



May 10, 2013

VIA ELECTRONIC FILING

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

RE: Western Interconnection - Order No. 1000 Interregional Compliance Filings

California Independent System Operator Corporation
Docket No. ER13-_____

Northern Tier Transmission Group

Deseret Generation & Transmission Co-operative, Inc.
Docket No. ER13-_____

Idaho Power Company
Docket No. ER13-_____

NorthWestern Corporation
Docket No. ER13-_____

PacifiCorp
Docket No. ER13-_____

Portland General Electric Company
Docket No. ER13-_____

WestConnect

Arizona Public Service Company
Docket No. ER13-_____

Black Hills Power, Inc.
Docket No. ER13-_____

Black Hills Colorado Electric Utility Company, LP
Docket No. ER13-_____

Cheyenne Light, Fuel & Power Company
Docket No. ER13-_____

El Paso Electric Company
Docket No. ER13-_____

NV Energy
Docket No. ER13-_____

Public Service Company of Colorado
Docket No. ER13-_____

Public Service Company of New Mexico
Docket No. ER13-_____

Tucson Electric Power Company
Docket No. ER13-_____

UNS Electric, Inc.
Docket No. ER13-_____

Dear Secretary Bose:

Pursuant to Order No. 1000 of the Federal Energy Regulatory Commission (the “Commission”),¹ 18 C.F.R. § 35.28(c) (2012), and the Commission’s February 26, 2013 Notice Granting an Extension of Time to Submit Interregional Compliance Filings,² the California Independent System Operator Corporation (“CAISO”); Deseret Generation & Transmission Cooperative, Inc., Idaho Power Company, NorthWestern Corporation, PacifiCorp, and Portland General Electric Company (collectively, the “**Northern Tier Transmission Group Applicants**”); and 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. (collectively, the “**WestConnect Applicants**”) (individually, an “**Applicant**” or, collectively, the “**Applicants**”), hereby submit their Order No. 1000 interregional compliance filings in the above-captioned proceedings.³

As discussed in greater detail herein, after a comprehensive collaborative process, the Applicants and ColumbiaGrid, encompassing the four transmission planning regions in the United States portion of the Western Interconnection (the “**Planning Regions**”),⁴ developed

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 The WestConnect Applicants note that on March 22, 2013, the Commission issued an Order on Compliance filings, 142 FERC ¶ 61,206 (the “Compliance Order”) directing the WestConnect Applicants to make further modifications to their open access transmission tariffs to address the Commission’s direction in Order No. 1000 with respect to regional transmission planning and cost allocation, as set forth in the Compliance Order. The WestConnect Applicants note that on April 22, 2013, the WestConnect Applicants filed requests for clarification or in the alternative rehearing of the Commission’s Compliance Order. Accordingly, the WestConnect Applicants note that the instant filing addresses only those requirements of Order No. 1000 that relate to the interregional transmission planning and cost allocation process and not the items raised in the Commission’s Compliance Order. The WestConnect Applicants will make the necessary filings with the Commission to address its Compliance Order, or any subsequent order as necessary, through a separate filing.

⁴ Avista Corporation (“Avista”), Puget Sound Energy, Inc. (“Puget”), and Bonneville Power Administration (“Bonneville”) are members of the ColumbiaGrid transmission planning region. Bonneville (unless it decides to

common tariff language addressing the interregional transmission coordination and cost allocation planning requirements of Order No. 1000 (“**Common Language**”).⁵ The Applicants’ proposed interregional transmission coordination and cost allocation planning process is intertwined with the modifications to the Applicants’ regional and, to some extent, local, transmission planning processes currently pending before the Commission.⁶ Based upon this integrated solution, submitted through this common filing letter, the Applicants are requesting an effective date of October 1, 2013 or alternatively, October 1, 2015, as further discussed in Section VII below.

While the Applicants are submitting a common filing letter, each Applicant is individually submitting the revised provisions to its respective tariff, through eTariff, to comply with the Commission’s filing requirements. The Applicants submit, and request that the Commission find, that these tariff revisions comply with the interregional requirements of Order No. 1000.

In support of this compliance filing, the Applicants state the following:

I. STRUCTURE OF TRANSMITTAL LETTER

In this single compliance filing, the Applicants include *all* matters relating to each of their revised tariff provisions necessary to address Order No. 1000’s interregional requirements.⁷ It is important to the Applicants that the interregional provisions of their tariffs be consistent with one another, and be approved contemporaneously (or within a reasonable window) to allow the coordinated interregional effort to be conducted in the most efficient manner. To accomplish this goal, this transmittal letter is structured as follows:

Section II describes the Common Language provisions;

Section III describes the process employed by the Applicants to develop the common interregional provisions of their tariffs in compliance with the requirements of Order No. 1000;⁸

delay its filing due to a supervening Commission order), Avista and Puget will submit their filings in response to the interregional requirements of Order No. 1000 under separate transmittal letter or letters. They have authorized the Applicants to represent in this letter that they participated in the development of, and will incorporate in their filings, the Common Language, barring a supervening Commission order determined to be inconsistent with such incorporation.

⁵ Order No. 1000 at PP 346 & 475.

⁶ *Deseret Generation & Transmission Co-operative, Inc.*, Docket No. ER13-65-000 (filed Oct. 10, 2012); *Idaho Power Co.*, Docket No. ER13-106-000 (filed Oct. 11, 2012); *NorthWestern Corp.*, Docket No. ER13-67-000 (filed Oct. 10, 2012); *PacifiCorp*, Docket No. ER13-64-000 (filed Oct. 10, 2012); *Portland Gen. Elec. Co.*, Docket No. ER13-68-000 (Oct. 10, 2012); *Cal. Indep. Sys. Operator Corp.*, 143 FERC ¶ 61,057 (2013); *Pub. Serv. Co. of Colorado, et al.*, 142 FERC ¶ 61,206 (2013).

⁷ Information about each Applicant, and its respective transmission planning region, can be found in each Applicant’s filing submitted in response to the regional requirements of Order No. 1000. That information is incorporated herein by reference.

⁸ Order No. 1000 at P 607.

Section IV explains how the Applicants' interregional provisions satisfy the interregional transmission coordination requirements set forth in Order No. 1000;

Section V explains how the Applicants' interregional provisions satisfy the six interregional cost allocation principles set forth in Order No. 1000;

Section VI contains a discussion of the modifications to each Applicant's tariff necessary to incorporate the interregional provisions, including any necessary modifications to the local and regional transmission planning provisions of its tariff;

Section VII specifies and explains the requested effective date for the modifications to each Applicant's tariff;⁹

Section VIII provides a list of the attachments to the filing;

Section IX identifies the representatives of each Applicant to whom any communications should be directed; and

Section X contains the conclusion.

II. SUMMARY OF INTERREGIONAL PROVISIONS AND PROCESS DIAGRAM

Through a collaborative interregional process, the Applicants developed the Common Language that each Applicant has incorporated into its respective tariff as described herein. For reference purposes only, the Applicants are providing this Common Language as **Attachment 1**.

For illustrative purposes, the Applicants prepared a flow diagram ("**Flow Diagram**"), included as **Attachment 2**, that provides a high level and general illustration of the interregional coordination and cost allocation processes described in the Common Language. The Flow Diagram is provided for illustrative purposes only and is not intended to modify the Common Language or any of the Applicant's tariff provisions. The Flow Diagram presents each Planning Region and stakeholders as separate, horizontal paths, or so-called "swim lanes." The arrows represent the flow of information to and from each Planning Region and stakeholders. Additional interregional coordination and collaboration between Planning Regions are reflected by the oblong bubbles, titled "Interregional Data Sharing." The bottom swim lane, titled "Tariff Section," provides the corresponding general time bands and Common Language section for the process milestones depicted in the regional and stakeholder swim lanes.

In addition, to provide more information about the cost allocation process and for illustrative purposes only, the Applicants have included a hypothetical example demonstrating the application of their interregional cost allocation process as **Attachment 3**.

⁹ *Id.* P 162.

A. Year 1 of the Flow Diagram

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

Pursuant to the Common Language, each Planning Region is to participate in an Annual Interregional Coordination Meeting, which is open to stakeholders.¹⁰ In both years of the planning cycle, prior to the Annual Interregional Coordination Meeting, each Planning Region is to make available its Annual Interregional Information by posting such information on its website, as described in Section 3 of the Common Language and depicted in the Flow Diagram by the arrows from each region to the "Annual Interregional Coordination Meeting" box. At the first-year Annual Interregional Coordination Meeting, the Planning Regions and stakeholders are to have the opportunity to identify conceptual interregional solutions that may meet regional transmission needs more efficiently or cost effectively.

Following the first-year Annual Interregional Coordination Meeting, each Relevant Planning Region, with regard to an Interregional Transmission Project ("ITP") that has been properly submitted (as described in Section 4.1 of the Common Language),¹¹ is to participate in the joint evaluation of such Interregional Transmission Projects as described in Section 4.2 of the Common Language and depicted in the Flow Diagram by the "Regional Needs Analysis" box. Each Relevant Planning Region is to confer with each other Relevant Planning Region on project data and cost and study assumptions and methodologies, as illustrated by the "Interregional Data Sharing" bubbles in the Flow Diagram. Following this analysis the CAISO publishes a final transmission plan, ColumbiaGrid publishes a system assessment report and updates the prior cycle transmission plan and Northern Tier Transmission Group generates a draft transmission plan. Within WestConnect, the first year of the regional transmission planning cycle is focused on the task of identifying regional needs, and development of a regional transmission plan occurs in the second year.

When there has been a request for an Interregional Cost Allocation that is properly submitted (as described in Section 5.1 of the Common Language), the CAISO and Northern Tier Transmission Group Applicants and ColumbiaGrid produce an initial determination of ITP

¹⁰ Common Language at § 3.

¹¹ An "Interregional Transmission Project" means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Tariff Section 4.1. Common Language at § 1.

benefits.¹² Each Relevant Planning Region is to share its determination of regional ITP benefits with the other Relevant Planning Regions to provide an ITP cost assignment among the Relevant Planning Regions, as depicted in the Flow Diagram and described in Section 5.2 of the Common Language. The Relevant Planning Regions may share these plans and benefit determinations with stakeholders as depicted in the Flow Diagram by the arrows to the Year 2 link symbol (see Section 5.2(b) of the Common Language).

B. Year 2 of the Flow Diagram

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

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

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

III. DEVELOPMENT PROCESS OVERVIEW

A. Description of the Applicants' Interregional Transmission Coordination and Cost Allocation Development Process

In Order No. 1000, the Commission directed public utility transmission providers to document, in their compliance filings, the steps taken to reach consensus on a cost allocation

¹² The WestConnect Applicants are reviewing needs through the WECC Transmission Expansion Planning Policy Committee process in year one. The initial determination of benefits occurs in year two, quarter one.

methodology, or set of applicable methodologies.¹³ The Commission encouraged groups of public utility transmission providers who have reached consensus, like the Applicants, to make coordinated filings containing their views of the process by which consensus was reached.¹⁴

As discussed below, the Applicants conducted an extensive collaboration, which included stakeholder meetings and input,¹⁵ to develop the data exchange, interregional coordination, joint evaluation and interregional cost allocation processes embodied in the Common Language set forth in Attachment 1. On August 31, 2012, representatives from each Planning Region met informally to begin the interregional collaboration process by establishing an Interregional Coordination Team (“ICT”) that would develop the necessary proposals to comply with Order No. 1000’s interregional requirements. Among other things, the Planning Region representatives decided that ColumbiaGrid would create a page on its website and post interregional coordination materials.¹⁶ The other Planning Regions provided links on their websites to that location.¹⁷

Subsequently, the ICT members organized an initial meeting held on October 1, 2012, at the CAISO offices in Folsom, California. The objectives of this meeting were to formally establish the ICT and its two workgroups (described below); develop a mission statement, principles and a framework for the final product; discuss fully public “big tent” interregional stakeholder meetings; and establish a milestone schedule to meet the Commission’s initial April 11, 2013 compliance filing deadline (see **Table 1** below). ICT membership included representatives from each Planning Region, and included jurisdictional and non-jurisdictional public utility transmission providers, state agencies and municipalities, independent transmission providers and public interest groups.¹⁸ Two workgroups – made up of subsets of these representatives – were established to develop, respectively, interregional coordination and cost allocation proposals that would be presented to the ICT and, ultimately, the larger interregional stakeholder group.

A key function of both workgroups was to identify the Order No. 1000 interregional transmission coordination and cost allocation requirements and to ensure that proposals developed by each group complied with those requirements. Both groups worked from the fundamental requirements, established at the first ICT meeting, that the Common Language must build upon and integrate with each Planning Region’s regional processes to ensure (i) apples-to-apples comparisons of ITPs to regional projects, and (ii) that ITPs are evaluated on the same

¹³ Order No. 1000 at P 607.

¹⁴ *Id.*

¹⁵ *Id.* PP 465-66.

¹⁶ <http://www.columbiagrid.org/O1000Inter-overview.cfm>.

¹⁷ CAISO: <http://www.caiso.com/informed/Pages/StakeholderProcesses/Default.aspx>; Northern Tier Transmission Group: http://nttg.biz/site/index.php?option=com_content&task=view&id=173&Itemid=1; WestConnect: http://westconnect.com/planning_order_1000_interregional_coord_process.php.

¹⁸ The ICT participants represented a broad spectrum of membership groups from each region, depending on the unique structure of the Planning Region. The “big tent” stakeholder meetings not only included the members of each Planning Region, but were open to the public, all stakeholders, and interested parties.

schedule as regional projects. These requirements ensure that neither ITPs nor regional projects are unintentionally favored during the development of each Planning Region’s regional transmission plan.

Table 1 – Interregional Milestones and Date Completed

Date	Milestone
October	Formation of ICT <ul style="list-style-type: none"> • Development of mission statement and principles • Creation of planning and cost allocation workgroups • Document planning and cost allocation requirements of Order No. 1000 • Development of ideas/options for meeting requirements
Nov. 7	ICT public stakeholder meeting #1 <ul style="list-style-type: none"> • Present initial ideas/options/approaches to stakeholders
Nov. 16	ICT public stakeholder call <ul style="list-style-type: none"> • Follow-up to Nov 7 stakeholder meeting
Nov. 21	Written stakeholder comments due (comments template provided)
Late Nov. / Early Dec.	ICT develops combined proposal that addresses both transmission planning and cost allocation requirements <ul style="list-style-type: none"> • To the extent consensus is not reached on preferred approach, then options would be presented that appear most attractive and feasible • May contain unresolved design elements
Dec. 19	ICT public stakeholder meeting #2 <ul style="list-style-type: none"> • Present combined proposal to stakeholders (document posted in advance)
Jan. 7	Written stakeholder comments due
Early Jan.	ICT determines whether a single proposal for all four Planning Regions is achievable or whether a more disaggregated approach with different proposals for each pair of Planning Regions will be needed
Jan. 30	ICT public stakeholder meeting #3 <ul style="list-style-type: none"> • Present resulting approach(es)/proposal(s) to stakeholders (documents posted in advance)
Feb. 6	Written stakeholder comments due
Feb.-Apr.	Tariff language developed based on resulting approach/proposal <ul style="list-style-type: none"> • Includes opportunity for stakeholder input through each Planning Region

Date	Milestone
Mar. 11 ¹⁹	ICT public stakeholder meeting #4 <ul style="list-style-type: none"><li data-bbox="418 342 1386 411">• Present common tariff language intended to be adopted by transmission providers in each Planning Region (document posted on March 4, 2013)
Apr. 8	Common tariff language finalized by all four Planning Regions

In accordance with the Table 1 schedule, the ICT held the first public interregional stakeholder meeting in Seattle, Washington on November 7, 2012, to inform stakeholders about the progress the ICT and its workgroups had accomplished, as well as to provide stakeholders an opportunity to provide input on this work and suggestions on matters related to the ICT's effort. At this meeting, a representative from each Planning Region provided information about the regional compliance filings submitted to the Commission for approval on October 11, 2012. The planning coordination workgroup members reported that their efforts were focused on three topics: (1) definition of an "interregional project"; (2) stakeholder participation in the process; and (3) the framework for evaluating interregional projects. The cost allocation workgroup presented three draft proposals for assessing project benefits and allocating costs to the regions based on those benefits. Following the workgroup presentations, the ICT provided stakeholders with information about the interregional process milestones and meeting dates and invited stakeholders to submit comments on the information presented.

On November 16, 2012, the ICT held a web conference call to seek stakeholder input on the November 7th stakeholder meeting topics and share additional options that had been developed on how to define an interregional project and allocate costs. Following the stakeholder session, the ICT held a meeting to review input received from the stakeholders and prepare an action plan, based upon the input received, for developing the requisite interregional provisions. On November 21, 2012, individual stakeholders or groups of stakeholders provided comments to the ICT.²⁰

Consistent with the milestone schedule, and with the benefit of stakeholder input received on November 21, 2012, the ICT and its two workgroups continued to work together throughout November and early December to prepare for a second public stakeholder meeting. At a December 4-5, 2012 meeting in Salt Lake City, Utah, the ICT reviewed and considered stakeholder comments, evaluated a draft proposal from the planning coordination workgroup covering data exchange and project assessment procedures, and developed the topics to be presented to stakeholders at the December 19, 2012 public meeting in Las Vegas, Nevada.

¹⁹ While not originally scheduled, the ICT members held the additional meeting to ensure the interregional collaboration process provided for robust and inclusive stakeholder involvement.

²⁰ See ColumbiaGrid website: <http://www.columbiagrid.org/O1000Inter-documents.cfm>. This link provides the various presentation materials and submitted stakeholder comments related to the preparation of the Applicants' Common Language.

At the December 19, 2012 meeting, ICT members presented an overview and summary of stakeholder comments and resulting modifications of the proposals, review of coordination principles and Order No. 1000 requirements, and proposals from the planning and cost allocation workgroups. The planning coordination workgroup proposals included a description of the data to be exchanged between the regions and a draft process timeline for data submission and project study. The cost allocation workgroup proposal described the benefits assessment and cost allocation process that had been developed. Stakeholders were encouraged to submit comments and were provided information about upcoming ICT meetings and the final stakeholder meeting on January 30, 2013.

Following the December 19, 2012 stakeholder meeting, and with the benefit of written stakeholder comments received on January 7, 2013, the ICT and workgroups continued working to develop interregional proposals for an ICT meeting in Portland, Oregon on January 16-17, 2013. On January 16, 2013, team members, including representatives of the Applicants who would work on the common tariff language, finalized the proposals for planning coordination and cost allocation that would be presented to stakeholders at the final public stakeholder meeting scheduled for January 30, 2013. The ICT formed a drafting team that would develop the common tariff language to be filed by the Applicants.

Prior to the January 30, 2013 public stakeholder meeting in Folsom, California, the ICT posted the draft “FERC Order No. 1000 Compliance Proposed Interregional Coordination Approach” (the “final proposal”). At the January 30, 2013 meeting, the ICT presented the final proposal, sought comments, and advised parties that the work of the group would shift to the tariff drafting team, with ongoing guidance from the ICT.

Applicants’ tariff drafting representatives met in Portland, Oregon on February 4-5, 2013 to develop tariff language that would be presented for final revisions and consensus approval by the Applicants’ representatives at a joint meeting with the ICT in Salt Lake City, Utah on February 13-14, 2013. Following Applicant approval, on March 4, 2013, the ICT posted the Common Language on the ColumbiaGrid website. On March 11, 2013, the ICT held a public stakeholder conference call, and stakeholders were given an opportunity to ask questions and provide comments on the proposed tariff language.

As noted earlier, the Applicants structured the process and timeline for developing the final proposal to meet the Commission’s initial April 11, 2013 compliance date. While the Commission extended the compliance date, given the robust and inclusive scope of the interregional stakeholder process to date, the Applicants concluded that additional input from stakeholders was unnecessary.

B. Stakeholder Comment Synopsis

In developing and refining the final proposal, the ICT provided stakeholders with eight separate opportunities to provide comment on the draft and final proposals, including five stakeholder meetings and three windows for submitting written comments.

In general, stakeholders raised questions and concerns about specific elements of the proposal as it evolved, and the ICT carefully considered these comments and assessed whether they were consistent with the Order No. 1000 requirements. The ICT discussed stakeholder comments and resulting modifications to the proposal at the next public meeting, rather than providing written responses to comments.

The following is a short summary of some of the major issues raised in stakeholder comments, and a description of how the Planning Regions responded to each of these issues.

1. *Need for Transparent Coordination Process and Alignment of Regional Planning Processes*

In the first two rounds of stakeholder comments, stakeholders emphasized that interregional collaboration needed to be well defined and provide for robust stakeholder participation. Stakeholders also suggested methods by which interregional project proponents could submit projects into each regional process and the evaluation criteria by which regions could assess sponsor qualifications. Another stakeholder suggested that Planning Regions should collaborate to determine whether an interregional solution would be more efficient and cost effective than regional solutions in their regional plans. A stakeholder suggested that the process include an opportunity for projects to be submitted directly for evaluation into the interregional process. One stakeholder, whose representative participated on the ICT, also advocated that evaluation of interregional projects should include projects not seeking interregional cost allocation. Several stakeholders, particularly independent transmission developers, requested more clarity about the coordination process and more certainty about the time that it would take for interregional project assessment and to reach the ultimate approval decision.

The Planning Regions considered these comments and incorporated many of the suggestions into the final proposal and Common Language. The ICT developed a process framework that provides for an annual exchange of planning data followed by an annual coordination meeting at which Planning Regions and their stakeholders may consider potential interregional solutions that might meet regional needs.²¹ The annual coordination meeting is to be held during the first quarter of the year, preferably in February but no later than March 31. This schedule was specifically established in response to stakeholder comments and provides interested parties with the opportunity to attend the annual coordination meeting and still have time to submit an interregional project into the regional planning processes by the March 31 deadline (in even-numbered years).

Although some stakeholders requested that the Planning Regions establish a completely separate interregional process, the ICT concluded that adopting this proposal would go well

²¹ Any interregional conceptual solutions that are identified at this meeting will be subject to consideration in the regional transmission planning processes of the Relevant Planning Regions if a proponent or sponsor submits the conceptual solution into the regional planning processes of all Relevant Planning Regions.

beyond the requirements of Order No. 1000.²² Nonetheless, the ICT considered the planning cycles of all four Planning Regions to provide a common interregional project submission period and two-year evaluation timeframe. The process contemplates that project sponsors may seek joint evaluation regardless of whether interregional cost allocation is requested. The Applicants believe that this framework, including an annual coordination meeting and a joint evaluation process layered on top of the regional processes and regional stakeholder activities, addresses stakeholder concerns about transparency and certainty.

2. Coordination with Western Electricity Coordinating Council (“WECC”)

Several stakeholders encouraged the Planning Regions to explicitly incorporate WECC’s Transmission Expansion Planning Policy Committee (“TEPPC”) planning process, transmission plans and solutions as part of the interregional evaluation process. The Applicants declined to incorporate the TEPPC process based on concerns that the data, criteria, and methods used in evaluating regional (and local) transmission projects would differ from those used in a Planning Region, preventing the evaluation of projects within that Planning Region on a comparable basis.²³ In addition, as explained to stakeholders at the December 19, 2012 meeting, Order No. 1000 does not require interconnection-wide planning.²⁴

Nonetheless, all Planning Regions benefit from their participation in WECC activities, and WECC data are collected from its members and, in turn, are used by each Planning Region in its planning activities. In addition, some Planning Regions use the WECC study process to meet certain Order No. 890 compliance obligations. Certain of the Applicants’ Attachment Ks provide for interconnection-wide planning through TEPPC. Based on current practices, the Planning Regions intend to continue utilizing WECC data gathering and study services after Order No. 1000 implementation.

3. Common Cost Allocation Process and a Path Forward for Interregional Transmission Project Development

In several sets of comments, one stakeholder raised two general areas of concern: (1) that Order No. 1000, paragraph 578, requires regions and neighboring regions to have a common methodology for allocating interregional project costs to the beneficiaries in the neighboring regions; and (2) that the proposed interregional process lacks a path forward for interregional projects that are found by the relevant regions to meet regional needs.

The Applicants believe that the proposed cost allocation process for interregional projects is entirely consistent with paragraph 578 and the spirit of Order No. 1000. When an

²² See Order No. 1000 at App. C (“The Transmission Provider, through its regional transmission planning process, must coordinate with the public utility transmission providers in each neighboring transmission planning region within its interconnection to address transmission planning coordination issues related to interregional transmission facilities.”).

²³ See *Pub. Serv. Co. of Colorado, et al.*, 142 FERC ¶ 61,206, at P 319 (2013).

²⁴ *Id.* P 660.

interregional project is properly submitted to the Relevant Planning Regions, the regions are to confer about the inputs and assumptions, including common cost estimates, to be used in each regional process to determine the dollar value of benefits to the region and are to seek to resolve any differences in data or other information.²⁵ Each Planning Region is to then calculate its *pro rata* share of the project costs by multiplying its share of the total benefits identified by all the Planning Regions by the total project costs. This is a consistent and common process by which each Planning Region is to then be able to determine whether the interregional project is a more cost effective or efficient solution to a regional transmission need.

Once two or more Planning Regions have found that the interregional solution provides regional benefits, the *pro rata* share of the costs assigned to the Planning Region is to be allocated to the beneficiaries in accordance with each regional cost allocation methodology, which may vary by Planning Region. This process is clearly contemplated by the language of Order No. 1000 at paragraph 578, which states:

As we discuss further below, the cost allocation method or methods used by the pair of neighboring transmission regions can differ from the cost allocation method or methods used by each region to allocate the cost of a new interregional transmission facility within that region. For example, region A and region B could have a cost allocation method for the allocation of the costs of an interregional transmission facility between regions A and B (the interregional cost allocation method) that could differ from the respective regional cost allocation method that either region A or region B uses to further allocate its share of the costs of an interregional transmission facility.

The Applicants understand and appreciate the concerns expressed by stakeholders about the path forward for interregional projects once approved in regional plans. While implementation details such as ownership, construction, permitting, operational control and other issues are not required elements of the Order No. 1000 transmission coordination and cost allocation directives, where the Relevant Planning Regions find the proposed project to be a more cost effective or efficient solution for a regional need there may exist a strong interest in seeing that the project moves forward on a schedule that meets these needs. Furthermore, the status of previously approved projects will be the topic of discussion and stakeholder input at the annual interregional coordination meeting, and details about project implementation issues can be addressed at that time.²⁶

In summary, the design and development of the interregional transmission coordination and cost allocation process for Order No. 1000 compliance, that began in August 2012 and concluded with Common Language finalized by the Planning Regions in early April 2013, included multiple opportunities for stakeholder comment and input. The ICT took all stakeholder concerns into consideration while undertaking the rather complex task of developing

²⁵ Common Language at § 5.2.

²⁶ *Id.* § 3(iii).

a coordinated interregional approach that meets the interregional requirements of Order No. 1000 and could be supported by Planning Regions with very diverse membership and transmission planning processes. To the extent that stakeholders made suggestions that were beyond the scope of Order No. 1000, the ICT considered such comments but did not include them in the proposals and recommendations unless they were acceptable to all of the Planning Regions. By coming to a consensus on all of the Order No. 1000 interregional requirements, the ICT was able to craft a framework with broad support from all the Planning Regions. The Applicants believe that the common interregional transmission evaluation and cost allocation processes developed through this process is in the best interests of stakeholders and ratepayers, will serve to promote interregional projects, and will encourage participation by independent transmission providers.

C. Description of the Regional Stakeholder Outreach Processes

In addition to the joint interregional collaboration process described above, CAISO and the Northern Tier Transmission Group Applicants conducted additional regional stakeholder outreach processes. The WestConnect Applicants conducted their stakeholder outreach through the interregional process.

1. California Independent System Operator

The CAISO initiated its stakeholder process with the posting of an issue paper²⁷ on September 17, 2012 in which the CAISO identified and described the interregional requirements of Order No. 1000 and proposed a process to develop a compliance proposal. The CAISO held a stakeholder web conference on September 25, 2012 to discuss the issue paper with stakeholders and solicit input. Written stakeholder comments were received on October 2, 2012. In their written comments, stakeholders indicated that the CAISO's description of the interregional requirements of Order No. 1000 was indeed accurate and complete. Stakeholders also commented that in the effort to develop conceptual policies and procedures to address the interregional requirements of Order No. 1000, stakeholder representation should be comparable among the planning regions. After considering this, the CAISO asked its participating transmission owners to participate in the discussions with the other planning regions' representatives.

The CAISO subsequently held a second stakeholder web conference on October 11, 2012 during which the CAISO presented its initial ideas on a possible framework for interregional transmission planning coordination and an approach for developing a framework for interregional cost allocation. The CAISO also briefed stakeholders on the formation of the ICT and discussions with the neighboring planning regions which had commenced by that point in time. Written stakeholder comments were received on October 18, 2012. In their written comments stakeholders acknowledged that this would be a challenging effort requiring extensive coordination among the planning regions in a short period of time. Stakeholders expressed both appreciation and support for the level of stakeholder engagement proposed by the CAISO and the other planning regions. Stakeholders also recommended that the CAISO develop draft

²⁷ See CAISO website: <http://www.caiso.com/Documents/FERCOrder1000ComplianceInterregionalIssuePaper.pdf>

proposals as a basis for further stakeholder discussion. The CAISO subsequently did this as described below.

On November 5, 2012, the CAISO held a third stakeholder web conference during which the CAISO presented two preliminary straw proposals—one on interregional planning coordination and another on interregional cost allocation. These two preliminary straw proposals represented a refinement of the CAISO's initial thinking based both on feedback the CAISO had received from stakeholders following the October 11, 2012 stakeholder meeting and on discussions the CAISO had with the planning regions through the ICT. The CAISO also provided an update during the web conference on ICT activities. Written stakeholder comments were due by November 21, 2012.

Based on stakeholder input and interregional discussions up to that point, the CAISO continued to further refine its ideas on interregional planning coordination and cost allocation and combined them into its straw proposal²⁸ posted on November 21, 2012. The CAISO subsequently held a fourth stakeholder meeting on November 28, 2012 to discuss its proposals in detail with stakeholders. The CAISO received written comments from stakeholders on December 5, 2012. Having an in-depth discussion with stakeholders at that point benefitted the CAISO's participation in ICT discussions and development of the ICT's draft proposal for interregional coordination and cost allocation.²⁹

Throughout January and the first half of February the ICT completed an intensive effort to complete development of a draft proposed approach for interregional coordination and cost allocation. The CAISO utilized this draft approach in developing its draft final proposal³⁰ posted on February 21, 2013. The CAISO subsequently held a fifth stakeholder meeting on February 27, 2013 to discuss the proposal with stakeholders. The CAISO received written comments from stakeholders on March 7, 2013. The CAISO presented the draft final proposal to the CAISO Board of Governors at its March 21-22, 2013 meeting where it was approved.

Throughout March and April the CAISO consulted with stakeholders in the development of draft tariff language. Stakeholders were given an opportunity to comment on two versions of the draft tariff sections that will implement the Common Language and better align the CAISO's regional process with the interregional coordination process. The CAISO's proposed tariff language is described in detail in Section VI.A. below.

The activities discussed above are summarized in **Table 2** below.

²⁸ See CAISO website: <http://www.caiso.com/Documents/StrawProposal-FERCOrder1000ComplianceInterregionalRequirements.pdf>

²⁹ This draft proposal was presented at the ICT's interregional stakeholder meeting on December 19, 2012.

³⁰ See CAISO website: <http://www.caiso.com/Documents/DraftFinalProposal-FERCOrder1000Compliance-InterregionalRequirements.pdf>

Table 2 – CAISO Stakeholder Activity Summary

Date	ISO Stakeholder Process
Sep. 17	CAISO posts issue paper
Sep. 25	CAISO stakeholder web conference
Oct. 2	Stakeholder comments due to CAISO
Oct. 11	CAISO stakeholder web conference
Oct. 18	Stakeholder comments due to CAISO
Nov. 5	CAISO stakeholder web conference
Nov. 21	Stakeholder comments due to CAISO
Nov. 21	CAISO posts straw proposal
Nov. 28	CAISO stakeholder meeting
Dec. 5	Stakeholder comments due to CAISO
Feb. 20	CAISO posts draft final proposal
Feb 27	CAISO stakeholder web conference
Mar. 7	Stakeholder comments due to CAISO
Mar. 13	CAISO posts draft tariff language
Mar. 20	Stakeholder comments due to CAISO
Mar. 21- 22	CAISO presents proposal to CAISO Board of Governors
Mar. 25	CAISO stakeholder web conference
Apr. 8	CAISO posts revised draft tariff language
Apr. 15	Stakeholder comments due to CAISO
Apr. 22	CAISO stakeholder web conference

2. Northern Tier Transmission Group

The Northern Tier Transmission Group (“NTTG”), jointly with ColumbiaGrid, CAISO and WestConnect, shared hosting responsibilities and participated in the interregional Order No. 1000 stakeholder meetings previously described in Section III-A above.

In addition, NTTG reviewed the proposals for interregional Order No. 1000 compliance at the October 2012 through March 2013 Planning and Steering Committee meetings and at the February 2013 NTTG Semi-Annual Stakeholder meeting. These meetings were open public

meetings with additional opportunities for stakeholder comment and input. The dates of these meetings and key discussion topics are described in **Table 3** below.

Table 3 – Northern Tier Interregional Meetings and Key Discussion Topics

Date	Meeting / Key Discussion Topics
Oct. 3	NTTG Planning Committee Meeting <ul style="list-style-type: none"> • Briefing on initial October 1st ICT meeting <ul style="list-style-type: none"> ○ Workgroup structure for coordinated interregional cost allocation & transmission coordination proposal development ○ Interregional principles, process and schedule
Nov. 14	NTTG Planning Committee Meeting <ul style="list-style-type: none"> • Order 1000 interregional requirements
Dec. 4	NTTG Steering Committee meeting <ul style="list-style-type: none"> • Order No. 1000 requirements • Coordinated interregional principles, process and schedule • Initial cost allocation options
Dec. 12	NTTG Planning Committee Meeting <ul style="list-style-type: none"> • Overview of the draft cost allocation and transmission coordination proposals • Schedule for upcoming joint interregional stakeholder meetings
Jan. 9	NTTG Planning Committee Meeting <ul style="list-style-type: none"> • Proposals for defining an interregional transmission facility, joint study team and joint evaluation • January 30th interregional stakeholder meeting: final proposal for stakeholder review
Feb. 7	NTTG Semi-Annual Stakeholder Meeting <ul style="list-style-type: none"> • High level briefing on the Interregional Order No. 1000 compliance activities

Date	Meeting / Key Discussion Topics
Feb. 12	NTTG Steering Committee meeting <ul style="list-style-type: none"> • Interregional Order No. 1000 process and schedule update • Key elements of the Interregional Proposal for Order No. 1000 compliance <ul style="list-style-type: none"> ○ Utilization of regional methodologies as the foundation for interregional compliance ○ Cost allocation proposal ○ Definition of an interregional transmission facility, Interregional data exchange and joint evaluation ○ Stakeholder comments and input
Mar. 13	NTTG Planning Committee meeting <ul style="list-style-type: none"> • Interregional Order No. 1000 common tariff language
Mar. 15	NTTG Steering Committee meeting <ul style="list-style-type: none"> • Interregional Order No. 1000 common tariff language • NTTG Steering Committee vote to support the proposed approach for Interregional Order No. 1000 compliance and the conforming common interregional tariff language

3. WestConnect

WestConnect achieved stakeholder participation in the interregional compliance development process by affording all stakeholders in the WestConnect region direct participation in interregional discussions, meetings, and direct access and review of interregional written work product. This level of direct involvement by regional stakeholders in the interregional compliance development process eliminated the need for a separate regional process.

IV. REQUIREMENTS FOR IMPLEMENTING INTERREGIONAL TRANSMISSION COORDINATION

In Order No. 1000, the Commission required that each public utility transmission provider ensure that the following requirements are included in the applicable interregional transmission coordination procedures: (1) a commitment to coordinate and share the results of each transmission planning region's regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities, as well as a procedure for doing so; (2) a formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions; (3) an agreement to exchange, at least annually, planning data and information; and (4) a commitment to maintain a website or e-mail list for the

communication of information related to the coordinated planning process.³¹ The Applicants respectfully submit that each of these requirements is satisfied with the Planning Regions' approach to interregional transmission coordination.

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

The Commission required each public utility transmission provider, through its regional transmission planning process, to establish procedures with each of its neighboring transmission planning regions for the purpose of coordinating and sharing the results of regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities.³² In addition to committing to share regional transmission planning information, the Commission directed each public utility transmission provider to develop and implement additional procedures that provide for the sharing of information regarding the respective transmission needs of each neighboring transmission planning region, and potential solutions to those needs, as well as the identification and joint evaluation of interregional transmission alternatives to those regional needs.³³

The Applicants have each committed to sharing each Planning Region's regional transmission plan in order to jointly identify and evaluate whether proposed interregional transmission projects would address regional transmission needs more efficiently or cost-effectively than separate regional transmission projects. In furtherance of this commitment, and as described in this compliance filing, the Applicants have developed the requisite procedures governing the sharing of regional transmission planning information and needs and the identification and joint evaluation of potential interregional transmission solutions. These procedures are embodied in the Common Language (Attachment 1) and are discussed in detail below.

B. Procedures to Identify and Jointly Evaluate Interregional Transmission Facilities

The Commission required each public utility transmission provider to develop a formal procedure to identify and jointly evaluate interregional transmission facilities that are proposed to be located in neighboring transmission planning regions.³⁴ Regarding the applicable procedures, the Commission stated that the developer of an interregional transmission project must first propose its project in the regional transmission planning processes of each of the planning regions in which the transmission facility is proposed to be located.³⁵ In addition, the

³¹ Order No. 1000 at App. C, pp. 613-14.

³² *Id.* P 396.

³³ *Id.* P 398.

³⁴ *Id.* P 435.

³⁵ *Id.* PP 436 & 442.

neighboring transmission planning regions must jointly evaluate the proposed transmission project within the same general timeframe as each planning region's individual consideration of the proposed transmission project.³⁶ Finally, each public utility transmission provider, through its transmission planning region, must develop procedures by which differences in the data, models, assumptions, planning horizons, and study criteria can be identified and resolved for purposes of jointly evaluating the proposed interregional transmission facility.³⁷

The Applicants have developed procedures to identify and jointly evaluate transmission facilities that are proposed to be located in more than one Planning Region. For consideration and joint evaluation in the interregional transmission planning process, the proponent of an ITP must submit the project to the Relevant Planning Regions³⁸ no later than March 31st of any even-numbered calendar year in accordance with the requirements of each Planning Region's regional transmission planning process.³⁹ In its submittal, to facilitate joint evaluation, the ITP proponent must include a list of all Planning Regions to which the project is submitted.⁴⁰

For properly submitted ITPs, the Relevant Planning Regions are to initiate joint evaluation of the proposed ITP in conjunction with their individual consideration of the proposed project pursuant to their regional transmission planning processes.⁴¹ When conducting the joint evaluation, the Relevant Planning Regions are to confer with each other regarding the data and costs associated with the proposed ITP and the study assumptions and methodologies to use in evaluating the project in each regional transmission planning process.⁴² The Relevant Planning Regions are to identify the appropriate transmission studies in each of their regional planning processes, based in part upon a consideration of experiences in prior planning cycles and the availability of new transmission study tools. Each Relevant Planning Region is to seek to resolve any differences it has with the other Relevant Planning Regions regarding the ITP if those differences would affect the evaluation of the project.⁴³ During the second year of the interregional transmission planning process, each Relevant Planning Region is to determine if

³⁶ *Id.* PP 436, 438 & 440. The Commission expects the public utility transmission providers to develop a time line that "provides a meaningful opportunity to review and evaluate through the interregional transmission coordination procedures information developed through the regional transmission planning process and, similarly, provides a meaningful opportunity to review and use in the regional transmission planning process information developed in the interregional transmission coordination procedures." *Id.* at P 439.

³⁷ *Id.* P 437.

³⁸ "Relevant Planning Region" means, with respect to an ITP, the Planning Region 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 4.2, at which time it shall no longer be considered a Relevant Planning Region. Common Language at § 1.

³⁹ *Id.* § 4.1. For projects seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region, the proponent of the ITP must submit the project to each such Planning Region in accordance with the applicable regional transmission planning processes. *Id.*

⁴⁰ *Id.*

⁴¹ *Id.* § 4.2.

⁴² *Id.*

⁴³ *Id.* § 4.2(a).

the proposed ITP is more cost effective or efficient than other projects in its regional transmission planning process.⁴⁴ If a Relevant Planning Region determines that the ITP would not satisfy any of its regional transmission needs, it is to notify the other Relevant Planning Region(s), and it is not obligated to continue the joint evaluation of the proposed project.⁴⁵ In accordance with its regional transmission planning process, each Relevant Planning Region is to provide stakeholders with an opportunity to participate during the evaluation of the ITP.⁴⁶

C. Annual Exchange of Planning Data and Information

The Commission required each public utility transmission provider to adopt interregional transmission coordination procedures that provide for the exchange of planning data and information between transmission planning regions at least annually.⁴⁷ The Commission stated that these procedures must include the specific obligations for sharing planning data and information rather than only an agreement to do so.⁴⁸

As set forth in the Common Language, each Planning Region is to participate in an Annual Interregional Coordination Meeting, which should be convened in February, but not later than March 31, of each year.⁴⁹ Prior to the Annual Interregional Coordination Meeting, each Planning Region is “to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in [that Planning Region’s] transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan ...⁵⁰

⁴⁴ *Id.* § 4.2(d).

⁴⁵ *Id.* § 4.2(c).

⁴⁶ *Id.* § 4.2(b).

⁴⁷ Order No. 1000 at P 454.

⁴⁸ *Id.* P 455.

⁴⁹ Common Language at § 3. The Applicants note that the Annual Interregional Coordination Meeting is the minimum requirement. The Planning Regions expect to have additional meetings as needed to evaluate the ITPs under consideration and as dictated by the unique circumstances of each regional transmission plan. Any additional meetings are to occur pursuant to each Planning Region’s rules and procedures.

⁵⁰ *Id.* § 2.

At the Annual Interregional Coordination Meeting, or during additional meetings as needed, the Planning Regions may discuss each Planning Region's most recent Annual Interregional Information, interregional solutions that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently, and updates of the status of ITPs being evaluated or previously included in a Planning Region's regional transmission plan.⁵¹ The Annual Interregional Coordination Meeting is to be open to stakeholder attendance.⁵²

D. Maintenance of a Website or E-mail List for Communication of Information

The Commission required public utility transmission providers to maintain a website or e-mail list for the communication of information related to interregional transmission coordination procedures.⁵³ The Commission indicated that this information could be maintained on an existing public utility transmission provider's website or on a regional transmission planning website, and must be posted in a manner allowing stakeholders to distinguish between interregional and regional transmission planning information.⁵⁴

Accordingly, each Planning Region is to post its Annual Interregional Information on its website in accordance with its regional transmission planning process.⁵⁵ A Planning Region is not required to post information that is not developed by the Planning Region, information that is to be provided by another Planning Region, or information that would violate the Commission's Standards of Conduct or other applicable legal requirements.⁵⁶ In addition, pursuant to the Planning Region's regional transmission planning process, any Annual Interregional Information posted by a Planning Region shall be subject to applicable confidentiality and Critical Energy Infrastructure Information restrictions, and any other applicable laws.⁵⁷

V. SATISFACTION OF PRINCIPLES FOR INTERREGIONAL COST ALLOCATION

In Order No. 1000, the Commission required each public utility transmission provider to demonstrate that its interregional cost allocation method is just and reasonable and not unduly discriminatory or preferential by demonstrating that it satisfies the following six cost allocation principles: (1) costs must be allocated in a way that is roughly commensurate with benefits; (2) there must be no involuntary allocation of costs to non-beneficiaries; (3) a benefit to cost

⁵¹ *Id.* § 3.

⁵² *Id.* Stakeholder involvement in any additional planning meetings will follow each Planning Region's rules and procedures.

⁵³ Order No. 1000 at P 458.

⁵⁴ *Id.*

⁵⁵ Common Language at § 2.

⁵⁶ *Id.*

⁵⁷ *Id.*

threshold ratio cannot exceed 1.25; (4) costs must be allocated solely within the transmission planning region or pair of regions unless those outside the region or pair of regions voluntarily assume costs; (5) there must be a transparent method for determining benefits and identifying beneficiaries; and (6) there may be different methods for different types of transmission facilities.⁵⁸ As described below,⁵⁹ the Applicants respectfully submit that their interregional cost allocation process satisfies each of the Commission's six cost allocation principles in a manner that best suits regional needs.⁶⁰

A. Cost Allocation Principle No. 1: Costs are to be allocated among regions in a way that is roughly commensurate with benefits.

The Commission required that “[t]he costs of a new interregional transmission facility must be allocated to each transmission planning region in which that transmission facility is located in a manner that is at least roughly commensurate with the estimated benefits of that transmission facility in each of the transmission planning regions. In determining the beneficiaries of interregional transmission facilities, transmission planning regions may consider benefits including, but not limited to, those associated with maintaining reliability and sharing reserves, production cost savings and congestion relief, and meeting Public Policy Requirements.”⁶¹

To be eligible for Interregional Cost Allocation, an ITP must be submitted into and request Interregional Cost Allocation from each Relevant Planning Region in accordance with its regional transmission planning process.⁶² Each Relevant Planning Region is to first evaluate whether the ITP meets a regional need, and, if so, then identify its regional benefits associated with an ITP through the application of its regional cost allocation methodology.⁶³ Each Relevant Planning Region is to calculate its assigned *pro rata* share of the projected ITP costs, which is equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP.⁶⁴ After sharing with the other Relevant Planning Regions information regarding what its regional benefit would be if it were to select the ITP for Interregional Cost Allocation, the Relevant Planning Region may use such information from all Relevant Planning Regions to identify its total share of the projected ITP costs in order to

⁵⁸ Order No. 1000 at PP 587, 603; Order No. 1000-A at P 524. These six interregional cost allocation principles only apply to “a new transmission facility that is located in two neighboring transmission planning regions and accounted for in the interregional transmission coordination procedure in an OATT.” Order No. 1000 at P 603.

⁵⁹ In addition, in Section II of this transmittal letter, the Applicants describe the interregional cost allocation process and provide an example of its application, and in Section III of this transmittal letter, the Applicants describe the process by which they sought to reach consensus on the interregional cost allocation process set forth in the Common Language.

⁶⁰ The Commission provided jurisdictional transmission providers with “the flexibility to develop cost allocation methods that best suit regional needs.” Order No. 1000-A at P 647.

⁶¹ Order No. 1000 at P 622; Order No. 1000-A at P 654.

⁶² Common Language at § 5.1.

⁶³ *Id.* § 5.2(c).

⁶⁴ *Id.* § 5.2(d).

determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation based upon its regional transmission planning process.⁶⁵ Accordingly, and as shown in Attachment 3, by allocating ITP costs on a *pro rata* basis based upon the projected benefits in a Relevant Planning Region, the Applicants' Interregional Cost Allocation process ensures that costs are allocated in a manner that is roughly commensurate with estimated benefits.

B. Cost Allocation Principle No. 2: No involuntary allocation of costs to non-beneficiary regions.

The Commission requires that “[a] transmission planning region that receives no benefit from an interregional transmission facility that is located in that region, either at present or in a likely future scenario, must not be involuntarily allocated any of the costs of that transmission facility.”⁶⁶

The Applicants ensure that non-benefiting Planning Regions are not involuntarily allocated costs associated with an ITP that is located in that region. Costs of a proposed ITP can only be allocated to a Relevant Planning Region when it would directly interconnect with the ITP, and the ITP would meet the Relevant Planning Region's transmission needs.⁶⁷ If a Relevant Planning Region determines that a proposed ITP will not meet any of its regional transmission needs,⁶⁸ it ceases being a Relevant Planning Region, has no further obligation to participate in the evaluation of the ITP, and will not be allocated costs attributable to that ITP.⁶⁹ Further, a Relevant Planning Region will only be allocated costs attributable to the ITP if the ITP is selected in that Relevant Planning Region's regional transmission plan.⁷⁰

C. Cost Allocation Principle No. 3: Use of benefit-to-cost threshold ratio.

The Commission requires that “[i]f a benefit-cost threshold ratio is used to determine whether an interregional transmission facility has sufficient net benefits to qualify for interregional cost allocation, this ratio must not be so large as to exclude a transmission facility with significant positive net benefits from cost allocation. ... If adopted, such a threshold may not include a ratio of benefits to costs that exceeds 1.25 unless the pair of regions justifies and the Commission approves a higher ratio.”⁷¹

The Applicants' Interregional Cost Allocation process relies upon a *pro rata* allocation of ITP costs among the benefitting Relevant Planning Regions, and does not use a benefit-cost

⁶⁵ *Id.* §§ 5.2(e) & (f).

⁶⁶ Order No. 1000 at P 637; Order No. 1000-A at P 684.

⁶⁷ Common Language at § 1 (“Relevant Planning Region”),

⁶⁸ *Id.* § 4.2(c).

⁶⁹ *Id.* §§ 1 (“Relevant Planning Region”), 4.2(c) & 5.

⁷⁰ Common Language at § 6.

⁷¹ Order No. 1000 at P 646; Order No. 1000-A at P 692.

threshold.⁷² As a result, Cost Allocation Principle No. 3 does not apply. Notwithstanding, a Relevant Planning Region may use a benefit-cost threshold to determine whether to select an ITP as the more efficient or cost-effective solution to a regional transmission need. If a Relevant Planning Region's regional methodology includes the use of a benefit-cost threshold ratio, the Relevant Planning Region would have to secure Commission approval that Principle No. 3 is satisfied with respect to its proposed regional cost allocation method.

D. Cost Allocation Principle No. 4: Costs for an interregional transmission project are to be assigned only to the regions in which the project is located.

The Commission requires that “[c]osts allocated for an interregional transmission facility must be assigned only to transmission planning regions in which the transmission facility is located. Costs cannot be assigned involuntarily under this rule to a transmission planning region in which that transmission facility is not located.”⁷³

Pursuant to the Applicants' Interregional Cost Allocation process, costs can only be allocated to Relevant Planning Regions.⁷⁴ A Relevant Planning Region is defined, in part, as “the Planning Regions that would directly interconnect with such ITP.”⁷⁵ Further, an ITP is defined, in part, as “a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions.”⁷⁶ Accordingly, consistent with the Commission's requirement, a Planning Region can only be allocated costs for an ITP located within the Planning Region.

E. Cost Allocation Principle No. 5: Transparent method for determining benefits and identifying beneficiaries.

The Commission requires that “[t]he cost allocation method and data requirements for determining benefits and identifying beneficiaries for an interregional transmission facility must be transparent with adequate documentation to allow a stakeholder to determine how they were applied to a proposed interregional transmission facility.”⁷⁷

Pursuant to the Interregional Cost Allocation process, the proponent of an ITP must submit the ITP, along with all required data, into the regional transmission planning process of each Relevant Planning Region.⁷⁸ When assessing an ITP, each Relevant Planning Region is to use its regional planning process and regional cost allocation methodology to determine the

⁷² Common Language at § 5.2(d) & (e).

⁷³ Order No. 1000 at P657; Order No. 1000-A at P 696.

⁷⁴ Common Language at §§ 5 & 6.

⁷⁵ *Id.* § 1.

⁷⁶ *Id.*

⁷⁷ Order No. 1000 at P 668.

⁷⁸ Common Language at § 4.1.

regional benefits resulting from the ITP and identify beneficiaries.⁷⁹ Stakeholders are afforded opportunities to participate in these regional planning processes.⁸⁰ These regional processes of stakeholder participation with information dissemination procedures ensure a transparent cost allocation process with sufficient documentation regarding the identification of benefits and beneficiaries for proposed ITPs.

F. Cost Allocation Principle No. 6: Different cost allocation methods may apply to different types of interregional projects.

The Commission requires that “[t]he public utility transmission providers located in neighboring transmission planning regions may choose to use a different cost allocation method for different types of interregional transmission facilities, such as transmission facilities needed for reliability, congestion relief, or to achieve Public Policy Requirements. Each cost allocation method must be set out clearly and explained in detail in the compliance filing for this rule.”⁸¹

The Applicants have adopted one Interregional Cost Allocation process that applies to all ITPs in the United States portion of the Western Interconnection. Specifically, as shown in Attachment 3, the Applicants rely upon a *pro rata* method to allocate the costs of a selected ITP among the Relevant Planning Regions based upon each region’s share of the benefits.⁸² However, at the regional level, each Planning Region has its own unique regional transmission planning process, which may include different cost allocation methods. The Applicants’ regional processes are currently pending Commission approval, and the Common Language does not disturb those regional allocation methods.⁸³

VI. TARIFF CHANGES NECESSARY TO INCORPORATE THE INTERREGIONAL PROVISIONS

This section provides an explanation of each Applicant’s tariff modifications necessary to incorporate the interregional provisions discussed above.

A. California Independent System Operator Corporation

As part of the stakeholder process, the CAISO posted proposed modifications to tariff Section 24 and Appendix A that both implement and incorporate the Common Language. In addition, several revisions to existing tariff language were required to align the CAISO’s regional process with proposed interregional process and to provide clarification. The clean

⁷⁹ *Id.* § 5.2(c).

⁸⁰ *Id.* §§ 4.2(b) & 5.2(b).

⁸¹ Order No. 1000 at P 685.

⁸² Common Language at § 5.2(d).

⁸³ *Id.* §§ 5.2(c) & 6.1.

tariff language is set forth at Attachment 4 and the black-line version can found at Attachment 5.⁸⁴

1. *New Section 24.18- Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language*

The CAISO proposes to incorporate the Common Language as new Section 24.18. The new common definitions have been incorporated into Appendix A. The CAISO chose to use the common definition for the Order No. 1000 Common Interregional Coordination and Cost Allocation Tariff Language, but did not incorporate the warranty limitation provision in Section 2 of the common tariff language.⁸⁵

The CAISO made one other change to the Common Language. Because the CAISO is both a tariff filing entity and a Planning Region, the CAISO modified the Common Language to be prescriptive rather than passive. In contrast, because the other three Planning Regions are not tariff filing entities, the common tariff provisions do not contain prescriptive language as to activities that the Planning Regions are expected to undertake. The common tariff provisions, however, will obligate the other Applicants to jointly administer the Planning Regions in a manner consistent with the tariff provisions. Thus, the tariff language in Section 24.18 describes the activities in which the CAISO, as a Planning Region, *will* participate.⁸⁶

2. *New Section 24.17 and Subsections- Interregional Coordination Implementation Details*

Proposed section 24.17 sets forth the steps that CAISO will take to implement the interregional coordination and cost allocation processes. In response to stakeholder concerns, the CAISO explained in this section that the CAISO will conduct its evaluation of ITPs in a two year cycle but that it may conclude the evaluation earlier if the Relevant Planning Regions complete their assessments in time for an earlier decision.

Consistent with the Common Language, sections 24.17.1 and 24.17.2 provide that ITPs must be submitted by March 31 in the first even-numbered calendar year after the effective date of the tariff sections and must satisfy the CAISO's filing requirements set forth in the Business

⁸⁴ On April 18, 2013, the Commission issued an Order on Compliance Filing ("Regional Order") that addressed the CAISO's Order No. 1000 regional compliance filing. California Independent System Operator Corporation, et. al. 143 FERC ¶61,057 (2013). In the Regional Order, the Commission directed the CAISO to make a second compliance filing within 120 days of the Order date. Several of the tariff sections that the CAISO is modifying to align its regional and interregional processes contain modifications that were approved in the Regional Order, and also will be further modified in the second compliance filing. To avoid confusion, the version of the CAISO tariff used for the purposes of this compliance filing contains both the tariff changes approved in the Regional Order and those that the CAISO will propose in the second compliance filing.

⁸⁵ See Attachment 1.

⁸⁶ See, for example, CAISO tariff section 24.18.1, which states that "(A)nually, prior to the Annual Interregional Coordination Meeting, the CAISO will make available..." (Attachment 4). In contrast, Section 2 of the Common Language states that "(A)nually, prior to the Annual Interregional Coordination Meeting, [[Planning Region]] is to make available..." (Attachment 1).

Practice Manual for Transmission Planning (“TPP BPM”). Section 24.17.2 describes the CAISO’s preliminary evaluation of the interregional project in more detail, including a description of the topics that will be considered in deciding whether to further study the project in the second year.⁸⁷

In proposed section 24.17.3 the CAISO describes the factors that the CAISO will take into account as part of the in-depth analysis of an ITP during the second cycle, and the coordination efforts that will take place if the CAISO and other regions approve such a project in their respective regional transmission plans. This section, of course, will only apply if the CAISO’s preliminary analysis determines that the ITP potentially could meet a regional need for which a solution is not urgent, so that the CAISO has time in which to evaluate the ITP in more detail. In determining whether the ITP is a more cost efficient or effective solution, the CAISO will consider whether it can be constructed in the same timeframe as the regional solution. If the CAISO finds the ITP to be the preferred solution, the CAISO will identify the regional solution that it initially identified, but which the ITP replaced.

Once CAISO concludes that the ITP is found to be the better solution and two or more Relevant Planning Regions include it in their transmission plans, the CAISO will seek to coordinate with the project proponent, the Relevant Planning Regions and all affected transmission providers to address project implementation issues. These issues could include cost overruns, ownership and operational control, scheduling rights and other matters.

Proposed section 24.17.4 provides for the recovery of the CAISO’s assigned cost share of the project by the designated owner of an ITP. Consistently with the existing procedures for recovery of a transmission owner’s costs, the transmission owner will include the cost in its regional transmission revenue requirement, which the CAISO collects through its access charge and wheeling access charge. To implement this procedure, the CAISO’s proposal also amends Appendix F, Schedule 3, Section 6.1, and provides more detail on the calculation of a PTO’s regional revenue requirement, which is the sum of the PTO’s transmission revenue requirement and the annual high voltage transmission revenue balancing account adjustment. The transmission revenue requirement is net of revenues received from Existing Contracts (i.e., contractual scheduling rights that preceded this ISO). The revision specifies that it is also net of revenues received from other regions for ITPs. Once the interregional process is implemented and the Planning Regions gain experience from evaluating ITPs, it is possible that additional stakeholder consultation and tariff changes could be required. The CAISO will also consider making changes to its business practice manuals through the established change management procedures if additional clarification on cost recovery details is warranted.

Southern California Edison Company requested that the CAISO include more detail in the tariff regarding how costs will be recovered from the other planning regions. This is not an appropriate matter for the CAISO Tariff, however; rather, it is a matter that the designated owner of an ITP must address with the utilities in the other regions that will share the costs.

⁸⁷ Stakeholders specifically requested that the urgency of the regional need be taken into consideration in the evaluation process.

The CAISO recognizes that there may be circumstances in which the proposed tariff mechanism for recovery of the CAISO's share might not be suitable for a designated owner of an ITP that is not an existing participating transmission owner in the CAISO and does not wish to become one. The CAISO believes that it is more appropriate to address such circumstances if and when they arise, in the context of the specific facts presented.

Proposed sections 24.17.5 and 24.17.6 describe the steps that the CAISO will take to monitor the progress of an ITP that has been selected in the CAISO's transmission plan. Should the CAISO determine that ITP completion and energization has been delayed beyond the regional solution need date, the CAISO will take steps, in conjunction with the applicable PTO, to address potential NERC reliability concerns and possibly to select a regional solution that would supplant the ITP. Section 24.17.6 provides that the CAISO will use best efforts to select a regional solution in the same planning cycle in which the ITP was found to be delayed beyond the regional need date.

3. Other Tariff Revisions

The CAISO's current regional transmission planning process contains procedures for coordination with neighboring systems and balancing authority areas. Some of these procedures and tariff references will be superseded by the common tariff language and the proposed interregional process. There are other sections of the current tariff that needed to be clarified, enhanced or deleted to provide consistency between the regional and interregional processes.

Section 24.2 provides an overview of the regional transmission planning process. At 24.2.(c) the CAISO proposes to delete references to coordination with regional and sub-regional planning processes and to clarify that, as part of the regional process, the CAISO will continue to coordinate not only with the Planning Regions but also with interconnected balancing authority areas. Proposed new subsection 24.2(f) clarifies that the regional process will now provide an opportunity for project sponsors to submit ITPs into the CAISO's process to be evaluated as potential regional solutions.

At Section 24.3.1(m), the CAISO proposes to clarify that it will consider the Annual Interregional Information in the development of the unified planning assumptions and study plan. The revision eliminates language referring to consideration of sub-regional or regional proposals by other balancing authority areas from the Phase 2 request window requirements.⁸⁸ The CAISO also proposes to add references to ITP submission and assessment as additional topics that could be addressed in the comprehensive transmission plan and to add ITPs to the list of projects and elements that could be approved as part of the comprehensive transmission plan.⁸⁹ The CAISO also proposes minor modification to Sections 24.8.4 and 24.12 to reflect changes in nomenclature from "sub-regional" and "regional" to "regional" and "interregional" brought about by Order No. 1000.

⁸⁸ Section 24.4.3(b)(iii).

⁸⁹ Section 24.4.8 (8) and (9).

Sections 24.13.1 and 24.13.2 set forth a structure for sub-regional and regional data exchange and process coordination that has been completely superseded by the common tariff language and therefore the CAISO proposes to eliminate these sections. However, during the stakeholder process it became clear that parties were somewhat confused about CAISO regional transmission solutions that might interconnect to a neighboring Planning Region but would be eligible for cost recovery according to the CAISO's regional cost allocation process and not submitted to the other Planning Regions for cost allocation purposes. To provide clarification on this point, the CAISO is proposing new language for Section 24.13, which was supported by the stakeholders.

Specifically, proposed Section 24.13 refers to the three points in the regional process at which parties may suggest interregional solutions that could meet regional needs.⁹⁰ These points are (1) during the development of the study plan when parties can submit economic planning study requests, (2) into the Phase 2 request window as a solution to reliability or other concerns, or (3) as comments on the statewide conceptual plan. These proposals will be evaluated in the regional process on the basis of need for the entire facility, including the costs of the entire facility. If approved through the regional process, the project sponsor will be selected through the CAISO's competitive solicitation process.⁹¹ The project sponsor is free to then submit the project to the Relevant Planning Regions for evaluation or cost allocation through the interregional process, if so desired.

Section 24.13 also contains language clarifying that, to the extent the CAISO concludes that a potential interregional solution could provide benefits to other planning regions, the CAISO may identify the potential interregional solution to the relevant planning regions prior to fully assessing and approving a regional solution in its transmission planning process.

B. Northern Tier Transmission Group Applicants

In order to incorporate and implement the Common Language, the Northern Tier Transmission Group Applicants made several revisions to their respective Attachment Ks. First, the Northern Tier Transmission Group Applicants incorporated the Common Language into each of their Attachment Ks in a new part or section in between the regional and interconnection-wide planning processes.⁹² The Common Language provides two sections of optional language: a definition that references the entire Common Language and a warranty limitation on the Annual Interregional Information made available to the other Planning Regions. All of the Northern Tier Transmission Group Applicants incorporated the latter provision into their Attachment Ks, while none of them incorporated the former provision.

⁹⁰ These proposals would not be referred to as ITPs.

⁹¹ Section 24.5.

⁹² Deseret § C - Introduction; Idaho Power § C - Introduction; NorthWestern § 4 - Introduction; PacifiCorp § 4 – Introduction; Portland General § C – Introduction. Note that, in addition to the changes described herein, Portland General is updating the numbering of its Attachment K to correct inadvertent numbering changes that occurred in the conversion of its Attachment K to .rtf format when Portland General submitted its regional Order 1000 compliance filing on October 10, 2012.

Second, the Northern Tier Transmission Group Applicants revised existing sections of their respective Attachment Ks to incorporate the Common Language as follows:

- The preamble,⁹³ the introduction of the regional planning process,⁹⁴ and the introduction to the interconnection-wide planning process⁹⁵ were modified to reference the incorporation of the Common Language.
- A footnote was added to the definition section indicating that definitions specific to interregional transmission coordination and cost allocation are found within the Common Language section.⁹⁶
- In the local planning provisions, a reference(s) to interregional transmission planning was added.⁹⁷
- In the regional planning provisions, references to interregional transmission planning were added in various locations. The information required to be submitted by project sponsors was revised to incorporate the information needed for ITPs,⁹⁸ and the procedures for curing deficiencies in information were clarified to provide for an end date to the cure provisions.⁹⁹ An end date is needed to ensure complete information is available for interregional transmission coordination and the interregional annual coordination meeting. The description of the Biennial Study Plan was revised to specifically provide that it will include “analysis tools” and “local, regional and interregional projects.”¹⁰⁰

C. WestConnect Applicants

The WestConnect Applicants incorporated the Common Language into each of their Attachment Ks as a new part or section and made other minor conforming changes to various

⁹³ Deseret § Preamble; Idaho Power § Preamble; NorthWestern § Preamble; PacifiCorp § Preamble; Portland General § Preamble.

⁹⁴ Deseret § B – Introduction; Idaho Power § B – Introduction; NorthWestern § 3.1; PacifiCorp § 3.1; Portland General § B – Introduction.

⁹⁵ Deseret § D – Introduction; Idaho Power § D – Introduction; NorthWestern § 5.1; PacifiCorp § 5.1; Portland General § D - Introduction.

⁹⁶ Deseret § Definitions n1; Idaho Power § 1 n1; NorthWestern § Definitions n1; PacifiCorp § 1 n1; Portland General § Definitions n1.

⁹⁷ Deseret § A7; Idaho Power § A8; NorthWestern § 2.4.6 and 2.4.9; PacifiCorp § 2.8; Portland General § A8 - Recovery of Planning Costs.

⁹⁸ Deseret § B2.2; Idaho Power § B13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § B13.2 – Study Process.

⁹⁹ Deseret § B2.2; Idaho Power § B13.2; NorthWestern § 3.3.2; PacifiCorp § 3.3.2; Portland General § B13.2 – Study Process.

¹⁰⁰ Deseret § B2.3; Idaho Power § B13.3; NorthWestern § 3.3.3; PacifiCorp § 3.3.3; Portland General § B13.3 – Study Process.

sections of their Attachment K's, identified in redline in their individual filings.¹⁰¹ The Common Language provides two separate elections of optional language: (1) a definition that references the entire Common Language part or section, and (2) a warranty limitation on the Annual Interregional Information made available to the other Planning Regions. The WestConnect Applicants incorporated this provision into their Attachment Ks.

VII. EFFECTIVE DATE

Each of the Applicants respectfully requests an effective date of October 1, 2013 for the revisions to their respective Attachment Ks set forth in this filing, provided that the two events set forth below have occurred. Otherwise, the Applicants request an effective date of October 1, 2015.

The Applicants believe that certain events must occur in order for this October 1, 2013 effective date to be workable without disrupting their respective transmission planning cycles. First, the Applicants request that the Commission issue order(s) accepting the substantive elements of this interregional compliance filing of the Applicants in their respective Planning Regions by October 1, 2013. Second, Northern Tier Transmission Group Applicants request that the Commission issue orders accepting the substantive elements of each of their Order No. 1000 regional compliance filings in advance of the date the Commission issues order(s) with respect to this interregional compliance filing.¹⁰²

Commencement of the activities under the interregional transmission planning processes contained in the Common Language depends upon the prior or contemporaneous implementation of the regional transmission planning processes. The regional transmission planning cycles for each of the Planning Regions commence on January 1st of each even-numbered calendar year. Accordingly, January 1, 2014 and January 1, 2016 mark the commencement of the next two regional transmission planning cycles. However, in their regional compliance filings, certain Planning Regions have proposed pre-qualification requirements that apply during the eighth quarter of the preceding planning cycle (*i.e.*, beginning October 1st) to the submission of transmission projects for the next planning cycle. An October 1, 2013 effective date for this filing therefore allows project sponsors to satisfy the applicable regional pre-qualification requirements for the 2014-2015 planning cycle.

If the Commission cannot issue orders on each respective Planning Region's interregional and regional compliance filings by October 1, 2013, then the Applicants request an October 1, 2015 effective date. Imposition of a mid-cycle effective date would disrupt the Applicants' local and regional planning processes, impede decisions relating to interregional

¹⁰¹ The regional transmission planning process for Public Service Company of Colorado is incorporated into Attachment R-PSCo to the Xcel Energy OATT. The regional transmission planning process for Arizona Public Service Company is incorporated into Attachment E of its OATT.

¹⁰² The Commission accepted, subject to a compliance filing, the WestConnect and CAISO regional compliance filings. *Pub. Serv. Co. of Colorado, et al.*, 142 FERC ¶ 61,206 (2013); *Cal. Indep. Sys. Operator Corp.*, 143 FERC ¶ 61,057 (2013).

projects, and make it difficult for stakeholders to participate effectively in the Applicants' regional and interregional processes.

The schedule set out above therefore permits the earliest date possible for implementation of interregional transmission coordination and cost allocation, as contemplated by Order No. 1000. The Applicants wish to make clear that, to the extent the Commission can issue orders with respect to the regional and interregional compliance filings of two or more of the Planning Regions by October 1, 2013, those regions will commence with interregional transmission coordination and cost allocation on the requested effective date of October 1, 2013, with the other regions joining the interregional process in the next planning cycle, commencing October 1, 2015.

VIII. EACH APPLICANT'S FILING PACKAGE

For each Applicant, its compliance filing consists of this transmittal letter, the Common Language (Attachment 1), the process diagram (Attachment 2), the cost allocation explanation (Attachment 3), a clean version of the Applicant's tariff (Attachment 4), and a red-lined version of the Applicant's tariff (Attachment 5).

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X. CONCLUSION

For the reasons set forth above, the Applicants request that the Commission find the changes to each Applicant's tariff provisions submitted herewith to be in full compliance with the interregional provisions of Order No. 1000 and permit the proposed changes to become effective as set forth above.

Respectfully submitted this 10th day of May, 2013.

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CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of May, 2013, I have caused a copy of the foregoing document to be served electronically on each person listed on the Secretary's official service list for the above-referenced proceeding.

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Attachment 1

**Order 1000 Common Interregional Coordination and
Cost Allocation Tariff Language**



**[[insert name/number of this part of Attachment K/Tariff]]
Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language**

[Note: While the majority of the following is intended to be common language used by all four Planning Regions, in some instances the Planning Regions have discretion on whether to address a topic and what language to use. Those instances have been noted. In addition, the language may be formatted or capitalized differently to match individual Planning Region style.]

Where there are bracketed references to "[[Planning Region]]", each Planning Region is to insert its name.

ColumbiaGrid, Northern Tier, and WestConnect will reflect the following language in their Attachment Ks (and will use the term "part" or "Part"). CA ISO does not have an Attachment K and will add this to its general tariff (and will use the term "section" or "Section").

Introduction

[Note: Introductory language will be at the discretion of each Planning Region.]

This [[insert name/number of this part of Attachment K/Section ____]] 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. [[Planning Region]] is to conduct the activities and processes set forth in this [[insert name/number of this part of [[Attachment K/Section ____]] in accordance with the provisions of this [[insert name/number of this part of Attachment K/Section ____]] and the other provisions of this [[Attachment K/tariff]].

Nothing in this [[part/section]] 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.

References in this [part/section] to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

Section 1. Definitions

The following capitalized terms where used in this Part [***] of Attachment K, are defined as follows: *[Note – CA ISO will incorporate definitions into its tariff's general definition section]*

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section 3 below.

Annual Interregional Information: shall have the meaning set forth in Section 2 below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section 5.2 below.

Interregional Transmission Project (“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 4.1.

[Optional Language] **Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language:** means this [[Section ___/Part ___]], which relates to Order 1000 interregional provisions.

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.

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 4.2, at which time it shall no longer be considered a Relevant Planning Region.

Section 2. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, [[Planning Region]] is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in [[Planning Region’s]] transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;

- (b) planning study assumptions; and
- (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as “Annual Interregional Information”).

[[Planning Region]] is to 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 [[Planning Region’s]] Annual Interregional Information. [[Planning Region]] may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

[[Planning Region]] is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by [[Planning Region]] 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 [[Planning Region]] 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 [[Planning Region]] shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under [[Planning Region’s]] regional transmission planning process. *[[Optional Language - Any Annual Interregional Information made available or otherwise provided by [[Planning Region]] 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 [[Planning Region]] or any [if this is used, Planning Region can put in the descriptor they want]] in [[Planning Region]], 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.]]*

Section 3. Annual Interregional Coordination Meeting

[[Planning Region]] is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. [[Planning Region]] is to 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. [[Planning Region]] is to 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 [[Planning Region's]] regional transmission plan.

Section 4. ITP Joint Evaluation Process

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 4.2 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.

4.2 Joint Evaluation of an ITP

For each ITP that meets the requirements of Section 4.1, [[Planning Region]] (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 4.1 or the immediately following calendar year. With respect to any such ITP, [Planning Region]] (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 4.1, [[Planning Region]] (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 [[Planning Region's]] evaluation of the ITP;

- (b) is to provide stakeholders an opportunity to participate in [[Planning Region's]] activities under this Section 4.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if [[Planning Region]] determines that the ITP will not meet any of its regional transmission needs; thereafter [[Planning Region]] has no obligation under this Section 4.2 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 [[Planning Region's]] regional transmission needs.

Section 5. Interregional Cost Allocation Process

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 4.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from [[Planning Region]] 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.

5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of Section 5.1, [[Planning Region]] (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) [[Planning Region'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 6.2 below) to each Relevant Planning Region using the methodology described in this section 5.2.

For each ITP that meets the requirements of Section 5.1, [[Planning Region]] (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 [[Planning Region's]] analysis;
- (b) is to provide stakeholders an opportunity to participate in [[Planning Region's]] activities under this Section 5.2 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 [[Planning Region]], [[Planning Region]] is to 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; [[Planning Region]] may use such information to identify its total share of the projected costs of the ITP to be assigned to [[Planning Region]] in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in [[Planning Region]];
- (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 this Section 5.2 in the same general time frame as its joint evaluation activities pursuant to Section 4.2.

Section 6. Application of Regional Cost Allocation Methodology to Selected ITP

6.1 Selection by All Relevant Planning Regions

If [[Planning Region]] (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, [[Planning Region]] is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

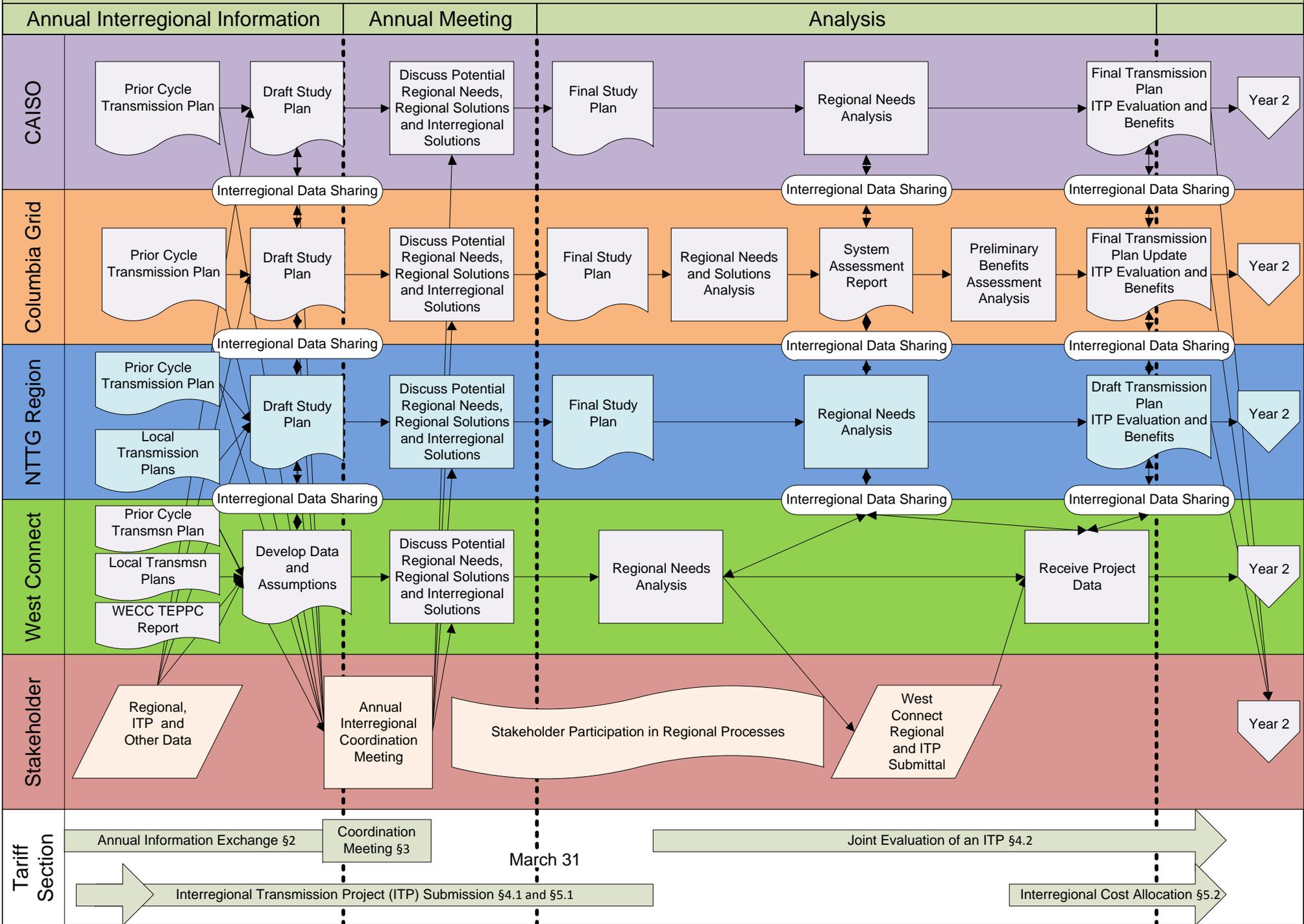
If the [[Planning Region]] (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, [[Planning Region]] is to evaluate (or reevaluate, as the case may be) pursuant to Sections 5.2(d), 5.2(e), and 5.2(f) above 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 [[Planning Region]] and at least one other Relevant Planning Region, [[Planning Region]] is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

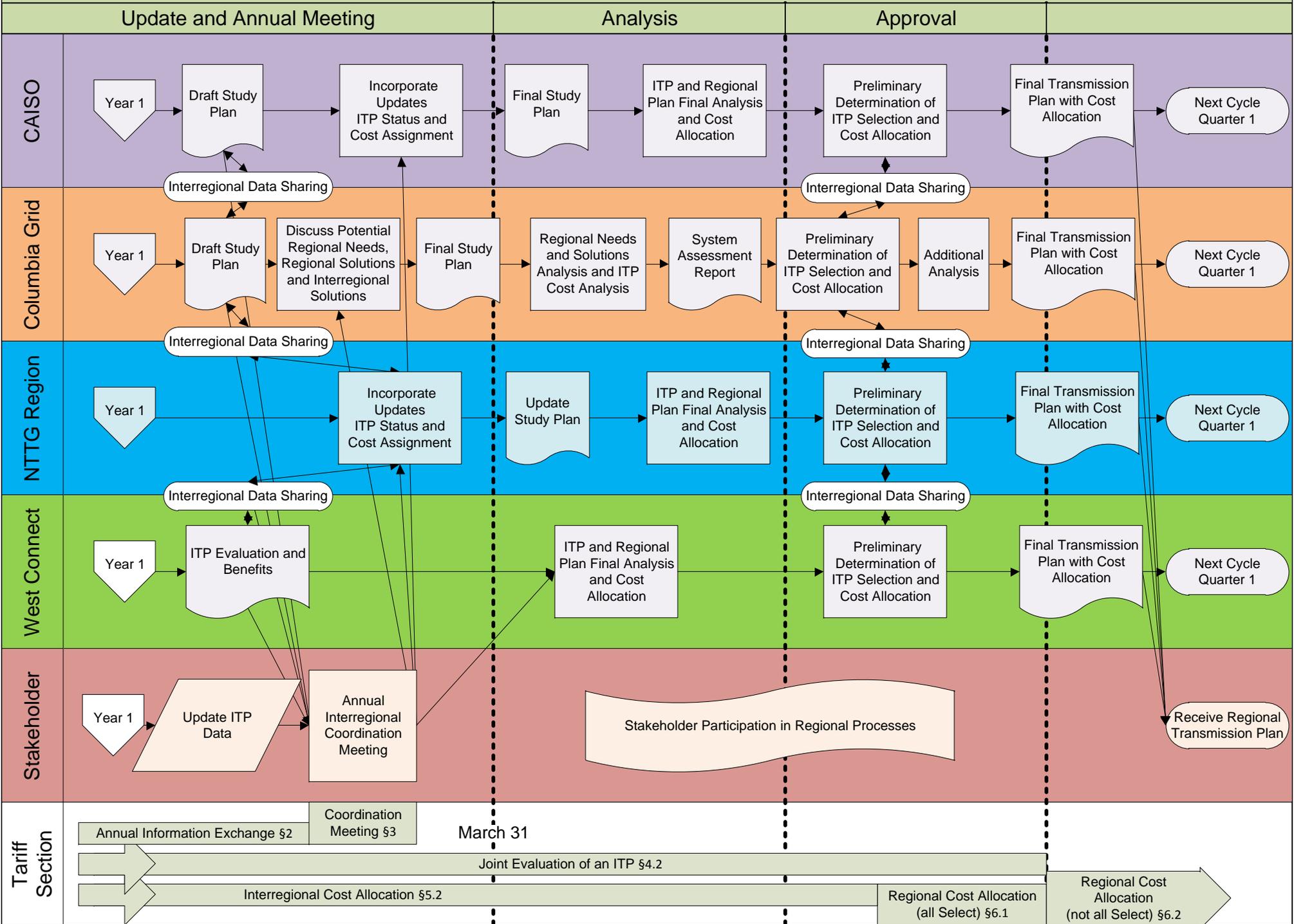
Attachment 2

Interregional Process Diagram

Interregional Coordination Process Representative Schedule (Year 1)



Interregional Coordination Process Representative Schedule (Year 2)



Attachment 3

Example of a Pro Rata Cost Assignment

Example of a Pro Rata Cost Assignment

An Interregional Transmission Project estimated to cost \$45 million is submitted for consideration for Interregional Cost Allocation in the regional transmission planning processes of the three of the Western Interconnection's four regions in which the Applicants are located.

- One region determines that the project does not meet any need within that region, and is permitted to disengage from the joint evaluation process under Section 4.2 of the Common Language.
- Two regions select the project in their regional transmission plans and determine that the project satisfies one or more regional needs and creates benefits¹⁰³ for the region, as follows:
 - Region X determines that the project would create \$35 million in benefits for its region.
 - Region Y determines that the project would create \$42 million in benefits for its region.
- Under the Common Language, the *pro rata* assignment would result in:
 - An assignment of project costs to Region X of \$20 million
 - \$35 million divided by \$77 million equals a 45% share of project benefits
 - 45% of the project's \$45 million estimated total cost equals \$20 million
 - An assignment of project costs to Region Y of \$25 million
 - \$42 million divided by \$77 million equals a 55% share of project benefits
 - 55% of the project's \$45 million estimated total cost equals \$25 million
- Given the use of a *pro rata* assignment method, both Region X and Region Y experience benefits greater than its assigned share of costs:
 - Region X: \$20 million in assigned costs versus \$35 million in quantified benefits
 - Region Y: \$25 million in assigned costs versus \$42 million in quantified benefits

¹⁰³ To the extent an individual planning region uses a Commission-approved benefit-to-cost threshold in assessing whether a project creates sufficient net benefits to warrant inclusion in its regional plan, the region would employ its approved threshold in quantifying net benefits of an interregional transmission project proposed for interregional cost allocation.

Attachment 4

NV Energy Tariff

Attachment K: Transmission Planning Process

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I. OVERVIEW OF THE NV ENERGY, INC. 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 NV Energy, Inc., (a public utility holding company) and are referred to herein as the NV Energy, Inc. Operating Companies. The NV Energy, Inc. Operating Companies are Transmission Providers providing Transmission Service and Interconnection Service under the NV Energy, Inc. Operating Companies Open Access Transmission Tariff (OATT) and are engaged in the business of generating, transmitting and distributing electricity in Nevada, and limited transmission in California. The NV Energy, Inc. Operating Companies provide electric transmission and related reliability services under state and federal statutes and regulations. The NV Energy, Inc. Operating Companies' local, regional, and subregional transmission planning processes are 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 NV Energy, Inc. Operating Companies' engage in local, regional and subregional transmission planning processes. The NV Energy, Inc. Operating Companies conduct a series of local open planning meetings 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 NV Energy, Inc. Operating Companies' local transmission plan.

In addition to their local transmission planning processes, the NV Energy, Inc. Operating Companies coordinate regional and subregional transmission planning with other transmission providers and stakeholders in the Desert Southwest, Northern Nevada and Northern California areas, and the Western Interconnection as a whole, through their active participation in the Southwest Area Transmission (SWAT) planning group, Sierra Subregional Planning Group (SSPG), membership in WestConnect,¹ membership in the Western Electricity Coordinating

1. WestConnect was formed under a memorandum of understanding (MOU) among twelve, jurisdictional and non-jurisdictional transmission providing electric utilities in the Western Interconnection. Under the MOU, the purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market participants and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Current FERC jurisdictional transmission utilities who have executed the WestConnect MOU are: Arizona Public Service Company, El Paso Electric Company, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Black Hills Power, and Tucson Electric Power Company. Following the last effective date of the NV Energy Inc. Operating Companies' Order No. 1000 compliance filing, the WestConnect members shall establish a regional planning management committee (as further described in Part III of this Attachment K) which shall be responsible for regional transmission planning under the principles set for in Order No. 890 and carried forward in FERC's

Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS), and the WECC Planning Coordination Committee.

Three subregional planning groups operate within the WestConnect footprint: SWAT, the Colorado Coordinated Planning Group (CCPG), and SSPG. The NV Energy, Inc. Operating Companies participate in the SWAT and SSPG subregional planning groups. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement), dated May 23, 2007 (see the [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 NV Energy, Inc. Operating Companies are signatories to the WestConnect STP Project Agreement.²

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager (pursuant to the WestConnect STP Project Agreement) formed the WestConnect Planning Management Committee to comply with the requirements of Order No. 890, *et. al*, and coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic planning study database for the entire Western Interconnection and performs annual congestion studies in the Western Interconnection. The NV Energy, Inc. Operating Companies' participation in a regional planning process is undertaken through WestConnect as further described in Part III of this Attachment K.

Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), *et al.* (Order No. 1000).

2. The NV Energy Inc. Operating Companies note that prior to October 11, 2012, the term "Subregional" was used to refer to regional planning, as such term is defined under FERC's Order No. 1000. Following the effective date of the NV Energy Inc. Operating Companies' Order No. 1000 compliance filing, the NV Energy, Inc. Operating Companies shall use the term regional planning in the same manner used in FERC's Order No. 1000.

II. NV ENERGY, INC. OPERATING COMPANIES' LOCAL TRANSMISSION PLANNING

A. NV Energy Companies' Local Transmission Planning Process

Participation in the NV Energy, Inc. Operating Companies' local 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

Where appropriate, the NV Energy, Inc. Operating Companies' local transmission planning studies may include base case data that is WECC proprietary data, data that is classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC), confidential customer specific information, or other information that may be deemed to be confidential.

A stakeholder must hold membership in and/or execute a non-disclosure agreement with WECC in order to have access base case data from WECC, or its successor entity. As appropriate, a stakeholder may obtain local transmission planning information classified as CEII from the NV Energy, Inc. Operating Companies, or other confidential information, upon execution of an appropriate non-disclosure agreement with NPC or SPPC, as necessary.

2. Types of Planning Studies

- a. Transmission Planning Studies. NV Energy, Inc. Operating Companies will conduct local reliability planning studies to ensure that all network transmission customers' and NV Energy, Inc. Operating Companies' retail customers' requirements for planned loads and resources, including demand response resources, or other non-transmission alternatives (as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority) 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 with the appropriate Balancing Authorities in accordance with NERC and WECC standards and with appropriate subregional transmission planning organizations (SWAT or SSPG).
- 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; (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.

NV Energy, Inc. Operating Companies will perform, or cause to be performed, economic planning studies at the request of a transmission customer or stakeholder. Costs for such studies shall be as set forth in Section II.A.4 of this Attachment K. Economic planning studies performed, either by NV Energy, Inc. Operating Companies will utilize the TEPPC public data base.

3. NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process

a. Transmission Plan Needs Assessment. The NV Energy, Inc. Operating Companies' local 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 and satisfy public policy requirements mandated by federal or state legislation or regulation.
- ii. Where feasible, identify alternatives such as demand response resources, or other non-transmission alternatives as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority, that could meet or mitigate the need for transmission additions or upgrades.
- iii. Support of the NV Energy, Inc. 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. NV Energy, Inc. Operating Companies' Local Transmission Planning Cycle

- i. Planning Cycle. Each of the NV Energy, Inc. Operating Companies conducts local 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 (3.b.ii) below.
- ii. Triennial Twenty Year Plan. Each of the NV Energy, Inc. Operating Companies updates its local 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 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 NV Energy, Inc. 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".³ This report is available on NSOE

3. 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 basis.

web site (see the 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 NV Energy, Inc. 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.
- ii. Submission of Data by Network Transmission Customers. As required pursuant to the NV Energy, Inc. 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 NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the 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 NV Energy, Inc. Operating Companies' local planning process, it is essential that all other customers provide their ten year needs in the form of relevant data for inclusion in the NV Energy, Inc. Operating Companies transmission planning process. This information must be submitted electronically by transmission customers to the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the 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 NV Energy, Inc. 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 NV Energy, Inc. Operating Companies of material changes in any of the information previously provided to NV Energy, Inc. 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 NV Energy, Inc. Operating Companies' ability to provide service.
- d. Stakeholder Participation in NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process
 - i. In its 2nd Quarter public planning meeting, NV Energy, Inc. Operating Companies will (a) review its current local 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 NV Energy, Inc. Operating Companies for study plan alternatives; (e) provide an opportunity for the submittal of additional stakeholder study plan proposals for review and discussion; and (f) provide updates on NV Energy, Inc. Operating Companies' planned transmission projects.
 - ii. In its 4th Quarter public planning meeting, NV Energy, Inc. 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 NV Energy, Inc. Operating Companies' OASIS websites.
- e. Coordination of the NV Energy, Inc. Operating Companies' Study Cycle with SWAT and SSPG Study Cycles. The NV Energy, Inc. Operating Companies will coordinate the timing of its local transmission planning study cycle with the development of the assumptions, coordinated base cases and power flow cases performed with the SWAT and SSPG planning groups, which is open to participation by all interested parties.
- f. NV Energy, Inc. Operating Companies' Point of Contact for Questions on the NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process. The NV Energy, Inc. 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 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. NV Energy, Inc. Operating Companies' Local Transmission Planning Study Criteria and Guidelines. Transmission customers and stakeholders should refer to the NV Energy, Inc. Operating Companies' Local Transmission Planning Process and Guidelines for the NV Energy, Inc. Operating Companies' transmission planning criteria, guidelines, assumptions and data. The Planning Guidelines are posted on the NVE OASIS (see the 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. Local Economic Planning Study Requests
- a. Requesting Local Economic Planning Studies. Any of the NV Energy, Inc. 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 a local economic planning study directly to the NV Energy, Inc. Operating Companies. The Requester must submit its study request(s) no later than September 30 of each year if it wishes the NV Energy, Inc. Operating Companies to review the study request(s) with stakeholders at its 4th Quarter open public planning meeting. The NV Energy, Inc. Operating Companies require that study request(s) be submitted electronically to Transmission_Planning@nvenergy.com.
 - i. Factors Used to Determine Whether a Local Economic Planning Study Request is a Priority Request. The NV Energy, Inc. 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 NV Energy, Inc. 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?

ii. Economic Transmission Planning Study Requests Determined to be a Local Priority

(a) If the NV Energy, Inc. Operating Companies determine that the study request is a local priority request, the NV Energy, Inc. Operating Companies will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors as appropriate. The NV Energy, Inc. Operating Companies 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 NV Energy, Inc. 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 NV Energy, Inc. Operating Companies elect not to perform such an additional study, the Requester may request, and the NV Energy, Inc. Operating Companies will provide, assistance in having a third party perform the local economic planning study at the Requester's expense.

iii. Non Priority Local Economic Study Requests. If the NV Energy, Inc. Operating Companies, after reviewing through an open stakeholder process, that the requested local economic planning study is not a priority study, the Requester may request the NV Energy, Inc. Operating Companies' assistance in having a third party perform the economic planning analysis at the Requester's expense.

b. Clustering Local Priority Economic Planning Studies. The NV Energy, Inc. Operating Companies may determine that any number of Requesters' economic planning study requests should be studied together, or a Requester may request that the NV Energy, Inc. Operating Companies study its request together with other requests. The NV Energy, Inc. Operating Companies will combine such studies as they deem appropriate.

i. Proposed Clusters. In the event that the NV Energy, Inc. Operating Companies propose to cluster certain studies, they shall provide notice to each Requester to be included in the cluster study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from the NV Energy, Inc. Operating Companies. If a Requester opts out of a proposed cluster, the Requester will be responsible for all study costs and such study 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 NV Energy, Inc. 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. The NV Energy Inc., Operating Companies 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. The NV Energy, Inc. Operating Companies 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.

- c. Process for Handling Economic Transmission Planning Study Requests by the NV Energy, Inc. Operating Companies. If an economic planning study request is not a local economic study request, *i.e.*, is either regional or interregional, the NV Energy Inc. Operating Companies shall forward the request to WestConnect or TEPPC, as appropriate. The criteria TEPPC utilizes to prioritize requests for regional economic studies are posted on the TEPPC page of the WECC website.
- d. Cost Responsibility for Local Economic Planning Studies
 - i. Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.4., including clustered priority local economic planning studies selected pursuant to Section II.A.4., will be performed or caused to be performed by the NV Energy, Inc. Operating Companies at the NV Energy, Inc. 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 WestConnect as discussed in Part III of this Attachment K.
 - iii. Other Local Economic Study Requests. Local economic study requests not selected pursuant to Sections II.A.4. may be performed at the Requester's expense. The NV Energy, Inc. 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 Economic Priority Study, the NV Energy, Inc. Operating Companies will assign the cost of producing the clustered economic planning study, including any third-party study work required by the NV Energy, Inc. Operating Companies, on an equal basis to each Requester participating in that study.

g. Exchange of Data Unique to Economic Planning Studies

i. The NV Energy, Inc. 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, or its successor organization, in accordance with its procedures.

iii. Requester's request for economic planning studies and responses to such requests shall be posted on the SPPC / NPC (as applicable) OASIS (see the 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. NV Energy, Inc. Operating Companies Point of Contact for Study Requests. The NV Energy, Inc. 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 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. NV Energy, Inc. Operating Companies Stakeholder/Open Public Meeting Process for Local Transmission Planning

The NV Energy, Inc. Operating Companies will hold at least two open public local 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 NV Energy, Inc. Operating Companies transmission plans. One of the two meetings will be held during the 4th Quarter and the NV Energy, Inc. Operating Companies, along with customers and stakeholders will review the economic study requests that were submitted by September 30th of 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 NV Energy, Inc. 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 NV Energy, Inc. Operating Companies transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
- c. Provide a forum for the NV Energy, Inc. Operating Companies to understand better the specific electric transmission interests of key stakeholders.

2. The NV Energy, Inc. Operating Companies Public Planning Meeting Process

- a. Open Stakeholder Meetings. All public transmission planning meetings will be open to all stakeholders.
- b. The NV Energy, Inc. Operating Companies Planning Meeting Schedule. The NV Energy, Inc. 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 NV Energy, Inc. Operating Companies to maximize their understanding of their customers' forecasted needs for the NV Energy, Inc. 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 NV Energy, Inc. Operating Companies transmission systems and planning process, as well as to propose alternatives for any upgrades identified by the NV Energy, Inc. Operating Companies; (iii) review study results; and (iv) review transmission plans.
- d. Coordination with subregional groups. Through past experience, the NV Energy, Inc. Operating Companies anticipate that much of their local transmission planning process will be conducted and coordinated through the SWAT or SSPG subregional planning groups. The NV Energy, Inc. Operating Companies will schedule public meetings to coordinate with the SWAT quarterly planning schedule, which is described in more detail below.
- e. Posting of Meeting Notices. Meeting Notices, including date, time, place and meeting agenda will be posted on the NPC / SPPC OASIS web sites (see the 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

NV Energy, Inc. Operating Companies will establish their public planning meeting schedule as needed, but no less than twice annually.

- f. Meeting Agendas. The agendas for the NV Energy, Inc. Operating Companies' public planning meetings will be sufficiently detailed, posted on the NPC /SPPC OASIS web sites (see the 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. The NV Energy, Inc. Operating Companies Distribution List. All existing NV Energy, Inc. Operating Companies' Network and Point-to-Point Transmission Customers and Interconnection Customers will be included on the NV Energy, Inc. Operating Companies' distribution list and notified via email of all upcoming public meetings. Any other stakeholder wanting to be included on the NV Energy, Inc. Operating Companies' email distribution list should contact the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the 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 NV Energy, Inc. Operating Companies with current contact information, including email addresses.
- h. Electronic Input and Comments. Stakeholders are encouraged to provide input, comments, advice and questions into the process at any time via the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the 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. Local Public Planning Meeting Schedule.
 - i. At the 2nd Quarter public planning meetings, the NV Energy, Inc. 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 NVE 2nd Quarter meeting (see Section II.A.3.d.i) for inclusion in NVE's draft transmission study plan. The NV Energy, Inc. 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 NV Energy, Inc. Operating Companies will review economic planning study requests received by September 30 (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 NV Energy, Inc. Operating Companies OASIS (see the 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/>).

- j. Posting of Meeting Documents. The NV Energy, Inc. Operating Companies will post all meeting-related notes, documents and draft or final reports on the SPPC and NPC OASIS web sites (see the 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. Posting of Public Documents. Public information will be posted on the SPPC and NPC OASIS websites.

C. Ten or Twenty Year Transmission System Plan

Each year the NV Energy, Inc. Operating Companies use the planning process described in Section II. A above to complete an informal update of their local transmission plan (see the 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) filing with the PUCN. The Ten or Twenty Year Transmission System Plan identifies all new transmission facilities, 115 kV and above (as applicable), and all facility replacements and/or upgrades required over the next ten or 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. Coordination of Reliability Planning with the Western Electricity Coordinating Council (WECC), or its successor organization

As a member of WECC, the NV Energy, Inc. Operating Companies participates in the WECC transmission planning process and coordinates with WECC with respect to reliability planning.

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, or mitigate, adverse reliability effect on existing projects.

E. Cost Allocation For New Projects

1. The NV Energy, Inc. 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:

i. Solicitation of Interest

The NV Energy Operating Companies may elect to conduct a solicitation of interest for certain projects. Upon a determination by the NV Energy Operating Company to hold a solicitation of interest for a transmission project, the NV Energy Operating Company 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, subject to FERC approval.

ii. Allocation of Costs

a. Proportional Allocation

For any project entered into pursuant to a 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 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 any project wholly within the NV Energy, Inc. Operating Companies' local 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. NV Energy, Inc. Operating Companies' Rate Recovery

Notwithstanding the foregoing provisions, the NV Energy, Inc. Operating Companies will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

iii. Exclusions

The cost for projects undertaken in connection with requests for generator interconnection or transmission service on the NV Energy, Inc., Operating Companies' systems are governed by the NV Energy, Inc., Operating Companies' OATT and will not be subject to the provision of this Attachment K.

III. WESTCONNECT ORDER NO. 1000 REGIONAL TRANSMISSION PLANNING PROCESS

A. Overview

The NV Energy, Inc. Operating Companies participate in the WestConnect regional transmission planning process (“Regional Planning Process”) established to address the transmission planning principles set forth in Order No. 890 and carried forward in FERC’s Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), *et al.* (Order No. 1000).

The role of WestConnect’s Order No. 1000 Regional Planning Process is to produce a regional transmission plan (“Regional Plan”) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual (“WestConnect Business Practice Manual”), as may be amended from time to time, available on the WestConnect website.

The NV Energy, Inc. Operating Companies are currently parties to the WestConnect Subregional Transmission Planning Project Agreement (“WestConnect STP Project Agreement”) (see the [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 are actively engaged in the SWAT and SSPG planning groups. The WestConnect Planning Region is defined by the interconnected transmission owners and providers enrolled in the WestConnect Regional Planning Process. The service areas of the transmission owners and providers consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas, and Wyoming.

Following the last effective date of the NV Energy Inc. Operating Companies’ Order No. 1000 compliance filing, the WestConnect members shall terminate or supercede the WestConnect STP Project Agreement and will establish a WestConnect Order No. 1000 regional transmission planning management committee (“Planning Management Committee”). The Planning Management Committee will be responsible for administering the WestConnect Regional Planning Process.

In conjunction with the termination of the WestConnect STP Agreement, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the WestConnect Order 1000 regional transmission planning process. Although, the WestConnect Regional Planning Process is open to the public, any participant/stakeholder interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The Planning Management Committee will implement a stakeholder developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

Each WestConnect party will be a signatory to the Planning Participation Agreement, which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate regional transmission planning among the WestConnect participants and the local transmission planning processes, and produce a Regional Plan. The Planning Participation Agreement is also open for participation by other non-WestConnect transmission providers that participate in the Regional Planning Process.

2. Enrollment

WestConnect has two types of members: (i) Transmission Owners that join the WestConnect Planning Region in order to comply with Order 1000 planning requirements and (ii) stakeholders who wish to have voting input in to the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A Transmission Owner with a Load Serving Obligation that wishes to join the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A Stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement and paying annual dues as outlined therein.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a Stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing Stakeholders will forfeit any monies or dues paid to the Planning Management Committee and agree to remit to the Planning Management Committee any outstanding monies owed to WestConnect prior to their withdrawal being considered official.

To the extent a WestConnect Planning Region member is allocated costs through a voluntary cost-sharing arrangement to support a Planning Management Committee-approved regional project, following its exit from the WestConnect Planning Region that member will remain responsible for its portion of those project costs in accordance with the terms of the relevant voluntary cost-sharing arrangement for that project.

c. List of Enrolled Entities

A list of entities enrolled in the Regional Planning Process is maintained on the WestConnect website and included in the WestConnect Business Practice Manual.

B. WestConnect Objectives and Procedures for Order No. 1000 Regional Transmission Planning

The Regional Planning Process will produce a regional transmission plan that complies with existing Order No. 890 principles and carried forward in FERC's Order No. 1000:

- a. Coordination
- b. Openness
- c. Transparency
- d. Information exchange
- e. Comparability
- f. Dispute resolution

Pursuant to the WestConnect Objectives and Procedures for Regional Transmission Planning, the NV Energy, Inc. Operating Companies, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate their transmission plans into a single ten year regional transmission plan for the WestConnect footprint by:

- a. Actively coordinating development of the regional transmission plan, including incorporating information, as appropriate, from all stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;
- d. 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
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website.

C. Cost Allocation Methodology in WestConnect Order No. 1000 Regional Transmission Planning Process

In compliance with the requirements of FERC Order 1000 WestConnect has established a cost allocation process for regional transmission projects selected in the WestConnect regional planning process for cost allocation. Allocation of project costs shall be based on the benefits received in accordance with the following cost allocation principles:

- Cost assignments must be commensurate with estimated benefits;
- Those that receive no benefits must not be involuntary assigned costs;
- Should a benefit to cost threshold be used it cannot be so high that projects with significant benefits are excluded. (Cannot be above 1.25 without FERC approval);
- Costs must be allocated solely within the region unless other voluntarily assumes costs;
- Cost allocation method and data must be transparent and with adequate documentation; May use different cost allocation methods for different types of projects.

D. Roles in the Regional Transmission Planning Process

1. WestConnect Role

WestConnect is responsible for bringing regional transmission planning information together and sharing updates on active projects. WestConnect provides an open forum where any Stakeholder interested in the planning of the regional transmission system in the WestConnect footprint 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. On a biennial basis and in coordination with its members, Transmission Owners, and other interested stakeholders, WestConnect shall develop the WestConnect Regional Transmission Plan.

WestConnect will form a Planning Management Committee charged with development and approval of the WestConnect regional transmission plan. The Planning Management Committee shall be comprised of representatives from each stakeholder sector. The Planning Management Committee shall be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning Stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process. Attendance at meetings is voluntary and open to all interested Stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect members shall assist Stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites.

(See the [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/>). All Stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle shall contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

WestConnect also provides a forum for transmission project sponsors to introduce their specific projects to interested Stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the WestConnect transmission planning process.

4. Stakeholder Meetings

WestConnect shall hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the Planning Management Committee with 30 days advance notice to update Stakeholders about its progress in developing the WestConnect regional transmission plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings shall be posted on the WestConnect website and via email to the WestConnect Regional Planning Process email distribution list.⁴

The meeting agendas for all WestConnect planning meetings shall be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow Stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Regional Planning Process Governance

a. Membership Sectors

The Regional Planning Process shall be governed by the Planning Management Committee, which shall be tasked with executing the WestConnect regional transmission planning process and shall have authority for approving the regional transmission plan. The Planning Management Committee shall be comprised of five stakeholder sectors

- Transmission Owners with Load Serving Obligation
- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Except for members qualified to join the Transmission Owners with Load Serving Obligation sector, any entity may join any membership sector for which it qualifies but may only participate in one membership sector. Qualified transmission owners may only join the Transmission Owners with Load Serving Obligations membership sector.

b. Planning Management Committee

The Planning Management Committee shall be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities. All actions of the Planning Management Committee (including approval of the Regional Plan) shall be made possible by satisfying either of the following requirements:

- 75% of the members voting of at least 3 sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector
- 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and 2/3 of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion

E. Submission of Data by Customers, Transmission Developers, and Transmission Owners

Consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project

4. The WestConnect website is located at <http://www.westconnect.com>.

to qualify for a project submittal for purposes of cost allocation. The data necessary for any project submitted shall be listed in the WestConnect Transmission Planning Business Practice Manual.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the WestConnect process to submit data directly to the WestConnect stakeholder process. This data may include, but is not limited to load forecasts, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

Adequate advance notice shall be given for customers to submit any required data and data submissions shall generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include projects that the developer wishes to be considered for regional cost allocation.

Each regional transmission planning cycle shall include a submission period for project ideas as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the regional planning process may do so.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation purposes. Nonetheless, coordination between merchant projects and the regional transmission planning process is necessary to effect a coordinated regional transmission plan that considers all system needs.

Each regional transmission planning cycle shall include a submission period for project ideas as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system shall be asked to provide certain project information.

The data required of merchant transmission developers shall be listed in the WestConnect Transmission Planning Business Practice Manual.

4. Transmission Owners with Load Serving Obligation

Transmission Owners that are members of the WestConnect region are responsible for providing all necessary system information to the Regional Planning Process.

At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they

have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the regional transmission plan for purposes of cost allocation in accordance with the Section below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the WestConnect Regional Transmission Plan models, but such submittals shall not constitute an obligation or proposal to build, but shall be submitted for informational and studying purposes only.

5. Transmission Project Submittals Seeking Cost Allocation

The following criteria must be satisfied in order for a project submittal to be evaluated for purposes of cost allocation under the Regional Planning Process:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- If seeking cost allocation through WestConnect, a \$25,000 fee to support the cost of relevant study work
- Comparison Risk Score from WECC Environmental Data Task Force, if available

An open submission period for project proposals to address identified regional needs will be conducted during the fourth calendar quarter of the regional transmission planning cycle. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days. Proposals submitted outside that window will not be considered. The Planning Management Committee will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the Planning Management Committee.

Any Stakeholder wishing to present a project idea shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The Planning Management Committee retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, WestConnect will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the Planning Management Committee in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any Stakeholder may submit projects proposing non-transmission alternatives for evaluation under the Regional Planning Process. The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files if available)

As with entities submitting a transmission project, those who submit a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information and the same submittal fees as transmission alternatives, as described above. Although non-transmission alternative projects will be considered, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. WestConnect will develop and publish a Regional Plan every other year, with the first Regional Plan to be produced no earlier than two calendar years (and no later than three calendar years) following final Commission action on the Order No. 1000 compliance filings of all jurisdictional public utility Transmission Owners who formally enroll in the WestConnect Planning Region

F. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are

considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder proposing them.

G. WestConnect Reliability Planning Process

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models. The base case system models will then be checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria as outlined in the Business Practice Manual.

The Regional Plan will identify projects to resolve any remaining violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, an opportunity will be afforded any interested party to propose regional reliability projects that replace components of multiple Transmission Owners' local transmission plans, provided they are found to be more efficient or cost effective to other proposed solutions. The Regional Planning Process will then identify the most appropriate transmission project, taking into account factors such as project feasibility, how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards, the Regional Planning Process will secure the approval of the local Transmission Owner before modifying their local transmission plan.

H. WestConnect Economic Planning Process

As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region. WestConnect will analyze economic projects upon a WECC Board-approved recommendation to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect Stakeholders or developed through the Stakeholder process for evaluation of economic benefits.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion.

The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost effective.

I. WestConnect Public Policy Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to aid in meeting transmission needs driven by public policy requirements, as they may be established. During the initial stages of each regional transmission planning cycle, WestConnect Stakeholders will review enacted public policy requirements and determine which transmission needs will be included in the modeling for that cycle.

At a minimum, any transmission needs driven by enacted state or federal public policy requirements will be included in the transmission system models underlying the development of the Regional Plan. Transmission needs driven by proposed public policy requirements may be evaluated in the scenario planning analysis if time and resources permit.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

The procedures for evaluating potential solutions to the identified transmission needs driven by public policy requirements are the same as those procedures used to evaluate any other project proposed in the local planning process and/or Regional Planning Process, whether or not submitted for purposes of cost allocation.

3. Posting of Public Policy Needs

WestConnect will maintain on its website (i) a list of all transmission needs identified that are driven by public policy requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by public policy requirements will not be evaluated.

J. Consideration of Non-Transmission Alternatives

Non-transmission alternatives will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by public policy requirements. Non-transmission alternatives are not eligible for regional cost allocation.

K. Approval of the WestConnect Regional Plan

Upon completion of the studies and stakeholder input, the Planning Management Committee will vote to approve the Regional Transmission Plan. The Regional Plan will document why projects were either included or not included in the regional plan. Projects that meet system needs are incorporated into the Regional Plan.

L. Reevaluation of the WestConnect Regional Plan

The Planning Management Committee is responsible for determining, during each planning cycle, when and if projects are to be reevaluated. Any project that is reevaluated according to the criteria below may also be subject to modification of its status as a project selected for cost allocation, with any costs reallocated under Section N as if it were a new project. Projects subject to reevaluation include, but are not limited to:

- Projects that are delayed and fail to meet their submitted in-service date by more than 2 years;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations;

- Projects with any change in participatory or cost allocation entities that result in a project that is not fully funded; and
- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission owners' transmission planning (TPL) assessments to mitigate reliability issues;
- Planned transmission system upgrades to existing facilities; and
- Projects that have been approved by WestConnect in previous planning cycles unless agreed upon by the beneficiaries identified in the approved project.

Projects meeting any of the following criteria prior to the last effective date of the WestConnect FERC-jurisdictional Transmission Owners' Order No. 1000 compliance filings will also not be subject to reevaluation under the Regional Planning Process:

- Projects that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the last effective date of the FERC-jurisdictional Transmission Owners' Order No. 1000 compliance filings.

M. Confidential or Proprietary Information

Although the Regional Planning Process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open Stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII by FERC, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those Stakeholders that (i) hold membership in or execute a non-disclosure agreement with WECC (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; or (iii) are parties to the Planning Participation Agreement, as may be applicable.

N. Cost Allocation

The WestConnect Regional Transmission Planning Process adopts the cost allocation framework established below. This framework ensures that for projects located in the WestConnect Region, costs are allocated only to those that benefit. Specifically, the WestConnect Region shall consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- (1) Reliability Projects;
- (2) Economic or Congestion Relief Projects; or
- (3) Public Policy Projects.

a. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation. A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. Otherwise, A Local Transmission Project that is not submitted and **or not** selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

For any transmission project where the NV Energy Inc., Operating Companies are the sole owner or such project is to be built within or for the benefit of the existing NV Energy Inc., Operating Companies' system such as local, small and/or reliability transmission projects, the NV Energy Inc., Operating Companies shall proceed with the project pursuant to its rights and obligations as a Transmission Provider for the local area. Any projects necessary to ensure the reliability or that provide economic benefits to the NV Energy Inc., Operating Companies' system and which fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

NV Energy Inc., Operating Companies' may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

b. Regional Allocation of Costs

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project, subject to the beneficiaries' decision on whether and who agree to participate in such regional project.

The Planning Management Committee determines whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded, as applicable.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities outside the region voluntarily assume costs.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the Planning Management Committee will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. The NV Energy Inc., Operating Companies encourage all interested Stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation assessment. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

In order to allocate costs to customers for system reliability improvements that are necessary for their system to meet the NERC TPL standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and Stakeholders shall be afforded an opportunity to propose projects that replace components of multiple Transmission Owner local plans as outlined in Section III.D above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed most efficiently by a single project and the utilities approve the change to their local plans, that project shall be approved and the cost shall be shared by those utilities in proportion to the cost of alternatives that could be pursued by the individual utility to resolve the reliability issue.

The costs for regional reliability projects shall be allocated according to the following equation:

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

B is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

C is the total cost of the regional reliability project

D is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

2. Allocation of Costs for Economic Projects

WestConnect shall establish a B/C ratio of 1.25 for a project to be considered economically-justified and receive cost allocation associated with economic projects. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures

that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Criteria for WestConnect's production cost simulations are contained in the Business Practice Manual.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the total projected present value of economic benefits for the relevant Transmission Owner's retail distribution service territory or footprint

B is the total projected present value of economic benefits for the entire project

C is the total cost of the economic project

D is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

Any Transmission Owner's retail distribution service territory or footprint with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from legislated public policy requirements, as defined by the planning process, shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from public policy needs that are not legislated shall be reported by each entity for its own service territory; decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by public policy requirements shall be included in the evaluation of reliability and economic projects.

Any projects arising out of a need for transmission infrastructure to satisfy the public policy requirements shall be considered public policy projects. The costs of these projects shall be shared with the entities that shall access the resources enabled by the project in order to meet their public policy requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects shall be allocated according to the following equation:
(A divided by B) times C equals D

Where:

A is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

B is the total number of megawatts of public policy resources enabled by the public policy project

C is the total project cost

D is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section of each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Requests for transmission service necessary to meet public policy requirements shall be addressed through the public policy requirements section of the Regional Planning Process.

4. Combination of Benefits

In developing a more efficient and cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect Stakeholder process; however, the value of economic benefits may only be considered in response to a WECC Board-approved recommendation to study congestion in the WestConnect footprint.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefits.

5. Allocation of Ownership and Capacity Rights

To the extent a project beneficiary elects to participate in a project approved for cost allocation in the Regional Transmission Plan, the beneficiary will receive transmission transfer capability on the project in exchange for transmission service payments. In addition, a project beneficiary with transfer capability on the project may resell the transfer capability. If the beneficiary makes direct capital contribution to the project construction cost, it shall receive an ownership percentage in proportion to their capital contribution.

6. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for choosing a developer for, or managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the

transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the progress status of the transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

O. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation, (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation, or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

IV. RECOVERY OF PLANNING COSTS

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as permitted under the OATT, 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.

V. DISPUTE RESOLUTION PROCEDURES

For purposes of the NV Energy, Inc. Operating Companies' transmission planning processes, the NV Energy, Inc. 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 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 NV Energy, Inc. 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 V, 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.

VI. INTERREGIONAL PLANNING

This Part VI of Attachment K to the OATT 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. WestConnect is to conduct the activities and processes set forth in this Part VI of Attachment K to the OATT in accordance with the provisions of this Part VI and the other provisions of this Attachment K to the OATT.

Nothing in this part 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.

References in this part to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

A. Definitions

The following capitalized terms were used in this Part VI of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VI.C below.

Annual Interregional Information: shall have the meaning set forth in Section VI.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VI.E.2 below.

Interregional Transmission Project (“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 VI.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Part VI, which relates to Order 1000 interregional provisions.

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.

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 VI.D.2, at which time it shall no longer be considered a Relevant Planning Region.

B. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect'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").

WestConnect is to 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 WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect 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 WestConnect 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 WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect or any of the members of WestConnect 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 WestConnect, 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.

C. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to 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. WestConnect is to 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 WestConnect's regional transmission plan.

D. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VI.D.2 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.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VI.D.1, WestConnect (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 VI.D.1 or

the immediately following calendar year. With respect to any such ITP, WestConnect (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 VI.D.1, WestConnect (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 WestConnect's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VI.D.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VI.D.2 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 WestConnect's regional transmission needs.

E. Interregional Cost Allocation Process

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 VI.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect 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.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VI.E.1, WestConnect (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) WestConnect'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 VI.F.2 below) to each Relevant Planning Region using the methodology described in this Section VI.E.2.

For each ITP that meets the requirements of Section VI.E.1, WestConnect (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 WestConnect's analysis;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VI.E.2 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 WestConnect, WestConnect is to 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; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;
- (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 this Section VI.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VI.D.2.

F. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection by All Relevant Planning Regions

If WestConnect (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, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VI.E.2(d) or VI.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

2. Selection by at Least Two but Fewer than All Relevant Regions

If WestConnect (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, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VI.E.2(d), VI.E.2(e), and VI.E.2(f) above 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 WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VI.E.2(d) or VI.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

Attachment 5

Red-lined Version of NV Energy Tariff

Attachment K: Transmission Planning Process

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I. OVERVIEW OF THE NV ENERGY, INC. 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 NV Energy, Inc., (a public utility holding company) and are referred to herein as the NV Energy, Inc. Operating Companies. The NV Energy, Inc. Operating Companies are Transmission Providers providing Transmission Service and Interconnection Service under the NV Energy, Inc. Operating Companies Open Access Transmission Tariff (OATT) and are engaged in the business of generating, transmitting and distributing electricity in Nevada, and limited transmission in California. The NV Energy, Inc. Operating Companies provide electric transmission and related reliability services under state and federal statutes and regulations. The NV Energy, Inc. Operating Companies' local, regional, and subregional transmission planning processes are 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 NV Energy, Inc. Operating Companies' engage in local, regional and subregional transmission planning processes. The NV Energy, Inc. Operating Companies conduct a series of local open planning meetings 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 NV Energy, Inc. Operating Companies' local transmission plan.

In addition to their local transmission planning processes, the NV Energy, Inc. Operating Companies coordinate regional and subregional transmission planning with other transmission providers and stakeholders in the Desert Southwest, Northern Nevada and Northern California areas, and the Western Interconnection as a whole, through their active participation in the Southwest Area Transmission (SWAT) planning group, Sierra Subregional Planning Group (SSPG), membership in WestConnect,¹ membership in the Western Electricity Coordinating

1. WestConnect was formed under a memorandum of understanding (MOU) among twelve, jurisdictional and non-jurisdictional transmission providing electric utilities in the Western Interconnection. Under the MOU, the purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market participants and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Current FERC jurisdictional transmission utilities who have executed the WestConnect MOU are: Arizona Public Service Company, El Paso Electric Company, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Black Hills Power, and Tucson Electric Power Company. Following the last effective date of the NV Energy Inc. Operating Companies' Order No. 1000 compliance filing, the WestConnect members shall establish a regional planning management committee (as further described in Part III of this Attachment K) which shall be responsible for regional transmission planning under the principles set for in Order No. 890 and carried forward in FERC's

Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS), and the WECC Planning Coordination Committee.

Three subregional planning groups operate within the WestConnect footprint: SWAT, the Colorado Coordinated Planning Group (CCPG), and SSPG. The NV Energy, Inc. Operating Companies participate in the SWAT and SSPG subregional planning groups. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement), dated May 23, 2007 (see the 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 NV Energy, Inc. Operating Companies are signatories to the WestConnect STP Project Agreement.²

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager (pursuant to the WestConnect STP Project Agreement) formed the WestConnect Planning Management Committee to comply with the requirements of Order No. 890, *et. al*, and coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic planning study database for the entire Western Interconnection and performs annual congestion studies in the Western Interconnection. The NV Energy, Inc. Operating Companies' participation in a regional planning process is undertaken through WestConnect as further described in Part III of this Attachment K.

Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), *et al.* (Order No. 1000).

2. The NV Energy Inc. Operating Companies note that prior to October 11, 2012, the term "Subregional" was used to refer to regional planning, as such term is defined under FERC's Order No. 1000. Following the effective date of the NV Energy Inc. Operating Companies' Order No. 1000 compliance filing, the NV Energy, Inc. Operating Companies shall use the term regional planning in the same manner used in FERC's Order No. 1000.

II. NV ENERGY, INC. OPERATING COMPANIES' LOCAL TRANSMISSION PLANNING

A. NV Energy Companies' Local Transmission Planning Process

Participation in the NV Energy, Inc. Operating Companies' local 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

Where appropriate, the NV Energy, Inc. Operating Companies' local transmission planning studies may include base case data that is WECC proprietary data, data that is classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC), confidential customer specific information, or other information that may be deemed to be confidential.

A stakeholder must hold membership in and/or execute a non-disclosure agreement with WECC in order to have access base case data from WECC, or its successor entity. As appropriate, a stakeholder may obtain local transmission planning information classified as CEII from the NV Energy, Inc. Operating Companies, or other confidential information, upon execution of an appropriate non-disclosure agreement with NPC or SPPC, as necessary.

2. Types of Planning Studies

- a. Transmission Planning Studies. NV Energy, Inc. Operating Companies will conduct local reliability planning studies to ensure that all network transmission customers' and NV Energy, Inc. Operating Companies' retail customers' requirements for planned loads and resources, including demand response resources, or other non-transmission alternatives (as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority) 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 with the appropriate Balancing Authorities in accordance with NERC and WECC standards and with appropriate subregional transmission planning organizations (SWAT or SSPG).
- 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; (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.

NV Energy, Inc. Operating Companies will perform, or cause to be performed, economic planning studies at the request of a transmission customer or stakeholder. Costs for such studies shall be as set forth in Section II.A.4 of this Attachment K. Economic planning studies performed, either by NV Energy, Inc. Operating Companies will utilize the TEPPC public data base.

3. NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process

a. Transmission Plan Needs Assessment. The NV Energy, Inc. Operating Companies' local 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 and satisfy public policy requirements mandated by federal or state legislation or regulation.
- ii. Where feasible, identify alternatives such as demand response resources, or other non-transmission alternatives as approved by the Public Utilities Commission of Nevada or other appropriate governmental authority, that could meet or mitigate the need for transmission additions or upgrades.
- iii. Support of the NV Energy, Inc. 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. NV Energy, Inc. Operating Companies' Local Transmission Planning Cycle

- i. Planning Cycle. Each of the NV Energy, Inc. Operating Companies conducts local 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 (3.b.ii) below.
- ii. Triennial Twenty Year Plan. Each of the NV Energy, Inc. Operating Companies updates its local 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 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 NV Energy, Inc. 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".³ This report is available on NSOE

3. 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 basis.

web site (see the 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 NV Energy, Inc. 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.
- ii. Submission of Data by Network Transmission Customers. As required pursuant to the NV Energy, Inc. 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 NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the 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 NV Energy, Inc. Operating Companies' local planning process, it is essential that all other customers provide their ten year needs in the form of relevant data for inclusion in the NV Energy, Inc. Operating Companies transmission planning process. This information must be submitted electronically by transmission customers to the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the 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 NV Energy, Inc. 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 NV Energy, Inc. Operating Companies of material changes in any of the information previously provided to NV Energy, Inc. 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 NV Energy, Inc. Operating Companies' ability to provide service.
- d. Stakeholder Participation in NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process
 - i. In its 2nd Quarter public planning meeting, NV Energy, Inc. Operating Companies will (a) review its current local 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 NV Energy, Inc. Operating Companies for study plan alternatives; (e) provide an opportunity for the submittal of additional stakeholder study plan proposals for review and discussion; and (f) provide updates on NV Energy, Inc. Operating Companies' planned transmission projects.
 - ii. In its 4th Quarter public planning meeting, NV Energy, Inc. 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 NV Energy, Inc. Operating Companies' OASIS websites.
- e. Coordination of the NV Energy, Inc. Operating Companies' Study Cycle with SWAT and SSPG Study Cycles. The NV Energy, Inc. Operating Companies will coordinate the timing of its local transmission planning study cycle with the development of the assumptions, coordinated base cases and power flow cases performed with the SWAT and SSPG planning groups, which is open to participation by all interested parties.
- f. NV Energy, Inc. Operating Companies' Point of Contact for Questions on the NV Energy, Inc. Operating Companies' Local Transmission Planning Study Process. The NV Energy, Inc. 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 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. NV Energy, Inc. Operating Companies' Local Transmission Planning Study Criteria and Guidelines. Transmission customers and stakeholders should refer to the NV Energy, Inc. Operating Companies' Local Transmission Planning Process and Guidelines for the NV Energy, Inc. Operating Companies' transmission planning criteria, guidelines, assumptions and data. The Planning Guidelines are posted on the NVE OASIS (see the 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. Local Economic Planning Study Requests
- a. Requesting Local Economic Planning Studies. Any of the NV Energy, Inc. 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 a local economic planning study directly to the NV Energy, Inc. Operating Companies. The Requester must submit its study request(s) no later than September 30 of each year if it wishes the NV Energy, Inc. Operating Companies to review the study request(s) with stakeholders at its 4th Quarter open public planning meeting. The NV Energy, Inc. Operating Companies require that study request(s) be submitted electronically to Transmission_Planning@nvenergy.com.
 - i. Factors Used to Determine Whether a Local Economic Planning Study Request is a Priority Request. The NV Energy, Inc. 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 NV Energy, Inc. 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?

ii. Economic Transmission Planning Study Requests Determined to be a Local Priority

(a) If the NV Energy, Inc. Operating Companies determine that the study request is a local priority request, the NV Energy, Inc. Operating Companies will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors as appropriate. The NV Energy, Inc. Operating Companies 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 NV Energy, Inc. 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 NV Energy, Inc. Operating Companies elect not to perform such an additional study, the Requester may request, and the NV Energy, Inc. Operating Companies will provide, assistance in having a third party perform the local economic planning study at the Requester's expense.

iii. Non Priority Local Economic Study Requests. If the NV Energy, Inc. Operating Companies, after reviewing through an open stakeholder process, that the requested local economic planning study is not a priority study, the Requester may request the NV Energy, Inc. Operating Companies' assistance in having a third party perform the economic planning analysis at the Requester's expense.

b. Clustering Local Priority Economic Planning Studies. The NV Energy, Inc. Operating Companies may determine that any number of Requesters' economic planning study requests should be studied together, or a Requester may request that the NV Energy, Inc. Operating Companies study its request together with other requests. The NV Energy, Inc. Operating Companies will combine such studies as they deem appropriate.

i. Proposed Clusters. In the event that the NV Energy, Inc. Operating Companies propose to cluster certain studies, they shall provide notice to each Requester to be included in the cluster study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from the NV Energy, Inc. Operating Companies. If a Requester opts out of a proposed cluster, the Requester will be responsible for all study costs and such study 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 NV Energy, Inc. 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. The NV Energy Inc., Operating Companies 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. The NV Energy, Inc. Operating Companies 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.

- c. Process for Handling Economic Transmission Planning Study Requests by the NV Energy, Inc. Operating Companies. If an economic planning study request is not a local economic study request, *i.e.*, is either regional or interregional, the NV Energy Inc. Operating Companies shall forward the request to WestConnect or TEPPC, as appropriate. The criteria TEPPC utilizes to prioritize requests for regional economic studies are posted on the TEPPC page of the WECC website.
- d. Cost Responsibility for Local Economic Planning Studies
 - i. Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.4., including clustered priority local economic planning studies selected pursuant to Section II.A.4., will be performed or caused to be performed by the NV Energy, Inc. Operating Companies at the NV Energy, Inc. 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 WestConnect as discussed in Part III of this Attachment K.
 - iii. Other Local Economic Study Requests. Local economic study requests not selected pursuant to Sections II.A.4. may be performed at the Requester's expense. The NV Energy, Inc. 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 Economic Priority Study, the NV Energy, Inc. Operating Companies will assign the cost of producing the clustered economic planning study, including any third-party study work required by the NV Energy, Inc. Operating Companies, on an equal basis to each Requester participating in that study.

g. Exchange of Data Unique to Economic Planning Studies

i. The NV Energy, Inc. 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, or its successor organization, in accordance with its procedures.

iii. Requester's request for economic planning studies and responses to such requests shall be posted on the SPPC / NPC (as applicable) OASIS (see the 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. NV Energy, Inc. Operating Companies Point of Contact for Study Requests. The NV Energy, Inc. 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 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. NV Energy, Inc. Operating Companies Stakeholder/Open Public Meeting Process for Local Transmission Planning

The NV Energy, Inc. Operating Companies will hold at least two open public local 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 NV Energy, Inc. Operating Companies transmission plans. One of the two meetings will be held during the 4th Quarter and the NV Energy, Inc. Operating Companies, along with customers and stakeholders will review the economic study requests that were submitted by September 30th of 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 NV Energy, Inc. 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 NV Energy, Inc. Operating Companies transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
- c. Provide a forum for the NV Energy, Inc. Operating Companies to understand better the specific electric transmission interests of key stakeholders.

2. The NV Energy, Inc. Operating Companies Public Planning Meeting Process

- a. Open Stakeholder Meetings. All public transmission planning meetings will be open to all stakeholders.
- b. The NV Energy, Inc. Operating Companies Planning Meeting Schedule. The NV Energy, Inc. 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 NV Energy, Inc. Operating Companies to maximize their understanding of their customers' forecasted needs for the NV Energy, Inc. 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 NV Energy, Inc. Operating Companies transmission systems and planning process, as well as to propose alternatives for any upgrades identified by the NV Energy, Inc. Operating Companies; (iii) review study results; and (iv) review transmission plans.
- d. Coordination with subregional groups. Through past experience, the NV Energy, Inc. Operating Companies anticipate that much of their local transmission planning process will be conducted and coordinated through the SWAT or SSPG subregional planning groups. The NV Energy, Inc. Operating Companies will schedule public meetings to coordinate with the SWAT quarterly planning schedule, which is described in more detail below.
- e. Posting of Meeting Notices. Meeting Notices, including date, time, place and meeting agenda will be posted on the NPC / SPPC OASIS web sites (see the 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

NV Energy, Inc. Operating Companies will establish their public planning meeting schedule as needed, but no less than twice annually.

- f. Meeting Agendas. The agendas for the NV Energy, Inc. Operating Companies' public planning meetings will be sufficiently detailed, posted on the NPC /SPPC OASIS web sites (see the 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. The NV Energy, Inc. Operating Companies Distribution List. All existing NV Energy, Inc. Operating Companies' Network and Point-to-Point Transmission Customers and Interconnection Customers will be included on the NV Energy, Inc. Operating Companies' distribution list and notified via email of all upcoming public meetings. Any other stakeholder wanting to be included on the NV Energy, Inc. Operating Companies' email distribution list should contact the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the 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 NV Energy, Inc. Operating Companies with current contact information, including email addresses.
- h. Electronic Input and Comments. Stakeholders are encouraged to provide input, comments, advice and questions into the process at any time via the NV Energy, Inc. Operating Companies contact person as identified on the SPPC and NPC OASIS web sites (see the 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. Local Public Planning Meeting Schedule.
 - i. At the 2nd Quarter public planning meetings, the NV Energy, Inc. 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 NVE 2nd Quarter meeting (see Section II.A.3.d.i) for inclusion in NVE's draft transmission study plan. The NV Energy, Inc. 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 NV Energy, Inc. Operating Companies will review economic planning study requests received by September 30 (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 NV Energy, Inc. Operating Companies OASIS (see the 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/>).

- j. Posting of Meeting Documents. The NV Energy, Inc. Operating Companies will post all meeting-related notes, documents and draft or final reports on the SPPC and NPC OASIS web sites (see the 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. Posting of Public Documents. Public information will be posted on the SPPC and NPC OASIS websites.

C. Ten or Twenty Year Transmission System Plan

Each year the NV Energy, Inc. Operating Companies use the planning process described in Section II. A above to complete an informal update of their local transmission plan (see the 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) filing with the PUCN. The Ten or Twenty Year Transmission System Plan identifies all new transmission facilities, 115 kV and above (as applicable), and all facility replacements and/or upgrades required over the next ten or 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. Coordination of Reliability Planning with the Western Electricity Coordinating Council (WECC), or its successor organization

As a member of WECC, the NV Energy, Inc. Operating Companies participates in the WECC transmission planning process and coordinates with WECC with respect to reliability planning.

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, or mitigate, adverse reliability effect on existing projects.

E. Cost Allocation For New Projects

1. The NV Energy, Inc. 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:

i. Solicitation of Interest

The NV Energy Operating Companies may elect to conduct a solicitation of interest for certain projects. Upon a determination by the NV Energy Operating Company to hold a solicitation of interest for a transmission project, the NV Energy Operating Company 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, subject to FERC approval.

ii. Allocation of Costs

a. Proportional Allocation

For any project entered into pursuant to a 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 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 any project wholly within the NV Energy, Inc. Operating Companies' local 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. NV Energy, Inc. Operating Companies' Rate Recovery

Notwithstanding the foregoing provisions, the NV Energy, Inc. Operating Companies will not assume cost responsibility for any project if the cost of the project is not approved for recovery in its retail and/or wholesale rates.

iii. Exclusions

The cost for projects undertaken in connection with requests for generator interconnection or transmission service on the NV Energy, Inc., Operating Companies' systems are governed by the NV Energy, Inc., Operating Companies' OATT and will not be subject to the provision of this Attachment K.

III. WESTCONNECT ORDER NO. 1000 REGIONAL TRANSMISSION PLANNING PROCESS

A. Overview

The NV Energy, Inc. Operating Companies participate in the WestConnect regional transmission planning process (“Regional Planning Process”) established to address the transmission planning principles set forth in Order No. 890 and carried forward in FERC’s Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities, 136 FERC ¶ 61,051 (2011), *et al.* (Order No. 1000).

The role of WestConnect’s Order No. 1000 Regional Planning Process is to produce a regional transmission plan (“Regional Plan”) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual (“WestConnect Business Practice Manual”), as may be amended from time to time, available on the WestConnect website.

The NV Energy, Inc. Operating Companies are currently parties to the WestConnect Subregional Transmission Planning Project Agreement (“WestConnect STP Project Agreement”) (see the [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 are actively engaged in the SWAT and SSPG planning groups. The WestConnect Planning Region is defined by the interconnected transmission owners and providers enrolled in the WestConnect Regional Planning Process. The service areas of the transmission owners and providers consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas, and Wyoming.

Following the last effective date of the NV Energy Inc. Operating Companies’ Order No. 1000 compliance filing, the WestConnect members shall terminate or supercede the WestConnect STP Project Agreement and will establish a WestConnect Order No. 1000 regional transmission planning management committee (“Planning Management Committee”). The Planning Management Committee will be responsible for administering the WestConnect Regional Planning Process.

In conjunction with the termination of the WestConnect STP Agreement, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the WestConnect Order 1000 regional transmission planning process. Although, the WestConnect Regional Planning Process is open to the public, any participant/stakeholder interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The Planning Management Committee will implement a stakeholder developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.

1. WestConnect Planning Participation Agreement

Each WestConnect party will be a signatory to the Planning Participation Agreement, which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate regional transmission planning among the WestConnect participants and the local transmission planning processes, and produce a Regional Plan. The Planning Participation Agreement is also open for participation by other non-WestConnect transmission providers that participate in the Regional Planning Process.

2. Enrollment

WestConnect has two types of members: (i) Transmission Owners that join the WestConnect Planning Region in order to comply with Order 1000 planning requirements and (ii) stakeholders who wish to have voting input in to the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A Transmission Owner with a Load Serving Obligation that wishes to join the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A Stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement and paying annual dues as outlined therein.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect expenditures approved prior to providing its formal notice of withdrawal from the WestConnect Planning Region.

Should a Stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing Stakeholders will forfeit any monies or dues paid to the Planning Management Committee and agree to remit to the Planning Management Committee any outstanding monies owed to WestConnect prior to their withdrawal being considered official.

To the extent a WestConnect Planning Region member is allocated costs through a voluntary cost-sharing arrangement to support a Planning Management Committee-approved regional project, following its exit from the WestConnect Planning Region that member will remain responsible for its portion of those project costs in accordance with the terms of the relevant voluntary cost-sharing arrangement for that project.

c. List of Enrolled Entities

A list of entities enrolled in the Regional Planning Process is maintained on the WestConnect website and included in the WestConnect Business Practice Manual.

B. WestConnect Objectives and Procedures for Order No. 1000 Regional Transmission Planning

The Regional Planning Process will produce a regional transmission plan that complies with existing Order No. 890 principles and carried forward in FERC's Order No. 1000:

- a. Coordination
- b. Openness
- c. Transparency
- d. Information exchange
- e. Comparability
- f. Dispute resolution

Pursuant to the WestConnect Objectives and Procedures for Regional Transmission Planning, the NV Energy, Inc. Operating Companies, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate their transmission plans into a single ten year regional transmission plan for the WestConnect footprint by:

- a. Actively coordinating development of the regional transmission plan, including incorporating information, as appropriate, from all stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;
- d. 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
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website.

C. Cost Allocation Methodology in WestConnect Order No. 1000 Regional Transmission Planning Process

In compliance with the requirements of FERC Order 1000 WestConnect has established a cost allocation process for regional transmission projects selected in the WestConnect regional planning process for cost allocation. Allocation of project costs shall be based on the benefits received in accordance with the following cost allocation principles:

- Cost assignments must be commensurate with estimated benefits;
- Those that receive no benefits must not be involuntary assigned costs;
- Should a benefit to cost threshold be used it cannot be so high that projects with significant benefits are excluded. (Cannot be above 1.25 without FERC approval);
- Costs must be allocated solely within the region unless other voluntarily assumes costs;
- Cost allocation method and data must be transparent and with adequate documentation; May use different cost allocation methods for different types of projects.

D. Roles in the Regional Transmission Planning Process

1. WestConnect Role

WestConnect is responsible for bringing regional transmission planning information together and sharing updates on active projects. WestConnect provides an open forum where any Stakeholder interested in the planning of the regional transmission system in the WestConnect footprint 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. On a biennial basis and in coordination with its members, Transmission Owners, and other interested stakeholders, WestConnect shall develop the WestConnect Regional Transmission Plan.

WestConnect will form a Planning Management Committee charged with development and approval of the WestConnect regional transmission plan. The Planning Management Committee shall be comprised of representatives from each stakeholder sector. The Planning Management Committee shall be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning Stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process. Attendance at meetings is voluntary and open to all interested Stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because Transmission Owners with a Load Serving Obligation will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect members shall assist Stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites.

(See the 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/>). All Stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect planning meetings. Each transmission planning cycle shall contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

WestConnect also provides a forum for transmission project sponsors to introduce their specific projects to interested Stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the WestConnect transmission planning process.

4. Stakeholder Meetings

WestConnect shall hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the Planning Management Committee with 30 days advance notice to update Stakeholders about its progress in developing the WestConnect regional transmission plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings shall be posted on the WestConnect website and via email to the WestConnect Regional Planning Process email distribution list.⁴

The meeting agendas for all WestConnect planning meetings shall be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow Stakeholders the ability to choose their meeting attendance most efficiently.

5. WestConnect Regional Planning Process Governance

a. Membership Sectors

The Regional Planning Process shall be governed by the Planning Management Committee, which shall be tasked with executing the WestConnect regional transmission planning process and shall have authority for approving the regional transmission plan. The Planning Management Committee shall be comprised of five stakeholder sectors

- Transmission Owners with Load Serving Obligation
- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Except for members qualified to join the Transmission Owners with Load Serving Obligation sector, any entity may join any membership sector for which it qualifies but may only participate in one membership sector. Qualified transmission owners may only join the Transmission Owners with Load Serving Obligations membership sector.

b. Planning Management Committee

The Planning Management Committee shall be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities. All actions of the Planning Management Committee (including approval of the Regional Plan) shall be made possible by satisfying either of the following requirements:

- 75% of the members voting of at least 3 sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligation sector
- 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and 2/3 of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion

E. Submission of Data by Customers, Transmission Developers, and Transmission Owners

Consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project

4. The WestConnect website is located at <http://www.westconnect.com>.

to qualify for a project submittal for purposes of cost allocation. The data necessary for any project submitted shall be listed in the WestConnect Transmission Planning Business Practice Manual.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the WestConnect process to submit data directly to the WestConnect stakeholder process. This data may include, but is not limited to load forecasts, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

Adequate advance notice shall be given for customers to submit any required data and data submissions shall generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include projects that the developer wishes to be considered for regional cost allocation.

Each regional transmission planning cycle shall include a submission period for project ideas as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the regional planning process may do so.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation purposes. Nonetheless, coordination between merchant projects and the regional transmission planning process is necessary to effect a coordinated regional transmission plan that considers all system needs.

Each regional transmission planning cycle shall include a submission period for project ideas as described below. Notice of the submission period shall be posted on the WestConnect website and shall also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect transmission system shall be asked to provide certain project information.

The data required of merchant transmission developers shall be listed in the WestConnect Transmission Planning Business Practice Manual.

4. Transmission Owners with Load Serving Obligation

Transmission Owners that are members of the WestConnect region are responsible for providing all necessary system information to the Regional Planning Process.

At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall be responsible for verifying the accuracy of any data (including, but not limited to system topology and project proposal information) they

have previously submitted. Transmission Owners shall also be required to submit all relevant data for any new projects being proposed for inclusion in the regional transmission plan for purposes of cost allocation in accordance with the Section below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the WestConnect Regional Transmission Plan models, but such submittals shall not constitute an obligation or proposal to build, but shall be submitted for informational and studying purposes only.

5. Transmission Project Submittals Seeking Cost Allocation

The following criteria must be satisfied in order for a project submittal to be evaluated for purposes of cost allocation under the Regional Planning Process:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- If seeking cost allocation through WestConnect, a \$25,000 fee to support the cost of relevant study work
- Comparison Risk Score from WECC Environmental Data Task Force, if available

An open submission period for project proposals to address identified regional needs will be conducted during the fourth calendar quarter of the regional transmission planning cycle. Notice of the submission period will be posted on the WestConnect website and will also be made via email to WestConnect Stakeholders. The submission period will last for no less than thirty (30) days. Proposals submitted outside that window will not be considered. The Planning Management Committee will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the Planning Management Committee.

Any Stakeholder wishing to present a project idea shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. Should the submitting Stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The Planning Management Committee retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, WestConnect will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the Planning Management Committee in its sole discretion.

6. Submission of Non-Transmission Alternative Projects

Any Stakeholder may submit projects proposing non-transmission alternatives for evaluation under the Regional Planning Process. The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files if available)

As with entities submitting a transmission project, those who submit a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information and the same submittal fees as transmission alternatives, as described above. Although non-transmission alternative projects will be considered, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. WestConnect will develop and publish a Regional Plan every other year, with the first Regional Plan to be produced no earlier than two calendar years (and no later than three calendar years) following final Commission action on the Order No. 1000 compliance filings of all jurisdictional public utility Transmission Owners who formally enroll in the WestConnect Planning Region

F. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are

considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder proposing them.

G. WestConnect Reliability Planning Process

All WestConnect Transmission Owners with Load Serving Obligation shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models. The base case system models will then be checked for adherence to the relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria as outlined in the Business Practice Manual.

The Regional Plan will identify projects to resolve any remaining violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, an opportunity will be afforded any interested party to propose regional reliability projects that replace components of multiple Transmission Owners' local transmission plans, provided they are found to be more efficient or cost effective to other proposed solutions. The Regional Planning Process will then identify the most appropriate transmission project, taking into account factors such as project feasibility, how long the project would take to complete and the timing of the need. Because local Transmission Owners are ultimately responsible for compliance with NERC Reliability Standards, the Regional Planning Process will secure the approval of the local Transmission Owner before modifying their local transmission plan.

H. WestConnect Economic Planning Process

As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region. WestConnect will analyze economic projects upon a WECC Board-approved recommendation to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect Stakeholders or developed through the Stakeholder process for evaluation of economic benefits.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion.

The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in its development of a plan that is more efficient or cost effective.

I. WestConnect Public Policy Planning Process

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to aid in meeting transmission needs driven by public policy requirements, as they may be established. During the initial stages of each regional transmission planning cycle, WestConnect Stakeholders will review enacted public policy requirements and determine which transmission needs will be included in the modeling for that cycle.

At a minimum, any transmission needs driven by enacted state or federal public policy requirements will be included in the transmission system models underlying the development of the Regional Plan. Transmission needs driven by proposed public policy requirements may be evaluated in the scenario planning analysis if time and resources permit.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

The procedures for evaluating potential solutions to the identified transmission needs driven by public policy requirements are the same as those procedures used to evaluate any other project proposed in the local planning process and/or Regional Planning Process, whether or not submitted for purposes of cost allocation.

3. Posting of Public Policy Needs

WestConnect will maintain on its website (i) a list of all transmission needs identified that are driven by public policy requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested transmission needs driven by public policy requirements will not be evaluated.

J. Consideration of Non-Transmission Alternatives

Non-transmission alternatives will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by public policy requirements. Non-transmission alternatives are not eligible for regional cost allocation.

K. Approval of the WestConnect Regional Plan

Upon completion of the studies and stakeholder input, the Planning Management Committee will vote to approve the Regional Transmission Plan. The Regional Plan will document why projects were either included or not included in the regional plan. Projects that meet system needs are incorporated into the Regional Plan.

L. Reevaluation of the WestConnect Regional Plan

The Planning Management Committee is responsible for determining, during each planning cycle, when and if projects are to be reevaluated. Any project that is reevaluated according to the criteria below may also be subject to modification of its status as a project selected for cost allocation, with any costs reallocated under Section N as if it were a new project. Projects subject to reevaluation include, but are not limited to:

- Projects that are delayed and fail to meet their submitted in-service date by more than 2 years;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations;

- Projects with any change in participatory or cost allocation entities that result in a project that is not fully funded; and
- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission owners' transmission planning (TPL) assessments to mitigate reliability issues;
- Planned transmission system upgrades to existing facilities; and
- Projects that have been approved by WestConnect in previous planning cycles unless agreed upon by the beneficiaries identified in the approved project.

Projects meeting any of the following criteria prior to the last effective date of the WestConnect FERC-jurisdictional Transmission Owners' Order No. 1000 compliance filings will also not be subject to reevaluation under the Regional Planning Process:

- Projects that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the last effective date of the FERC-jurisdictional Transmission Owners' Order No. 1000 compliance filings.

M. Confidential or Proprietary Information

Although the Regional Planning Process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open Stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII by FERC, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those Stakeholders that (i) hold membership in or execute a non-disclosure agreement with WECC (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; or (iii) are parties to the Planning Participation Agreement, as may be applicable.

N. Cost Allocation

The WestConnect Regional Transmission Planning Process adopts the cost allocation framework established below. This framework ensures that for projects located in the WestConnect Region, costs are allocated only to those that benefit. Specifically, the WestConnect Region shall consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- (1) Reliability Projects;
- (2) Economic or Congestion Relief Projects; or
- (3) Public Policy Projects.

a. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation. A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. Otherwise, A Local Transmission Project that is not submitted and **or not** selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

For any transmission project where the NV Energy Inc., Operating Companies are the sole owner or such project is to be built within or for the benefit of the existing NV Energy Inc., Operating Companies' system such as local, small and/or reliability transmission projects, the NV Energy Inc., Operating Companies shall proceed with the project pursuant to its rights and obligations as a Transmission Provider for the local area. Any projects necessary to ensure the reliability or that provide economic benefits to the NV Energy Inc., Operating Companies' system and which fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

NV Energy Inc., Operating Companies' may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

b. Regional Allocation of Costs

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project, subject to the beneficiaries' decision on whether and who agree to participate in such regional project.

The Planning Management Committee determines whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded, as applicable.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities outside the region voluntarily assume costs.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the Planning Management Committee will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. The NV Energy Inc., Operating Companies encourage all interested Stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation assessment. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

In order to allocate costs to customers for system reliability improvements that are necessary for their system to meet the NERC TPL standards, the WestConnect cost allocation procedure shall allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and Stakeholders shall be afforded an opportunity to propose projects that replace components of multiple Transmission Owner local plans as outlined in Section III.D above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed most efficiently by a single project and the utilities approve the change to their local plans, that project shall be approved and the cost shall be shared by those utilities in proportion to the cost of alternatives that could be pursued by the individual utility to resolve the reliability issue.

The costs for regional reliability projects shall be allocated according to the following equation:

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant Transmission Owner's retail distribution service territory or footprint

B is the total cost of local reliability upgrades in the combination of Transmission Owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project

C is the total cost of the regional reliability project

D is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

2. Allocation of Costs for Economic Projects

WestConnect shall establish a B/C ratio of 1.25 for a project to be considered economically-justified and receive cost allocation associated with economic projects. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures

that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Criteria for WestConnect's production cost simulations are contained in the Business Practice Manual.

In determining which entities shall be allocated costs for economic projects, WestConnect shall compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company shall be calculated based on the following equation:

$$(A \text{ divided by } B) \text{ times } C \text{ equals } D$$

Where:

A is the total projected present value of economic benefits for the relevant Transmission Owner's retail distribution service territory or footprint

B is the total projected present value of economic benefits for the entire project

C is the total cost of the economic project

D is the total cost allocated to the relevant Transmission Owner's retail distribution service territory or footprint

Any Transmission Owner's retail distribution service territory or footprint with benefits less than or equal to one percent of total project benefits shall be excluded from cost allocation.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from legislated public policy requirements, as defined by the planning process, shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from public policy needs that are not legislated shall be reported by each entity for its own service territory; decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by public policy requirements shall be included in the evaluation of reliability and economic projects.

Any projects arising out of a need for transmission infrastructure to satisfy the public policy requirements shall be considered public policy projects. The costs of these projects shall be shared with the entities that shall access the resources enabled by the project in order to meet their public policy requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity shall need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects shall be allocated according to the following equation:
(A divided by B) times C equals D

Where:

A is the number of megawatts of public policy resources enabled by the public policy project for the entity in question

B is the total number of megawatts of public policy resources enabled by the public policy project

C is the total project cost

D is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources would be provided for under the generator interconnection section of each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Requests for transmission service necessary to meet public policy requirements shall be addressed through the public policy requirements section of the Regional Planning Process.

4. Combination of Benefits

In developing a more efficient and cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect Stakeholder process; however, the value of economic benefits may only be considered in response to a WECC Board-approved recommendation to study congestion in the WestConnect footprint.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation shall be shared according to the amount of cost that is justified by each type of benefits.

5. Allocation of Ownership and Capacity Rights

To the extent a project beneficiary elects to participate in a project approved for cost allocation in the Regional Transmission Plan, the beneficiary will receive transmission transfer capability on the project in exchange for transmission service payments. In addition, a project beneficiary with transfer capability on the project may resell the transfer capability. If the beneficiary makes direct capital contribution to the project construction cost, it shall receive an ownership percentage in proportion to their capital contribution.

6. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for choosing a developer for, or managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the

transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the progress status of the transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

O. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the planning process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (1) determine any transmission service to be received by, or any transmission usage by, any entity, (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage, (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation, (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation, or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

IV. RECOVERY OF PLANNING COSTS

Unless Transmission Provider allocates planning-related costs to an individual stakeholder as permitted under the OATT, 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.

V. DISPUTE RESOLUTION PROCEDURES

For purposes of the NV Energy, Inc. Operating Companies' transmission planning processes, the NV Energy, Inc. 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 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 NV Energy, Inc. 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 V, 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.

VI. INTERREGIONAL PLANNING

This Part VI of Attachment K to the OATT 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. WestConnect is to conduct the activities and processes set forth in this Part VI of Attachment K to the OATT in accordance with the provisions of this Part VI and the other provisions of this Attachment K to the OATT.

Nothing in this part 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.

References in this part to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

A. Definitions

The following capitalized terms were used in this Part VI of Attachment K, are defined as follows:

Annual Interregional Coordination Meeting: shall have the meaning set forth in Section VI.C below.

Annual Interregional Information: shall have the meaning set forth in Section VI.B below.

Interregional Cost Allocation: means the assignment of ITP costs between or among Planning Regions as described in Section VI.E.2 below.

Interregional Transmission Project (“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 VI.D.1.

Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language: means this Part VI, which relates to Order 1000 interregional provisions.

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.

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 VI.D.2, at which time it shall no longer be considered a Relevant Planning Region.

B. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect'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").

WestConnect is to 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 WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect 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 WestConnect 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 WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect or any of the members of WestConnect 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 WestConnect, 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.

C. Annual Interregional Coordination Meeting

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to 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. WestConnect is to 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 WestConnect's regional transmission plan.

D. ITP Joint Evaluation Process

1. Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VI.D.2 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.

2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VI.D.1, WestConnect (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 VI.D.1 or

the immediately following calendar year. With respect to any such ITP, WestConnect (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 VI.D.1, WestConnect (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 WestConnect's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VI.D.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VI.D.2 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 WestConnect's regional transmission needs.

E. Interregional Cost Allocation Process

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 VI.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect 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.

2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VI.E.1, WestConnect (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) WestConnect'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 VI.F.2 below) to each Relevant Planning Region using the methodology described in this Section VI.E.2.

For each ITP that meets the requirements of Section VI.E.1, WestConnect (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 WestConnect's analysis;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VI.E.2 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 WestConnect, WestConnect is to 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; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;
- (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 this Section VI.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VI.D.2.

F. Application of Regional Cost Allocation Methodology to Selected ITP

1. Selection by All Relevant Planning Regions

If WestConnect (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, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VI.E.2(d) or VI.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

2. Selection by at Least Two but Fewer than All Relevant Regions

If WestConnect (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, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VI.E.2(d), VI.E.2(e), and VI.E.2(f) above 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 WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VI.E.2(d) or VI.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.