

ATTACHMENT K
TRANSMISSION PLANNING PROCESS

PART I. INTRODUCTION

Transmission Provider will pursuant to this Attachment K develop and update annually the PSE Plan. The PSE Plan will identify new transmission facilities and facility replacements or upgrades planned by Transmission Provider for its Transmission System over the ensuing ten years. The Transmission Provider's transmission planning process will include open planning meetings that the Transmission Provider will conduct at least twice a year to allow anyone, including, but not limited to, network and point-to-point customers, interconnected transmission systems, regulatory and state bodies and other Persons, to provide input into and comment on the Transmission Provider's development and annual update of the PSE Plan.

Transmission Provider will also pursuant to this Attachment K participate in ColumbiaGrid transmission planning processes, which are structured to support and manage coordination of multi-system planning (including related studies) for the transmission systems of Transmission Provider and others. These ColumbiaGrid planning processes are detailed (i) in the ColumbiaGrid Planning and Expansion Functional Agreement (or PEFA), with respect to Transmission Owner or Operator Planning Parties (or TOPPs); and (ii) in the Order 1000 Agreement, with respect to Order 1000 Parties. The PEFA and Order 1000 Agreement are posted on the ColumbiaGrid Website. Transmission Provider is a TOPP under the PEFA and is an Order 1000 Enrolled Party under the Order 1000 Agreement. Participation as an Order 1000 Enrolled Party under the Order 1000 Agreement facilitates Transmission Provider's compliance with, among other things, the intraregional and interregional requirements of Order 1000. Part III of this Attachment K describes Transmission Provider's participation in ColumbiaGrid transmission planning processes under the Order 1000 Agreement.

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

PART II.
RESPONSIBILITIES UNDER ATTACHMENT K

The planning processes described in this Attachment K are intended to provide for development of an annually updated PSE Plan and participation in ColumbiaGrid transmission planning processes, while preserving the responsibilities of the Transmission Provider under other provisions of its Tariff to provide transmission and interconnection service on its Transmission System. With respect to any request for transmission service or interconnection received by the Transmission Provider, nothing in this Attachment K shall preclude the Transmission Provider from responding if and as the Transmission Provider determines is appropriate under its Tariff.

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

This Attachment K describes a planning process that contemplates actions by not only Transmission Provider and its Transmission Customers, but also others that may not be bound to comply with this Attachment K, such as ColumbiaGrid, Parties to the PEFA, Order 1000 Parties, other transmission providers (and their transmission or interconnection customers), States, Tribes, WECC, WECC “sub-regional” planning groups, and other stakeholders and Interested Persons. The Transmission Provider may be obligated as specified elsewhere in this Attachment K to participate in planning activities, including providing data and notices of its activities, and soliciting and considering written comments of stakeholders and Interested Persons. However, this Attachment K contemplates cooperation and activities by entities that may not be bound by contract or regulation to perform the activities described for them. Failure by any Person other than Transmission Provider to cooperate or perform as contemplated under this Attachment K may frustrate, impede, or prevent performance by Transmission Provider of activities as described in this Attachment K. The Transmission Provider shall use reasonable efforts to secure the performance of other entities with respect to the planning activities described in this Attachment K but shall have no other or additional obligation regarding any failure to cooperate or perform by any Person other than Transmission Provider with respect to the activities described in or contemplated by this Attachment K. For example, if and to the extent any Transmission Customer fails to provide data or other information as required or contemplated by this Attachment K, the Transmission Provider may not be able to effectively include such customer and its needs in the Transmission Provider’s planning.

PART III.
THE COLUMBIAGRID TRANSMISSION PLANNING PROCESS

1. Introduction

The Transmission Provider participates in ColumbiaGrid regional planning as a Party to the PEFA and an Order 1000 Enrolled Party to the Order 1000 Agreement. ColumbiaGrid is a non-profit membership corporation whose purpose is to promote, in the public interest, coordinated and reliable planning, expansion, and operation of the interconnected transmission systems in the Pacific Northwest, taking into consideration environmental concerns, regional interests, and cost-effectiveness.

Although the transmission planning processes identified in the PEFA or in the Order 1000 Agreement are described sequentially, it is anticipated that the planning activities under the PEFA or Order 1000 Agreement will, except with respect to specific time periods and specific deadlines set forth in the PEFA or the Order 1000 Agreement, be performed on a flexible, iterative, and non-sequential basis. Accordingly, for example, ColumbiaGrid may submit Draft Order 1000 Need Statements to the Board as needed for review and comment without waiting until such time as the Draft System Assessment Report is submitted for review and comment. Planning activities under the Order 1000 Agreement will commence January 2015.

The planning process described in this Part III to be followed under the Order 1000 Agreement by ColumbiaGrid and the Order 1000 Parties is more fully described in the Order 1000 Agreement, including specifically its Appendix A.

1.1 Relationship to the PEFA

Under section 2.1 of the Order 1000 Agreement:

The Order 1000 Agreement is based on the transmission planning processes in the PEFA and provides additional terms and processes necessary for ColumbiaGrid to facilitate the performance of certain transmission planning processes on behalf of Governmental Non-Enrolled Parties and, pursuant to Order 1000, on behalf of Order 1000 Enrolled Parties and ITP Proponents. Order 1000 Enrolled Parties and ITP Proponents are, as applicable, to participate, with respect to Order 1000 Potential Needs, Order 1000 Need(s), Interregional Transmission Project(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Projects, in ColumbiaGrid transmission planning processes in accordance with the Order 1000 Agreement. In the event of a conflict between any provision of the Order 1000 Agreement and any provision of the PEFA, the provisions of the Order 1000 Agreement are to prevail with respect to the rights and obligations as between and among ColumbiaGrid and Order 1000 Parties.

The transmission planning processes under the Order 1000 Agreement are intended to supplement the transmission planning processes under the PEFA. The transmission planning processes under the Order 1000 Agreement are, to the extent practicable, to utilize the same transmission planning processes that are used under the PEFA. The performance of system assessments and preparation of Biennial Plans pursuant to the Order 1000 Agreement are

intended to be accomplished in conjunction with the performance of the system assessments and preparation of the Biennial Plans under the PEFA. Nothing in the Order 1000 Agreement is to obligate ColumbiaGrid to prepare a Biennial Plan separate from the Biennial Plan prepared under the PEFA and nothing in the Order 1000 Agreement is to obligate ColumbiaGrid to prepare a system assessment separate from the system assessment prepared under the PEFA; *provided that* that the requirements of the Order 1000 Agreement are satisfied.

1.2 Provisions of the PEFA Applicable to Order 1000 Parties Not Party to the PEFA

Under section 2.2 of the Order 1000 Agreement:

For purposes of the Order 1000 Agreement, each Order 1000 Party that is not a Party to the PEFA is to comply with the provisions of the PEFA (except as otherwise provided in section 2.2 of the Order 1000 Agreement), including the following sections of the PEFA, as though such Order 1000 Party is a Planning Party and Transmission Owner or Operator Planning Party:

- Section 1-Definitions
- Section 2-Biennial Transmission Plans and Updates
- Section 3-Plan Methodology
- Section 4-ColumbiaGrid Transmission Planning Process Requirements
- Section 11-Authorization for ColumbiaGrid to Perform Obligations Under This Agreement
- Section 12-Limitations of Liability Among Planning Parties
- Section 13.3-First Party Claims
- Section 13.5-Inaccurate or Incomplete Data or Information
- Section 13.6-Limitation of Damages
- Section 14-Uncontrollable Force
- Section 16-Confidentiality Obligations
- Section 19.3-Construction of Agreement
- Section 19.6-Governing Law
- Section 19.8-Singular and Plural; Use of “Or”
- Section 19.9-Headings for Convenience Only
- Section 19.10-Relationship of the Parties

- Section 19.11-No Third Person Beneficiaries
- Section 19.12-No Dedication of Facilities
- Section 19.13-Nonwaiver
- Appendix A (except as provided below)-Transmission Planning Process

Notwithstanding the foregoing, the following provisions of the PEFA are specifically not applicable under the Order 1000 Agreement to any Order 1000 Party and are not to constitute obligations under the Order 1000 Agreement of ColumbiaGrid or any Order 1000 Party:

- Section 5-Commitment to Move to Common Queue and Explore Other Improvements
- Section 6-Offer and Execution of Facilities Agreements; Other Agreements
- Section 7-Regional and Interregional Transmission Coordination
- Section 8-Payment
- Section 9-Budgets
- Section 13.4-Third Person Claims
- Section 15-Assignments and Conveyances
- Section 17-Effective Date
- Section 18-Withdrawal
- Section 19-Miscellaneous, except as specifically included above
- Appendix B-Facilities Agreement

In addition to the provisions listed above, the provisions of the PEFA that provide for any cost allocation, including, but not limited to, any such provisions in sections 5.4, 6.4, 8.4, and 9.4 of Appendix A of the PEFA, are not applicable under the Order 1000 Agreement to any Order 1000 Party that is not a Party to the PEFA and are not to constitute obligations of ColumbiaGrid or any Order 1000 Party under the Order 1000 Agreement.

Each Order 1000 Party acknowledges and agrees that, by ColumbiaGrid and the Order 1000 Parties entering into and performing the Order 1000 Agreement, no Order 1000 Party becomes Party to, or third-party beneficiary under, the PEFA.

1.3 Draft Biennial Plans and Biennial Plans

Under section 2.3 of the Order 1000 Agreement:

Each Planning Cycle, ColumbiaGrid is to develop and review a Draft Biennial Plan and is to adopt, by majority vote of the Board, a Biennial Plan. Each Draft Biennial Plan is to include the information with respect to any ITP(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Project(s) as described in sections 11.1 and 11.4 of Appendix A of the Order 1000 Agreement, as applicable.

1.4 Adoption of Plan Updates

Under section 2.4 of the Order 1000 Agreement:

If at any time ColumbiaGrid determines that changes in conditions make a Plan Update appropriate with respect to any Order 1000 Need, ITP, Order 1000 Proposed Project, Order 1000 Eligible Project, or Order 1000 Project, prior to the adoption of the next Biennial Plan in order for there to be sufficient lead time for implementation, Staff is to develop and the Board is to consider for adoption, a Plan Update of the then-current Plan to address such conditions. Any Plan Update is to the extent practicable to be based on the then-most-current assumptions and conditions. After adoption of a Biennial Plan or Plan Update, ColumbiaGrid is to provide all Study Team participants with a copy thereof, and post such Biennial Plan or Plan Update on the Website.

1.5 Plan Methodology

Under section 2.5 of the Order 1000 Agreement:

In developing each Plan, ColumbiaGrid is to conduct the following activities consistent with the Order 1000 Agreement and is to endeavor to:

- (i) after consideration of the data and comments supplied by Order 1000 Parties, customers of Order 1000 Parties, and other Interested Persons and stakeholders, develop a Plan that addresses Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of the Order 1000 Agreement), including those reflecting the specific service requests of transmission customers and that otherwise treats similarly-situated customers (*e.g.*, network and retail native load) comparably in the ColumbiaGrid regional transmission planning process;
- (ii) facilitate analysis of solutions to Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Parties identified pursuant to section 2.6 of the Order 1000 Agreement) as if a single utility owned all relevant generating, transmission, and distribution facilities to enhance efficiency and reduce duplication of facilities, environmental impacts, and costs;
- (iii) perform a system assessment of RIS facilities, taking into account the input of Order 1000 Parties and Interested Persons with respect to Order 1000 Potential Needs, including Order 1000 Potential

Needs driven (and potential transmission needs of any Governmental Non-Enrolled Party to be identified pursuant to section 2.6 of the Order 1000 Agreement) by a Public Policy Requirement, reliability, or economic considerations;

- (iv) through the system assessment, identify Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of the Order 1000 Agreement) for which potential solutions should be identified and evaluated;
- (v) task Study Teams to work in an open, transparent, non-discriminatory, and collaborative manner (subject to ColumbiaGrid's obligation to protect Confidential Information and CEII pursuant to the Order 1000 Agreement) to identify and evaluate solutions to address such Order 1000 Needs (and transmission needs of any Governmental Non-Enrolled Party identified pursuant to section 2.6 of the Order 1000 Agreement) and evaluate such solutions, including, in the case of solutions to Order 1000 Needs, consistency with the solution evaluation factors described in section 2.3 of Appendix A of the Order 1000 Agreement;
- (vi) if properly requested, apply the Order 1000 Cost Allocation Methodology to Order 1000 Projects in accordance with sections 6, 7, or 8 of Appendix A of the Order 1000 Agreement;
- (vii) coordinate, as appropriate, with the planning activities of other regional planning entities and neighboring transmission systems, including Order 1000 Planning Regions other than the Order 1000 ColumbiaGrid Planning Region;
- (viii) recognize each Order 1000 Party's responsibility for planning transmission facilities on its transmission system and responsibility for the planning necessary for its local projects and service of its local loads from its transmission system; and
- (ix) with respect to Order 1000 Non-Transmission Alternatives, defer to the development of such alternatives in other appropriate forums and limit analysis of such alternatives to analysis of whether a proposed Order 1000 Non-Transmission Alternative is adopted by the Person on whose Electric System it would be located.

With respect to any request for transmission service or interconnection received by any Order 1000 Party, nothing in the Order 1000 Agreement shall preclude any Order 1000 Party from responding if and as such Order 1000 Party determines is appropriate under its open access transmission tariff.

1.6 Scope of the Order 1000 Agreement

Under section 6.2 of the Order 1000 Agreement:

Consistent with Order 1000, the Order 1000 Parties intend the Order 1000 Agreement to facilitate fair regional transmission planning processes and do not intend the Order 1000 Agreement to dictate substantive outcomes of those processes. Nothing in the Order 1000 Agreement is to (i) create any obligation of any Person to construct or operate any transmission facilities, (ii) authorize or require any Person to be, or prohibit any Person from being, an owner or operator of any transmission facilities (including any Person that is or is not qualified or identified as a developer, owner, or operator pursuant to the Order 1000 Agreement), or (iii) authorize ColumbiaGrid to own, operate, or otherwise control any transmission facilities in any way.

Nothing in the Order 1000 Agreement is to 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.

1.7 Planning Processes Regarding Governmental Non-Enrolled Parties

Under section 2.6 of the Order 1000 Agreement:

1.7.1 Under the first paragraph of section 2.6.1 of the Order 1000 Agreement: The System Assessment Report(s) that are prepared pursuant to section 3 of Appendix A of the Order 1000 Agreement are, in addition to identifying the information with respect to the Order 1000 ColumbiaGrid Planning Region, to also identify need(s) for transmission facilities on the transmission system of any Governmental Non-Enrolled Party, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, is to (i) select need(s) for transmission facilities in the ColumbiaGrid Planning Region of any such Governmental Non-Enrolled Party that are projected to occur during the Planning Horizon that should be addressed, (ii) develop conceptual transmission solutions that address any such need(s), and (iii) indicate whether a non-transmission solution might be viable to eliminate or delay the necessity for a transmission-based solution to such needs. In selecting such needs from among potential needs, ColumbiaGrid is to apply the Order 1000 Needs Factors as if such potential needs were Order 1000 Potential Needs.

1.7.2 Under the first paragraph of section 2.6.2 of the Order 1000 Agreement: Study Team(s) are, in addition to the purpose and function of Study Team(s) described in section 4 of Appendix A of the Order 1000 Agreement, also to be formed and used to evaluate solutions (including Governmental Non-Enrolled Party Non-Transmission Alternatives that would result in the elimination or deferral of a transmission need of a Governmental Non-Enrolled Party) and develop all required elements of a plan(s) of service to address transmission needs identified pursuant to section 2.6.1 of the Order 1000 Agreement. In selecting such transmission solutions from among potential solutions, ColumbiaGrid is to apply the relevant provisions of sections 2, 3, and 4 of Appendix A of the Order 1000 Agreement, including the Order 1000 Planning Criteria set forth in section 2.1 of Appendix A of the Order 1000 Agreement and the factors set

forth in section 2.3 of Appendix A of the Order 1000 Agreement, as if the Order 1000 Governmental Non-Enrolled Party was an Order 1000 Enrolled Party and as if such solutions were intended to address Order 1000 Needs. In the event that the Study Team does not reach consensus on all of the elements of the plan(s) of service, Staff is to determine all of the elements, upon which the Study Team did not reach consensus, of the plan(s) of service; *provided that* in making its determination, Staff is to consider any comments by any Order 1000 Party or Interested Person.

1.8 Status of Order 1000 Parties Under the Order 1000 Agreement

Under section 14.17 of the Order 1000 Agreement:

For the avoidance of doubt, any Order 1000 Party may only be an Order 1000 Enrolled Party, an ITP Proponent, or a Governmental Non-Enrolled Party.

Any Order 1000 Party that is a Planning Party and is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act) may elect to be a Governmental Non-Enrolled Party under the Order 1000 Agreement by indicating in its signature block for the Order 1000 Agreement that it is a Governmental Non-Enrolled Party. If an Order 1000 Party indicates in its signature block for the Order 1000 Agreement that it is a Governmental Non-Enrolled Party, such Order 1000 Party, upon its execution and delivery of this Order 1000 Agreement, represents that it meets the definition of Governmental Non-Enrolled Party.

Any Order 1000 Party that is Enrolled in an Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region may only be an ITP Proponent under the Order 1000 Agreement and is to indicate in its signature block for the Order 1000 Agreement (i) that it is an ITP Proponent and (ii) the name of the Order 1000 Planning Region in which it is Enrolled. If an Order 1000 Party indicates in its signature block for the Order 1000 Agreement that it is an ITP Proponent, such Order 1000 Party, upon its execution and delivery of the Order 1000 Agreement, represents that it meets the definition of ITP Proponent and that it is Enrolled in an Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region, as indicated in such Order 1000 Party’s signature block.

If an Order 1000 Party does not indicate in its signature block for the Order 1000 Agreement that it is a Governmental Non-Enrolled Party and does not indicate in its signature block for the Order 1000 Agreement that it is an ITP Proponent, such Order 1000 Party, upon its execution and delivery of the Order 1000 Agreement, represents that it meets the definition of Order 1000 Enrolled Party.

If at any time any representation any Order 1000 Party has made pursuant to section 14.17 of the Order 1000 Agreement is not accurate, such Order 1000 Party is to immediately so notify each of the other Order 1000 Parties and ColumbiaGrid in writing and upon giving such notice is to be deemed to have given notice of withdrawal from the Order 1000 Agreement pursuant to section 13 of the Order 1000 Agreement. Any such notice of withdrawal is to be effective on that date that is 90 days after the date such notice has been given.

Any Order 1000 Enrolled Party that is eligible to be a Governmental Non-Enrolled Party may convert from being an Order 1000 Enrolled Party to being a Governmental Non-Enrolled Party effective on the date such Order 1000 Enrolled Party provides written notice of such conversion to ColumbiaGrid. Contemporaneously with providing such notice, the converting Order 1000 Enrolled Party is to (a) provide a written notice of such conversion to each Order 1000 Party and (b) execute and deliver to ColumbiaGrid a substitute signature block for the Order 1000 Agreement indicating the converting Order 1000 Enrolled Party is a Governmental Non-Enrolled Party and reflecting the effective date of such conversion. Upon such conversion becoming effective, the converting Order 1000 Enrolled Party is to no longer be Enrolled in the Order 1000 ColumbiaGrid Planning Region, is to no longer be an Order 1000 Enrolled Party and is not to be subject to any Order 1000 Cost Allocation approved by the Board pursuant to section 11 of Appendix A of the Order 1000 Agreement after the effective date of such conversion. Any Governmental Non-Enrolled Party is not to be allocated, and the Board is not to approve, an Order 1000 Cost Allocation to any Order 1000 Party that is a Governmental Non-Enrolled Party on the date of approval of such Order 1000 Cost Allocation.

1.9 Subsequent Order 1000 Parties

Under section 12.2 of the Order 1000 Agreement:

With respect to any Order 1000 Party that enters into the Order 1000 Agreement after the date the Order 1000 Agreement is initially entered into between and among ColumbiaGrid, Avista Corporation, Puget Sound Energy, Inc., and MATL LLP pursuant to section 12.1 of the Order 1000 Agreement, the Order 1000 Agreement is to be effective as to such Order 1000 Party as of the date it executes the Order 1000 Agreement by executing a counterpart signature page of the Order 1000 Agreement and delivers such counterpart signature page to ColumbiaGrid, which is to maintain such original counterpart signature page and is to prepare and distribute a conformed copy thereof to each of the Order 1000 Parties. No Person may become an Order 1000 Enrolled Party during any calendar year unless such Person has become an Order 1000 Enrolled Party not later than thirty days after the occurrence of the Order 1000 Needs Meeting during such year.

No Person is required to be an Order 1000 Party in order to participate pursuant to the Order 1000 Agreement in a Study Team, to request qualification of any proposed developer(s), owner(s), or operator(s) of an Order 1000 Project pursuant to section 2.5 of Appendix A of the Order 1000 Agreement, or to request consideration of the impact of a proposed Order 1000 Merchant Transmission Project pursuant to section 2.7 of Appendix A of the Order 1000 Agreement.

2. Criteria and Factors

2.1 Order 1000 Planning Criteria

Under section 2.1 of Appendix A of the Order 1000 Agreement:

With respect to Order 1000 Need(s), ColumbiaGrid is to apply the then-current versions of the following as Order 1000 Planning Criteria for its system assessment, System Assessment Reports, and Order 1000 Need Statements:

- (i) planning standards applicable to Order 1000 Enrolled Parties and ITP Proponents pursuant to law or regulation;
- (ii) NERC reliability standards;
- (iii) recognized regional planning or other reliability or transmission adequacy criteria developed by the consensus of the Order 1000 Enrolled Parties for use on their Order 1000 Transmission Systems (ColumbiaGrid may sponsor a process for development of such criteria); *provided that* an Order 1000 Enrolled Party may have other planning criteria that are more stringent than the ColumbiaGrid standards for use on its own Order 1000 Transmission System; and
- (iv) with respect to planning criteria applicable to any particular Order 1000 Enrolled Party, such additional criteria then accepted by such Order 1000 Enrolled Party and communicated to ColumbiaGrid by written notice; *provided that* any such additional criteria are to apply only to such Order 1000 Enrolled Party.

2.2 Order 1000 Needs Factors

Under section 2.2 of Appendix A of the Order 1000 Agreement:

The factors used in selecting Order 1000 Needs from among Order 1000 Potential Needs to be included in the system assessment for possible identification in the System Assessment Report (“Order 1000 Needs Factors”) are to include the following:

- (i) the level and form of support for addressing the Order 1000 Potential Need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the Order 1000 Potential Need);
- (ii) the feasibility of addressing the Order 1000 Potential Need;
- (iii) the extent, if any, that addressing the Order 1000 Potential Need would also address other Order 1000 Potential Needs; and
- (iv) the factual basis supporting the Order 1000 Potential Need.

No single factor is necessarily to be determinative in selecting any Order 1000 Need from among the Order 1000 Potential Needs for inclusion in the system assessment.

2.3 Order 1000 Solution Evaluation Factors

Under section 2.3 of Appendix A of the Order 1000 Agreement:

The factors used in evaluating proposed solutions, including Order 1000 Non-Transmission Alternatives, to address Order 1000 Needs are to include the following:

- (i) sponsorship and degree of development;
- (ii) feasibility;
- (iii) coordination with any affected transmission system and any other Order 1000 Affected Persons;
- (iv) economics;
- (v) effectiveness of performance;
- (vi) satisfaction of Order 1000 Need(s), including the extent to which the proposed solution satisfies multiple Order 1000 Needs;
- (vii) mitigation of any Order 1000 Material Adverse Impacts of such proposed solution on any transmission system; and
- (viii) consistency with applicable state, regional, and federal planning requirements and regulations.

No single factor is necessarily to be determinative in evaluating proposed solutions to address Order 1000 Needs.

2.4 Order 1000 Non-Transmission Alternatives

Under section 2.4 of Appendix A of the Order 1000 Agreement:

If any Order 1000 Non-Transmission Alternative is adopted by the Person on whose Electric System it would be located, such Order 1000 Non-Transmission Alternative is to be included in the assumptions used in future system assessments, subject to subsequent updates on the status of such Order 1000 Non-Transmission Alternative.

2.5 Developer, Owner, or Operator Information Required to Enable Evaluation of Qualifications

Under section 2.5 of Appendix A of the Order 1000 Agreement:

The following information must be submitted with respect to any proposed developer(s), owner(s), or operator(s) of an Order 1000 Project:

- (i) the identity of any proposed developer(s), owner(s), or operator(s);
- (ii) the current and expected capabilities, as applicable, of any proposed developer(s), owner(s), or operator(s) to finance, plan, design, develop, and construct transmission facilities on a timely

basis and to own, reliably operate, and maintain such project for the life of such project;

- (iii) the current and expected capabilities, as applicable, of any proposed developer(s), owner(s), or operator(s) to adhere to construction, maintenance, and operating practices consistent with Good Utility Practices with respect to transmission facilities; and
- (iv) the creditworthiness of any Person proposed as developer(s), owner(s), or operator(s), as demonstrated for example by (a) an investment grade credit rating, (b) having a minimum tangible net worth of \$1 million or total assets of \$10 million, or (c) providing a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to ColumbiaGrid.

No Order 1000 Party is to be designated under the Order 1000 Agreement as the proposed developer, owner, or operator under section 2.5 of Appendix A of the Order 1000 Agreement without such Order 1000 Party's consent. The requirement for any information listed above may be satisfied by reliance on relevant experience of third-party contractors; *provided however that* any third-party contractors to be relied upon must be specifically identified and ColumbiaGrid must be provided sufficient information regarding such third-party contractors to allow ColumbiaGrid to fully review and evaluate the relevant qualifications of such third-party contractors.

To the extent the information specified by section 2.5 of Appendix A of the Order 1000 Agreement is submitted in writing to ColumbiaGrid with regard to any proposed developer, owner, or operator, ColumbiaGrid is, within 60 days of its receipt of all information specified by section 2.5 of Appendix A of the Order 1000 Agreement with regard to such proposed developer, owner, or operator, to make a determination whether any such proposed developer, owner, or operator is qualified to be a developer, owner, or operator, as applicable, under the Order 1000 Agreement and is to notify in writing such proposed developer, owner, or operator and each Order 1000 Party of its determination. In the event that ColumbiaGrid determines that any proposed developer, owner, or operator is not qualified under section 2.5 of Appendix A of the Order 1000 Agreement, ColumbiaGrid is to notify such proposed developer, owner, or operator of such determination and is to list in such notice the deficiencies of any proposed developer, owner, or operator under section 2.5 of Appendix A of the Order 1000 Agreement. Any proposed developer, owner, or operator that ColumbiaGrid determines is not qualified under section 2.5 of Appendix A of the Order 1000 Agreement may attempt to cure any such deficiencies by providing ColumbiaGrid additional information.

Any proposed developer, owner, or operator that ColumbiaGrid determines is qualified under section 2.5 of Appendix A of the Order 1000 Agreement may, with such developer's, owner's, or operator's consent, be identified as the developer, owner, or operator, as applicable, of any ITP, Order 1000 Proposed Project, Order 1000 Eligible Project, or Order 1000 Project. ColumbiaGrid may from time to time request additional information regarding any such developer, owner, or operator to verify such developer's, owner's, or operator's qualifications under section 2.5 of Appendix A of the Order 1000 Agreement. Failure to provide such

information with respect to any developer, owner, or operator that is reasonably requested by ColumbiaGrid may result in the failure of any developer, owner, or operator to qualify under section 2.5 of Appendix A of the Order 1000 Agreement. ColumbiaGrid may determine that any developer, owner, or operator previously qualified under section 2.5 of Appendix A of the Order 1000 Agreement no longer qualifies under section 2.5 of Appendix A of the Order 1000 Agreement for cause by providing such developer, owner, or operator written notice that it does not qualify under section 2.5 of Appendix A of the Order 1000 Agreement and setting forth the reasons for such determination. Any such disqualified developer, owner, or operator may attempt to cure its deficiencies by providing ColumbiaGrid additional information.

2.6 Information Required to Enable a ColumbiaGrid Study Team to Evaluate a Proposed Solution to an Order 1000 Need(s)

Under section 2.6 of Appendix A of the Order 1000 Agreement:

An Order 1000 Enrolled Party or ITP Proponent must submit to ColumbiaGrid the following information with respect to a proposed solution to an Order 1000 Need(s) for which it is a proponent:

- (i) purpose of the proposed solution and the Order 1000 Need(s) that the proposed solution would address;
- (ii) development schedule for such solution, indicating required steps, such as granting of state, federal, and local approvals necessary to develop and construct the proposed solution so as to timely meet the Order 1000 Need(s);
- (iii) new substations and transmission lines that would be created with the proposed solution;
- (iv) the identity of proposed developer(s), owner(s), or operator(s), if any developer(s), owner(s), or operator(s) are proposed;
- (v) for solutions that are anticipated to be ITPs, identification of the Relevant Planning Region(s) where any new facilities are proposed to be interconnected to and identification of the transmission system(s) to which any new facilities would interconnect;
- (vi) voltage level(s) of the proposed facilities;
- (vii) mileages associated with any new or upgraded transmission lines;
- (viii) planned conductor to be used for any proposed new or upgraded transmission lines;
- (ix) proposed increase in transmission system transfer capability associated with the proposed solution;

- (x) ratings of individual transmission facility components (*e.g.*, lines and transformers);
- (xi) electrical parameters of the proposed solution components as necessary to model them accurately in power flow simulations (*e.g.*, resistance, reactance, charging, ratings, *etc.*);
- (xii) the amount of reactive (in MVAR) for any proposed reactive components;
- (xiii) if the proposed solution involves new generation, then the machine parameters necessary to model the new generator(s) accurately in power flow and stability simulations (*e.g.*, machine reactances, time constants, control system parameters, *etc.*);
- (xiv) a list of new contingencies that should be analyzed as a result of the proposed solution;
- (xv) cost estimates in as much detail as is available; and
- (xvi) technical studies and analysis, if performed, to support the proposed solution.

An Order 1000 Merchant Transmission Project that is proposed by an Order 1000 Party must submit comparable information (exclusive of item (i), (ii), and (xv)) to ColumbiaGrid with respect to transmission facilities it proposes to develop.

Staff is to give an Order 1000 Enrolled Party(ies) or ITP Proponent(s) that has submitted information listed above written notice describing any deficiencies in such information, and such Order 1000 Enrolled Party(ies) or ITP Proponent(s) is to have 30 days after receipt of such notice to cure such deficiencies. To ensure that a proposed solution is considered by a Study Team, such information, including any cure of deficiencies, must be submitted not later than 30 days after the issuance of the Final System Assessment Report for the Biennial Plan then being developed. To the extent that any required information regarding a proposed solution is submitted after the time for submitting such information specified in the preceding sentence, such proposed solution is to be considered by the Study Team only insofar as, in ColumbiaGrid's sole discretion, such consideration is practicable.

Any Order 1000 Enrolled Party, ITP Proponent, or Person requesting consideration of impacts pursuant to section 2.7 of this Appendix A may submit any other studies and analysis performed to support the proposed transmission facilities.

ColumbiaGrid may from time to time request additional information regarding a proposed solution to an Order 1000 Need(s) from a proponent thereof.

2.7 Consideration of Impacts of Order 1000 Merchant Transmission Project

Under section 2.7 of Appendix A of the Order 1000 Agreement:

If any Person proposes to develop, own, or operate an Order 1000 Merchant Transmission Project, such Person may request in writing that ColumbiaGrid consider the impacts of such proposed Order 1000 Merchant Transmission Project pursuant to section 2.7 of Appendix A of the Order 1000 Agreement. Upon ColumbiaGrid's receipt of such request and the information required in section 2.6 of Appendix A of the Order 1000 Agreement to be provided (exclusive of items (i), (ii), and (xv)), ColumbiaGrid is to the extent practicable to consider the impacts of such Order 1000 Merchant Transmission Project on the facilities in the Order 1000 ColumbiaGrid Planning Region as part of its next system assessment under conditions studied in such system assessment. For purposes of section 4.7 of the Order 1000 Agreement, any Person (other than an Order 1000 Party) requesting consideration of impacts pursuant to section 2.7 of Appendix A of the Order 1000 Agreement is to be a Third Person.

3. System Assessment Report and Order 1000 Need Statements

Each year, commencing 2015, ColumbiaGrid is to prepare Draft Order 1000 Need Statements and Order 1000 Need Statements and a Draft System Assessment Report and a Final System Assessment Report.

3.1 Order 1000 Needs Meeting

Under section 3.1 of Appendix A of the Order 1000 Agreement:

During January of each year, but not later than March 31st of each year, Staff is to hold an Order 1000 Needs Meeting, to which Interested Persons are to be invited, and notice of such meeting is to be posted on the Website. The purpose of such meeting will be to discuss Order 1000 Potential Needs that should be included in the upcoming system assessment.

Prior to such meeting, Interested Persons may submit written suggestions to ColumbiaGrid of items that should be considered for inclusion as Order 1000 Potential Need(s), including suggested Order 1000 Potential Need(s) that are driven by (i) reliability requirements, (ii) economic considerations, or (iii) Public Policy Requirements.

3.2 Order 1000 Need(s) for Draft System Assessment Report

Under section 3.2 of Appendix A of the Order 1000 Agreement:

3.2.1 ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, is to perform a system assessment and prepare a Draft System Assessment Report

- (i) to identify Order 1000 Need(s) by using screening studies of the Order 1000 ColumbiaGrid Planning Region and using the Order 1000 Planning Criteria and Order 1000 Needs Factors to identify, from the Order 1000 Potential Need(s), Order 1000 Need(s), if any, including Order 1000 Needs that are driven by (a) reliability requirements, (b) economic considerations, or (c) Public Policy Requirements, projected to occur during the Planning Horizon; *provided that* Draft Order 1000 Need Statements need not be prepared for a Draft System Assessment Report for the second year

of a Planning Cycle for any Order 1000 Need already identified in the previous System Assessment Report; and

- (ii) to reevaluate Order 1000 Projects included in prior Plans pursuant to section 3.3 of Appendix A of the Order 1000 Agreement.

3.2.2 ColumbiaGrid is to perform the system assessment and base such assessment on the then-current and appropriate WECC planning base cases; *provided that* Order 1000 Enrolled Parties are to provide updates to the input previously provided to ColumbiaGrid pursuant to sections 4.1 and 4.6 of the body of the Order 1000 Agreement; *provided further that* ColumbiaGrid is insofar as practicable to consider other information supplied by Order 1000 Enrolled Parties, customers of Order 1000 Enrolled Parties, other Interested Persons, and stakeholders. ColumbiaGrid is insofar as practicable to update the then-current WECC planning base case to reflect such updated information so that the system assessment reflects on-going projects and the likely completion dates of such projects to the extent such projects and completion dates are reasonably forecasted to occur prior to the end of the Planning Horizon.

3.2.3 ColumbiaGrid is to post drafts of the system assessment results on the Website as they become available during the system assessment process subject to any appropriate conditions to protect Confidential Information and CEII.

3.2.4 ColumbiaGrid, in coordination with the Order 1000 Parties and Interested Persons, is to apply the Order 1000 Needs Factors set forth in section 2.2 of Appendix A of the Order 1000 Agreement to select Order 1000 Need(s) projected to occur during the Planning Horizon, is to develop conceptual transmission solutions that address any Order 1000 Need(s), and is to develop a Draft Order 1000 Need Statement for each such Order 1000 Need. Each such Draft Order 1000 Need Statement is, at a minimum, to include the following information:

- (i) a narrative description of the Order 1000 Need and the assumptions, applicable Order 1000 Planning Criteria, and methodology used to determine the Order 1000 Need;
- (ii) one or more conceptual transmission-based solutions to meet the Order 1000 Need with estimated timelines and estimated costs to implement each such solution; and
- (iii) an indication of whether a non-transmission solution might be viable to eliminate or delay the necessity for a transmission-based solution.

In the event that ColumbiaGrid and the Order 1000 Parties and Interested Persons participating in the system assessment do not reach consensus on the content of any Draft Order 1000 Need Statement, Staff is to determine the content of such Draft Order 1000 Need Statement; *provided that* in making its determination, Staff is to consider any comments and possible solutions suggested by any Order 1000 Party, Interested Person, or stakeholders participating in the system assessment; *provided further that* ColumbiaGrid is to note in the Draft Order 1000 Need Statement that Staff determined the content of such statement and is to report the comments of Order 1000 Parties, Interested Persons, and stakeholders.

3.2.5 ColumbiaGrid is to post drafts of the Draft Order 1000 Need Statements, as they become available, on the Website subject to any appropriate conditions to protect Confidential Information and CEII. Order 1000 Parties, Interested Persons, and stakeholders may submit written comments to ColumbiaGrid on the Draft Order 1000 Need Statements and ColumbiaGrid is insofar as practicable to consider any such comments in preparing the final Order 1000 Need Statements. ColumbiaGrid is to present the Draft Order 1000 Need Statements to the Board for review and comment and is to incorporate any Board comments in the final Order 1000 Need Statements. ColumbiaGrid is to post, subject to any appropriate conditions to protect Confidential Information and CEII, Order 1000 Need Statements and documentation of the basis upon which Order 1000 Potential Need(s), including Order 1000 Potential Need(s) driven by Public Policy Requirements, were or were not selected as Order 1000 Need(s) on the Website.

3.3 Reevaluation of Order 1000 Project(s)

Under section 3.3 of Appendix A of the Order 1000 Agreement:

Staff, in consultation with any identified developer, owner, or operator and any Order 1000 Beneficiary and ITP Proponent of an Order 1000 Project, is in each system assessment to reevaluate the most recent prior Plan, taken as a whole, to determine if changes in circumstances, including delays in the development of an Order 1000 Project included in such prior Plan, require evaluation of alternative transmission solutions, including those that the incumbent Order 1000 Enrolled Party proposes, so that the incumbent Order 1000 Enrolled Party as a transmission provider can meet its reliability needs or service obligations. Based on such reevaluation, Staff is to recommend removal of a project as an Order 1000 Project in the Plan if:

- (i) the Order 1000 Project would no longer qualify for selection as an Order 1000 Project;
- (ii) a project development schedule for the Order 1000 Project has not been submitted to ColumbiaGrid as required by item (ii) of section 2.6 of Appendix A of the Order 1000 Agreement demonstrating that the Order 1000 Project will timely meet Order 1000 Need(s);
- (iii) the development of the Order 1000 Project is not progressing consistent with the project development schedule such that the Order 1000 Project will not timely meet Order 1000 Need(s);
- (iv) if all Order 1000 Parties that requested Order 1000 Cost Allocation for the Order 1000 Project have withdrawn their requests for Order 1000 Cost Allocation in accordance with section 5.2 of Appendix A of the Order 1000 Agreement; or
- (v) the developer(s), owner(s), or operator(s) of the Order 1000 Project fail to provide information regarding the Order 1000 Project that is needed for the reevaluation pursuant to section 3.3 of Appendix A of the Order 1000 Agreement.

The Board is to make the final determination as to the removal of an Order 1000 Project from a Plan as an Order 1000 Project (and upon such removal any Order 1000 Cost Allocation associated with such Order 1000 Project is to be vacated).

In the event that an Order 1000 Project is removed from a Plan, an Order 1000 Enrolled Party may propose solutions that it would implement within its retail distribution service territory or footprint, if any evaluation of alternatives is needed. If an Order 1000 Enrolled Party proposes transmission facilities as a proposed solution to Order 1000 Need(s), such proposed transmission facilities are to be evaluated as a proposed solution in accordance with the Order 1000 Agreement.

3.4 Draft System Assessment Report

Under section 3.4 of Appendix A of the Order 1000 Agreement:

ColumbiaGrid, in coordination with Order 1000 Parties and Interested Persons, is to prepare a Draft System Assessment Report. Such Draft System Assessment Report is to reflect Order 1000 Needs identified in the Order 1000 Need Statement(s) that are projected to occur during the Planning Horizon.

During the development of the Draft System Assessment Report, each Order 1000 Party is to endeavor to inform Staff of any material change in conditions (anticipated to occur during the Planning Horizon) with respect to such Order 1000 Party of which it is aware affecting any Order 1000 Need(s) under consideration in the Draft System Assessment Report. ColumbiaGrid is insofar as practicable to take into account any such updates in its Draft System Assessment Report.

ColumbiaGrid is to post for comment on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, the Draft System Assessment Report. Staff is to consider any comments submitted by stakeholders within 15 days of the posting and prior to the submission to the Board is to consider any revisions to the Draft System Assessment Report that should be made as a result of such comments. Staff is to present the Draft System Assessment Report, including the Order 1000 Need Statements, to the Board for review and comment.

3.5 Final System Assessment Report

Under section 3.5 of Appendix A of the Order 1000 Agreement:

ColumbiaGrid is to incorporate in the Final System Assessment Report the comments of the Board on the Draft System Assessment Report.

4. Study Teams

ColumbiaGrid is to endeavor to post on the Website, not later than ten business days prior to any meeting of a Study Team, information regarding any potential solutions to address any Order 1000 Need(s) to be discussed at such meeting.

4.1 Formation of Study Teams

Under section 4.1 of Appendix A of the Order 1000 Agreement:

Unless assigned to an existing Study Team, ColumbiaGrid is to form Study Team(s) to develop a plan(s) of service to address Order 1000 Need(s), including plan(s) of service for Order 1000 Proposed Staff Solutions. When such Study Teams have been formed, ColumbiaGrid is to give notice to those Order 1000 Parties and Interested Persons that ColumbiaGrid anticipates will be materially affected.

Staff is to hold a public meeting, with general notice to Order 1000 Parties and Relevant State and Provincial Agencies and other Interested Persons and specific notice to those Order 1000 Parties and Interested Persons that ColumbiaGrid anticipates may be materially affected, for the purpose of reviewing each Order 1000 Need Statement and soliciting participation in a Study Team to address each Order 1000 Need. Staff is also to consider convening Study Teams that address more than one Order 1000 Need. Staff is to monitor the progress of each Study Team and is, as appropriate, to bring Study Teams together (including Study Teams formed under the PEFA) in order to resolve differences, gain efficiencies or effectiveness, or develop solutions that meet more than one Order 1000 Need.

4.2 Participation in Study Teams

Under section 4.2 of Appendix A of the Order 1000 Agreement:

4.2.1 ColumbiaGrid is to participate in each Study Team and, as needed, manage and facilitate the Study Team process. ColumbiaGrid is to endeavor to post on the Website, not later than ten business days prior to any meeting of a Study Team, information regarding Order 1000 Need(s) and potential solutions to be discussed at such meeting. ColumbiaGrid is to post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, drafts of summaries of the progress of the Study Teams, including the development of any proposed solutions to address any Order 1000 Need(s). If the Study Team determines that an Order 1000 Party that is not participating in the Study Team may be materially affected by the proposed solution to an Order 1000 Need(s) being developed by such Study Team, ColumbiaGrid is to so notify such Order 1000 Party, and such Order 1000 Party is to participate in the Study Team.

4.2.2 Any Order 1000 Party, Order 1000 Affected Person, Relevant State and Provincial Agency, or other Interested Person may participate in a Study Team, except as such participation may be subject to restrictions in tariffs (*see, e.g.*, pro forma open access transmission tariff, sections 17.2 and 18.2) or applicable law. Order 1000 Party(ies) that are potentially materially affected by an Order 1000 Need(s) are to participate in the Study Team relating to such Order 1000 Need(s).

4.2.3 With respect to the development by the Study Team of a proposed solution to an Order 1000 Need(s),

- (i) Order 1000 Enrolled Party(ies) with an Order 1000 Need(s) that is proposed to be met by an Order 1000 Proposed Staff Solution is to

assume primary responsibility for leading and performing necessary analytical work for such solution in the Study Team; and

- (ii) Order 1000 Enrolled Party(ies) (or ITP Proponent(s)) that is a proponent of a proposed solution other than an Order 1000 Proposed Staff Solution is to assume primary responsibility for leading and performing necessary analytical work for such solution in the Study Team; *provided that* each Order 1000 Enrolled Party(ies) with an Order 1000 Need(s) that is proposed to be met by such solution is to assume primary responsibility for assessing whether such solution satisfies its Order 1000 Need(s).

At such time that ColumbiaGrid determines that an Order 1000 Party or other Person that is not involved may be materially affected by the Order 1000 Proposed Project being developed, ColumbiaGrid is to so notify such Order 1000 Party or other Person. Any such Order 1000 Party so notified is to, and any such other Person may, participate in the Study Team.

4.3 Scope of Study Team Activities

Under section 4.3 of Appendix A of the Order 1000 Agreement:

Section 4.3 of Appendix A of the Order 1000 Agreement describes the development by the Study Team of a plan(s) of service to address an Order 1000 Need(s). The proposed transmission facilities of an Order 1000 Transmission System(s) included in a plan of service that address an Order 1000 Need(s) are referred to in the Order 1000 Agreement as “Order 1000 Proposed Projects.”

The general objective of a Study Team is to be, with respect to any Order 1000 Need(s), to collaboratively and timely develop all required elements of a plan(s) of service to address Order 1000 Need(s) as provided in section 4 of Appendix A of the Order 1000 Agreement. In developing such plan(s) of service, a Study Team is to evaluate any proposed solutions to an Order 1000 Need(s), including Order 1000 Non-Transmission Alternatives and conceptual solutions, that are:

- (i) reflected in the relevant System Assessment Report(s); or
- (ii) proposed by any Study Team participant to address such Order 1000 Need(s); *provided that* the information, including data, needed in order for the Study Team to evaluate such proposed solutions has been provided to ColumbiaGrid.

In performing its evaluation, the Study Team is to assess the ability of any proposed solution to address an Order 1000 Need(s) considering the factors as described in section 2.3 of Appendix A of the Order 1000 Agreement, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof. In addition, the Study Team is to assess whether there is a solution that is a more efficient or cost-effective alternative, applying such factors, to address Order 1000 Need(s). Taking such assessments into

account, the Study Team is to attempt to reach agreement on all of the elements of a plan(s) of service to meet the Order 1000 Need(s).

In the event that the Study Team does not reach consensus on all of the elements of a plan(s) of service, Staff is to determine all of the elements, upon which the Study Team did not reach consensus, of a plan(s) of service to meet Order 1000 Need(s); *provided that* in making its determination, Staff is to consider any comments by any Order 1000 Party or Interested Person; *provided further that* ColumbiaGrid is in the final Study Team Report to note which of the elements of the plan(s) of service it determined and is to note the comments of Order 1000 Parties and Interested Persons. In making such determination, Staff is to assess the ability of any proposed solution to address an Order 1000 Need(s) considering the factors as described in section 2.3 of Appendix A of the Order 1000 Agreement, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof.

4.4 Order 1000 Proposed Staff Solutions and Their Development by Study Teams

Under section 4.4 of Appendix A of the Order 1000 Agreement:

Staff, in consultation with the Study Team and Interested Persons, is to review each plan of service that is included in a final Study Team report and assess whether Order 1000 Needs, when taken together, can be met by any more efficient or cost-effective transmission solution. If any such transmission solution is identified as a result of such assessment as a more efficient or cost-effective solution to an Order 1000 Need(s) (“Order 1000 Proposed Staff Solution”), Staff is to develop information regarding such transmission solution that is comparable to the information that is to be provided pursuant to section 2.6 of Appendix A of the Order 1000 Agreement. However, such data is to not include any assumption regarding the identity of the sponsor, developer, owner, or operator of any facilities of such transmission solution. A plan of service for any Order 1000 Proposed Staff Solution is to be developed by a Study Team (or by Staff in the absence of consensus) as described in section 4.3 of Appendix A of the Order 1000 Agreement, and the transmission facilities included in such plan of service may be an Order 1000 Proposed Project.

5. Identification of Order 1000 Proposed Projects and Order 1000 Eligible Projects and Selection of Order 1000 Projects

5.1 Identification of Order 1000 Proposed Projects and Order 1000 Eligible Projects

Under section 5.1 of Appendix A of the Order 1000 Agreement:

Not later than 30 days after the issuance of a final Study Team report (including any final Study Team report with respect to a plan of service for an Order 1000 Proposed Staff Solution), an Order 1000 Enrolled Party or ITP Proponent may request that Staff identify any Order 1000 Eligible Project(s) included therein. Any such request is to be submitted in writing to ColumbiaGrid. Upon receipt of any such request, Staff, in consultation with Interested Persons, is to

- (i) review the plan of service that is included in such final Study Team report and identify any Order 1000 Proposed Projects included therein that are either (a) intraregional (*i.e.*, located within the Order 1000 ColumbiaGrid Planning Region), or (b) an ITP; and
- (ii) identify from among the Order 1000 Proposed Project(s) included in such final Study Team report any Order 1000 Proposed Project(s) that is a more efficient or cost-effective solution to an Order 1000 Need(s).

Any Order 1000 Proposed Project so identified pursuant to item (ii) above is an “Order 1000 Eligible Project.” An Order 1000 Eligible Project is eligible for consideration to be selected as an Order 1000 Project. An Order 1000 Eligible Project may qualify for and receive an Order 1000 Cost Allocation only if (1) such Order 1000 Eligible Project is selected as an Order 1000 Project in accordance with section 5.3 of Appendix A of the Order 1000 Agreement; and (2) if the Order 1000 Eligible Project is an ITP, the Order 1000 Enrolled Party or ITP Proponent that is the proponent of such ITP also requests Interregional Cost Allocation for such Order 1000 Eligible Project.

For each request, Staff is to prepare and post on the Website, subject to any appropriate conditions to protect Confidential Information and CEII, a description of any Order 1000 Eligible Project(s), and, with respect to any Order 1000 Proposed Project that was not selected as an Order 1000 Eligible Project, an explanation of why such Order 1000 Proposed Project was not selected as an Order 1000 Eligible Project.

5.2 Timely Request for Order 1000 Cost Allocation

Under section 5.2 of Appendix A of the Order 1000 Agreement:

Not later than 60 days after ColumbiaGrid has posted a description of any Order 1000 Eligible Project(s) pursuant to section 5.1 of Appendix A of the Order 1000 Agreement on the Website, an Order 1000 Enrolled Party(ies) or ITP Proponent(s) may request Order 1000 Cost Allocation for any such Order 1000 Eligible Project(s) for which such Order 1000 Enrolled Party(ies) or ITP Proponent(s) is a proponent; *provided that* an ITP Proponent may request an Order 1000 Cost Allocation for an Order 1000 Project only if such project is an ITP and if such ITP Proponent is Enrolled in a Relevant Planning Region for such ITP. Not later than 60 days after ColumbiaGrid has posted a description of any Order 1000 Eligible Project(s) pursuant to section 5.1 of Appendix A of the Order 1000 Agreement on the Website, an Order 1000 Enrolled Party(ies) or ITP Proponent(s) may request Order 1000 Cost Allocation for any such Order 1000 Eligible Project(s) that is an Order 1000 Proposed Staff Solution; *provided that* an ITP Proponent(s) may request an Order 1000 Cost Allocation for an Order 1000 Project only if such project is an ITP and if such ITP Proponent(s) is Enrolled in a Relevant Planning Region for such ITP. Any request for an Order 1000 Cost Allocation for an Order 1000 Eligible Project is to be submitted in writing to ColumbiaGrid. ColumbiaGrid is to post all such requests on the Website, and distribute copies of such requests to all Order 1000 Parties and participants in the Study Team that developed the Order 1000 Eligible Project. Any request for Order 1000 Cost Allocation for an Order 1000 Eligible Project submitted after the applicable foregoing deadline is

not timely and is not to be considered. A request for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is an ITP must include a request for Interregional Cost Allocation for such ITP in accordance with sections 7.5.1 and 8.4 of Appendix A of the Order 1000 Agreement. An Order 1000 Cost Allocation for an Order 1000 Eligible Project may not be requested pursuant to section 5.2 of Appendix A of the Order 1000 Agreement if Order 1000 Cost Allocation has been previously requested pursuant to section 5.2 of Appendix A of the Order 1000 Agreement for such Order 1000 Eligible Project and such request has not been withdrawn.

An Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requests Order 1000 Cost Allocation for an Order 1000 Eligible Project in accordance with section 5.2 of Appendix A of the Order 1000 Agreement may withdraw its request for such Order 1000 Cost Allocation at any time (including after such Order 1000 Eligible Project has been selected by ColumbiaGrid as an Order 1000 Project). Such request may be withdrawn by submitting notice of withdrawal of such request to ColumbiaGrid in writing. In the event that more than one Order 1000 Enrolled Party or ITP Proponent has requested Order 1000 Cost Allocation for an Order 1000 Eligible Project, and it is an Order 1000 Project, so long as at least one such party's request has not been withdrawn, and if no agreement on implementation has been reached in accordance with section 5.4 of Appendix A of the Order 1000 Agreement, ColumbiaGrid is to apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project in accordance with section 6 of Appendix A of the Order 1000 Agreement.

For an Order 1000 Project that receives an Order 1000 Cost Allocation prior to the identification of its owner(s) or operator(s), such Order 1000 Cost Allocation is to be reperformed if and at such time as the owner(s) or operator(s) of the transmission facilities comprising such project are identified and any Order 1000 Enrolled Party(ies) or ITP Proponent(s) requests such reperformance. Upon such reperformance, any prior Order 1000 Cost Allocation with respect to such Order 1000 Project is to be vacated.

5.3 Selection as Order 1000 Project

Under section 5.3 of Appendix A of the Order 1000 Agreement:

For each Order 1000 Eligible Project for which Order 1000 Cost Allocation has been timely requested pursuant to section 5.2 of Appendix A of the Order 1000 Agreement, the Board is, in an open, public process (subject to any appropriate conditions to protect Confidential Information and CEII), to review such Order 1000 Eligible Project and either (i) confirm that such Order 1000 Eligible Project is a more efficient or cost-effective solution to meet an Order 1000 Need(s) and post such confirmation on the Website or (ii) document and post on the Website its reasons for not confirming that such Order 1000 Eligible Project is the more efficient or cost-effective solution to meet an Order 1000 Need(s). In determining whether or not to so confirm an Order 1000 Eligible Project, the Board is to consider the factors as described in section 2.3 of Appendix A of the Order 1000 Agreement, including assessment of any Order 1000 Material Adverse Impact of such proposed solution on any transmission system and the mitigation thereof. An Order 1000 Eligible Project that the Board confirms is a more efficient or cost-effective solution in accordance with section 5.3 of Appendix A of the Order 1000 Agreement is an Order 1000 Eligible Project that has been selected as an "Order 1000 Project". Each such Order 1000 Eligible Project is an "Order 1000 Project" under the Order 1000

Agreement, unless or until such time as (a) all Order 1000 Parties that timely requested Order 1000 Cost Allocation for such Order 1000 Eligible Project have withdrawn such requests in accordance with section 5.2 of Appendix A of the Order 1000 Agreement, (b) the Benefit to Cost Ratio for such project is determined pursuant to section 6.3.2 of Appendix A of the Order 1000 Agreement to be less than 1.25, (c) an agreement on implementation of such project is reached in accordance with section 5.4 of Appendix A of the Order 1000 Agreement or section 6.4 of Appendix A of the Order 1000 Agreement, or (d) such project is removed from a Plan as an Order 1000 Project pursuant to sections 3.3 and 11.4.1 of Appendix A of the Order 1000 Agreement.

All requests for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is not selected by ColumbiaGrid as an Order 1000 Project are to be deemed withdrawn. All requests for Order 1000 Cost Allocation for an Order 1000 Eligible Project that is selected by ColumbiaGrid as an Order 1000 Project but for which the Benefit to Cost Ratio for such Order 1000 Project is determined pursuant to section 6.3.2 of Appendix A of the Order 1000 Agreement to be less than 1.25 are to be deemed withdrawn. For the avoidance of doubt, in no event is ColumbiaGrid to perform an Order 1000 Cost Allocation for any project, including any Order 1000 Eligible Project, unless and until ColumbiaGrid selects such project as an Order 1000 Project and, to the extent that an Order 1000 Cost Allocation is performed for an Order 1000 Project and the requests for Order 1000 Cost Allocation for such Order 1000 Project are subsequently withdrawn or are deemed withdrawn, such Order 1000 Cost Allocation are to be vacated.

5.4 Negotiation Period for Implementation of an Order 1000 Project

Under section 5.4 of Appendix A of the Order 1000 Agreement:

After ColumbiaGrid has selected an Order 1000 Eligible Project as an Order 1000 Project in accordance with section 5.3 of Appendix A of the Order 1000 Agreement, ColumbiaGrid is to allow six full calendar months (“Negotiation Period”) for Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested the Order 1000 Cost Allocation with respect to such Order 1000 Project and all Order 1000 Affected Persons with respect to such Order 1000 Project to reach agreement on implementation of such Order 1000 Project, including responsibility for the funding of such Order 1000 Project. ColumbiaGrid is to allow additional time (“Extended Negotiation Period”) for Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested such Order 1000 Cost Allocation and all such Order 1000 Affected Persons to reach agreement on implementation of such Order 1000 Project, including responsibility for the funding of such Order 1000 Project, if such Extended Negotiation Period is requested by all such Order 1000 Enrolled Party(ies) or ITP Proponent(s) and by all such Order 1000 Affected Persons.

6. Application of Order 1000 Cost Allocation Methodology

Under section 6 of Appendix A of the Order 1000 Agreement:

ColumbiaGrid is to perform a Preliminary Cost Allocation by applying the Order 1000 Cost Allocation Methodology to an Order 1000 Project in accordance with section 6 of Appendix A of the Order 1000 Agreement, unless (i) the Order 1000 Party(ies) requesting Order 1000 Cost

Allocation for an Order 1000 Project has withdrawn its request (or such request is deemed withdrawn) for Order 1000 Cost Allocation, or (ii) agreement has been reached on implementation of such Order 1000 Project pursuant to section 5.4 of Appendix A of the Order 1000 Agreement. If a Negotiation Period or Extended Negotiation Period is requested for an Order 1000 Project in accordance with section 5.4 of Appendix A of the Order 1000 Agreement, ColumbiaGrid is to not apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project until such time as the requested Negotiation Period and, if applicable, Extended Negotiation Period have expired and no agreement on implementation for the Order 1000 Project has been reached.

For purposes of applying the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid is to identify pursuant to section 6.1 of Appendix A of the Order 1000 Agreement projected costs of such Order 1000 Project and, pursuant to section 6.2 of Appendix A of the Order 1000 Agreement, identify Order 1000 Benefits and Order 1000 Beneficiaries (and deemed Order 1000 Benefits and Order 1000 Beneficiaries as applicable), and apply the Order 1000 Cost Allocation Methodology to such Order 1000 Project as follows:

- (a) Under item (a) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement:

Pursuant to section 6.3 of Appendix A of the Order 1000 Agreement, Staff is to perform a Preliminary Cost Allocation, under which any Order 1000 Beneficiary(ies) is deemed to include any Governmental Non-Enrolled Party(ies) and Order 1000 Benefits are deemed to include benefits calculated pursuant to section 1.31 of the Order 1000 Agreement and section 6.2.2 of Appendix A of the Order 1000 Agreement for each Governmental Non-Enrolled Party as if it were an Order 1000 Enrolled Party.

- (b) Under item (b) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement:

If written agreement following item (a) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement on Order 1000 Project implementation, including responsibilities for funding such project, is not reached in accordance with section 6.4 of Appendix A of the Order 1000 Agreement, Staff is to reperform, pursuant to section 6.3 of Appendix A of the Order 1000 Agreement, a Preliminary Cost Allocation, under which Order 1000 Enrolled Party(ies) are the only Order 1000 Beneficiaries. As necessary, the performance of the Preliminary Cost Allocation, pursuant to item (b) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement, is to be reperformed if an Order 1000 Enrolled Party converts pursuant to section 14.17 of the Order 1000 Agreement to a Governmental Non-Enrolled Party prior to the approval by the Board, pursuant to section 11 of

Appendix A of the Order 1000 Agreement, of the Order 1000 Cost Allocation for such Order 1000 Project.

6.1 Order 1000 Project Costs

Under section 6.1 of Appendix A of the Order 1000 Agreement:

Under the first paragraph of section 6.1 of Appendix A of the Order 1000 Agreement: ColumbiaGrid is to project the capital costs of each Order 1000 Project (including the capital costs of transmission facilities that are required to mitigate Order 1000 Material Adverse Impacts (if such facilities are within the Order 1000 ColumbiaGrid Planning Region and, subject to the second paragraph of section 6.1 of Appendix A of the Order 1000 Agreement, if such facilities are outside the Order 1000 ColumbiaGrid Planning Region) due to such Order 1000 Project) for which it is to apply the Order 1000 Cost Allocation Methodology. Such projection may be based on information provided by the Order 1000 Project developer(s), owner(s), or operator(s); the Study Team; or ColumbiaGrid. In developing such projection, ColumbiaGrid may also seek the input of Third Persons. ColumbiaGrid is to document the basis for its projection and make supporting information available to the extent practicable consistent with any applicable confidentiality and CEII requirements.

Under the second paragraph of section 6.1 of Appendix A of the Order 1000 Agreement: For purposes of Order 1000 Cost Allocation, the projected costs of any Order 1000 Project (other than an ITP) are to include the projected costs required as a result of such project, if any, (i) that relate to transmission facilities outside the Order 1000 ColumbiaGrid Planning Region and (ii) that all Order 1000 Beneficiaries of such Order 1000 Project agree, in writing, to bear.

Under the third paragraph of section 6.1 of Appendix A of the Order 1000 Agreement: For purposes of Interregional Cost Allocation, the projected costs of any ITP for which the Order 1000 ColumbiaGrid Planning Region is a Relevant Planning Region are to include the projected costs required as a result of such ITP, if any, (a) that relate to transmission facilities outside any Relevant Planning Region and (b) that all transmission providers in the Relevant Planning Regions that are beneficiaries of such ITP agree, in writing with all other such beneficiaries, to bear.

6.2 Order 1000 Benefits and Beneficiaries

Under section 6.2 of Appendix A of the Order 1000 Agreement:

ColumbiaGrid is to identify any Order 1000 Beneficiaries and project the Order 1000 Benefits of each such beneficiary projected as a direct result of each Order 1000 Project for which it is to apply the Order 1000 Cost Allocation Methodology.

6.2.1 Analytical Tools and Methodologies for Projecting Order 1000 Benefits. Analysis to project Order 1000 Benefits of an Order 1000 Beneficiary for an Order 1000 Project is to include the following:

- (i) Tools for determining Order 1000 Benefits as described in items (i) and (ii)(a) of section 1.31 of the body of the Order 1000

Agreement are to be as follows: Power flow and stability studies are to be used to project the changes in transmission capacity on an Order 1000 Beneficiary's Order 1000 Transmission System due to an Order 1000 Project and the resulting extent, if any, to which any Order 1000 Beneficiary of such project would avoid costs due to elimination or deferral of planned transmission facility additions through changes in facility loading, transient stability, or voltage performance; and

- (ii) Tools and methodologies for determining Order 1000 Benefits as described in item (ii)(b) of section 1.31 of the body of the Order 1000 Agreement are to be as follows:
 - (a) Power flow and stability studies are to be used to project changes, if any, to transfer capability (through changes in facility loading, transient stability, or voltage performance) on transmission paths or flowgates that (1) include facilities of an Order 1000 Beneficiary and (2) have increased transfer capability as a result of the Order 1000 Project;
 - (b) Projected changes, if any, of potential usability of transmission paths or flowgates that (1) include facilities of an Order 1000 Beneficiary and (2) have increased transfer capability as a result of the Order 1000 Project resulting from the changes in transfer capability projected pursuant to item (a) above are to be assessed using production cost studies (existing or new);
 - (c) Any transmission queue, precedent transmission service agreements, and other evidence of customers' commitment to take service from such Order 1000 Beneficiary are to be reviewed to project any expected subscriptions for increased transfer capability on such Order 1000 Beneficiary's Order 1000 Transmission System projected to result from such Order 1000 Project;
 - (d) Such Order 1000 Beneficiary is, in consultation with Staff, to project its share of increased transfer capability on any transmissions paths or flowgates determined pursuant to item (b) above and calculate such Order 1000 Beneficiary's projected increase in Available Transfer Capability ("ATC") or Available Flowgate Capability ("AFC"), as applicable, projected to result from its share of such increased transfer capability; and
 - (e) Taking into account any subscriptions that are projected pursuant to item (c) above and such Order 1000

Beneficiary's projected increase, if any, in ATC or AFC projected pursuant to item (d) above, such Order 1000 Beneficiary is, in consultation with Staff, to project the amount of such projected increase in ATC or AFC that would be sold.

6.2.2 Calculation of Order 1000 Benefits. For purposes of calculating Order 1000 Benefits under item (i) of section 1.31 of the body of the Order 1000 Agreement,

- (i) the avoided costs of deferred transmission facilities are to be the borrowing costs (*i.e.*, interest costs) projected to be avoided during the Planning Horizon as a result of the deferral of the capital investment of such deferred facilities (rather than the capital costs themselves of such facilities) plus the incremental operations and maintenance costs of such deferred facilities projected to be avoided during the Planning Horizon; and
- (ii) the avoided costs of eliminated transmission facilities during the Planning Horizon are to be the portion of the projected avoided depreciation expense of such eliminated facilities that falls within the Planning Horizon plus the projected incremental operation and maintenance costs of such eliminated facilities avoided during the Planning Horizon (such projected avoided depreciation expense is to be determined using straight-line depreciation of the projected capital costs of such eliminated facilities over their depreciable lives).

For purposes of calculating Order 1000 Benefits under item (ii)(a) of section 1.31 of the body of the Order 1000 Agreement, the projected cost that each Order 1000 Beneficiary would, but for the Order 1000 Project, have otherwise incurred is to be:

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

Any increase in capacity of existing transmission facilities of an Order 1000 Transmission System of an Order 1000 Beneficiary identified in applying the Order 1000 Cost Allocation

Methodology and that results from any Order 1000 Project is to be deemed to be owned by such Order 1000 Beneficiary unless otherwise agreed to in writing by such Order 1000 Beneficiary.

6.3 Cost Allocation Methodology

Under section 6.3 of Appendix A of the Order 1000 Agreement:

6.3.1 Allocation of Projected Costs.

For purposes of application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid is to allocate to each Order 1000 Beneficiary of such Order 1000 Project the product of the projected costs of such Order 1000 Project if such Order 1000 Project is not an ITP (or, if such Order 1000 Project is an ITP, the Total Regional Costs from Interregional Cost Allocation of such ITP), multiplied by a fraction, the numerator of which is equal to such beneficiary's Order 1000 Benefits and the denominator of which is equal to the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project.

Such allocation to each Order 1000 Beneficiary may be algebraically represented as follows:

Allocation to each Order 1000 Beneficiary for any Order 1000 Project that is not an ITP = The product of the projected costs of the Order 1000 Project x (such Order 1000 Beneficiary's Order 1000 Benefits / (the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project))

Allocation to each Order 1000 Beneficiary for any Order 1000 Project that is an ITP = (The product of the Total Regional Costs from Interregional Cost Allocation of such ITP) x ((such Order 1000 Beneficiary's Order 1000 Benefits) / (the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project))

6.3.2 Determination and Application of Benefit to Cost Ratio.

For purposes of application of the Order 1000 Cost Allocation Methodology to an Order 1000 Project, ColumbiaGrid is to determine the Benefit to Cost Ratio for such project, which ratio is to be equal to the quotient of the following:

- (i) the sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project determined in accordance with section 6.2.2 of Appendix A of the Order 1000 Agreement, divided by
- (ii) the projected capital costs of such Order 1000 Project if it is not an ITP or the Total Regional Costs from Interregional Cost Allocation from such ITP if such Order 1000 Project is an ITP.

Such Benefit to Cost Ratio for such Order 1000 Project may be algebraically represented as follows:

Benefit to Cost Ratio for such Order 1000 Project = (The sum of the Order 1000 Benefits of all Order 1000 Beneficiaries of such Order 1000 Project) / (the projected capital costs of such Order 1000 Project if it is not an ITP or the Total Regional Costs from Interregional Cost Allocation from such ITP if such Order 1000 Project is an ITP)

If the Benefit to Cost Ratio for an Order 1000 Project determined pursuant to section 6.3.2 of Appendix A of the Order 1000 Agreement is not equal to or greater than 1.25, such Order 1000 Project is, upon such determination, to no longer be an Order 1000 Project and any Order 1000 Cost Allocation for such project is to be vacated.

6.4 Preliminary Cost Allocation Report and Order 1000 Cost Allocation Report

Under section 6.4 of Appendix A of the Order 1000 Agreement:

Under the first paragraph of section 6.4 of Appendix A of the Order 1000 Agreement: In conjunction with Staff's application of the Order 1000 Cost Allocation Methodology as contemplated in items (a) and (b) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement, as applicable, Staff is to document in a draft Preliminary Cost Allocation Report the results of Staff's determination of the Benefit to Cost Ratio and, if any, the application of the Order 1000 Cost Allocation Methodology to such Order 1000 Project, including (i) the identified Order 1000 Benefits and an explanation of such Order 1000 Benefits with respect to such Order 1000 Project, and (ii) the identified Order 1000 Beneficiaries of such Order 1000 Project.

Under the second paragraph of section 6.4 of Appendix A of the Order 1000 Agreement: Subject to any appropriate conditions to protect Confidential Information and CEII, Staff is to provide its draft Preliminary Cost Allocation Report with respect to such Order 1000 Project to the Order 1000 Parties, any Order 1000 Beneficiaries identified in such draft report, the Study Team that developed such Order 1000 Project, and any Interested Person who requests such report, and is to provide an opportunity for written comment for a period of 30 days following the issuance of such draft report. Staff is to evaluate any written comments and reflect them in a Preliminary Cost Allocation Report as follows:

- (a) to the extent Staff agrees with any revisions proposed by any Order 1000 Party, Order 1000 Beneficiary, Study Team participant, or Interested Person, Staff is to reflect such revisions in the Preliminary Cost Allocation Report; and
- (b) to the extent Staff disagrees with any revisions proposed by any Order 1000 Party, Order 1000 Beneficiary, Study Team participant, or Interested Person, Staff is to summarize the proposed revisions and document the reason why Staff did not accept the proposed revisions in the Preliminary Cost Allocation Report.

Under the third paragraph of section 6.4 of Appendix A of the Order 1000 Agreement: After Staff has applied the Order 1000 Cost Allocation Methodology pursuant to item (a) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement and prepared the associated Preliminary Cost Allocation Report with respect to an Order 1000 Project for which there are one or more Governmental Non-Enrolled Party(ies) included in the Preliminary Cost Allocation, ColumbiaGrid is to allow sixty days (and additional time if and to the extent requested by all such Governmental Non-Enrolled Party(ies), all Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested Order 1000 Cost Allocation for such Order 1000 Project, all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons with respect to such Order 1000 Project) for all such Governmental Non-Enrolled Party(ies), Order 1000 Enrolled Party(ies) or ITP Proponent(s), all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation, including responsibility for the funding of such Order 1000 Project. If no such written agreement is reached pursuant to the third paragraph of section 6.4 of Appendix A of the Order 1000 Agreement, Staff is to apply the Order 1000 Cost Allocation Methodology pursuant to item (b) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement.

Under the fourth paragraph of section 6.4 of Appendix A of the Order 1000 Agreement: After Staff has, if necessary, applied the Order 1000 Cost Allocation Methodology pursuant to item (b) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement and prepared the associated Preliminary Cost Allocation Report with respect to an Order 1000 Project, ColumbiaGrid is to allow time (if and to the extent requested by all Order 1000 Enrolled Party(ies) or ITP Proponent(s) that requested Order 1000 Cost Allocation for such Order 1000 Project, all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons with respect to such Order 1000 Project) for all Order 1000 Enrolled Party(ies) or ITP Proponent(s), all Order 1000 Beneficiaries, and all other Order 1000 Affected Persons to reach written agreement on Order 1000 Project implementation, including responsibility for the funding of such Order 1000 Project.

Under the fifth paragraph of section 6.4 of Appendix A of the Order 1000 Agreement: If a written agreement on implementation of an Order 1000 Project is reached in accordance with section 6.4 of Appendix A of the Order 1000 Agreement, (i) any Order 1000 Enrolled Party(ies) and Governmental Non-Enrolled Party(ies) that entered into such agreement are to promptly provide written notice of such agreement to ColumbiaGrid, (ii) the Preliminary Cost Allocation Report for such Order 1000 Project is not to be included in the Draft Plan, and (iii) Staff is to indicate in the Draft Plan that an agreement on implementation has been reached for such Order 1000 Project. If such an agreement on implementation of an Order 1000 Project is not reached in accordance with section 6.4 of Appendix A of the Order 1000 Agreement, the Staff is to include the Preliminary Cost Allocation Report (reflecting the Preliminary Cost Allocation pursuant to item (a) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement as it may have been revised pursuant to item (b) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement) in the Draft Plan.

Under the sixth paragraph of section 6.4 of Appendix A of the Order 1000 Agreement: The final Order 1000 Cost Allocation Report is to be the Preliminary Cost Allocation Report as approved by the Board and included in the Plan in accordance with section 11 of Appendix A of the Order 1000 Agreement.

7. Order 1000 ITPs and Interregional Cost Allocation

Section 7 of Appendix A of the Order 1000 Agreement sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. Nothing in section 7 of Appendix A of the Order 1000 Agreement 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.

7.1 *This section left intentionally blank*

7.2 Annual Interregional Information Exchange

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

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

(collectively referred to as "Annual Interregional Information").

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

ColumbiaGrid may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

ColumbiaGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by ColumbiaGrid in the ordinary course of its

regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if ColumbiaGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under ColumbiaGrid's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of ColumbiaGrid or any Order 1000 Party, 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.

7.3 Annual Interregional Coordination Meeting

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

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

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more efficiently or cost effectively; and
- (iii) updates of the status of ITPs being evaluated or previously included in ColumbiaGrid's regional transmission plan.

7.4 ITP Joint Evaluation Process

7.4.1 Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to section 7.4.2 of Appendix A of the Order 1000 Agreement 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 31 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.

7.4.2 Joint Evaluation of an ITP

For each ITP that meets the requirements of section 7.4.1 of Appendix A of the Order 1000 Agreement, ColumbiaGrid (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with section 7.4.1 of Appendix A of the Order 1000 Agreement or the immediately following calendar year. With respect to any such ITP, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

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

For each ITP that meets the requirements of section 7.4.1 of Appendix A of the Order 1000 Agreement, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under section 7.4.2 of Appendix A of the Order 1000 Agreement in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if ColumbiaGrid determines that the ITP will not meet any of its regional transmission needs; thereafter ColumbiaGrid has no obligation under section 7.4.2 of Appendix A of the Order 1000 Agreement 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 efficient or cost effective solution to one or more of ColumbiaGrid's regional transmission needs.

7.5 Interregional Cost Allocation Process

7.5.1 Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with section 7.4.1 of Appendix A of the Order 1000 Agreement, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from ColumbiaGrid and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

7.5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of section 7.5.1 of Appendix A of the Order 1000 Agreement, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) ColumbiaGrid's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to section 7.6.2 of Appendix A of the Order 1000 Agreement) to each Relevant Planning Region using the methodology described in section 7.5.2 of Appendix A of the Order 1000 Agreement.

For each ITP that meets the requirements of section 7.5.1 of Appendix A of the Order 1000 Agreement, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's analysis;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under section 7.5.2 of Appendix A of the Order 1000 Agreement in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in ColumbiaGrid, ColumbiaGrid shall use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the

total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; ColumbiaGrid may use such information to identify its total share of the projected costs of the ITP to be assigned to ColumbiaGrid in order to determine whether the ITP is a more efficient or cost effective solution to a transmission need in ColumbiaGrid;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to section 7.5.2 of Appendix A of the Order 1000 Agreement in the same general time frame as its joint evaluation activities pursuant to section 7.4.2 of Appendix A of the Order 1000 Agreement.

7.6 Application of Regional Cost Allocation Methodology to Selected ITP

7.6.1 Selection by All Relevant Planning Regions

If ColumbiaGrid (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 7.5.2(d) or 7.5.2(e) of Appendix A of the Order 1000 Agreement A above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

If ColumbiaGrid (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid shall evaluate (or reevaluate, as the case may be) pursuant to sections 7.5.2(d), 7.5.2(e), and 7.5.2(f) of Appendix A of the Order 1000 Agreement 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 ColumbiaGrid and at least one other

Relevant Planning Region, ColumbiaGrid shall apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under section 7.5.2(d) or 7.5.2(e) of Appendix A of the Order 1000 Agreement above in accordance with its regional cost allocation methodology, as applied to ITPs.

8. ITPs, Joint Evaluation, and Interregional Cost Allocation

Under section 8 of Appendix A of the Order 1000 Agreement:

Section 8 of Appendix A of the Order 1000 Agreement is only to apply to ITPs for which ColumbiaGrid is a Relevant Planning Region and is not to apply to any ITP for which ColumbiaGrid is not a Relevant Planning Region.

ColumbiaGrid is to provide notice of the Annual Interregional Coordination Meeting to its Interested Persons List and post notice of the Annual Interregional Coordination Meeting on the Website.

8.1 Order 1000 Parties That May Submit an ITP for Joint Evaluation

Under section 8.1 of Appendix A of the Order 1000 Agreement:

Any Person that seeks to submit an ITP for joint evaluation pursuant to section 7.4 of Appendix A of the Order 1000 Agreement or seeks to request Interregional Cost Allocation pursuant to section 7.5 of Appendix A of the Order 1000 Agreement must either be an ITP Proponent that is a proponent of such ITP and that is Enrolled in a Relevant Planning Region (other than the Order 1000 ColumbiaGrid Planning Region) for such ITP or an Order 1000 Enrolled Party that is a proponent of such ITP.

8.2 Submission for Joint Evaluation

Under section 8.2 of Appendix A of the Order 1000 Agreement:

Submission of an ITP into the ColumbiaGrid regional transmission planning process in accordance with section 7.4.1 of Appendix A of the Order 1000 Agreement is to be accomplished as set forth in section 8.2 of Appendix A of the Order 1000 Agreement.

An ITP Proponent that is a proponent of an ITP and that is Enrolled in a Relevant Planning Region (other than the Order 1000 ColumbiaGrid Planning Region) for such ITP or an Order 1000 Enrolled Party that is a proponent of an ITP may seek to have such ITP evaluated in the Order 1000 ColumbiaGrid Planning Region pursuant to section 7.4.2 of Appendix A of the Order 1000 Agreement by submitting a written request for such evaluation to ColumbiaGrid; *provided that* ColumbiaGrid is to deem such written request properly submitted to ColumbiaGrid only if, and at such time as, ColumbiaGrid receives the written request: (i) such written request specifically references section 7.4 of Appendix A of the Order 1000 Agreement, and (ii) such written request includes a list of all other Relevant Planning Regions to which the ITP is being submitted for joint evaluation.

ColumbiaGrid is to seek to confirm with each other Relevant Planning Region that such Order 1000 Enrolled Party or ITP Proponent has submitted such ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s). In the event that ColumbiaGrid is unable to confirm that the Order 1000 Enrolled Party or ITP Proponent has submitted its ITP for evaluation into the regional transmission planning process of each other Relevant Planning Region in accordance with the regional transmission planning process of such Relevant Planning Region(s), ColumbiaGrid is to notify the Order 1000 Enrolled Party or ITP Proponent in writing, and the Order 1000 Enrolled Party or ITP Proponent is to have 30 days from the date of such notice to provide ColumbiaGrid evidence, reasonably acceptable to ColumbiaGrid, that the Order 1000 Enrolled Party or ITP Proponent has timely submitted its ITP for evaluation to each other Relevant Planning Region(s) as required by section 8.2 of Appendix A of the Order 1000 Agreement. If an Order 1000 Enrolled Party or ITP Proponent fails to provide such evidence, the Order 1000 Enrolled Party's or ITP Proponent's ITP is to be deemed withdrawn and is not to be eligible for evaluation pursuant to section 7.4.2 of Appendix A of the Order 1000 Agreement.

Prior to commencing the joint evaluation of an ITP pursuant to section 7.4.2 of Appendix A of the Order 1000 Agreement, an Order 1000 Enrolled Party or ITP Proponent that is seeking such evaluation of an ITP is to submit to ColumbiaGrid information in accordance with section 2.6 of Appendix A of the Order 1000 Agreement, which is, to the extent permitted by law, to include a copy of all ITP data being submitted by the Order 1000 Enrolled Party or ITP Proponent to any of the other Relevant Planning Regions for such ITP.

8.3 Joint Evaluation Implementation

Under section 8.3 of Appendix A of the Order 1000 Agreement:

For purposes of ColumbiaGrid's evaluation of an ITP pursuant to section 7.4.2 of Appendix A of the Order 1000 Agreement,

- (i) development of such ITP is to be through a Study Team in accordance with section 4 of Appendix A of the Order 1000 Agreement; and
- (ii) evaluation of such ITP in the ColumbiaGrid regional transmission planning process for purposes of section 7.4.2 of Appendix A of the Order 1000 Agreement is to be through the development and evaluation of such ITP as an Order 1000 Proposed Project through the ColumbiaGrid regional planning process under the Order 1000 Agreement.

Upon receipt of a properly submitted request for such evaluation pursuant to sections 7.4.1 and 8.2 of Appendix A of the Order 1000 Agreement, ColumbiaGrid is to convene a Study Team (or refer such ITP to an existing Study Team) for development of such ITP.

8.4 Interregional Cost Allocation Process

Under section 8.4 of Appendix A of the Order 1000 Agreement:

For each ITP that meets the requirements of sections 7.5.1 and 8.2 of Appendix A of the Order 1000 Agreement and for which Interregional Cost Allocation for such ITP has been timely requested pursuant to section 5.2 of Appendix A of the Order 1000 Agreement, ColumbiaGrid (if and so long as it is a Relevant Planning Region) is to:

- (i) pursuant to item (c) of section 7.5.2 of Appendix A of the Order 1000 Agreement, determine the amount, if any, of Regional Benefits for Purposes of Interregional Cost Allocation resulting from such ITP;
- (ii) pursuant to item (ii) of section 7.5.2 of Appendix A of the Order 1000 Agreement, notify each of the other Relevant Planning Regions with respect to such ITP of the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP so determined;
- (iii) pursuant to item (d) of section 7.5.2 of Appendix A of the Order 1000 Agreement, calculate ColumbiaGrid's assigned *pro rata* share of the projected costs of such ITP (such share is also referred to as "Assigned Regional Costs from Interregional Cost Allocation"), which share is to be equal to the product of the projected costs of such ITP multiplied by a fraction, the numerator of which is to be the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and the denominator of which is to be the sum of (a) the amount of Regional Benefits for Purposes of Interregional Cost Allocation of such ITP determined pursuant to item (i) above and (b) the sum of the regional benefits of each other Relevant Planning Region as calculated with respect to such ITP by such other Relevant Planning Region in accordance with its regional transmission planning process and provided to ColumbiaGrid by such other Relevant Planning Region;
- (iv) perform a preliminary determination of the Order 1000 Cost Allocation to each Order 1000 Beneficiary should such ITP be selected as an Order 1000 Project, using the methodology with respect to an ITP in section 6.3.1 of Appendix A of the Order 1000 Agreement (using the Assigned Regional Costs from Interregional Cost Allocation of such ITP as if it were the Total Regional Costs from Interregional Cost Allocation of such ITP) (pursuant to item (e) of section 7.5.2 of Appendix A of the Order 1000 Agreement, ColumbiaGrid is to share the above determinations with the other Relevant Planning Regions with regard to such ITP); and

- (v) if ColumbiaGrid receives information pursuant to item (e) of section 7.5.2 of Appendix A of the Order 1000 Agreement from one or more other Relevant Planning Regions regarding what such Relevant Planning Region’s regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation and what, if any, additional amount of projected project costs of such ITP its methodology would be attributable to the Order 1000 ColumbiaGrid Planning Region or any Order 1000 Enrolled Party, ColumbiaGrid may use such information to identify an additional amount of projected costs of the ITP to be assigned to ColumbiaGrid if such additional amount is properly allocable to an Order 1000 Beneficiary(ies) as an owner(s) or operator(s) of such ITP (any such additional, properly allocable, amount is also referred to as “Additional Regional Costs from Interregional Cost Allocation”) (the Total Regional Costs from Interregional Cost Allocation of an ITP (which will include any Additional Regional Costs from Interregional Cost Allocation) are to be used in order to determine, pursuant to section 8.5 of Appendix A of the Order 1000 Agreement, whether to select the ITP as an Order 1000 Project).

Determinations and other activities pursuant to items (iii), (iv), and (v) above may be reperformed as a result of application of section 7.6.2 of Appendix A of the Order 1000 Agreement.

8.5 Determination of Whether to Select the ITP for Purposes of Interregional Cost Allocation

Under section 8.5 of Appendix A of the Order 1000 Agreement:

For each ITP that meets the requirements of sections 7.5.1 and 8.2 of Appendix A of the Order 1000 Agreement and for which Interregional Cost Allocation for such ITP has been timely requested by an Order 1000 Enrolled Party or ITP Proponent pursuant to sections 5.2 and 7.5.1 of Appendix A of the Order 1000 Agreement, ColumbiaGrid (if and so long as it is a Relevant Planning Region) is, as required by section 7.5.2(f) of Appendix A of the Order 1000 Agreement, to determine whether to select the ITP as an Order 1000 Project in accordance with section 5.3 of Appendix A of the Order 1000 Agreement, based on its regional transmission planning process and taking into account the Total Regional Costs from Interregional Cost Allocation.

Determinations pursuant to section 8.5 of Appendix A of the Order 1000 Agreement may be reperformed as a result of application of section 7.6.2 of Appendix A of the Order 1000 Agreement.

8.6 Application of Regional Cost Allocation Methodology to Selected ITP

Under section 8.6 of Appendix A of the Order 1000 Agreement:

For any ITP for which ColumbiaGrid is to apply its regional cost allocation methodology pursuant to section 7.6.1 or 7.6.2 of Appendix A of the Order 1000 Agreement, ColumbiaGrid is to apply its regional cost allocation methodology (Order 1000 Cost Allocation Methodology) by determining the Order 1000 Cost Allocation to each Order 1000 Beneficiary of such ITP, using the methodology with respect to an ITP in section 6.3.1 of Appendix A of the Order 1000 Agreement.

9. [reserved]

10. [reserved]

11. Process for Adoption of Plans with Respect to Order 1000 Projects and ITPs

11.1 Draft Plan

Under section 11.1 of Appendix A of the Order 1000 Agreement:

11.1.1 Contents and Development of Draft Plan. The Staff is to prepare a Draft Plan based upon the ColumbiaGrid transmission planning process that includes the following with respect to the Order 1000 Agreement:

- (i) Order 1000 Need Statement(s) and System Assessment Report(s) submitted by Staff to the Board and the results of any reevaluation of Order 1000 Project(s) pursuant to section 3.3 of Appendix A of the Order 1000 Agreement;
- (ii) a list of Order 1000 Eligible Projects for which Order 1000 Cost Allocation was requested pursuant to section 5.2 of Appendix A of the Order 1000 Agreement and, for any such project that was not selected as an Order 1000 Project, an explanation of why such project was not selected as an Order 1000 Project;
- (iii) a list of each Order 1000 Project (and its final Preliminary Cost Allocation Report) that are proposed for Board approval;
- (iv) a review of the current status of all pending Order 1000 Projects that received an Order 1000 Cost Allocation in a prior Plan or Plan Update;
- (v) a list of any ITP(s) for which joint evaluation has been requested pursuant to section 7 of Appendix A of the Order 1000 Agreement and the status of ColumbiaGrid's performance of its portion of each such evaluation, including a description of ColumbiaGrid's determinations with regard to whether such ITP(s) will meet any Order 1000 Need(s);

- (vi) any transmission solution(s) selected and developed pursuant to section 2.5 of the Order 1000 Agreement and not otherwise included in the Draft Plan; and
- (vii) other information included for informational purposes, for example, (a) any Order 1000 Needs that were included in the System Assessment Report to the extent such Order 1000 Needs are not being met in the Biennial Plan, and (b) any solution to an Order 1000 Need for which planning is still at a conceptual or preliminary stage.

In preparing the Draft Plan, the Staff is to solicit and consider the comments of Interested Persons, Order 1000 Affected Persons, and Order 1000 Parties. The Staff is to post a preliminary Draft Plan on the Website and allow an opportunity for Interested Persons to comment prior to finalizing the Draft Plan; *provided that* the Staff is to redact Confidential Information and CEII from the Draft Plan that is made public. Staff may post the comments or a summary of the comments received on the Website. The Staff is to include any redacted Confidential Information and CEII in the Draft Plan submitted to the Board. The Staff is to include the documentation as the Staff finds appropriate for purposes of Board review and action; *provided that* the documentation should be sufficient for subsequent review in an appropriate forum. The Draft Plan is to clearly identify which Order 1000 Projects (1) are ready for implementation or must be commenced in the upcoming Planning Cycle in order to have sufficient lead time for implementation, (2) have planning underway but do not require commencement in the upcoming Planning Cycle yet are ready for implementation, or (3) have planning at a conceptual or preliminary stage.

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

11.2 Review Process

Under section 11.2 of Appendix A of the Order 1000 Agreement:

The Board is to review the Draft Plan in an open, public process. In doing so, the Board is to make available the Draft Plan, study reports, Order 1000 Replication Data, and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Order 1000 Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board. The Board may adopt additional procedures to carry out its review process.

11.3 Basis for Plan Adoption

Under section 11.3 of Appendix A of the Order 1000 Agreement:

The Board is to base its review and adoption of the Plan on the technical merits of the Draft Plan, the consistency of the Order 1000 Projects listed in the Draft Plan with the Order 1000 Agreement, and considering comments and information provided during the review process.

11.4 Plan Adoption

Under section 11.4 of Appendix A of the Order 1000 Agreement:

With respect to any Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), Order 1000 Project(s), and ITP(s), the Board is to review and take action regarding the Draft Plan as follows:

The Board is to review and may approve the following with respect to each Order 1000 Project: the Staff determination that it meets its underlying Order 1000 Need(s) and is consistent with the applicable solution evaluation factors, the Staff determination that it should be selected as an Order 1000 Project, and a Preliminary Cost Allocation Report. The Board is to review the documentation relating to any other alternative that was considered by the Study Team and the reason why the Staff did not select any such alternative. Those elements that are not approved by the Board are to be remanded to the Staff which may, in cooperation with the Study Team, revise the Staff determination and resubmit it to the Board; *provided that* the Board may modify any Staff determination to the extent such modification is supported by the record.

11.4.1 Order 1000 Information. The Board is to include in the Biennial Plan:

- (i) a list of any Order 1000 Project(s);
- (ii) an Order 1000 Cost Allocation Report for each Order 1000 Project for which all request(s) for Order 1000 Cost Allocation have not been withdrawn and for which the Benefit to Cost Ratio has been determined to be 1.25 or greater;
- (iii) a list of any ITP(s) for which joint evaluation has been requested pursuant to sections 7.4 and 8.2 of Appendix A of the Order 1000 Agreement; and
- (iv) any determination pursuant to section 3.3 of Appendix A of the Order 1000 Agreement of whether any Order 1000 Project (and any Order 1000 Cost Allocation associated with such Order 1000 Project) included in the then-current Plan is removed from the Plan.

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

11.4.3 Remands. In the event that the Board remands an item to the Staff and a Study Team for further analysis and discussion, the Board is to identify specific questions or concerns to be answered or further researched by the Staff and Order 1000 Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team before the Board approves or confirms the matter that has been remanded.

11.4.4 Reconsideration Process. The Board is to develop and make available a reconsideration process that provides Persons who are materially impacted by such decision and did participate in any underlying Study Team to request within ten days that the Board reconsider a specific decision within the Board’s approval. If reconsideration of a Board decision is sought by any such Person, ColumbiaGrid is to promptly convene a meeting, chaired by the ColumbiaGrid President, to which it invites the chief executive officer or equivalent executive of all Order 1000 Affected Persons to determine whether they can reach agreement on the disputed decision. If agreement is not reached, the Board is to pursue the reconsideration process. The reconsideration process is to provide for input from all involved Persons (including Order 1000 Parties) and Staff, and the Board is to make its reconsidered decision known within 90 days from the date of the request. If, upon reconsideration, the Board modifies its decision, the modification is also to be subject to a petition for reconsideration.

12. Dispute Resolution

See Part X of this Attachment K below.

13. Western Interconnection “Regional” and Western Interconnection “Sub-Regional” Economic Studies

See Part VII of this Attachment K below.

14. Western Interconnection “Sub-Regional” Planning Group Coordination

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

15. Submission of, Access to, and Use of Certain Information

Under section 11 of the Order 1000 Agreement:

15.1 Load and Resource Information

Each Order 1000 Enrolled Party is by January 31st of each year to provide ColumbiaGrid with

- (i) any then-current Local Transmission Plan of such Order 1000 Enrolled Party;

- (ii) data regarding projected loads and resources of such Order 1000 Enrolled Party, including projections of network customer loads and resources and projected point-to-point transmission service information; and
- (iii) data regarding existing and planned demand response resources not reflected in item (ii) above that are anticipated to affect such Order 1000 Enrolled Party's projected loads and resources reflected in item (ii) above.

Such information regarding projected transmission needs, loads and resources of such Order 1000 Enrolled Party is typically to be provided in the underlying data for WECC submittals provided by such Order 1000 Enrolled Party pursuant to section 4.6 of the Order 1000 Agreement; *provided that*, such Order 1000 Enrolled Party is to provide any updates to such information regarding projected transmission needs, loads and resources upon ColumbiaGrid's request. Each Order 1000 Enrolled Party providing to ColumbiaGrid pursuant to section 11.1 of the Order 1000 Agreement any information (including any update) that is a projection is to use reasonable efforts to provide a good faith projection thereof.

A transmission customer of an Order 1000 Enrolled Party or Governmental Non-Enrolled Party is to submit to such party, in accordance with and on the schedule set forth in its Attachment K, transmission planning information regarding projected transmission needs, loads and resources of such transmission customer. Interested Persons may also submit to ColumbiaGrid data regarding ten year projected loads and resources, including existing and planned demand response resources, on the Order 1000 Transmission System of any Order 1000 Enrolled Party or on the transmission system of any Governmental Non-Enrolled Party. Such submittals to ColumbiaGrid should if practicable be submitted (a) by January 31st of any year to facilitate the availability of information for use in ColumbiaGrid planning in such year, and (b) in the format for WECC submittals pursuant to section 4.6 of the Order 1000 Agreement. The format for the data files for WECC submittal is to be available from ColumbiaGrid upon request.

Any Governmental Non-Enrolled Party is to provide ColumbiaGrid with the information required by section 11.1 of the Order 1000 Agreement (or by section 4.1 or 4.6 of the Order 1000 Agreement or by section 3.2.2 of Appendix A of the Order 1000 Agreement) as if it were an Order 1000 Enrolled Party.

ColumbiaGrid is to have no obligation under the Order 1000 Agreement to evaluate the validity or accuracy of any information it receives pursuant to section 11.1 of the Order 1000 Agreement but may so evaluate the validity or accuracy of any such information if ColumbiaGrid determines such evaluation to be appropriate and reasonable. Similarly, ColumbiaGrid is to have no obligation to use any information for any purpose under the Order 1000 Agreement that ColumbiaGrid determines to be inappropriate or unreasonable for such use and may, in lieu thereof, substitute information that ColumbiaGrid determines to be appropriate and reasonable for such use.

15.2 Access to Study Reports and Order 1000 Replication Data from ColumbiaGrid

ColumbiaGrid is to post on the Website a list of the names of planning studies it has performed pursuant to the Order 1000 Agreement that underlie analysis of any Order 1000 Need(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), or Order 1000 Project(s) and maintain such names on such list for a period of not less than five years. ColumbiaGrid is, subject to the other provisions of section 11 of the Order 1000 Agreement, to make available the final report for any such study to any Interested Person upon receipt therefrom by ColumbiaGrid of written request for such final report during a period of not less than five years following completion of such final report. Also, ColumbiaGrid is, subject to the other provisions of section 11 of the Order 1000 Agreement, to make available the Order 1000 Replication Data for any planning study upon receipt therefrom by ColumbiaGrid of written request for such Order 1000 Replication Data during a period of not less than five years following completion of such final report.

Access by any Person (such as an Interested Person) to, and use by any Person (such as an Interested Person) of, any planning study performed by ColumbiaGrid pursuant to the Order 1000 Agreement or any Order 1000 Replication Data is to be subject to any CEII restrictions and any confidentiality or other restrictions on access or use reasonably imposed by ColumbiaGrid, including, for example, requirements of either or both a CEII Non-Disclosure Agreement and Confidential Information Non-Disclosure Agreement. Further, such access by any Person (such as an Interested Person) to, and use by any Person (such as an Interested Person) of, any planning study performed by ColumbiaGrid pursuant to the Order 1000 Agreement or any Order 1000 Replication Data that ColumbiaGrid has received from any other entity may be subject to any restrictions on access to such data imposed by such entity. For example, any access to data such as Order 1000 Replication Data that constitutes WECC base case data by any entity such as an Interested Person is to be subject to any restrictions on access to data imposed by WECC (such as a requirement that such entity must hold membership in or execute a non-disclosure agreement with WECC (<http://www.wecc.biz>)) and the procedures set forth in the provisions of section 11 of the Order 1000 Agreement.

15.3 Use of Order 1000 Replication Data Received From ColumbiaGrid

ColumbiaGrid is, subject to the other provisions of section 11 of the Order 1000 Agreement, to provide Order 1000 Replication Data to any Person who agrees in writing to use such data solely for the purpose of evaluating the results of ColumbiaGrid's planning studies performed pursuant to the Order 1000 Agreement.

15.4 Confidential Information

Order 1000 Parties seeking designation of Confidential Information are to act in good faith when asserting the confidentiality of material. Each Order 1000 Party is to use reasonable efforts to maintain the confidentiality of all Confidential Information provided to it by another Order 1000 Party or ColumbiaGrid pursuant to the Order 1000 Agreement. ColumbiaGrid is not to post Confidential Information on the public portion of the Website and ColumbiaGrid is to

only disclose Confidential Information in accordance with section 11 of the Order 1000 Agreement, including the procedures in section 11.6 of the Order 1000 Agreement.

In the event a dispute arises related to the designation of Confidential Information under the Order 1000 Agreement, representatives of the disputing Order 1000 Parties (and ColumbiaGrid, if party to the dispute) with authority to settle the dispute are to meet and confer in good faith in an effort to resolve the dispute. If the dispute is not so resolved, the dispute may, if the disputing Order 1000 Parties (and ColumbiaGrid, if party to the dispute) so elect, be resolved by arbitration as follows. Any arbitration initiated under the Order 1000 Agreement is to be conducted before a single, neutral arbitrator appointed by the disputing parties. If the disputing parties fail to agree upon a single arbitrator within ten days of the referral of the dispute to arbitration, each such disputing party is to choose one arbitrator who is to sit on a three member arbitration panel. The two arbitrators so chosen are within 20 days to select a third arbitrator to chair the arbitration panel. In either case, the arbitrators are to be knowledgeable in electric industry matters, including electric transmission issues, and, unless otherwise agreed by the parties to the dispute, are not to have any current or past substantial business or financial relationships with any such party to the arbitration (except prior arbitration). The arbitrator(s) is to provide each of the parties to the arbitration an opportunity to be heard and is to generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

15.5 Critical Energy Infrastructure Information

If an Order 1000 Party furnishes information marked, or ColumbiaGrid marks information, as “Critical Energy Infrastructure Information” as of the time of its furnishing, ColumbiaGrid is not to post such information on the public portion of the Website and ColumbiaGrid is only to disclose such CEII in accordance with section 11 of the Order 1000 Agreement, including the procedures in section 11.6 of the Order 1000 Agreement. Further, if information designated as CEII is made part of a filing submitted by ColumbiaGrid with the Commission, ColumbiaGrid is to take reasonable steps to ensure the protection of such information pursuant to 18 C.F.R. § 388.112(b).

15.6 Requests for Planning Studies and Order 1000 Replication Data; Disclosure of WECC Proprietary Data, Confidential Information, or CEII

Any Person may request information from ColumbiaGrid, including ColumbiaGrid’s planning studies and Order 1000 Replication Data, in accordance with section 11.6 of the Order 1000 Agreement. ColumbiaGrid’s planning studies and Order 1000 Replication Data may include base case data (or other data) that are WECC proprietary data and may include information that an Order 1000 Party has designated as Confidential Information or CEII. ColumbiaGrid is to provide its planning studies and Order 1000 Replication Data in accordance with section 11.6 of the Order 1000 Agreement; *provided however that* ColumbiaGrid is not to disclose any WECC proprietary data, Confidential Information or CEII except as provided in section 11.6 of the Order 1000 Agreement.

A requester may request information from ColumbiaGrid using the procedures set forth below.

- (i) A requester is to submit a signed, written request for information specifying the information being requested (on the planning information request form included on the Website) to ColumbiaGrid either via mail or email (PDF) at the following address, in accordance with the ColumbiaGrid information request procedures posted on the Website:

ColumbiaGrid
8338 NE Alderwood Road
Portland, OR 97220
Attn: Information Coordinator
email: info@columbiagrid.org

- (ii) Requests for information made to ColumbiaGrid are to be considered to be received upon actual receipt by ColumbiaGrid.
- (iii) ColumbiaGrid is to promptly make a determination of whether any requested information includes WECC proprietary data, Confidential Information, or CEII.
- (iv) After making its determination required in item (iii) above, ColumbiaGrid is to promptly notify the requester if any of the requested information includes any WECC proprietary data, Confidential Information, or CEII.
- (v) A Person requesting WECC proprietary data must certify to ColumbiaGrid that it holds membership in WECC or it has executed a non-disclosure agreement with WECC such that ColumbiaGrid may disclose such WECC proprietary data to the requester. ColumbiaGrid is to provide WECC proprietary data to the requester upon its receipt of verification that the requester is eligible to receive such data as a member of WECC or a Person who has executed a satisfactory non-disclosure agreement with WECC. In the event that a Person requests information that includes WECC proprietary data and such Person cannot or does not certify to ColumbiaGrid, or ColumbiaGrid cannot verify, that such person is eligible to receive WECC proprietary data, ColumbiaGrid is to provide such Person that portion of the requested information that is not WECC proprietary data and is to direct such Person to WECC so that such Person can work with WECC to satisfy the conditions necessary for ColumbiaGrid to disclose WECC proprietary data to such Person or so that such Person may seek any WECC proprietary data directly from WECC.
- (vi) If ColumbiaGrid receives a request for Confidential Information or CEII, ColumbiaGrid is to immediately notify the Order 1000

Party(ies) who has designated such information as Confidential Information or CEII (or, if ColumbiaGrid has designated information as CEII, the Order 1000 Party's(ies)' whose Electric System(s) the CEII is associated with) and is to seek the consent of such Order 1000 Party(ies) to release such information. Upon receipt of the notice from ColumbiaGrid required by this item (vi), each Order 1000 Party that designated such information as Confidential Information or CEII (or whose Electrical System is associated with the CEII) may (a) consent to the disclosure of such information without condition, (b) consent to the disclosure of such information subject to reasonable conditions (*e.g.*, the Person requesting such information entering into a confidentiality agreement or non-disclosure agreement or both with ColumbiaGrid that is reasonably acceptable to such Order 1000 Party), or (c) decline to consent to the disclosure by ColumbiaGrid of such Confidential Information or CEII. If an Order 1000 Party that designated such information as Confidential Information or CEII, or an Order 1000 Party whose Electrical System is associated with CEII, consents to ColumbiaGrid's disclosure of such information, ColumbiaGrid is to disclose such information to the requester if the reasonable conditions to such disclosure requested by the Order 1000 Party, if any, are satisfied. If an Order 1000 Party that designated such information as Confidential Information or CEII, or an Order 1000 Party whose Electrical System is associated with CEII, declines to consent to ColumbiaGrid disclosing such information, ColumbiaGrid is to (a) not release or disclose such information, (b) notify the Person requesting such information that such Order 1000 Party has declined to consent to ColumbiaGrid disclosing such information, and (c) direct the Person requesting such information to request such information directly from such Order 1000 Party. The Order 1000 Party is to process any resulting requests it receives for such Confidential Information or CEII in accordance with its procedure for processing such requests for Confidential Information or CEII.

- (vii) To the extent that a Person requests information that is not Confidential Information, but is ColumbiaGrid's confidential or proprietary information, ColumbiaGrid may, in its sole discretion, release or disclose such information subject to such reasonable conditions (*e.g.*, the Person requesting such information entering into a confidentiality agreement or non-disclosure agreement or both reasonably acceptable to ColumbiaGrid) as ColumbiaGrid may deem necessary.
- (viii) Nothing in section 11.6 of the Order 1000 Agreement is to excuse ColumbiaGrid from providing access to Confidential Information, CEII, or information that is ColumbiaGrid's confidential or

proprietary information pursuant to any legal requirement to provide such access, including a subpoena or specific order by the Commission. In the event that ColumbiaGrid is required to provide access to Confidential Information or CEII pursuant to this item (viii), ColumbiaGrid is to promptly provide notice of such requirement to the Order 1000 Party that designated such information as Confidential Information or CEII and ColumbiaGrid is to take reasonable steps to protect the confidentiality of such information.

15.7 Disclosure of Confidential Information Pursuant to Statute or Administrative or Judicial Order

Order 1000 Party(ies) and ColumbiaGrid are to each use reasonable efforts to maintain the confidentiality of all Confidential Information provided to it by another Order 1000 Party or ColumbiaGrid pursuant to the Order 1000 Agreement; *provided however that* Order 1000 Party(ies) and ColumbiaGrid are to each be entitled to disclose such Confidential Information if it is required to make such disclosure by statute or administrative or judicial order. Order 1000 Party(ies) and ColumbiaGrid are, promptly upon its receipt of a request for such Confidential Information, to each notify ColumbiaGrid and the Order 1000 Party that designated such information as Confidential Information of any such request. An Order 1000 Party or ColumbiaGrid whose Confidential Information is sought to be released may, in its sole discretion and at its sole cost and expense, undertake any challenge to such disclosure.

15.8 Disclosure of Information Subject to Standards of Conduct

If an Order 1000 Party furnishes information marked as “Standards of Conduct Information” at the time of its furnishing, ColumbiaGrid is not to disclose such information to any Person, including the disclosing Order 1000 Party, unless such disclosure would be consistent with the Commission’s regulations in 18 C.F.R. Part 358.

16. Order 1000 Enrolled Parties and ITP Proponents

Any Person that is not Enrolled in any Order 1000 Planning Region may Enroll in the Order 1000 ColumbiaGrid Planning Region by executing the Order 1000 Agreement and becoming an Order 1000 Party that is an Order 1000 Enrolled Party pursuant to section 14.17 of the Order 1000 Agreement. An entity that is an Order 1000 Enrolled Party shall be Enrolled in the Order 1000 ColumbiaGrid Planning Region unless or until such time as such entity withdraws, or is deemed to have withdrawn, from the Order 1000 Agreement.

As of the effective date of this Attachment K, the following entities are Enrolled in the Order 1000 ColumbiaGrid Planning Region:

Avista Corporation
MATL LLP
Puget Sound Energy, Inc.

An entity that is Enrolled in an Order 1000 Planning Region other than ColumbiaGrid may be an Order 1000 Party and participate in ColumbiaGrid's Order 1000 transmission planning processes under the Order 1000 Agreement as an ITP Proponent.

17. Order 1000 Party Payment Obligations

17.1 Base Payment Obligation

Under section 3.1 of the Order 1000 Agreement:

Each Person that is an Order 1000 Party is to , except as provided in section 3.2 of the Order 1000 Agreement,

- (i) within sixty days after such Person's execution and delivery of the Order 1000 Agreement, pay to ColumbiaGrid a total amount equal to \$50,000; and
- (ii) commencing upon the expiration of the Planning Cycle in which such Person's payment pursuant to item (i) above was due, thereafter pay to ColumbiaGrid an amount equal to \$2,083.33 per calendar month until such Person has withdrawn or has been deemed to withdraw from the Order 1000 Agreement pursuant to section 13 of the Order 1000 Agreement; each such monthly payment is to be due on the first day of the month for which the payment is to be made.

For the avoidance of doubt, ColumbiaGrid is to have no obligation under the Order 1000 Agreement to any Order 1000 Party obligated to make payment pursuant to section 3.1 of the Order 1000 Agreement unless and until such payment is received from such Order 1000 Party by ColumbiaGrid, and such payment is not to be refundable.

ColumbiaGrid or any Order 1000 Party may, by providing written notice to all other signatories to the Order 1000 Agreement, request that ColumbiaGrid and all Order 1000 Parties review the payment obligation under the first paragraph of section 3.1 of the Order 1000 Agreement and review whether such payment obligation is set at a level that is expected to reimburse ColumbiaGrid for the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under the Order 1000 Agreement in the next upcoming even-numbered calendar year and the subsequent year; *provided that* any such request is to be given not less than nine full calendar months prior to the commencement of such even-numbered calendar year; *provided further* no such request may be given for review of any two-year period commencing prior to January 1, 2016. Within 60 days after ColumbiaGrid's receipt of any such request for review, ColumbiaGrid is to provide written notice to each Order 1000 Party that provides (a) identification of any adjustment in payments pursuant to the first paragraph of section 3.1 of the Order 1000 Agreement that ColumbiaGrid believes should be made, in the two-year period for which such request was made, so that such payments equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under the Order 1000 Agreement in such two-year period and (b) documentation demonstrating that such adjustment is necessary in order for such payments to equal the additional administrative

expenses that ColumbiaGrid is reasonably anticipated to incur under the Order 1000 Agreement in such two-year period. Upon receipt of such notice, ColumbiaGrid and the Order 1000 Parties are to negotiate in good faith to obtain a mutually-agreeable amendment to the Order 1000 Agreement that revises the payments to be made pursuant to the first paragraph of section 3.1 of the Order 1000 Agreement, so that such payments in such two-year period equal the additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under the Order 1000 Agreement in such two-year period. Any such revised monthly payments to be made pursuant to item (ii) of the first paragraph of section 3.1 of the Order 1000 Agreement is to equal 1/24th of the revised payments to be made pursuant to item (i) of the first paragraph of section 3.1 of the Order 1000 Agreement, and the payments to be made pursuant to the second paragraph of section 3.1 of the Order 1000 Agreement are to be revised to be equal to the revised payments to be made pursuant to item (i) of the first paragraph of section 3.1 of the Order 1000 Agreement. For purposes of section 3.1 of the Order 1000 Agreement, “additional administrative expenses that ColumbiaGrid is reasonably anticipated to incur under the Order 1000 Agreement” refers to administrative expenses of ColumbiaGrid that are reasonably expected to occur but that would not be reasonably expected to occur if ColumbiaGrid were not a signatory to the Order 1000 Agreement and specifically does not include any costs for which ColumbiaGrid should be paid pursuant to the second paragraph of section 3.1 of the Order 1000 Agreement and specifically does not include any costs for which ColumbiaGrid should be paid pursuant to section 3.3 of the Order 1000 Agreement.

17.2 Exemptions from Base Payment Obligation

Under section 3.2 of the Order 1000 Agreement:

Notwithstanding section 3.1 of the Order 1000 Agreement, any ITP Proponent is to have no payment obligation under section 3.1 of the Order 1000 Agreement if ColumbiaGrid determines that an Order 1000 Enrolled Party could be a proponent of an ITP in the Order 1000 Planning Region in which such ITP Proponent is Enrolled (and which is a Relevant Planning Region for such ITP) without there being any payment obligation imposed on such Order 1000 Party in order for it to be a proponent of such ITP.

An Order 1000 Party that has made a \$50,000 payment pursuant to section 3.1 of the Order 1000 Agreement but that withdraws or is deemed to withdraw in the Planning Cycle in which such payment was made is, if it becomes an Order 1000 Party again during the same Planning Cycle, to have no obligation to make such \$50,000 payment again but rather is, after such Planning Cycle, to make any monthly payments due pursuant to section 3.1 of the Order 1000 Agreement.

17.3 Incremental Cost Payment Obligation

Under section 3.3 of the Order 1000 Agreement:

Any Order 1000 Enrolled Party that requests an Order 1000 Cost Allocation (or reperformance of an Order 1000 Cost Allocation) pursuant to section 5.2 of Appendix A of the Order 1000 Agreement is to pay to ColumbiaGrid the following incremental ColumbiaGrid costs

of performing (or reperforming) such Order 1000 Cost Allocation, as reasonably determined by ColumbiaGrid:

- (i) any time of ColumbiaGrid employees or contractors required to perform such Order 1000 Cost Allocation, charged at the cost per hour of such employees or contractors; and
- (ii) to the extent not included in item (i) above, the incremental cost of any services (or licenses) secured specifically for such Order 1000 Cost Allocation by ColumbiaGrid, as necessary to perform such Order 1000 Cost Allocation, that would not have otherwise been secured; *provided that* if any such services (or licenses) are also used for one or more Order 1000 Cost Allocations during the same Planning Cycle in which ColumbiaGrid initially procured such services (or licenses), ColumbiaGrid is to equitably allocate the costs of such services (or licenses) among the requesters of all such Order 1000 Cost Allocations for which such services (or licenses) are used (and is to provide a credit as appropriate against earlier payments for such services (or licenses) as appropriate to achieve such equitable allocations.

(“Incremental Costs”). Specifically excluded from Incremental Costs of performing any Order 1000 Cost Allocation are (a) any occupancy and incidental costs such as rent, office supplies, or long-distance telephone calls; and (b) any costs described in item (ii) above that ColumbiaGrid would otherwise incur in the absence of performance of any Order 1000 Cost Allocation.

PART IV. WECC

1. Planning Coordination

WECC is to coordinate aspects of Western Interconnection planning as follows:

- (i) WECC develops the Western Interconnection wide data bases for transmission planning analysis such as power flow and stability studies.
- (ii) WECC maintains a data base for reporting the status of significant planned projects throughout the Western Interconnection.
- (iii) WECC promotes coordination of significant planned projects through its WECC Regional Planning Project Review procedures. These procedures are to be implemented by the project sponsor within its planning process or by a Western Interconnection “sub-regional” planning group at the request of a project sponsor.
- (iv) The WECC Procedure for Project Rating Review provides a process for coordination of path ratings, including consideration of adverse impacts on existing paths.

The primary planning coordination forums in WECC include the Planning Coordination Committee (PCC) and the Transmission Expansion Planning Policy Committee (TEPPC). These committees are to meet at least three times each year and are responsible for developing materials for the WECC coordination activities listed above. Individual entities can participate in planning at the WECC level by attending meetings of these committees and reviewing and commenting on proposed transmission plans and policies. Individual entities can participate in the majority of WECC activities without being a member of WECC, although there are many privileges that come with membership such as committee voting rights.

2. Economic Studies

Western Interconnection wide economic studies are to be conducted by a committee formed by WECC, TEPPC, in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The TEPPC planning process is posted on the WECC website. Transmission Provider participates in the TEPPC planning processes, as appropriate, to help coordinate data and assumptions. TEPPC is to perform two primary functions in relation to Economic Studies in the Transmission Provider transmission planning process:

- (i) Development and maintenance of the west-wide economic planning study database.

- (a) TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
 - (b) TEPPC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.
- (ii) Performance of economic studies. TEPPC has an annual study cycle in which it is to update databases, develop and approve a study plan that includes a number of high priority economic study requests as determined by the open TEPPC stakeholder process and perform studies and document the results in a report.

3. Additional Information

Additional information is provided on the ColumbiaGrid website (<http://www.columbiagrid.org/>). WECC planning coordination processes are further described in ColumbiaGrid's Policy Statement Regarding Planning-Coordinated, Open and Transparent Planning Processes for Single and Multiple Transmission Systems, which is available at <http://www.columbiagrid.org/AttachK-documents.cfm> (last accessed December 10, 2013). WECC TEPPC's Transmission Planning Protocol is available on the ColumbiaGrid website at <http://www.columbiagrid.org/client/TEPPC-Planning-Protocol.pdf> (last accessed December 10, 2013). *See also* www.wecc.biz <http://www.wecc.biz> and, specifically, http://www.wecc.biz/committees/BOD/TEPPC/External/TEPPC_PlanningProtocol.pdf (last accessed December 10, 2013).

PART V. PSE PLAN

1. Development and Update of PSE Plan

Transmission Provider will pursuant to this Attachment K develop and update annually the PSE Plan. The PSE Plan will identify new transmission facilities and facility replacements or upgrades planned by Transmission Provider for its Transmission System over the ensuing ten years.

2. PSE Plan Availability

The main body of the PSE Plan will be made publicly available and posted on Transmission Provider's OASIS website. However, CEII may be included in an appendix to the PSE Plan, and disclosure of any such CEII by Transmission Provider shall be subject to the provisions of Part IX of this Attachment K below.

3. Reliability Studies

Transmission Provider will perform or cause to be performed reliability studies with respect to Transmission Provider's Transmission System to assess whether applicable NERC, WECC, and local reliability standards (e.g., NERC Reliability Standards TPL-001 through TPL-004) are met for the ten year planning horizon.

4. Planning Study Methodology

The PSE Plan will be based on seasonal reliability studies that include load flow, short circuit, and stability analyses. The primary data source for the analyses will be WECC base case data. Base case software analysis will be performed using software commonly accepted in the industry. As of September 2007, such software included, for example, PowerWorld and PSS/E.

Transmission Provider customers and interested stakeholders are encouraged to suggest potential local transmission needs (including those driven by Public Policy Requirements) for analysis in the development of the PSE Plan, or potential solutions (including non-transmission solutions) to local transmission needs, (a) at a PSE Transmission Customer Meeting (as described in Part VI) or (b) electronically by sending an email to transmaster@pse.com <<mailto:transmaster@pse.com>>. Any such suggestions should be submitted at or prior to the PSE Transmission Customer Meeting to facilitate their consideration in the PSE Plan then under development.

The factors used in selecting local transmission needs (including those driven by Public Policy Requirements) for analysis in developing the PSE Plan shall include the following:

- (1) the level and form of support for addressing the potential local transmission need (such as indications of willingness to purchase capacity and existing transmission service requests that could use

capacity consistent with solutions that would address the potential local transmission need);

- (2) the feasibility of addressing the potential local transmission need;
- (3) the extent, if any, that addressing the potential local transmission need would also address other potential transmission needs; and
- (4) the factual basis supporting the potential local transmission need.

No single factor shall necessarily be determinative in selecting any potential local transmission need for analysis in developing the PSE Plan.

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

Transmission Provider customers and interested stakeholders are encouraged to comment on proposed solutions or suggest alternative proposed solutions to local transmission needs (including those driven by Public Policy Requirements), (A) at a Puget Sound Area Transmission Meeting (as described in Part VI) or (B) electronically by sending an email to transmaster@pse.com <<mailto:transmaster@pse.com>>. Any such comments or suggestions should be submitted at or prior to the Puget Sound Area Transmission Meeting to facilitate their consideration in the PSE Plan then under development.

PSE will evaluate and select from among alternative proposed solutions to local transmission needs (including those driven by Public Policy Requirements) selected pursuant to this section 4 using factors that include the following:

- (i) sponsorship and degree of development of proposed solution;
- (ii) feasibility;
- (iii) coordination with any affected transmission system;
- (iv) economics;
- (v) effectiveness of performance;
- (vi) satisfaction of identified local transmission need(s), including those driven by Public Policy Requirements and including the extent to which the proposed solution satisfies multiple identified local transmission needs;
- (vii) mitigation of any Material Adverse Impacts of Local Need Solution of such proposed solution on any transmission system;

- (viii) consistency with applicable state, regional, and federal planning requirements and regulations;
- (ix) consistency with such additional criteria as are then accepted or developed by PSE.

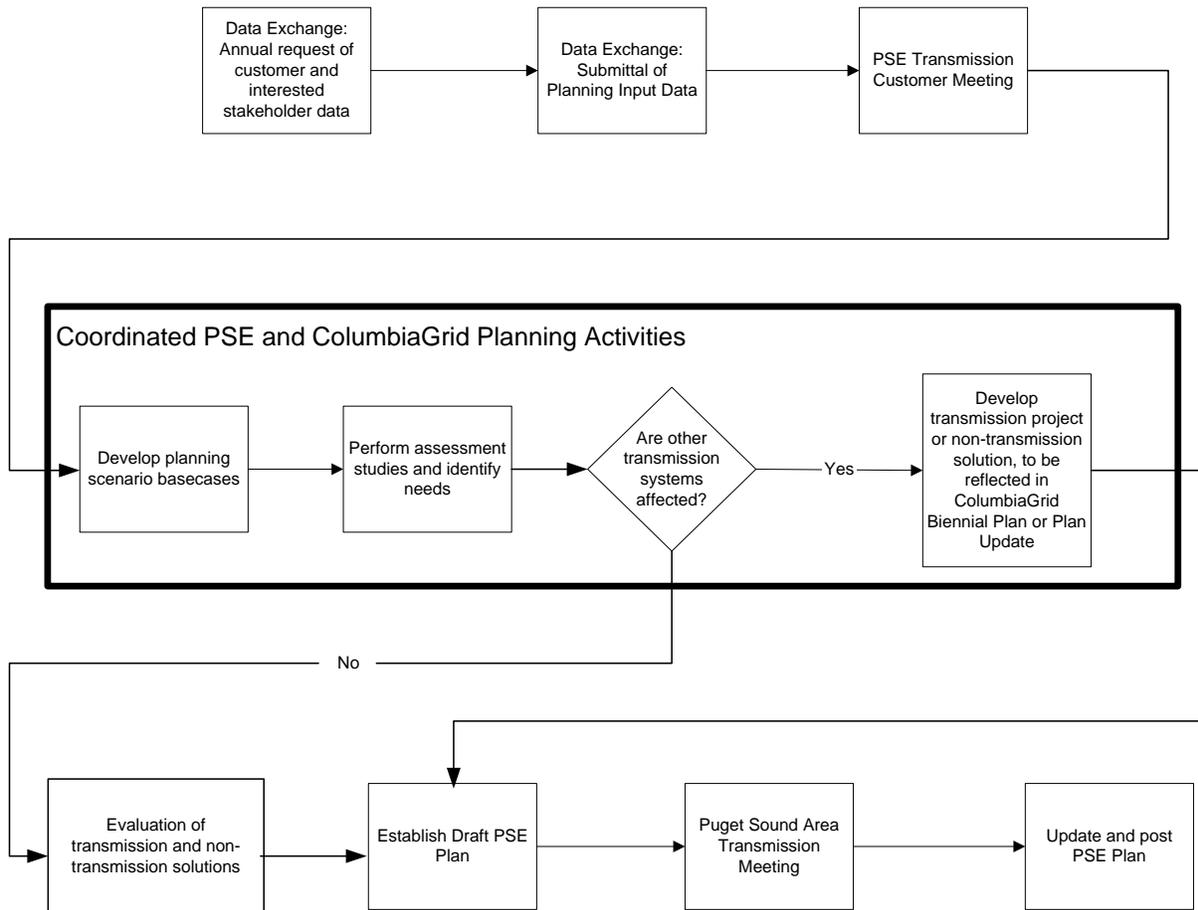
No single factor shall necessarily be determinative in evaluating proposed solutions in developing the PSE Plan.

Additional information regarding Transmission Provider's planning study methodology and guidelines will be posted from time to time on Transmission Provider's OASIS.

5. PSE Plan Development Flow Chart

A generalized flow chart diagramming the major steps in the development of the PSE Plan and its relationship to the ColumbiaGrid planning process is set forth below (except *see* item 6 below with respect to development of the initial PSE Plan). Inasmuch as the ColumbiaGrid planning process is described in detail above, such process is not presented in detail in the flow chart. Although the flow chart activities are depicted sequentially, a number of the activities by PSE and ColumbiaGrid will be performed concurrently and incorporate feedback from the various ongoing processes.

PSE Plan Development Flow Chart



6. Initial PSE Plan

The initial PSE Plan will be developed and posted in the last quarter of 2008. Accordingly, the initial PSE Plan may precede ColumbiaGrid’s completion of its first Biennial Plan.

7. Attachment K Planning Costs

The Transmission Provider will not provide reimbursement of any costs incurred by other entities or persons participating in the planning processes under this Attachment K. Except as may be otherwise provided in this Attachment K, the Transmission Provider’s costs of the Attachment K process, including Transmission Provider’s share of the ColumbiaGrid planning costs, will be subject to recovery in Transmission Provider’s rates. The PEFA provides a formula for allocating ColumbiaGrid planning process costs among Planning Parties. The Order 1000 Agreement also provides for payments intended to reimburse ColumbiaGrid for additional administrative expenses incurred under the Order 1000 Functional Agreement.

PART VI.
TRANSMISSION PROVIDER OPEN PUBLIC MEETINGS

1. Purpose and Scope

As described above, Transmission Provider will participate in regional planning through its participation in ColumbiaGrid study teams and planning activities. As also described above, ColumbiaGrid is to hold public meetings and provide opportunities for involvement in its study teams during its plan development.

In addition, Transmission Provider will hold at least two open public Attachment K transmission planning meetings a year that are intended to provide for participation in Transmission Provider's planning process by Transmission Provider's existing and prospective customers and stakeholders. Participants may propose for consideration local transmission needs driven by Public Policy Requirements and transmission, generation, and demand response resource projects. Such meetings are intended to (i) allow Transmission Provider to better understand its customers' forecasts; (ii) offer existing and prospective customers and interested stakeholders an opportunity to be informed about, and offer input and advice into, the Transmission Provider transmission planning process, as well as to propose alternatives for any upgrades identified by Transmission Provider; (iii) review study results; and (iv) review transmission planning. Such meetings will include at least the following two meetings each calendar year:

PSE Transmission Customer Meeting -- At least one such meeting each calendar year will be a "PSE Transmission Customer Meeting" that is open to all interested stakeholders, including existing and prospective Transmission Provider transmission (or interconnection) customers. Participants in the PSE Transmission Customer Meeting may propose for consideration local transmission needs driven by Public Policy Requirements and transmission, generation, and demand response resource projects. This PSE Transmission Customer Meeting is anticipated to be held in conjunction with any PSE Network Operating Committee meeting. The PSE Transmission Customer Meeting is intended to provide a forum for discussion of (i) Data provided or to be provided pursuant to Part IX of this Attachment K, (ii) assumptions and methodologies for Transmission Provider planning studies, (iii) status of Transmission Provider's transmission projects and plans, (iv) potential local transmission needs identified by stakeholders or PSE, (v) potential solutions (including non-transmission solutions), identified by stakeholders or PSE, to local transmission needs (including those driven by Public Policy Requirements), and (vi) other Transmission Provider transmission planning topics of interest to the attendees.

Puget Sound Area Transmission Meeting -- At least one such meeting each calendar year will be a "Puget Sound Area Transmission Meeting" that is open to all interested stakeholders, including transmission providers in the Puget Sound area, their existing and prospective transmission (or interconnection) customers. Participants in the Puget Sound Area Transmission Meeting may propose for

consideration local transmission needs driven by Public Policy Requirements and transmission, generation, and demand response resource projects. This Puget Sound Area Transmission Meeting is anticipated to be held individually or, more likely, in conjunction with other Puget Sound area transmission providers or in conjunction with ColumbiaGrid. The Puget Sound Area Transmission Meeting is intended to provide a forum for (i) coordination of study assumptions and methodologies and draft transmission plans for transmission systems in the Puget Sound area, (ii) discussion and input regarding requested Economic Studies, (iii) discussion of other Puget Sound area transmission planning topics of interest to the attendees, such as the transmission planning effects of proposals for transmission, generation, and demand response resource projects, and (iv) discussion of proposed solutions (including non-transmission solutions), or alternative proposed solutions (including non-transmission solutions), to local transmission needs (including those driven by Public Policy Requirements). A draft PSE Plan will be posted on Transmission Provider's OASIS prior to the Puget Sound Area Transmission Meeting.

2. PSE Public Planning Meeting Process

Meeting notices, including date, time, place, proposed meeting agenda and meeting contact for further information will be posted on Transmission Provider's OASIS and ColumbiaGrid website at least 15 days prior to the meeting. Transmission Provider will establish its meeting schedule as needed, but such schedule shall include at least one PSE Transmission Customer Meeting and at least one Puget Sound Area Transmission Meeting each year. As discussed above, Transmission Provider anticipates that much of its local transmission planning activity will be conducted and coordinated through its participation in ColumbiaGrid.

Any interested Transmission Provider customer or interested stakeholder wanting to be included on Transmission Provider's email distribution list to receive notice of the PSE Transmission Customer Meeting and Puget Sound Area Transmission Meeting is to submit (and update as necessary) its information to the Transmission Provider Point of Contact at transmaster@pse.com <<mailto:transmaster@pse.com>> identified on Transmission Provider's OASIS in order to be included in the distribution list for meeting notices.

Transmission Provider customers and interested stakeholders are encouraged to provide input, comments, advice and questions into the process electronically by sending email to transmaster@pse.com <<mailto:transmaster@pse.com>>.

All public transmission planning meetings will be open, subject to CEII and confidentiality restrictions, to all existing and prospective Transmission Provider customers and interested stakeholders. Only public information will be shared, and public business conducted, in open public meeting portions of the PSE Transmission Customer Meeting and the Puget Sound Area Transmission Meeting.

PART VII. ECONOMIC STUDIES

1. General

As described below, Transmission Provider (or ColumbiaGrid or WECC) will perform Economic Studies that are requested and that are selected for study under the procedures described below. Results of Economic Studies may be considered in the development of any PSE Plan.

2. Requests for Economic Studies

Transmission customers or interested stakeholders may submit requests for Economic Studies to Transmission Provider. (In addition, Transmission Provider may submit such requests.) All requests submitted to Transmission Provider should be forwarded to transmaster@pse.com <<mailto:transmaster@pse.com>>. Transmission Provider will post each request for an Economic Study (and Transmission Provider's response to such request, developed as described below) on Transmission Provider's OASIS, and each such posting will be maintained for a period of not less than five (5) years. All Economic Studies so requested by October 31, 2008 will be considered for performance in 2009. All Economic Studies so requested after October 31, 2008, but during subsequent periods November 1 through October 31 will be considered for performance in the following calendar year.

Within three (3) months of each October 31, commencing October 31, 2008, Transmission Provider will hold or cause to be held a public meeting to review each request that has been submitted pursuant to the preceding paragraph by such October 31 for an Economic Study and to provide and receive from interested stakeholders input on such requests. Such input may include consideration of (i) the breadth of interest in, and support for, the requested Economic Studies; (ii) the feasibility of the requested Economic Studies; and (iii) the relationship between the requested Economic Studies and potential (a) congestion relief or (b) integration on an aggregated or Western Interconnection wide (or Western Interconnection "sub-regional") basis of new resources or new loads. (It is currently anticipated that such meeting would be held in conjunction with a ColumbiaGrid meeting or a Puget Sound Transmission Meeting.) Transmission Provider will endeavor to coordinate the timing of its Economic Study request reviews with any TEPPC and ColumbiaGrid Economic Study processes.

After consideration of such review and input, Transmission Provider will determine

- (i) whether, and to what extent, the requested Economic Study should be clustered or batched with similar requests;
- (ii) whether the requested Economic Study should be considered a high priority; and

- (iii) whether the requested Economic Study would constitute a Local Economic Study. Any requested Economic Study that is determined to not be a Local Economic Study will be forwarded to ColumbiaGrid or TEPPC for their consideration of such request for inclusion in their respective lists of requests for economic studies.

3. Performance of Economic Studies

Up to three (3) requested Economic Studies (including Local Economic Studies), provided they are determined by the Transmission Provider to be of high priority, will be performed annually without direct assessment of the costs thereof to the requesters. Economic Studies involving production cost modeling (e.g., using PROMOD) would only be performed by a Western Interconnection “sub-regional” or Western Interconnection wide entity (such as WECC)). The costs (or Transmission Provider’s allocated share of the costs) of such high priority Economic Studies (including any such studies that are requested, high priority Economic Studies performed by Transmission Provider) that, pursuant to the foregoing are performed without direct assessment of costs to the requesters, will be recovered through Transmission Provider’s transmission rates (including, for example, recovery in rates of Transmission Provider payments to ColumbiaGrid or WECC).

Any additional requested, high priority Economic Studies and any requested Economic Studies not determined to be high priority will only be performed at the expense of the requester; such performance may be accomplished by Transmission Provider assisting the requester and requester’s third party contractor.

Transmission Provider will endeavor to perform Local Economic Studies that it performs pursuant to this Attachment K in a manner that is open and coordinated with interested stakeholders and will include appropriate sensitivity analysis. In performing any Local Economic Study, Transmission Provider may reflect the estimated cost of non-transmission mitigation options provided by the requester of the Local Economic Study; provided, that if Transmission Provider determines that such data provided by the requester should not be relied upon for purposes of the Local Economic Study, such Local Economic Study need be performed only to the extent reasonable in light of such determination of unreliability.

A summary of the results of each Economic Study performed by Transmission Provider will be posted on its OASIS.

4. Coordination of Economic Planning Studies

4.1 As described in the Economic Planning Studies section of ColumbiaGrid’s Policy Statement Regarding Planning-Coordinated, Open and Transparent Planning Processes for Single and Multiple Transmission Systems, available at <http://www.columbiagrid.org/AttachK-documents.cfm>, if a Planning Party forwards to ColumbiaGrid a request for an economic planning study that requires production cost modeling, ColumbiaGrid may forward the request to WECC. ColumbiaGrid will consider these requests during the last scheduled planning meeting of the year (typically held in November or December). The notification for this meeting will be posted on the ColumbiaGrid Website and widely distributed via e-mails. The agenda for this

meeting will clearly state if an economic planning study request will be under consideration. The participants at the meeting may provide or receive input on any requested studies. Such input may include, without limitation, consideration of (i) the breadth of interest in, and support for, the requested economic planning study; (ii) the feasibility of the requested economic planning study; (iii) the relationship between the requested economic planning study and potential (a) congestion relief or (b) integration on an aggregated or Western Interconnection wide (or Western Interconnection “sub-regional”) basis of new resources or new loads. If the consensus of the participants at that meeting determines that any such request (or any request developed during any such meeting) has sufficient merit to be forwarded to WECC, ColumbiaGrid will submit the study request to WECC during the economic planning study request window, which is between November 1st and January 31st of each year. The TEPPC process and criteria for prioritization of economic planning studies are set forth in section 5 of the TEPPC Planning Protocol located on the ColumbiaGrid Website under the Planning and Expansion program under the Attachment K link at <http://www.columbiagrid.org>. ColumbiaGrid is a member of TEPPC and is to participate in TEPPC processes.

4.2 ColumbiaGrid will treat requests received from a Planning Party for economic planning studies, not referred to WECC, as Capacity Increase Projects. Such requests will be processed pursuant to the provisions that govern Capacity Increase Projects of this Attachment K and the PEFA. The PEFA describes the process that ColumbiaGrid would use to form a Study Team. If a Study Team is formed to perform the economic planning study associated with the Capacity Increase Project, the Planning Party that submitted the economic planning study request will be deemed the Capacity Increase Project sponsoring party and is to assume primary responsibility for leading and performing necessary analytical work.

5. Effect of Economic Studies

The performance or results of any Economic Study shall not obligate Transmission Provider to perform any upgrade or modification of its Transmission System or dictate whether investment in any such upgrade or modification is required to be performed.

PART VIII.
ENHANCED RELIABILITY UPGRADES

This Part VIII provides the procedures by which transmission customers may request and obtain the installation of Enhanced Reliability Upgrades, including the cost allocation methodology for Enhanced Reliability Upgrades. This Part VIII of this Attachment K shall not in any event extend to any service or facilities that Transmission Provider is otherwise obligated to provide, including without limitation service to Native Load Customers.

Any one or more Eligible Customers (including transmission customers under the Tariff) may request pursuant to Part VII of this Attachment K an Economic Study with respect to a potential Enhanced Reliability Upgrade. If Transmission Provider determines that such requested Economic Study is a Local Economic Study and such Local Economic Study is performed, one or more transmission customers under the Tariff (including Eligible Customers that have become Transmission Provider's transmission customers for Network Integration Transmission Service or Point-to-Point Transmission Service) may upon conclusion of such Local Economic study request the installation of such Enhanced Reliability Upgrade by written request to Transmission Provider. Upon receipt of such request, Transmission Provider shall tender to the requesting transmission customer(s) ("Requesting Transmission Customer(s)") a form of Service Agreement. Such form of Service Agreement shall include provisions for the installation of such Enhanced Reliability Upgrade by Transmission Provider and the payment by Requesting Transmission Customer(s) of the costs of such Enhanced Reliability Upgrade. Each such Service Agreement, if and when fully executed, will be submitted to the Commission for filing.

The costs of such Enhanced Reliability Upgrade shall be directly assigned to Requesting Transmission Customer(s) without the provision of transmission credits or other means of reimbursement from the Transmission Provider for such costs so directly assigned (for purposes of this Part VIII, "direct assignment costs"). Pursuant to the Service Agreement, the Requesting Transmission Customer(s) shall pay the estimated costs of the Enhanced Reliability Upgrade as costs are incurred and will be subject to a true-up to the actual costs of the Enhanced Reliability Upgrade.

If there is more than one Requesting Transmission Customer, then the direct assignment costs for such Enhanced Reliability Upgrade(s) shall be allocated to Requesting Transmission Customer(s) in equal shares, unless Requesting Transmission Customer(s) agree in writing to a different cost allocation methodology prior to Transmission Provider's tender of the above-described form of Service Agreement.

The installation of any Enhanced Reliability Upgrade pursuant to this Part VIII shall constitute service under this Attachment K. The Requesting Transmission Customer(s) shall be subject to credit review and providing security or collateral for payment of direct assignment costs of such Enhanced Reliability Upgrade consistent with Attachment L of the Tariff.

Transmission Provider shall not be obligated to commence design, construction, or other installation of any Enhanced Reliability Upgrade(s) unless and until

- (i) binding Service Agreement(s) with all Requesting Transmission Customer(s) for installation of such Enhanced Reliability Upgrade(s) and payment by the Requesting Transmission Customer(s) of direct assignment costs are fully executed by the Transmission Provider and all of the Requesting Transmission Customer(s), and
- (ii) all of the Requesting Transmission Customer(s) provide the Transmission Provider security or collateral for payment of direct assignment costs of such Enhanced Reliability Upgrade consistent with Attachment L of the Tariff, for the full costs of the design and construction.

Furthermore, the Transmission Provider shall not be obligated to commence design, construction, or other installation of any Enhanced Reliability Upgrade, or to continue such design, construction, or other installation, if all necessary regulatory permits and approvals are not obtained or maintained. Transmission Provider shall make a good faith effort to obtain and maintain all such permits and approvals. The costs associated with obtaining and maintaining such regulatory permits and approvals shall be included in the total direct assignment costs of the Enhanced Reliability Upgrade and shall be borne by the Requesting Transmission Customer(s).

No Requesting Transmission Customer shall receive any ownership interest in Transmission Provider's Transmission System by reason of or as a result of any Enhanced Reliability Upgrade. No Enhanced Reliability Upgrade shall result in (i) an increase in the firm or non-firm transmission service rights of any Requesting Transmission Customer, or (ii) a change in the Curtailment priority or rights or obligations of any Requesting Transmission Customer, or (iii) any Requesting Transmission Customer having any ownership interest in Transmission Provider's Transmission System. Nothing in this Part VIII shall preclude any Eligible Customer from requesting or receiving Point-to-Point Transmission Service pursuant to Part II of this Attachment K or Network Integration Transmission Service pursuant to Part III of this Attachment K.

PART IX.
SUBMISSION OF, ACCESS TO, AND USE OF DATA

1. NERC Data to be Provided to Transmission Provider

1.1 Each NERC Entity shall use reasonable efforts to provide to Transmission Provider all Planning Input Data required by any NERC Standard to be provided to Transmission Provider (or any other entity) by such NERC Entity. In addition, any Planning Input Data provided by any NERC Entity to WECC (or any other entity) pursuant to any NERC Standard and rightfully obtained by Transmission Provider shall be deemed provided by such NERC Entity to Transmission Provider pursuant to this section 1; provided, that nothing in this Attachment K shall excuse Transmission Provider from, or obligate Transmission Provider to act contrary to, any restrictions on use or disclosure of such Planning Input Data imposed by WECC on Transmission Provider as a condition of Transmission Provider's obtaining such Planning Input Data. All data to be provided or deemed to be provided pursuant to this section 1 shall constitute NERC Data.

1.2 As reasonably requested by Transmission Provider, each Additional Entity shall use reasonable efforts to provide to Transmission Provider Planning Input Data that such Additional Entity would be required to provide by any NERC Standard if such Additional Entity met the criteria then used to determine if an entity falling within a Functional Type is required by such NERC Standard to provide Planning Input Data. In addition, any Planning Input Data provided by any Additional Entity pursuant to any NERC Standard to any other entity and rightfully obtained by Transmission Provider shall be deemed to be provided by such Additional Entity to Transmission Provider pursuant to this section 1. All data to be provided or deemed to be provided pursuant to this section 1 shall constitute NERC Data.

1.3 No access by Transmission Provider to or receipt by Transmission Provider of NERC Data from WECC shall excuse any NERC Entity or Additional Entity from any obligation to provide to Transmission Provider any NERC Data pursuant to this section 1.

2. Additional Planning Input Data to be Provided to Transmission Provider

2.1 Each Network Customer shall use reasonable efforts to provide to Transmission Provider the following Planning Input Data:

- (i) forecast information for load and resource requirements over the planning horizon;
- (ii) identification of demand response reductions; and
- (iii) any other data reasonably requested by Transmission Provider from such Network Customer in connection with planning activities pursuant to this Attachment K

("Network Service Data"). Any Network Service Data to be provided by a Network Customer pursuant to this Part IX.2.1 is in addition to and does not substitute for any NERC Data such

Network Customer is otherwise required pursuant to this Attachment K to provide to the Transmission Provider.

2.2 Any Point-to-Point Customer and any entity that receives Grandfathered Transmission Service from the Transmission Provider shall use reasonable efforts to provide to Transmission Provider the following Planning Input Data:

- (i) projections of need for Point-to-Point Transmission Service or other transmission service over the planning horizon, including transmission capacity, duration, and receipt and delivery points;
- (ii) planned additions or upgrades (including status and expected in-service date), planned retirements and environmental or other operating restrictions with respect to each of such customer's or entity's generating resource interconnected with the Transmission Provider's Transmission System; and
- (iii) any other data reasonably requested by Transmission Provider from such Point-to-Point Transmission Customer or customer in connection with planning activities pursuant to this Attachment K

(“Transmission Service Data”). Any Transmission Service Data to be provided by a Point-to-Point Customer or customer pursuant to this Part IX.2.2 is in addition to and does not substitute for any NERC Data such Point-to-Point Customer or customer is otherwise required pursuant to this Attachment K to provide to the Transmission Provider.

2.3 Any Person may provide to Transmission Provider the following Planning Input Data with respect to any demand response resource:

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

(“Demand Response Resource Data”). Any Demand Response Resource Data to be provided by any Person is in addition to and does not substitute for any NERC Data such Person is otherwise required to provide to the Transmission Provider.

3. Use of Planning Input Data

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

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

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

4. Planning Input Data Confidentiality

All Planning Input Data shall be provided (or deemed provided) without any confidentiality restrictions; provided, that nothing in this Part IX shall excuse Transmission Provider from any restrictions on use or disclosure of Planning Input Data imposed on Transmission Provider by WECC as a condition of Transmission Provider's obtaining such Planning Input Data.

Nothing in this Part IX shall excuse any entity from any obligation imposed on it pursuant to Commission Order No. 890 or Order 1000 to restrict disclosure of CEII.

5. Schedule and Mechanism for Providing Planning Input Data to Transmission Provider

5.1 Schedule for Providing Planning Input Data to Transmission Provider

5.1.1 Each existing or prospective Network Customer shall use reasonable efforts to submit its Network Service Data to Transmission Provider on or before October 31 of each calendar year.

5.1.2 Each existing or prospective Point-to-Point Customer or any entity that receives Grandfathered Transmission Service shall use reasonable efforts to submit its Transmission Service Data to Transmission Provider on or before October 31 of each calendar year.

5.1.3 Each NERC Entity shall use reasonable efforts to submit its NERC Data to Transmission Provider on or before October 31 of each calendar year.

5.1.4 Each Additional Entity shall use reasonable efforts to submit its NERC Data, as requested by Transmission Provider, to Transmission Provider on or before October 31 of each calendar year.

5.1.5 Each transmission customer or interested stakeholder that wishes to submit Demand Resource Service Data to Transmission Provider shall do so on or before October 31 of each calendar year.

5.1.6 Each Transmission Customer or interested stakeholder shall timely submit written notice of material changes in any of its information previously provided related to its load, its resources, or other aspects of its facilities or operations affecting Transmission Provider's ability to provide service. In addition, each Transmission Customer or interested stakeholder shall timely submit additional data reasonably requested from time to time by Transmission Provider in connection with planning activities pursuant to this Attachment K.

5.2. Mechanism for Providing Planning Input Data to Transmission Provider

Each Transmission Customer or interested stakeholder shall submit its Data specified in Part IX, section 5.1 of this Attachment K above by forwarding such data electronically to transmaster@pse.com <<mailto:transmaster@pse.com>>.

6. Access to Study Reports and PSE Replication Data from Transmission Provider

Transmission Provider will post a list of the names of planning studies it has performed pursuant to this Attachment K that underlie the PSE Plan and maintain such names on such list for a period of not less than five (5) years. Transmission Provider will make available the final report for any such study to any Transmission Customer or interested stakeholder upon receipt thereof by Transmission Provider of written request for such final report during a period of not less than five (5) years following completion of such final report. Also, Transmission Provider will make available the PSE Replication Data for any planning study performed by Transmission Provider pursuant to this Attachment K that underlie the PSE Plan to any Transmission Customer or interested stakeholder upon receipt thereof by Transmission Provider of written request for such PSE Replication Data during a period of not less than five (5) years following completion of such final report.

Access and use by any Person (such as a Transmission Customer or interested stakeholder) to any planning study performed by Transmission Provider pursuant to this Attachment K or to any PSE Replication Data shall be subject to CEII restrictions and any confidentiality or other restrictions on access or use reasonably imposed by Transmission Provider. Further, such access by such entities to such data that Transmission Provider has received from any other entity may be subject to any restrictions on access to such data imposed by such entity. For example, any access to data such as PSE Replication Data that constitutes WECC base case data by any entity such as a Transmission Customer or interested stakeholder is subject to any restrictions on access to data imposed by WECC.

However, access to any report of any study (and basic criteria, assumptions and data necessary to replicate the results of such study) performed by or through ColumbiaGrid or any Study Team shall be as provided by ColumbiaGrid.

7. Use of PSE Replication Data Received From Transmission Provider

Any Transmission Customer or interested stakeholder that receives any PSE Replication Data from Transmission Provider shall use such PSE Replication Data only for the purpose of evaluating the results of Transmission Provider's planning studies performed pursuant to this Attachment K that underlie the PSE Plan.

8. Critical Energy Infrastructure Information

8.1 CEII Access Information Posted on Transmission Provider's OASIS

Transmission Provider's CEII Request Procedure, form of CEII Non-Disclosure Agreement ("CEII NDA"), and CEII Request Form are posted on Transmission Provider's OASIS in the CEII folder.

8.2 Other Access to CEII

Except as otherwise set forth in Section 4 of Transmission Provider's Tariff or in Transmission Provider's Open Access Same-Time Information System, a requester may request from Transmission Provider, using the procedures set forth below, material that Transmission Provider determines may be CEII, that is required to be disclosed by Order No. 890 or Order 1000 and that is used in PSE transmission planning activities pursuant to this Attachment K,. The Transmission Provider may require, as a condition of access to any such material that the requester either submit a CEII Request Form for such material or enter into a form of CEII NDA or both.

- (i) A requester shall file a signed, written request, in accordance with the CEII procedures posted on Transmission Provider's OASIS and using the CEII Request Form, with Transmission Provider at the following address:

Puget Sound Energy, Inc.
355 110th Avenue NE, EST-06E
P.O. Box 97034 EST-06E
Bellevue WA 98009-9734
Attn: Manager, Transmission Contracts--CEII Request
- (ii) Requests for CEII will be considered to be received upon actual receipt by Transmission Provider.
- (iii) Transmission Provider will make a determination of whether it considers the requested information to be CEII and whether requested information should be provided.
- (iv) Transmission Provider will endeavor to notify the requester within twenty (20) working days after Transmission Provider's receipt of the request for CEII of its determination.

- (v) If Transmission Provider determines that the requester is eligible to and should receive requested CEII, Transmission Provider will provide a form of CEII NDA to the requester for execution.
- (vi) Upon Transmission Provider's receipt of any required CEII NDA executed by requester with respect to material that requester has requested pursuant to the foregoing and that Transmission Provider has determined pursuant to the foregoing should be provided, Transmission Provider will, subject to any restrictions on providing such material, promptly provide such material upon receipt of a properly executed CEII NDA with respect to such material.
- (vii) Nothing in this Part IX shall excuse Transmission Provider from providing access to requester to CEII pursuant to a specific order by the Commission to provide such access to such CEII to requester following denial pursuant to these procedures by Transmission Provider of access by such requester to such CEII.

9. WECC Proprietary Data

Transmission Provider's transmission planning studies may include base case data (or other data) that are WECC proprietary data. Nothing in this Attachment K shall obligate Transmission Provider to provide any WECC proprietary data to any requester if the requester does not hold membership in and has not executed a non-disclosure agreement with WECC.

10. PSE Proprietary Information

Subject to section 9 of this Part IX with respect to WECC proprietary data and except as otherwise set forth in section 15 of Part III of this Attachment K, a requester may request PSE Proprietary Information required to be disclosed by Order No. 890 or Order 1000 from Transmission Provider using the procedures set forth below.

- (i) A requester shall file a signed, written request, in accordance with the PSE Proprietary Information procedures outlined in this section 10, with Transmission Provider at the following address:

Puget Sound Energy, Inc.
355 110th Avenue NE, EST-06E
P.O. Box 97034 EST-06E
Bellevue WA 98009-9734
Attn: Manager, Transmission Contracts--
PSE Proprietary Information
- (ii) Requests for PSE Proprietary Information will be considered to be received upon actual receipt by Transmission Provider.

- (iii) Transmission Provider will make a determination of whether it considers the requested information to be PSE Proprietary Information (and whether Transmission Provider considers the requested information to be WECC proprietary data) and whether requested information should be provided. Transmission Provider will promptly notify the requester of such determination.
- (iv) If Transmission Provider determines that the requester is eligible to and should receive requested PSE Proprietary Information, Transmission Provider will provide a form of PSE Proprietary Information Non-Disclosure Agreement (“PSE Proprietary Information NDA”) to the requester for execution, if Transmission Provider determines a PSE Proprietary NDA should be required prior to providing such requested PSE Proprietary Information.
- (v) Upon Transmission Provider’s receipt of any required PSE Proprietary Information NDA executed by requester (and with respect to WECC proprietary data, verification that the requester is a member of WECC or has executed a non-disclosure agreement with WECC to obtain WECC proprietary data) with respect to PSE Proprietary Information that requester has requested pursuant to the foregoing and that Transmission Provider has determined pursuant to the foregoing should be provided, Transmission Provider will, subject to any restrictions on providing such PSE Proprietary Information, promptly provide such PSE Proprietary Information upon Transmission Provider’s determination that a PSE Proprietary Information NDA is not needed, or upon receipt of a properly executed PSE Proprietary Information NDA with respect to such PSE Proprietary Information.
- (vi) Nothing in this Part IX shall excuse Transmission Provider from providing access to requester to PSE Proprietary Information pursuant to a specific order by the Commission to provide such access to such PSE Proprietary Information to requester following denial pursuant to these procedures by Transmission Provider of access by such requester to such PSE Proprietary Information.

PART X. DISPUTE RESOLUTION

Disputes among PEFA Parties within the scope of the dispute resolution provisions of the PEFA shall be addressed through such provisions. Disputes among parties to the Order 1000 Agreement within the scope of the dispute resolution provisions of the Order 1000 Agreement shall be addressed through such provisions. However, nothing in this Attachment K restricts the rights of any person to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Disputes that are not within the scope of either the PEFA or Order 1000 Agreement dispute resolution procedures, but that arise out of Attachment K between a Transmission Provider and one or more of its Transmission Customers, shall be addressed pursuant to Section 12 (Dispute Resolution Procedures) of the Tariff.

ColumbiaGrid is intended to provide a forum for resolving substantive and procedural disputes. Specifically, ColumbiaGrid is a separate and operationally independent entity that makes decisions or recommendations regarding multi-system planning issues, and thus provides a neutral forum through which transmission customers, transmission providers, Planning Parties, Order 1000 Parties, and other stakeholders can raise and address issues arising out of ColumbiaGrid planning activities. All interested persons have an additional opportunity to present their perspectives when the Staff's recommendation is presented to the Board. When reviewing the draft Biennial Plan, the Board can remand items back to the Staff for further work and public input.

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

APPENDIX A DEFINITIONS

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

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

A.2 “Additional Regional Costs from Interregional Cost Allocation” shall have the meaning set forth in item (v) of section 8.4 of Appendix A of the Order 1000 Agreement and restated in Part III, item (v) of section 8.4, of this Attachment K.

A.3 “Agreement Limiting Liability Among Western Interconnected Systems” or “WIS Agreement” means at any time the Agreement Limiting Liability Among Western Interconnected Systems as it may have then been amended.

A.4 “Annual Interregional Coordination Meeting” shall have the meaning set forth in section 7.3 of Appendix A of the Order 1000 Agreement and as described in Part III, section 7.3, of this Attachment K.

A.5 “Annual Interregional Information” shall have the meaning set forth in section 7.2 of Appendix A of the Order 1000 Agreement and restated in Part III, section 7.2, of this Attachment K.

A.6 “Assigned Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, ColumbiaGrid’s assigned *pro rata* share of the projected costs of such ITP calculated pursuant to item (d) of section 7.5.2 of Appendix A of the Order 1000 Agreement and item (iii) of section 8.4 of Appendix A of the Order 1000 Agreement. Assigned Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of sections 5.2 or 7.6.2 of Appendix A of the Order 1000 Agreement.

A.7 “Benefit to Cost Ratio” means the ratio as may be determined pursuant to section 6.3.2 of Appendix A of the Order 1000 Agreement.

A.8 “Biennial Plan” means each biennial transmission plan adopted by the Board pursuant to section 2 of the Order 1000 Agreement. A “Draft Biennial Plan” refers to a draft of a Biennial Plan presented by Staff to the Board for adoption pursuant to section 2 of the Order 1000 Agreement but not yet adopted by the Board.

A.9 “Board of Directors” or “Board” means the Board of Directors of ColumbiaGrid.

A.10 “Bylaws” means the then-current bylaws of ColumbiaGrid.

A.11 “Capacity Increase Project” means a voluntary modification of the Regional Interconnected Systems that is

- (i) for the purpose of increasing transmission capacity on the Regional Interconnected Systems;
- (ii) voluntarily undertaken by one or more Planning Parties; and
- (iii) not an Existing Obligation Project or Requested Service Project.

A.12 “Claims Committee” means a committee established pursuant to section 8.4.2 of the Order 1000 Agreement upon the receipt of a claim or prior to such time.

A.13 “ColumbiaGrid Planning Region” means the transmission systems that Planning Parties own or operate, or propose to own or operate, in the Regional Interconnected Systems.

A.14 “Commission” means the Federal Energy Regulatory Commission or any successor entity.

A.15 “Confidential Information” means: all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Third Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure under the Order 1000 Agreement; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form; or (vi) required to be disclosed without a protective order or confidentiality agreement by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

A.16 “Critical Energy Infrastructure Information” or “CEII” means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time.

A.17 “Demand Response Resource Data” has the meaning set forth in Part IX, section 2.3 of this Attachment K.

A.18 “Economic Study” means a study of Transmission Provider’s Transmission System, separately or in conjunction with study of other transmission systems, to evaluate (i) congestion, (ii) the integration on an aggregated or Western Interconnection (or Western Interconnection “sub-regional”) wide basis of new resources or new loads, or (iii) Local Economic Study.

A.19 “Effective Date” shall have the meaning set forth in section 12 of the Order 1000 Agreement.

A.20 “Electric System” shall have the meaning given for the words “electric system” in the WIS Agreement and means (i) electric distribution facilities or (ii) generation facilities or (iii) transmission facilities, or any combination of the three, and includes transmission lines, distribution lines, substations, switching stations, generating plants, and all associated equipment

for generating, transmitting, distributing, or controlling flow of power. The Electric System of a Person includes the facilities of another entity operated or controlled by such Person. Electric System includes any devices or equipment (a) by which information is originated on an electric system or by the Person operating such system, (b) by which such information is transmitted, and (c) by which such information is received either for information or for operation of a system, whether by the originating system or by another system.

A.21 “Enhanced Reliability Upgrade” means, for purposes of this Attachment K, an upgrade to the Washington area facilities of Transmission Provider’s Transmission System that

- (i) is intended to provide a transmission customer for Network Integration Transmission Service or Point-to-Point Transmission Service on Transmission Provider’s Transmission System with (A) enhanced reliability with respect to the transmission customer’s Network Integration Transmission Service or Point-to-Point Transmission Service over and above the reliability necessary to satisfy the planning criteria applicable to Transmission Provider, or (B) reduced Curtailments with respect to the transmission customer’s Network Integration Transmission Service or Point-to-Point Transmission Service as compared with the Curtailments that would otherwise occur with respect to such transmission service,
- (ii) does not result in a reduction of transmission capacity on another transmission system (or other adverse impact on such other transmission system that is generally considered in transmission planning in the Western Interconnection) that is material and that is unacceptable to the owner or operator of such other transmission system, and
- (iii) is installed pursuant to Part VIII of this Attachment K.

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

A.22 “Enrolled” refers to a Person’s status as enrolled in an Order 1000 Planning Region, such that such Person is subject to such Order 1000 Planning Region’s planning processes (including cost allocations) in accordance with the requirements of Order 1000 as implemented by such Order 1000 Planning Region. A Person is Enrolled in the Order 1000 ColumbiaGrid Planning Region if and at such times as

- (i) such Person is an Order 1000 Party in accordance with the provisions of the Order 1000 Agreement and has not withdrawn (and has not been deemed to have withdrawn) from the Order 1000 Agreement pursuant to section 13 of the Order 1000 Agreement; and

- (ii) such Person is neither a Governmental Non-Enrolled Party nor an ITP Proponent.

Any Order 1000 Enrolled Party is expressly Enrolled in the Order 1000 ColumbiaGrid Planning Region and is to be listed as Enrolled in the Order 1000 ColumbiaGrid Planning Region in each Order 1000 Enrolled Party's open access transmission tariff. Any Governmental Non-Enrolled Party and any ITP Proponent is not Enrolled in the Order 1000 ColumbiaGrid Planning Region.

A.23 “Existing Obligation Project” or “EOP” means any modification to be made to the Regional Interconnected Systems that is

- (i) for the purpose of meeting a Need (as such term is used in the PEFA) on a TOPP's system;
- (ii) not a Single System Project; and
- (iii) approved by the Board and included as an EOP in a Plan.

A.24 “Functional Type” at any time means each Functional Type as then adopted by NERC. As of December 7, 2007, for example, the functional types adopted by NERC were set forth in its Statement of Compliance Registry Criteria (Revision 3.1).

A.25 “Governmental Non-Enrolled Party” means any Order 1000 Party that (i) is within the definition of 16 U.S.C. § 824(f) (and hence is not a “public utility” under Part II of the Federal Power Act), (ii) is a Planning Party, and (iii) has elected pursuant to section 14.17 of the Order 1000 Agreement to be a Governmental Non-Enrolled Party.

A.26 “Grandfathered Transmission Service” means any transmission service (or interconnection) provided by Transmission Provider that is subject to the jurisdiction of the Commission but not provided pursuant to the Transmission Provider's Tariff.

A.27 “Incremental Costs” shall, for purposes of Part III of this Attachment K, have the meaning set forth in section 3.3 of the Order 1000 Agreement and restated in Part III, section 17.3, of this Attachment K.

A.28 “Interested Person” means, for purposes of Parts II and III of this Attachment K, any Person who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons will be identified on the “Interested Persons List” compiled by ColumbiaGrid in accordance with Section 4.2 of the Bylaws. For purposes of section 7 of Appendix A of the Order 1000 Agreement and Part III, section 7, of this Attachment K, Interested Persons are referred to as stakeholders.

A.29 “Interregional Cost Allocation” means the assignment of ITP costs between or among Relevant Planning Regions as described in section 7.5.2 of Appendix A of the Order 1000 Agreement and as described in Part III, section 7.5.2, of this Attachment K.

A.30 “Interregional Transmission Project” or “ITP” means a proposed new transmission project that would directly interconnect electrically to existing or planned

transmission facilities in two or more Order 1000 Planning Regions and that is submitted into the regional transmission planning processes of all such Order 1000 Planning Regions in accordance with section 7.4.1 of Appendix A of the Order 1000 Agreement.

A.31 “Interregional Transmission Project Proponent” or “ITP Proponent” means an Order 1000 Party that (i) has pursuant to section 14.17 of the Order 1000 Agreement indicated that it is an ITP Proponent, (ii) is not Enrolled in the Order 1000 ColumbiaGrid Planning Region, and (iii) is Enrolled in an Order 1000 Planning Region (other than the Order 1000 ColumbiaGrid Planning Region).

For purposes of section 7 of Appendix A of the Order 1000 Agreement and Part III, section 7, of this Attachment K, a proponent of an ITP that is either an ITP Proponent or an Order 1000 Enrolled Party is referred to as a proponent of an ITP.

A.32 “Local Economic Study” means an Economic Study that (i) evaluates congestion (and possible remedies) only on Transmission Provider’s Washington Area transmission facilities of its Transmission System, or (ii) evaluates a potential Enhanced Reliability Upgrade. A Local Economic Study will not encompass or entail a production cost model study.

A.33 “Local Transmission Plan” means, with respect to an Order 1000 Party, a plan that identifies planned new transmission facilities and facility replacements or upgrades for such Order 1000 Party’s transmission system.

A.34 “Material Adverse Impacts of Local Need Solution” means, with respect to any solution to a local transmission need, a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such solution that is material, that would result from such solution, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of this Attachment K, Material Adverse Impacts of Local Need Solution are considered mitigated if there would not be any Material Adverse Impacts of Local Need Solution due to such solution.

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

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

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

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

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

A.40 “Order 1000” means the Commission’s Order No. 1000 (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011), *order on rehearing and clarification*, 139 FERC ¶ 61,132 (2012), *order on rehearing and clarification*, 141 FERC ¶ 61,044 (2012), *affirmed sub nom. S. C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014)), as it may be amended, supplemented, or superseded from time to time.

A.41 “Order 1000 Affected Persons” means, with respect to an ITP, Order 1000 Project, Order 1000 Eligible Project or Order 1000 Proposed Project, those Order 1000 Parties and other Persons that would bear Order 1000 Material Adverse Impacts from such project or are otherwise materially affected thereby.

A.42 “Order 1000 Agreement” means the First Amended and Restated Order 1000 Functional Agreement, including Appendix A attached thereto.

A.43 “Order 1000 Beneficiary” means, with respect to an Order 1000 Project, any Order 1000 Enrolled Party that is identified in an Order 1000 Cost Allocation Report as an Order 1000 Beneficiary that would receive Order 1000 Benefits as a direct result of such Order 1000 Project. Solely for purposes of any Preliminary Cost Allocation performed pursuant to item (a) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement, any Governmental Non-Enrolled Party is to be deemed to be an Order 1000 Beneficiary, in accordance with section 1.31 of the Order 1000 Agreement.

A.44 “Order 1000 Benefits” means, with respect to an Order 1000 Project and as more fully described in section 6.2.2 of Appendix A of the Order 1000 Agreement, the Order 1000 Benefits of any Order 1000 Beneficiary, which shall be equal to the sum of:

- (i) the projected costs that such Order 1000 Beneficiary is projected to avoid over the Planning Horizon due to elimination or deferral, as a direct result of such Order 1000 Project, of planned additions of transmission facilities in the Order 1000 ColumbiaGrid Planning Region, plus;
- (ii) if and to the extent not reflected in item (i) above, the value that such Order 1000 Beneficiary is projected to realize on its Order 1000 Transmission System over the Planning Horizon, as a direct result of such Order 1000 Project, where such value is equal to the lesser of:
 - (a) the projected costs (excluding any projected costs included in item (i) above) that such Order 1000 Beneficiary would, but for such Order 1000 Project, have otherwise incurred over the Planning Horizon to achieve an increase in capacity on its Order 1000 Transmission System equivalent to that resulting from such Order 1000 Project; or
 - (b) the projected changes in revenues based on cost-based transmission rates over the Planning Horizon to such Order

1000 Beneficiary directly resulting from such Order 1000 Project or such Order 1000 Project's elimination or deferral of planned transmission facilities, which projected changes in revenues shall be based on projected changes of usage of such Order 1000 Beneficiary's Order 1000 Transmission System that are projected, using a robust economic analysis (including production cost, power flow, and stability analyses and evaluation of transmission queues, as described in section 6.2.1 of Appendix A of the Order 1000 Agreement) and are repeatable over a wide range of reasonable assumptions, to result over the Planning Horizon from the projected changes in capacity on such Order 1000 Beneficiary's Order 1000 Transmission System resulting from such Order 1000 Project or such Order 1000 Project's elimination or deferral of planned transmission facilities.

Solely for purposes of any Preliminary Cost Allocation performed pursuant to item (a) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement, (a) Order 1000 Benefits are to be deemed to include benefits calculated, pursuant to section 1.31 of the Order 1000 Agreement and section 6.2.2 of Appendix A of the Order 1000 Agreement, for each Governmental Non-Enrolled Party as if it were an Order 1000 Enrolled Party, and (b) each such Governmental Non-Enrolled Party is to be deemed to be the Order 1000 Beneficiary with respect to the benefits, if any, so calculated for it.

A.45 "Order 1000 ColumbiaGrid Planning Region" means the Order 1000 Transmission Systems of Order 1000 Enrolled Parties.

A.46 "Order 1000 Cost Allocation" means an allocation, using the Order 1000 Cost Allocation Methodology, pursuant to item (b) of the second paragraph of section 6 of Appendix A of the Order 1000 Agreement, of projected costs of an Order 1000 Project among one or more Order 1000 Beneficiaries with respect to such Order 1000 Project that is approved by the Board pursuant to section 11.4 of Appendix A of the Order 1000 Agreement. An Order 1000 Cost Allocation with respect to an Order 1000 Project is approved by the Board if and on such date as the Board approves such Order 1000 Project and Order 1000 Cost Allocation for inclusion in a Plan pursuant to section 11.4 of Appendix A of the Order 1000 Agreement.

A.47 "Order 1000 Cost Allocation Methodology" means the cost allocation methodology set out in section 6.3 of Appendix A of the Order 1000 Agreement.

A.48 "Order 1000 Cost Allocation Report" means the report with respect to an Order 1000 Cost Allocation prepared by Staff and approved by the Board and included in the Plan in accordance with sections 6.4 and 11.4 of Appendix A of the Order 1000 Agreement.

A.49 "Order 1000 Eligible Project" means an Order 1000 Proposed Project that is identified as described in section 5.1 of Appendix A of the Order 1000 Agreement as an Order 1000 Eligible Project.

A.50 “Order 1000 Enrolled Party” means any Order 1000 Party (whether incumbent or nonincumbent) that

- (i) is an Order 1000 Enrolled Party pursuant to section 14.17 of the Order 1000 Agreement;
- (ii) has not withdrawn (and has not been deemed to have withdrawn) from the Order 1000 Agreement pursuant to section 13 of the Order 1000 Agreement; and
- (iii) has not converted to being a Governmental Non-Enrolled Party pursuant to section 14.17 of the Order 1000 Agreement.

For the avoidance of doubt, specifically excluded from being an Order 1000 Enrolled Party are (a) any Person that is Enrolled in any Order 1000 Planning Region other than the Order 1000 ColumbiaGrid Planning Region, (b) any Person that has elected pursuant to section 14.17 of the Order 1000 Agreement to be a Governmental Non-Enrolled Party, and (c) any Person that is pursuant to section 14.17 of the Order 1000 Agreement an ITP Proponent.

A.51 “Order 1000 Material Adverse Impacts” means, with respect to any solution to an Order 1000 Need (or other transmission need for which a solution is identified under the Order 1000 Agreement) a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such solution that is material, that would result from such solution, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of the Order 1000 Agreement, Order 1000 Material Adverse Impacts are considered mitigated if there would not be any Order 1000 Material Adverse Impacts due to such solution.

A.52 “Order 1000 Merchant Transmission Project” means existing or planned transmission facilities for which the costs are recovered or intended to be recovered through negotiated rates and are therefore not eligible for Order 1000 Cost Allocation.

A.53 “Order 1000 Need” means any need identified in a System Assessment Report pursuant to section 3 of Appendix A of the Order 1000 Agreement, of an Enrolled Party(ies) for transmission facilities in the Order 1000 ColumbiaGrid Planning Region, including any such need that is driven by reliability requirements, addresses economic considerations, or is driven by Public Policy Requirements. Order 1000 Need specifically excludes specific transmission service requests and native and network load requirements of any Enrolled Party, unless those requests or requirements may be addressed by a solution that addresses other needs for transmission facilities driven by reliability requirements, economic considerations, or Public Policy Requirements of an Enrolled Party(ies). “Order 1000 Potential Need” is an item that is proposed or considered for inclusion in the system assessment for possible identification in the System Assessment Report as an Order 1000 Need. For purposes of section 7 of Appendix A of the Order 1000 Agreement and Part III, section 7, of this Attachment K, an Order 1000 Need in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission need.

A.54 “Order 1000 Need Statement” means, with respect to an Order 1000 Need, a statement developed by Staff pursuant to section 3 of Appendix A of the Order 1000 Agreement and included for informational purposes in a Plan. A “Draft Order 1000 Need Statement” means a proposal for an Order 1000 Need Statement as described in section 3 of Appendix A of the Order 1000 Agreement.

A.55 “Order 1000 Needs Factors” shall have the meaning set forth in section 2.2 of Appendix A of the Order 1000 Agreement and restated in Part III, section 2.2, of this Attachment K.

A.56 “Order 1000 Needs Meeting” means the annual meeting provided for in section 3.1 of Appendix A of the Order 1000 Agreement to discuss Order 1000 Potential Needs that should be included in the upcoming system assessment.

A.57 “Order 1000 Non-Incumbent Transmission Developer” means any Order 1000 Enrolled Party that

- (i) proposes to, but does not currently, own or operate transmission facilities in the Order 1000 ColumbiaGrid Planning Region and does not currently own or operate transmission facilities in any Order 1000 Planning Region;
- (ii) is not Enrolled in a Relevant Planning Region other than the Order 1000 ColumbiaGrid Planning Region; and
- (iii) is not a Planning Party.

A.58 “Order 1000 Non-Transmission Alternative” means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of an Order 1000 Need of an Order 1000 Enrolled Party by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Order 1000 Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Order 1000 Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring. “Governmental Non-Enrolled Party Non-Transmission Alternative” means an alternative that does not involve the construction of transmission facilities and that ColumbiaGrid has determined would result in the elimination or deferral of a transmission need of a Governmental Non-Enrolled Party by modifying the loads or resources reflected in the system assessments. Examples of such alternatives that may constitute Governmental Non-Enrolled Party Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Governmental Non-Enrolled Party Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

A.59 “Order 1000 Party” means each signatory, other than ColumbiaGrid, to the Order 1000 Agreement.

A.60 “Order 1000 Planning Criteria” means the then-current planning standards that ColumbiaGrid shall apply, as provided in section 2.1 of Appendix A of the Order 1000 Agreement, in any system assessment, System Assessment Report, or Order 1000 Need Statement, with respect to Order 1000 Need(s), Interregional Transmission Project(s), Order 1000 Proposed Project(s), Order 1000 Eligible Project(s), and Order 1000 Projects.

A.61 “Order 1000 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, Order 1000 ColumbiaGrid Planning Region, Northern Tier Transmission Group, and WestConnect. For purposes of section 7 of Appendix A of the Order 1000 Agreement and Part III, section 7, of this Attachment K, Order 1000 Planning Region is referred to as a Planning Region.

A.62 “Order 1000 Project” means any Order 1000 Eligible Project, if and for so long as: (i) it has been selected as an Order 1000 Project in accordance with section 5.3 of Appendix A of the Order 1000 Agreement; (ii) all Order 1000 Enrolled Parties and ITP Proponents that timely requested Order 1000 Cost Allocation for such project have not withdrawn such requests in accordance with section 5.2 of Appendix A of the Order 1000 Agreement (whether such withdrawal(s) is before or after inclusion of such project in a Plan); (iii) the Benefit to Cost Ratio for such project has not been determined pursuant to section 6.3.2 of Appendix A of the Order 1000 Agreement to be less than 1.25; (iv) an agreement on implementation of such project is not reached in accordance with section 5.4 of Appendix A of the Order 1000 Agreement or section 6.4 of Appendix A of the Order 1000 Agreement; and (v) such project has not been removed from a Plan as an Order 1000 Project pursuant to section 3.3 of Appendix A of the Order 1000 Agreement.

For purposes of the cost allocation provisions of the Order 1000 Agreement, transmission facilities of an ITP may be deemed to be an Order 1000 Project notwithstanding the fact that the selection of an ITP as an Order 1000 Project under the Order 1000 Agreement occurs after cost allocation calculations have been performed with respect to such ITP.

A.63 “Order 1000 Proposed Project” means proposed transmission facilities that

- (i) are in the Order 1000 ColumbiaGrid Planning Region; or
- (ii) are an ITP

that are included in a plan of service developed by a Study Team and that address an Order 1000 Need(s). Proposed transmission facilities in a plan of service that are not an ITP and that would directly interconnect electrically with existing or planned transmission facilities that are not in the Order 1000 ColumbiaGrid Planning Region are specifically excluded from being an Order 1000 Proposed Project. Order 1000 Proposed Project specifically excludes any Order 1000 Merchant Transmission Project.

A.64 “Order 1000 Proposed Staff Solution” shall have the meaning set forth in section 4.4 of Appendix A of the Order 1000 Agreement and restated in Part III, section 4.4, of this Attachment K.

A.65 “Order 1000 Replication Data” means basic criteria, assumptions, and data necessary to replicate the results of ColumbiaGrid’s planning studies performed pursuant to the Order 1000 Agreement with respect to any Order 1000 Potential Need, Order 1000 Need, Order 1000 Proposed Project, Order 1000 Eligible Project, Order 1000 Project, or ITP.

A.66 “Order 1000 Transmission System” means (i) the existing or proposed transmission facilities in the Regional Interconnected Systems of any Order 1000 Enrolled Party that is a Planning Party; and (ii) the proposed transmission facilities in the Regional Interconnected Systems of any Order 1000 Enrolled Party that is not a Planning Party but that is an Order 1000 Non-Incumbent Transmission Developer.

A.67 “Pacific Northwest” means (i) the sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming; and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

A.68 “Party” means, for purposes of Parts II and III of this Attachment K, a signatory to the PEFA.

A.69 “PEFA” shall have the meaning set forth in Recital A of the Order 1000 Agreement and means the Planning and Expansion Functional Agreement (filed in Commission Docket No. ER07-523), as amended by the amendment filed in Commission Docket No. ER08-457 and as amended by the amendment filed in Commission Docket No. ER10-585, and as may be amended hereafter from time to time.

A.70 “Person” means, for purposes of Part III of this Attachment K, an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States or Canada.

A.71 “Plan” means, for purposes of Part III of this Attachment K and this Appendix A (Definitions), at any time the then-current Biennial Plan, as then revised by any Plan Updates. A “Draft Plan” refers, for purposes of Part III of this Attachment K and this Appendix A (Definitions), to a Draft Biennial Plan or a Draft Plan Update. For purposes of section 7 of Appendix A of the Order 1000 Agreement and Part III, section 7, of this Attachment K, a Plan in the Order 1000 ColumbiaGrid Planning Region is referred to as a regional transmission plan.

A.72 “Plan Update” means, for purposes of Part III of this Attachment K, an update to the then-current Plan adopted by the Board pursuant to section 2.4 of the Order 1000 Agreement. A “Draft Plan Update” means, for purposes of Part III of this Attachment K, a plan update presented by Staff to the Board for adoption but not yet adopted by the Board.

A.73 “Planning Cycle” means a period of approximately 24 months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

A.74 “Planning Horizon,” for purposes of Part III of this Attachment K, means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii) the planning period required by the Commission in its pro forma open access transmission tariff, as it may be amended from time to time.

A.75 “Planning Input Data” means NERC Data, Demand Response Resource Data, Generating Facility Data, Network Service Data and Transmission Service Data provided or deemed provided (or to be provided or to be deemed provided) to Transmission Provider pursuant to this Attachment K.

A.76 “Planning Party” means, for purposes of Part III of this Attachment K and this Appendix A (Definitions), each Party to the PEFA other than ColumbiaGrid. ColumbiaGrid is to maintain a list of the Planning Parties on the Website.

A.77 “Preliminary Cost Allocation” means a cost allocation pursuant to section 6 of Appendix A of the Order 1000 Agreement that has not been approved by the Board pursuant to section 11.4 of Appendix A of the Order 1000 Agreement.

A.78 “Preliminary Cost Allocation Report” means, with respect to an Order 1000 Project, the Staff’s preliminary cost allocation report prepared in accordance with section 6.4 of Appendix A of the Order 1000 Agreement.

A.79 “Point-to-Point Customer” means an entity receiving service pursuant to the terms of the Transmission Provider’s Point-to-Point Transmission Service under Part II of the Tariff.

A.80 “PSE Plan” means a ten-year plan for Transmission Provider’s Transmission System developed and updated annually pursuant to this Attachment K.

A.81 “PSE Proprietary Information” means any

- (i) non-public or confidential trade secrets, commercial or financial information or other information of Transmission Provider, whether of a technical, business or other nature, or
- (ii) information that has been made available to Transmission Provider by any third party or entity that Transmission Provider is obligated to keep non-public or confidential,

that is used by Transmission Provider in its transmission planning processes pursuant to this Attachment K.

A.82 “PSE Replication Data” means basic criteria, assumptions and data necessary to replicate the results of Transmission Provider’s planning studies performed pursuant to this Attachment K that underlie the PSE Plan.

A.83 “Public Policy Requirements” means enacted statutes (*i.e.*, passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level.

A.84 “Regional Benefits for Purposes of Interregional Cost Allocation” means, with respect to an ITP, an amount equal to the sum of the aggregate Order 1000 Benefits calculated in accordance with the provisions of section 1.31 of the Order 1000 Agreement for any Order 1000 Beneficiary(ies) of such ITP. For purposes of items (ii) and (c) of section 7.5.2 of Appendix A of the Order 1000 Agreement and Part III, items (ii) and (c) of section 7.5.2 of this Attachment K, Regional Benefits for Purposes of Interregional Cost Allocation is referred to as ColumbiaGrid’s regional benefits stated in dollars resulting from the ITP.

A.85 “Regional Interconnected Systems” or “RIS” means the transmission systems in the Pacific Northwest.

A.86 “Relevant Planning Regions” means, with respect to an ITP, the Order 1000 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 7.4.2 of Appendix A of the Order 1000 Agreement, at which time it shall no longer be considered a Relevant Planning Region.

A.87 “Relevant State or Provincial Agency” means any State or Provincial agency with authority over energy regulation, transmission, or planning that has expressed an interest in the ColumbiaGrid transmission planning processes and has requested to be included on the Interested Persons List. For example, these may include the Washington Utilities and Transportation Commission, Idaho Public Utilities Commission, Oregon Public Utility Commission, Washington Department of Commerce (specifically the Energy Office within that department), Washington Energy Facility Site Evaluation Council, and the appointees to the Northwest Power and Conservation Council. If requested by a governor in the Pacific Northwest, Relevant State and Provincial Agency may also include a representative from such governor’s office. For the purposes of the Order 1000 Agreement, the term also includes any successor to these agencies.

A.88 “Requested Service Project” means any modification of the Regional Interconnected Systems that

- (i) is for the purpose of providing service pursuant to a transmission service or interconnection request made to a TOPP; and
- (ii) involves more than one Transmission System.

A.89 “Single System Project” means any modification of a single Transmission System that

- (i) is for the purpose of meeting a Need (as such term is used in the PEFA) that impacts only such single Transmission System;

- (ii) does not result in Material Adverse Impacts on any transmission system; and
- (iii) is included as a Single System Project in a Plan.

A.90 “Staff” means the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff’s responsibilities under the Order 1000 Agreement. The activities of Staff under the Order 1000 Agreement are to be performed under the supervision and guidance of the ColumbiaGrid Board.

A.91 “Study Team” with respect to an Order 1000 Proposed Project being developed means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Order 1000 Parties, (ii) any Order 1000 Affected Persons identified with respect to such project, and (iii) any Interested Persons; *provided that* participation in a Study Team may be subject to restrictions in tariffs (*see, e.g.*, pro forma open access transmission tariff, sections 17.2 and 18.2) or applicable law to protect Confidential Information or CEII.

A.92 “System Assessment Report” means each system assessment report developed by Staff pursuant to section 3 of Appendix A of the Order 1000 Agreement. “Draft System Assessment Report” means a draft System Assessment Report as described in section 3 of Appendix A of the Order 1000 Agreement. “Final System Assessment Report” has the meaning described in section 3.5 of Appendix A of the Order 1000 Agreement.

A.93 “Third Person” means, for purposes of Part III of this Attachment K, any Person other than either ColumbiaGrid or any Order 1000 Party.

A.94 “Total Regional Costs from Interregional Cost Allocation” means, with respect to an ITP, the sum of the Assigned Regional Costs from Interregional Cost Allocation of such ITP plus any Additional Regional Costs from Interregional Cost Allocation of such ITP. Total Regional Costs from Interregional Cost Allocation may be recalculated as a result of application of section 7.6.2 of Appendix A of the Order 1000 Agreement.

A.95 “Transmission Owner or Operator Planning Party” or “TOPP” means a Party to the PEFA (exclusive of ColumbiaGrid) that, pursuant to the PEFA is, or proposes to be, a developer or an owner or operator of transmission facilities in the Pacific Northwest.

A.96 “Transmission Service Data” has the meaning set forth in Part IX, section 2.2 of this Attachment K.

A.97 “Transmission System” means the transmission facilities in the Pacific Northwest owned or operated by a Transmission Owner or Operator Planning Party.

A.98 “Uncontrollable Force” means any act or event that delays or prevents an Order 1000 Party or ColumbiaGrid from timely performing obligations under the Order 1000 Agreement, including an act of God, strike, lock-out, labor dispute, labor disturbance, act of the public enemy, act of terrorism, war, insurrection, riot, fire, storm or flood, earthquake, explosion, accident to or breakage, failure or malfunction of machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian

authorities (other than, as to its own performance, by such Order 1000 Party that is a federal power marketing administration, municipal corporation or other federal, tribal or state governmental entity or subdivision thereof), or any other cause beyond an Order 1000 Party's or ColumbiaGrid's reasonable control and to the extent without such Order 1000 Party's or ColumbiaGrid's fault or negligence. Economic hardship shall not constitute an Uncontrollable Force under the Order 1000 Agreement.

A.99 "Website" means, for purposes of Part III of this Attachment K, the website maintained by ColumbiaGrid at www.columbiagrid.org.

A.100 "Western Electricity Coordinating Council" or "WECC" means the Western Electricity Coordinating Council or any successor entity.

A.101 "Willful Action" means an action taken or not taken by an Order 1000 Party or ColumbiaGrid, which action is knowingly or intentionally taken or failed to be taken, with intent that injury or damage would result therefrom or which action is wantonly reckless. Willful Action does not include any act or failure to act which is involuntary, accidental, negligent, or grossly negligent.