work and pertinent financial, technical and engineering data to SWAT to support the validity of the SPR Operating Companies' plan;
 - b. Coordinating, developing and updating common base cases to be used for all study efforts within the SWAT, CCPG and SSPG planning groups and ensuring that each plan adheres to the common methodology and format developed jointly by WestConnect subregional planning groups for this planning purpose;

- c. Providing funding for the WestConnect STP Project Agreement planning management functions pursuant to the WestConnect STP Project Agreement;
 - d. Retaining an independent facilitator to oversee the WestConnect STP Project Agreement process, ensure comparability among the subregional processes and perform the study work required to pull all the plans together;
 - e. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
 - f. Posting detailed notices on all SWAT, CCPG and SSPG meeting agendas on the WestConnect website. (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)
3. WestConnect hosts two open public stakeholder meetings for transmission planning per year, one in the 1st Quarter and one in the 4th Quarter. See Section III. B. 8 above.
 4. WestConnect Role in Economic Planning. WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. WestConnect will not conduct economic planning studies.

E. Quarterly Schedule of Subregional and Local Transmission Planning Meetings

The SPR Operating Companies will coordinate with SWAT and SSPG in order to assure that quarterly meetings are timed in order to allow projects to escalate from local to regional councils in a timely fashion.

The proposed focus of the SWAT meetings, WestConnect transmission planning meetings and the SPR Operating Companies public planning meetings will be:

1st Quarter Meetings

SWAT Meeting.

- Approve the final SWAT report for the previous year's study work.
- Approve SWAT study plans for the new year.

SSPG Meeting.

- Approve the final SSPG report for the previous year's study work and the study plan for the new year.
- Transmission providers submit their Ten Year Transmission Plans for inclusion in the new year study plan.
- Formally invite customers' and stakeholders' review, comment, advice and transmission study requests for the SSPG transmission planning process.

WestConnect Planning Annual Meeting. (see the [SPR Attachment K Hyperlinks List](#) in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>)

- Present the WestConnect Ten Year Transmission Plan and WestConnect Transmission Planning Study Report to the Planning Management Committee.
- Recommend approval of the WestConnect Ten Year Transmission Plan by the WestConnect Steering Committee.
- Recommend approval of the WestConnect Transmission Planning Study Report by the WestConnect Steering Committee.
- Approve WestConnect study plans for the new year.
- Propose adjustments to planning process or budget for the current year as necessary or appropriate.

2nd Quarter Meetings

SWAT Meeting.

- Present preliminary SWAT study results.
- Determine additional SWAT study sensitivities.

The SPR Operating Companies Planning Stakeholder Meeting.

- The SPR Operating Companies review their transmission planning process and current study plan with customers and stakeholders, and request their review, comment and advice on any aspect of their transmission planning process. Additionally, the SPR Operating Companies review information on loads, resources and other needs received by March 31 from their customers and stakeholders.

3rd Quarter Meetings

SWAT and SSPG Meeting.

- Annual Joint SWAT-CCPG-SSPG meeting.
- SWAT, CCPG and SSPG present current study results and approve key results, findings, and conclusions.
- SWAT specifically invites customer and stakeholder review, comment, advice and transmission study requests for the SWAT transmission planning process.

4th Quarter Meetings

SWAT Meeting.

- Present draft SWAT report for approval with modifications.
- Specifically invite the submittal of transmission study requests from stakeholders for inclusion in their respective study plans.

WestConnect Planning Workshop.

- Present each current year study supported by (i) final report or (ii) status summary report.
- Present each WestConnect transmission provider's draft ten year transmission plan.
- Present proposed study plans from SWAT, CCPG and SSPG.
- Discuss future study needs with input from
 - Study groups
 - TEPPC
 - Other subregional planning groups
 - Stakeholders at large
- Draft the WestConnect Ten Year Transmission Plan.
- Draft the WestConnect Transmission Planning Study Report.

SSPG Meeting.

- Review economic study requests.
- Present Ten Year Transmission Plans for stakeholder review and comment;
- SSPG specifically invites the submittal of transmission study requests from stakeholders for inclusion in their respective study plans.

IV. Coordination At The Western Interconnection Level

The SPR Operating Companies will coordinate their plan on a west-wide regional basis through SWAT, SSPG, and WestConnect. WestConnect will coordinate its subregional plan with the other subregional plans in the Western Interconnection and at the TEPPC level.

Procedures For Regional Planning Project Review

1. WECC Coordination Of Reliability Planning
 - a. WECC develops the Western Interconnection-wide data bases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies.
 - b. WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
 - c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
 - d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects.
2. WECC-TEPPC Open Stakeholder Meetings. Western Interconnection-wide economic planning studies are conducted by the WECC-TEPPC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC-TEPPC Transmission Planning Protocol, including the TEPPC procedures for prioritizing and completing regional economic studies, is posted on the WECC website (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>). SPR Operating Companies participate in the region-wide transmission planning process, as appropriate, to ensure data and assumptions are coordinated.
3. Role Of WECC TEPPC. WECC TEPPC provides two main functions in relation to the SPR Operating Companies' planning process:

- a. Development and maintenance of the west-wide economic planning study database.
 - i. TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
 - ii. TEPPC's database is publicly available for use in running economic congestion studies. For an interested customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.
- b. Performance of economic planning studies. TEPPC has an annual study cycle, described in the WECC-TEPPC Transmission Planning Protocol (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>), during which it will update databases, develop and approve a study plan that includes studying customer and stakeholder high priority economic study requests as determined by the open TEPPC stakeholder process, perform the approved studies and document the results in a report.

V. Recovery Of Planning Costs

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as permitted under the Tariff, all costs incurred by the Transmission Provider related to the Local Transmission Plan process or the sub-regional or regional planning process shall be included in the Transmission Provider's transmission rate base.

VI. Dispute Resolution Procedures

For purposes of the SPR Operating Companies' regional planning process, the SPR Operating Companies' and its Eligible Customers, as well as potential customers and stakeholders, participating in the planning process shall follow the following dispute resolution procedures in the event of a dispute concerning Attachment K:

1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies (see the SPR Attachment K Hyperlinks List in the OATT section of the NPC OASIS @ <http://www.oatioasis.com/NEVP/> or the SPPC OASIS @ <http://www.oatioasis.com/SPPC/>).
2. Non-WECC. For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of the SPR Operating Companies' OATT shall apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties).
3. Notwithstanding anything to the contrary in this Section VI, any affected party may refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution at any time, for example by filing with FERC a complaint, a request for declaratory order or a change in rate.

VII. Cost Allocation Used For The Development, Construction, Ownership And Operation Of Bulk Power Facilities

A. Projects Covered Under Existing OATT Cost Allocation Methodology

The cost for transmission projects undertaken in connection with requests for interconnection or transmission service including the designation of new Network Resources on the SPR Operating Companies transmission system, which are governed by existing cost allocation methods within the SPR Operating Companies' Tariff, will continue to be so governed and will not be subject to the principles of this Section IV.A.

B. The SPR Operating Companies will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

1. Open Season Solicitation of Interest

For any transmission project identified in an SPR Operating Companies reliability or economic planning study in which one of the SPR Operating Companies is the project sponsor, the SPR Operating Company may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by the SPR Operating Company to hold an open season solicitation of interest for a transmission project, the SPR Operating Companies will:

- a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- c. Post information via WECC's planning project review reports.
- d. Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

2. SPR Operating Companies Coordination within a Solicitation of Interest Process

The SPR Operating Companies, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into the SPR Operating Companies' transmission project plan any other planned project on or interconnected with the SPR Operating Companies' transmission system.

3. SPR Operating Companies Projects without a Solicitation of Interest

The SPR Operating Companies may elect to proceed with small and/or reliability transmission projects without an open season solicitation of interest, in which case the SPR Operating Companies will proceed with the project pursuant to its rights and obligations as a Transmission Provider.

4. Allocation of Costs

a. Proportional Allocation

For any transmission project entered into pursuant to an open season solicitation process, project costs and associated transmission rights will generally be allocated proportionally to project participants subject to a negotiated participation agreement. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.

b. Economic Benefits or Congestion Relief

For a transmission project wholly within the SPR Operating Companies local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

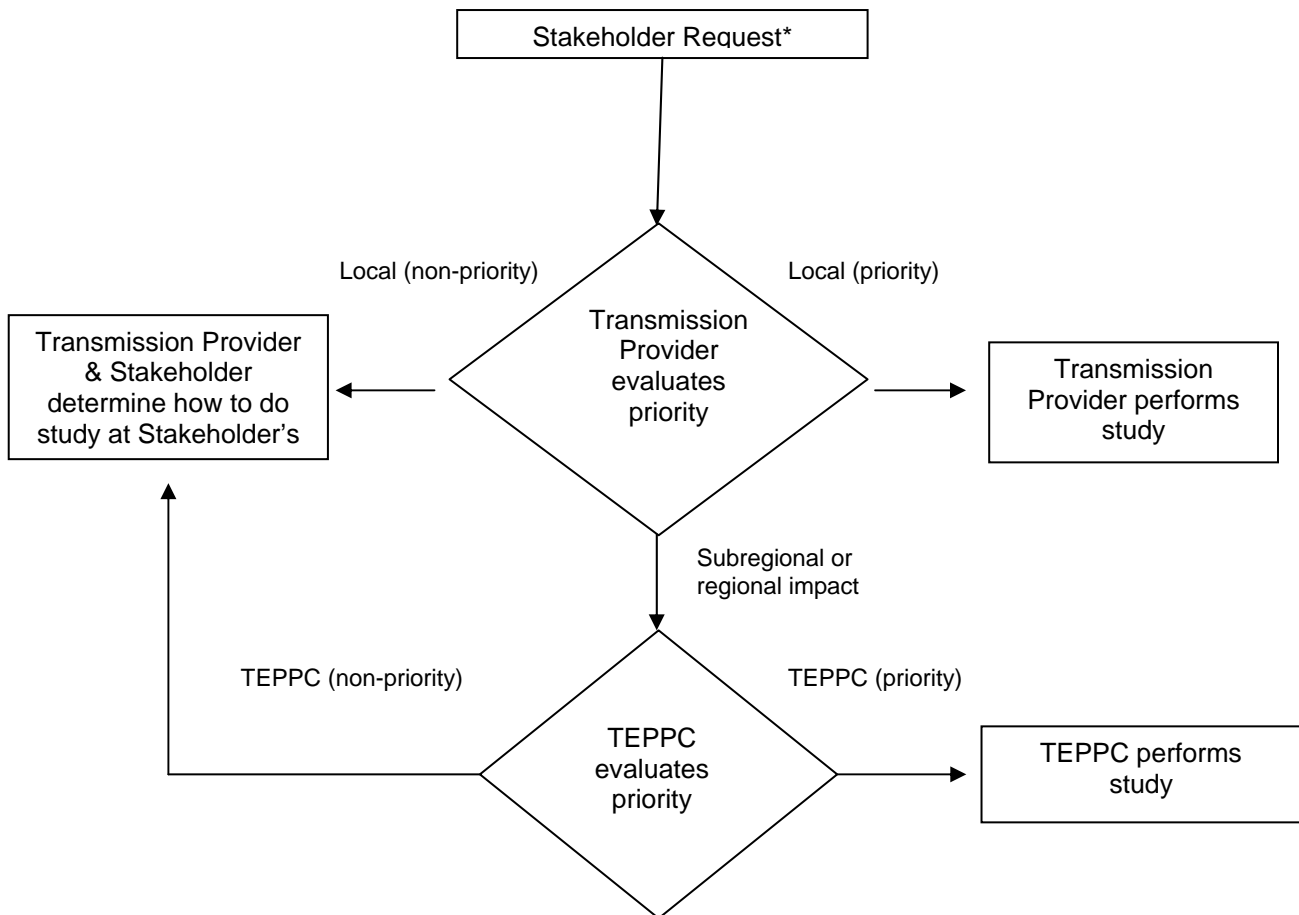
c. SPR Operating Companies' Rate Recovery

Notwithstanding the foregoing provisions, the SPR Operating Companies will not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.

For any questions about this process, please contact us at (775) 834-5875.

Attachment K: Exhibit 1

Flow Chart



* A Stakeholder may also submit an economic study request directly to TEPPC, but Order No. 890 obligations apply only to the Transmission Provider.

ATTACHMENT K-1

Distribution Loss Factor

The Distribution Loss Factors (“DLFs”) are a set of factors that when multiplied by distribution level end-use meter measurements, provides an estimate of the load at the corresponding Transmission Provider/UDC interface (grid level). DLFs apply only to Retail Access Transmission Service. There are three (3) DLFs that correspond to distribution voltage classifications:

1. High voltage distribution (greater than 24.9 kV),
2. Primary voltage distribution (2.4 kV-24.9 kV), and
3. Secondary voltage distribution (at or below 600 volts).

In equation form, this is shown as,

$$E_{grid} = (1 + DLF_{aggregate}) * E_{dist\ meter}$$

where E_{grid} represents an energy measurement at the corresponding Transmission Provider/UDC grid interface and $E_{dist\ meter}$ represents a distribution level end-use meter measurement.

$DLF_{aggregate}$ is determined based on the service level voltage as illustrated below:

High Voltage Distribution Service: $DLF_{aggregate} = DLF_{HVD}$

Primary Voltage Distribution Service: $DLF_{aggregate} = DLF_{HVD} + DLF_{PVD}$

Secondary Voltage Distribution Service:

$$DLF_{aggregate} = DLF_{HVD} + DLF_{PVD} + DLF_{SVD}$$

High Voltage Distribution Loss Factor (DLF_{HVD})

The DLF_{HVD} represents the losses that occur when power flows through the high voltage wires and transformers that are modeled in the detailed WECC transmission power flows but which have been reclassified as distribution facilities. The DLF_{HVD} for Zone A is 1.33%, and the DLF_{HVD} for Zone B is 0.68%.

Primary Voltage Distribution Loss Factor (DLF_{PVD})

The DLF_{PVD} represents the losses that occur when power flows through the substation transformers and the primary distribution feeder wires to the primary bushings of the distribution transformers or to the end-use meter, if applicable. The DLF_{PVD} for Zone A is 3.32%, and the DLF_{PVD} for Zone B is 1.67%.

Secondary Voltage Distribution Loss Factor (DLF_{SVD})

The DLF_{SVD} represents the losses that occur when power flows through the distribution transformers and the secondary voltage wires to the end-use meter. The DLF_{SVD} for Zone A is 1.17%, and the DLF_{SVD} for Zone B is 1.41%.