

124 FERC ¶ 61,054  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

United States Department of Energy –  
Bonneville Power Administration

Docket No. NJ08-5-000

Avista Corporation

Docket No. OA08-25-000

Puget Sound Energy, Inc.

Docket No. OA08-26-000

ORDER ON COMPLIANCE FILINGS AND PETITION FOR  
DECLARATORY ORDER

(Issued July 17, 2008)

1. On December 7, 2007, pursuant to section 206 of the Federal Power Act (FPA),<sup>1</sup> Avista Corporation (Avista) and Puget Sound Energy, Inc. (Puget Sound) submitted their transmission planning processes as proposed attachments to their respective Open Access Transmission Tariffs (OATT), as required by Order No. 890.<sup>2</sup> On December 7, 2007, Bonneville Power Administration (Bonneville) submitted a petition for declaratory order granting reciprocity approval (Petition) for the purpose, as explained more fully below, of including a planning process as part of its “safe harbor” OATT. In this order, we accept

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<sup>1</sup> 16 U.S.C. § 824e (2006).

<sup>2</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12,266 (Mar. 15, 2007), FERC Stats. & Regs. ¶ 31,241, *order on reh’g*, Order No. 890-A, 73 Fed. Reg. 2984 (Jan. 16, 2008), FERC Stats. & Regs. ¶ 31,261 (2007).

Avista's and Puget Sound's filings subject to further compliance filings, and also grant Bonneville's petition for declaratory order, subject to modifications required below.<sup>3</sup>

## **I. Background**

2. In Order No. 890, the Commission reformed the *pro forma* OATT to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. One of the Commission's primary reforms was designed to address the lack of specificity regarding how customers and other stakeholders should be treated in the transmission planning process.<sup>4</sup> To remedy the potential for undue discrimination in planning activities, the Commission directed all transmission providers to develop a transmission planning process that satisfies nine principles (discussed below) and to clearly describe that process in a new attachment (Attachment K) to their OATTs.

3. In Order No. 890, the Commission required that each transmission provider's transmission planning process satisfy the following nine principles: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects. The Commission also directed transmission providers to address the recovery of planning-related costs. The Commission explained that it adopted a principles-based reform to allow for flexibility in implementation and to build on transmission planning efforts and processes already underway in many regions of the country. However, although Order No. 890 allows for flexibility, each transmission provider has a clear obligation to address each of the nine principles in its transmission planning process and all of these principles must be fully addressed in the tariff language filed with the Commission. The Commission emphasized that tariff rules must be specific and clear to facilitate compliance by transmission providers and place customers

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<sup>3</sup> Bonneville, Avista and Puget Sound will collectively be referred to as Transmission Providers in this order.

<sup>4</sup> The Commission, among other things, also amended the *pro forma* OATT to require greater consistency and transparency in the calculation of Available Transfer Capability (ATC) and standardization of charges for generator and energy imbalance services. The Commission also revised various policies governing network resources, rollover rights, and reassignments of transmission capacity. These reforms have been, or will be, addressed in other orders.

on notice of their rights and obligations.<sup>5</sup> Avista and Puget Sound are public utilities subject to the Commission's jurisdiction under sections 205 and 206 of the FPA.<sup>6</sup>

4. In Order No. 888, the Commission established a safe harbor procedure for the filing of reciprocity tariffs by non-public utilities.<sup>7</sup> Under this procedure, non-public utilities may voluntarily submit to the Commission a transmission tariff and petition for declaratory order requesting a finding that the tariff meets the Commission's comparability (non-discrimination) standards. If the Commission finds that the terms and conditions of such a tariff substantially conform or are superior to those in the *pro forma* OATT, the Commission will deem it to be an acceptable reciprocity tariff, and will require public utilities to provide open access transmission service upon request to that particular non-public utility.<sup>8</sup> Order No. 890 requires that a non-public utility that already has a safe harbor OATT must amend its OATT so that its provisions substantially

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<sup>5</sup> As the Commission explained in Order No. 890, not all rules and practices related to transmission service, or planning activities in particular, need to be codified in the transmission providers' OATT. Rules, standards and practices that relate to, but do not significantly affect, transmission service may be placed on the transmission providers' websites, provided there is a link to those business practices on OASIS. *See* Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1649-55. Transmission providers could therefore use a combination of tariff language in the Attachment K, and a reference to planning manuals on their website to satisfy their planning obligations under Order No. 890.

<sup>6</sup> 16 U.S.C. §§ 824d, e (2006).

<sup>7</sup> *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,760 (1996), *order on reh'g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 at 30,281-87, *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).

<sup>8</sup> In Order No. 888-A, the Commission clarified that, under the reciprocity condition, a non-public utility must also comply with the Open Access Same-Time Information System (OASIS) standards of conduct requirements, or obtain waiver of them. *See* Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 at 30,286.

conform or are superior to the new *pro forma* OATT in Order No. 890 if it wishes to continue to qualify for safe harbor treatment.<sup>9</sup>

5. Bonneville is a federal power marketing administration within the United States Department of Energy and, therefore, Bonneville is not a public utility subject to sections 205 and 206 of the FPA. After the issuance of Order No. 888,<sup>10</sup> Bonneville sought and obtained a determination by the Commission that it had an acceptable reciprocity tariff.<sup>11</sup> Subsequently, Bonneville submitted additional filings to ensure that its OATT would continue to qualify for safe harbor status. However, Bonneville has not yet filed a complete revised reciprocity tariff to comply with Order No. 890.

### **ColumbiaGrid**

6. ColumbiaGrid is a non-profit membership corporation which promotes coordinated and reliable planning, expansion and operation of the interconnected transmission systems in the Pacific Northwest. ColumbiaGrid seeks to achieve coordination through the ColumbiaGrid Planning and Expansion Functional Agreement (PEFA). The Transmission Providers are members of ColumbiaGrid and have each executed the PEFA with ColumbiaGrid.<sup>12</sup> As discussed below, the Transmission Providers each conduct local transmission planning processes and the data, assumptions and criteria of these local plans are then incorporated into the ColumbiaGrid sub-regional transmission plan. The PEFA transmission planning process is incorporated into Avista's Attachment K as Part IV, Puget Sound's Attachment K as Part III, and Bonneville's Attachment K as Part IV.

7. ColumbiaGrid performs the following services for its participating transmission owners under the PEFA: (1) performs annual assessments of members' transmission systems in accordance with Western Electricity Coordinating Council (WECC) and the

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<sup>9</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 191.

<sup>10</sup> *See supra* note 7.

<sup>11</sup> *See United States Department of Energy – Bonneville Power Administration*, 80 FERC ¶ 61,119 (1997) (finding reciprocity tariff to be acceptable and requiring modifications); *United States Department of Energy – Bonneville Power Administration*, 84 FERC ¶ 61,068 (1998) (finding reciprocity tariff to be acceptable and requiring further modifications); *United States Department of Energy – Bonneville Power Administration*, 86 FERC ¶ 61,278 (1999) (finding reciprocity tariff to be acceptable).

<sup>12</sup> The Commission approved a Planning and Expansion Functional Agreement (Planning Agreement) on April 3, 2007. *See ColumbiaGrid*, 119 FERC ¶ 61,007 (2007).

North American Electric Reliability Corporation (NERC) requirements; (2) convenes study teams to address the needs identified by the annual assessments or in response to requests for transmission service or other interconnection service affecting multiple systems; (3) drafts and approves Biennial Transmission Plans; (4) facilitates coordinated planning of multi-system projects; (5) develops Facilities Agreements to effectuate certain transmission projects; and (6) assumes certain WECC reporting obligations for WECC-based case development on behalf of its members.

8. Under the PEFA, ColumbiaGrid coordinates transmission planning and expansion for its members. Under the PEFA, ColumbiaGrid will perform annual assessments of each member's transmission system to ensure native load, network load and long term firm obligations can be met. Using the system assessments, ColumbiaGrid will identify any inability to meet such obligations and will convene study teams to identify proposed solutions without adversely impacting the regional interconnected systems.<sup>13</sup> ColumbiaGrid will then prepare a draft transmission plan every two years (Biennial Plan) for approval by its Board of Directors. The Biennial Plan includes both recommended and informational projects.<sup>14</sup> Recommended projects are those which would require modifications to the regional interconnected system, such as projects addressing an identified need or projects that are the result of a request for transmission or interconnection service submitted to a transmission provider. The Board reviews the Biennial Plan in an open public process, and bases its review and adoption of the Biennial Plan on the technical merits of the draft Biennial Plan developed, consistent with the Planning Agreement. Its review also considers comments and information provided during the review process.

## **II. Filings**

### **A. Bonneville's Petition**

9. Bonneville explains how its planning process satisfies each of the nine planning principles, as defined in Order No. 890. As part of this explanation, Bonneville notes that it participates in the ColumbiaGrid PEFA. Bonneville explains that, under its Attachment K, Bonneville will conduct a biennial public planning process plan and will participate in

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<sup>13</sup> See *ColumbiaGrid*, 119 FERC ¶ 61,007 (2007).

<sup>14</sup> Projects which are included in the biennial plan on an informational basis include: (1) those modifications to a single transmission system for meeting a single system need; (2) proposals to modify the regional interconnected system for the purpose of increasing capacity beyond an identified need; and (3) projects that expand the scope of the foregoing types of projects that are expanded during the planning process.

ColumbiaGrid's sub-regional public planning process.<sup>15</sup> Bonneville states that it also will continue to participate in the WECC regional planning review and rating processes.

10. Bonneville concludes that its proposed Attachment K satisfies the nine planning principles, as defined in Order No. 890, and therefore requests the Commission to approve its proposed Attachment K as meeting reciprocity requirements. Bonneville also requests a waiver of the filing fee for petitions for declaratory order.<sup>16</sup> Bonneville explains that it is a federal power marketing administration, and, thus is exempt from such fees.

### **B. Avista's and Puget Sound's Compliance Filings**

11. Avista's and Puget Sound's respective Attachment K transmission planning processes include local, sub-regional and regional components that according to these transmission providers, provide for open, coordinated and comprehensive planning of their respective transmission systems together with the interconnected regional transmission system. For each of the nine principles, Avista and Puget Sound address the application of the principle to their local planning process, as well as the application of the principle to ColumbiaGrid's sub-regional planning process. They represent that their local planning processes together with their participation in the ColumbiaGrid sub-regional transmission planning process, WECC regional planning review and rating processes, and the economic planning processes conducted by the WECC's Transmission Expansion Planning Policy Committee (TEPPC) meet the Commission's nine planning principles.

12. Avista and Puget Sound state that their local transmission plans are incorporated into, and are subject to, ColumbiaGrid's coordinated, sub-regional transmission planning process. Avista and Puget Sound state that impacts identified in their local transmission plan that affect neighboring transmission systems, and projects to mitigate those impacts, are addressed in the ColumbiaGrid sub-regional planning process.<sup>17</sup>

### **III. Notices of Filings and Responsive Pleadings**

13. Notice of Bonneville's filing was published in the *Federal Register*, 72 Fed. Reg. 71,881 (2007), with interventions and protests due on or before January 7, 2008. Timely motions to intervene in the Bonneville proceeding were filed by Industrial Customers of

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<sup>15</sup> Bonneville Attachment K, Parts III and IV.

<sup>16</sup> See 18 C.F.R. § 381.108 (2008).

<sup>17</sup> See generally, Avista Attachment K, Part III, section 1; Puget Sound Attachment K, Part VI, section A.

Northwest Utilities, PPM Energy, Inc., and the Electric Power Supply Association. A timely motion to intervene and protest was filed by the American Wind Energy Association, Renewable Northwest Project, Interwest Energy Alliance, and West Wind Wires (collectively, AWEA Parties). Powerex Corporation filed a motion to intervene out-of-time. ColumbiaGrid filed a motion to intervene out-of-time and an answer to AWEA Parties' protest. Bonneville filed an answer to AWEA Parties' protest.

14. Notice of Avista's filing was published in the *Federal Register*, 72 Fed. Reg. 71,883 (2007), with interventions and protests due on or before January 7, 2008. EPSC filed a timely motion to intervene in the Avista proceeding. AWEA filed a motion to intervene out-of-time and comments. Avista filed an answer to AWEA's comments.

15. Notice of Puget Sound's filing was published in the *Federal Register*, 72 Fed. Reg. 71,883 (2007), with motions to intervene and protests due on or before January 7, 2008. EPSC filed a timely motion to intervene in the Puget Sound proceeding. AWEA filed a motion to intervene out-of-time and comments.

#### **IV. Discussion**

##### **A. Procedural Matters**

16. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), the timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceedings in which they moved to intervene. We will grant Powerex's and ColumbiaGrid's motions to intervene out-of-time given the early stage of the proceedings, their interests, and the absence of undue prejudice or delay. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedures, 18 C.F.R. § 385.214(d) (2008), the Commission will grant AWEA's late-filed motions to intervene and comments, given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

17. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2008), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept the answers filed in these proceedings because they have provided information that assisted us in our decision-making process.

##### **B. Substantive Matters**

18. We find that the Transmission Providers' Attachment K transmission planning processes, subject to certain modifications, comply with each of the nine planning principles and other planning requirements adopted in Order No. 890. Accordingly, we

accept Avista's and Puget Sound's Attachment Ks to be effective December 7, 2007, subject to further compliance filings, as discussed below.<sup>18</sup> We similarly find that, with certain modifications, Bonneville's Attachment K satisfies the Commission's standards for such filings, subject to the modifications discussed below.<sup>19</sup> The parties are directed to file their respective compliance filings within 90 days of the date of issuance of this order.

19. While we accept the Transmission Providers' transmission planning processes in their Attachment Ks, we nevertheless encourage further refinements and improvements to their planning processes as they and their customers and other stakeholders gain more experience through actual implementation of the processes. Commission staff will also periodically monitor the implementation of the planning processes to determine if adjustments are necessary and will inform the Transmission Providers and the Commission of any such recommendations. Specifically, beginning in 2009, the Commission will convene regional technical conferences similar to those conferences held in 2007 leading up to the filing of the Attachment K compliance filings. The focus of the 2009 regional technical conferences will be to determine the progress and benefits realized by each transmission provider's transmission planning process, obtain customer and other stakeholder input, and discuss any areas which may need improvement.

### **C. Compliance with the Order No. 890 Planning Principles**

#### **1. Coordination**

20. In order to satisfy the coordination principle, transmission providers must provide customers and other stakeholders the opportunity to participate fully in the planning process. The purpose of the coordination requirement, as stated in Order No. 890, is to

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<sup>18</sup> While the Commission finds that, with certain modifications, Bonneville's Attachment K transmission planning process is in compliance with Order No. 890's transmission planning provisions, we note that, to date, Bonneville has not filed its Order No. 890 reciprocity tariff. Bonneville must amend its tariff in response to Order No. 890 if it wishes to continue to qualify for safe harbor reciprocity treatment. Until Bonneville has amended its tariff in such a manner, it does not qualify for safe harbor reciprocity treatment.

<sup>19</sup> We will not establish an effective date for Bonneville's filing. Bonneville, as noted above, is not a public utility whose rates, terms and conditions of service are subject to the requirements of FPA sections 205 and 206. As a consequence, the Commission does not "accept" such rates, terms and conditions under FPA sections 205 and 206. As a further consequence, the Commission does not determine an effective date for such rates, terms and conditions under FPA sections 205 or 206.



eliminate the potential for undue discrimination in planning by opening appropriate lines of communication between transmission providers, their transmission-providing neighbors, affected state authorities, customers, and other stakeholders. The planning process must provide for the timely and meaningful input and participation of customers and other stakeholders regarding the development of transmission plans, allowing customers and other stakeholders to participate in the early stages of development. In its planning process, each transmission provider must clearly identify the details of how its planning process will be coordinated with interested parties.<sup>20</sup>

### **Filings**

21. Bonneville's Attachment K states that the planning process is a biennial process under which Bonneville will, among other things, "consider plans and proposed projects developed by neighboring systems" and "[provide] customers, stakeholders, and interested parties meaningful opportunities to participate in the development of Bonneville's plans."<sup>21</sup> Bonneville will involve its customers and interested parties by inviting them to participate in each stage of the planning process, including meetings specifically designed to gather input and comments.<sup>22</sup> Bonneville's Attachment K provides that contact information for planning related questions, including an e-mail address for interested persons to submit questions or provide comments, will be posted on its OASIS planning page.<sup>23</sup>

22. Avista's Attachment K indicates that it will develop its local transmission plan using a two-year study cycle, based on a ten-year planning horizon.<sup>24</sup> In addition, Avista's Attachment K states that it will hold open study development meetings to allow customers and interested stakeholders to provide comments for data gathering, initial assumptions and input into the development of its local transmission plan within thirty days following the initiation of biennial local transmission planning process.<sup>25</sup> Avista states that comments providing value to the planning process in the development of the local transmission plan will be included in a local planning report.<sup>26</sup> Further, Avista's

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<sup>20</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 451-54.

<sup>21</sup> Bonneville Attachment K, Part III.

<sup>22</sup> Bonneville Attachment K, Part III, section 5.2.

<sup>23</sup> *Id.* at section 5.2.6.

<sup>24</sup> Avista Attachment K, Part III, section 1.

<sup>25</sup> *Id.* at section 3.3

<sup>26</sup> *Id.* at section 3.2

Attachment K provides for Avista to follow up with another open meeting to review the results of the study process and to discuss the local planning report, within 30 days.<sup>27</sup>

23. Puget Sound's Attachment K indicates that it will develop and update annually a local transmission plan based on a ten-year planning horizon. It includes a local planning process that will identify new transmission facilities and facility replacements or upgrades planned by Puget Sound for the transmission system over the following ten years. Puget Sound's Attachment K states that it will hold at least two open public meetings. One meeting is a customer meeting, open to all stakeholders to provide a forum for discussion of data provided or to be provided under the planning process, assumptions and methodologies for Puget Sound's planning studies, status of projects and plans, and any other topics of interest to the attendees. A separate open public meeting will be held to provide a forum for coordination of study assumptions and methodologies, review draft transmission plans for transmission systems in the Puget Sound area, discussion and input regarding requested economic studies and discussion of any other transmission planning topics among attendees. Puget Sound will post a meeting notice on its OASIS including the proposed meeting agenda and a meeting contact for further information prior to the planning process meeting.<sup>28</sup> In addition, Puget Sound's Attachment K provides that any party may provide input, comments, advice and questions in the planning process electronically by sending an e-mail to a defined point of contact.<sup>29</sup>

### **Commission Determination**

24. We find the planning processes outlined in the Transmission Providers' respective Attachment Ks satisfy the coordination principle outlined in Order No. 890 by allowing parties to participate and provide input into their planning processes and providing appropriate lines of communication. For example, within 30 days of the initiation of its planning process, Avista will hold an open study development meeting to allow customers and interested stakeholders to provide comments for data gathering, initial assumptions and input into the development of its local transmission plan. Similarly, Puget Sound will conduct an open public meeting to discuss data provided or to be provided and its assumptions and methodologies under its planning process.

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<sup>27</sup> *Id.* at section 3.

<sup>28</sup> Puget Sound's Attachment K provides that any transmission provider or stakeholder who wants to be included in Puget Sound's e-mail distribution of the notices may submit or update their information as a point of contact. Puget Sound Attachment K, Part VI, section B.2.

<sup>29</sup> *Id.* at section B.3.

Bonneville's Attachment K provides for meeting with customers and interested persons at each stage of the planning process to discuss, for example, results of system screening studies, possible system upgrades, economic study results, as well as conceptual solutions that affect Bonneville's transmission system.<sup>30</sup>

25. In addition, we note that the Transmission Providers will coordinate with each other and with other non-jurisdictional transmission providers by providing information on their local single system projects to ColumbiaGrid, and, respectively, will support ColumbiaGrid's efforts to develop a coordinated sub-regional plan.<sup>31</sup> Under their respective Attachment K processes, the Transmission Providers also will coordinate on a regional basis through WECC's regional planning review and rating processes, as discussed further below.

## 2. Openness

26. The openness principle requires that transmission planning meetings be open to all affected parties, including but not limited to all transmission and interconnection customers, state authorities, and other stakeholders. Although the Commission recognized in Order No. 890 that it may be appropriate in certain circumstances to limit participation in a meeting to a subset of parties, such as a particular meeting of a sub-regional group, the Commission emphasized that the overall development of the transmission plan and the planning process must remain open.<sup>32</sup> Transmission providers, in consultation with affected parties, must also develop mechanisms to manage confidentiality and Critical Energy Infrastructure Information (CEII) concerns, such as confidentiality agreements and password protected access to information.<sup>33</sup>

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<sup>30</sup> Bonneville Attachment K, Part III, sections 2.2.4 and 2.3.3.

<sup>31</sup> As noted above, ColumbiaGrid, through the sub-regional process, will coordinate with all interested parties, including transmission customers and interconnected neighbors in conducting transmission assessments of its members' transmission systems and drafting the system assessment report. The ColumbiaGrid process is described further below.

<sup>32</sup> The Commission stated in Order No. 890-A that any circumstances under which participation in a planning meeting is limited should be clearly described in the transmission provider's planning process, as all affected parties must be able to understand how, and when, they are able to participate in planning activities. *See* Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 194.

<sup>33</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 460.

### **Filings**

27. Bonneville's Attachment K indicates that participation in the planning process is open to all interested parties, including but not limited to all transmission and interconnection customers, state authorities, tribal representatives and other stakeholders.<sup>34</sup> Bonneville also involves its customers and interested persons in its planning process by invitation to meetings specifically designed to gather input and comment during phases of the planning process.<sup>35</sup> Bonneville's Attachment K provides that a transmission system planning page will be posted on its OASIS website for access to relevant information, and that e-mail notification of meetings will be provided. Additionally, its Attachment K indicates that because Bonneville's transmission plan and underlying transmission studies, data and assumptions may contain information that would be identified as CEII by the Commission, this information would be included in separate appendices so that the transmission plan can be provided in an open manner.<sup>36</sup> Furthermore, Bonneville will establish business practices with input from customers and stakeholders regarding protection of CEII and customer and stakeholder access to CEII.<sup>37</sup>

28. Avista's transmission planning process also is open to all interested stakeholders, including, but not limited to all transmission customers and interconnection customers and state authorities. The planning process allows these parties to provide input into, and comment on, Avista's annual local transmission system plan.<sup>38</sup> Avista's local transmission system plan may include information identified as CEII by the Commission. Such information will only be included in appendices of the local transmission system plan so that the plan may be provided to interested stakeholders in an open manner.<sup>39</sup> Avista's Attachment K provides for specific procedures for transmission customers to request CEII.<sup>40</sup>

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<sup>34</sup> Bonneville Attachment K, Part III, section 5.

<sup>35</sup> *Id.* at section 5.2

<sup>36</sup> Bonneville Attachment K, Part III, section 6.3 and 6.4.

<sup>37</sup> *Id.* at section 6.5.

<sup>38</sup> Avista Attachment K, Part III, section 2 and 3.

<sup>39</sup> Avista Attachment K, Part III, section 2.1.

<sup>40</sup> Avista's CEII request procedure, CEII non-disclosure agreement and CEII request form are posted on Avista's OASIS in a CEII folder.

29. Puget Sound's transmission planning process meetings are open to network customers, point-to-point customers, interconnected systems, regulatory and state bodies and other persons, to provide input into and comment on the development and annual update of its local transmission plan.<sup>41</sup> Specifically, Puget Sound's Attachment K provides for open meetings to allow Puget Sound to better understand its customers' forecasts; offer existing and prospective customers and stakeholders the opportunity to offer input and advice about Puget Sound's transmission planning; review study results; and review transmission plans.<sup>42</sup> Puget Sound's transmission plan will be made publicly available and posted on its website. However, information that would be identified as CEII by the Commission would be included in separate appendices so that the transmission plan can be provided in an open manner. Puget Sound's Attachment K also includes specific procedures to request CEII.

### **Commission Determination**

30. We find the Transmission Providers' respective Attachment Ks in partial compliance with the openness principle outlined in Order No. 890. Each Transmission Providers' proposed Attachment K includes a process by which parties are provided advanced notification of transmission planning meetings and are afforded opportunity to participate, through discussion and comment in the transmission planning process. For example, Bonneville's Attachment K indicates that it maintains an interested persons list that includes all existing network and point-to-point customers as well as customers receiving service under non-OATT contracts and other persons who sign up on Bonneville's website. These parties receive email notification regarding the development of a new project or study effort that may arise as part of the planning process.<sup>43</sup> Bonneville also commits to establishing a business practice to manage CEII.<sup>44</sup> Additionally, both Avista's and Puget Sound's transmission planning processes are open to all interested stakeholders, including, but not limited to, all transmission customers and interconnection customers and state authorities. Avista's and Puget Sound's respective Attachment Ks also include a process to obtain access to CEII information consistent with Order No. 890 requirements.<sup>45</sup> However, it is unclear whether any of the

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<sup>41</sup> Puget Sound Attachment K, Part VI, section A.

<sup>42</sup> *Id.*

<sup>43</sup> Bonneville Attachment K, Part III, section 5.1.

<sup>44</sup> *Id.* at section 6.5.

<sup>45</sup> Avista Attachment K, Part III, section 2.1.2; Puget Sound Attachment K, Part VIII, section H.

Transmission Providers' Attachment K planning processes provide a mechanism to manage customer and stakeholder access to confidential information that is not CEII. Therefore, Avista and Puget Sound are directed to file within 90 days of issuance of this order, a compliance filing modifying their Attachment Ks to provide for a mechanism to allow access to confidential information utilized in the planning process, such as pursuant to a non-disclosure agreement. Bonneville must file, within 90 days of the date of this order, a modification to its filing addressing this same concern.

### **3. Transparency**

31. The transparency principle requires transmission providers to reduce to writing and make available the basic methodology, criteria, and processes used to develop transmission plans, including how they treat retail native loads, in order to ensure that standards are consistently applied. To that end, each transmission provider must describe in its planning process the method(s) it will use to disclose the criteria, assumptions and data that underlie its transmission system plans.<sup>46</sup> The Commission specifically found that simple reliance on Form Nos. 714 and 715 failed to provide sufficient information to provide transparency in planning because those forms were designed for different purposes. Transmission providers also were directed to provide information regarding the status of upgrades identified in the transmission plan.

32. The Commission explained that sufficient information should be made available to eligible customers, other stakeholders, and independent third parties to replicate the results of planning studies and thereby reduce the incidence of after-the-fact disputes regarding whether planning has been conducted in an unduly discriminatory fashion. The Commission explained in Order No. 890 that simultaneous disclosure of transmission planning information should alleviate Standards of Conduct concerns regarding disclosure of information. The Commission also specifically addressed consideration of demand response resources in transmission planning. Where demand resources are capable of providing the functions assessed in a transmission planning process, and can be relied upon on a long-term basis, they should be permitted to participate in that process on a comparable basis.<sup>47</sup>

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<sup>46</sup> In Order No. 890-A, the Commission stated that this includes disclosure of transmission base case and change case data used by the transmission provider, as these are basic assumptions necessary to adequately understand the results reached in a transmission plan. *See* Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 199.

<sup>47</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 471-79.

### Filings

33. Bonneville's Attachment K provides for sharing planning criteria, assumptions, and methodologies early in each biennial process, provides for sharing of system assessment and other study results (and identifies the planning tools used to perform the studies), and seeks input on study results from all interested parties. Bonneville's Attachment K also provides that it will use reasonable efforts to provide replication data to any customer or interested person upon receipt of a written request, subject to CEII and legal restrictions.<sup>48</sup>

34. Avista's Attachment K provides that Avista will perform power flow studies, stability studies, and short circuit studies, and voltage collapse studies in accordance with NERC and WECC transmission planning criteria, and will incorporate all reasonable customer data into the assumptions for the local transmission planning process.<sup>49</sup> Avista's Attachment K also provides that it will post assumptions and updates together with new data for each cycle of the local planning process.<sup>50</sup> Avista's Attachment K indicates that it will provide power flow base cases within 10 days of a request,<sup>51</sup> and, upon written request, will provide any files needed to replicate the technical study results of the local planning process.<sup>52</sup>

35. Puget Sound's Attachment K provides that it will make information available for other entities to replicate the results of planning studies and identifies the methods for disclosing the criteria, assumptions, and data that underlie the plan.<sup>53</sup> Its Attachment K provides that Puget Sound will post on its OASIS the planning studies that underlie its transmission plan for no less than five years.<sup>54</sup> It also will post on its OASIS the planning studies that underlie its transmission plan and will make the replication data for any

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<sup>48</sup> Bonneville Attachment K, Part III, section 5.3.

<sup>49</sup> Avista Attachment K, Part III, section 5.1 and 5.2.

<sup>50</sup> Avista Attachment K, Part III, section 6.1. Additionally, Avista states that its local transmission plan will provide information understandable to a non-technical reader. *Id.* at section 7.

<sup>51</sup> Non-WECC members must sign a confidentiality agreement before any base case information is provided.

<sup>52</sup> Avista Attachment K, Part III, section 6.

<sup>53</sup> Puget Sound Attachment K, Part VIII, section F.

<sup>54</sup> Puget Sound Attachment K, Part VII, section C.

planning study available to any transmission customer or interested stakeholder upon receipt of a written request.<sup>55</sup>

### **Commission Determination**

36. We find the planning processes outlined in the Transmission Providers' respective Attachment Ks satisfy the transparency principle outlined in Order No. 890. Each proposed Attachment K describes the methods used to disclose criteria, assumptions, and data underlying their transmission system plans and permits comment during the transmission planning process. For example, Avista will disclose assumptions and criteria, and will provide information understandable to a non-technical reader and will receive comment and input during its planning process. Puget Sound will make information available for other entities to replicate the results of its planning studies, and identifies the methods for disclosing the criteria, assumptions, and data that underlie its plans. Bonneville also shares, for comment, its planning studies and supporting assumptions and conducts meetings to discuss and receive comment on assumptions, methodologies and criteria for future studies.<sup>56</sup> We, therefore, find that the respective Attachment Ks comply with the transparency principle provided in Order No. 890.

#### **4. Information Exchange**

37. The information exchange principle requires network customers to submit information on their projected loads and resources on a comparable basis (e.g., planning horizon and format) as used by transmission providers in planning for their native load. Point-to-point customers are required to submit any projects that have a need for service over the planning horizon and at what receipt and delivery points. As the Commission made clear in Order No. 890-A, these projections are intended only to give the transmission provider additional data to consider in its planning activities, and should not be treated as a proxy for actual reservations.<sup>57</sup> Transmission providers, in consultation with their customers and other stakeholders, are to develop guidelines and a schedule for the submittal of such customer information.

38. The Commission also provided that, to the extent applicable, transmission customers should provide information on existing and planned demand resources and their impacts on demand and peak demand. Stakeholders, in turn, should provide proposed demand response resources if they wish to have them considered in the

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<sup>55</sup> Puget Sound Attachment K, Part VIII, section F.

<sup>56</sup> Bonneville Attachment K, Part III, section 1 and section 2.1.5.

<sup>57</sup> Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 207.



development of the transmission plan. The Commission stressed that information collected by transmission providers to provide transmission service to their native load customers must be transparent and equivalent information must be provided by transmission customers to ensure effective planning and comparability. In Order No. 890-A, the Commission made clear that customers should only be required to provide cost information for transmission and generation facilities as necessary for the transmission provider to perform economic planning studies requested by the customer and that the transmission provider must maintain the confidentiality of this information. To this end, transmission providers must clearly define in their Attachment K the information sharing obligations placed on customers in the context of economic planning.<sup>58</sup>

39. The Commission emphasized that transmission planning is not intended to be limited to the mere exchange of information and after-the-fact review of transmission provider plans. The planning process is instead intended to provide a meaningful opportunity for customers and stakeholders to engage in planning along with their transmission providers. To that end, the Commission clarified that information exchange relates to planning, not other studies performed in response to interconnection or transmission service requests.<sup>59</sup>

### **Filings**

40. Bonneville's Attachment K describes the network and point-to-point transmission customer data exchange, including projected or forecasted data with respect to any load, generating resources (or any addition, upgrade, retirement or environmental or other operating restriction with respect to such resource), demand response resource or need for transmission service. Bonneville's Attachment K also allows any stakeholder to provide information about any demand response resource or other non-transmission alternative to solve a transmission planning need.<sup>60</sup> Moreover, Bonneville's Attachment K also establishes deadlines for submission of the customer data and indicates that Bonneville will establish a business practice regarding the format and procedures for submission of data and other matters concerning data to be submitted.<sup>61</sup> Data submitted will be used by Bonneville in its planning activities under the Attachment K and in Bonneville's other

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<sup>58</sup> *Id.* P 206.

<sup>59</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 486-88.

<sup>60</sup> Bonneville Attachment K, Part III, section 6.2

<sup>61</sup> *Id.* at section 6.1.

planning activities or studies, such as studies in response to requests for transmission service or interconnection.<sup>62</sup>

41. Avista's Attachment K describes the network customer data and point-to-point customer data to be provided to Avista for inclusion in the local transmission planning process.<sup>63</sup> In addition, any party may provide Avista data with respect to any demand response resource. In particular, information concerning existing and planned demand response resources and their impacts on demand and peak demand may be provided, together with any other data reasonably requested from the stakeholder by Avista in connection with planning activities.<sup>64</sup> Avista will incorporate the customer data received into the assumptions for its transmission planning process.<sup>65</sup>

42. Puget Sound's Attachment K describes the network customer and point-to-point customer planning input data to be provided to Puget Sound under established timelines.<sup>66</sup> The network customer data includes forecast information for load and resource requirements over the planning horizon and the identification of demand response reductions.<sup>67</sup> The point-to-point customer data also includes any planned additions or upgrades needed.<sup>68</sup> Puget Sound's Attachment K also provides that any person may provide data regarding existing and planned demand resources and their impacts on demand and peak demand, and any other data reasonably requested by Puget Sound in connection with planning pursuant to Attachment K.<sup>69</sup> Puget Sound's Attachment K also provides a schedule for submission of the planning input data and provides an address to submit the data electronically. Puget Sound will use the data submitted in its planning activities under its Attachment K and in other planning

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<sup>62</sup> *Id.* at section 6.3.

<sup>63</sup> Avista Attachment K, Part III, section 2.2.

<sup>64</sup> *Id.* at section 2.2.3.

<sup>65</sup> Avista Attachment K, Part III, section 5.2.

<sup>66</sup> Puget Sound Attachment K, Part VIII, section E.1.

<sup>67</sup> *Id.* at section B.1.

<sup>68</sup> *Id.* at section B.2.

<sup>69</sup> *Id.* at section B.3.

activities or studies, such as studies in response to requests for transmission service or interconnection.<sup>70</sup>

### **Commission Determination**

43. We find the planning processes outlined in Puget Sound's and Bonneville's respective Attachment Ks satisfy the information exchange principle outlined in Order No. 890 because their proposed Attachment Ks provide, or in the case of Bonneville, commit to develop, guidelines and a schedule for the submittal of customer information.

44. We also find Avista's Attachment K partially satisfies the information exchange principle. While it describes the customer data to be exchanged and the method of exchange, Avista's Attachment K does not include a schedule for submission of the data as required by Order No. 890.<sup>71</sup> Specifically, section 2.2.4 of its Attachment K states that "[d]ata must be submitted to the Transmission Provider by the date specified by the Transmission Provider if it is to be included in the local transmission planning process." Avista is directed to develop a schedule for the submittal of information to be reflected in its Attachment K within 90 days of the date of this order.

### **5. Comparability**

45. The comparability principle requires transmission providers, after considering the data and comments supplied by customers and other stakeholders, to develop a transmission system plan that meets the specific service requests of their transmission customers and otherwise treats similarly-situated customers (e.g., network and retail native load) comparably in transmission system planning. In Order No. 890, the Commission expressed concern that transmission providers have historically planned their transmission systems to address their own interests without regard to, or ahead of, the interests of their customers. Through the comparability principle, the Commission required that the interests of transmission providers and their similarly-situated customers be treated on a comparable basis during the planning process. The Commission also explained that demand resources should be considered, where appropriate, on a comparable basis to the service provided by comparable generation resources.<sup>72</sup> Lastly, in Order No. 890-A, the Commission clarified that, as part of its Attachment K planning process, each transmission provider is required to identify how it will treat resources on a

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<sup>70</sup> Puget Sound Attachment K, Part VIII, section C.

<sup>71</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 486.

<sup>72</sup> *Id.* P 494-95.

comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning.<sup>73</sup>

### **Filings**

46. Bonneville states that its Attachment K planning process treats all customers on a comparable basis. Bonneville states that planning processes described in its Attachment K are designed to be sufficiently coordinated, open, and transparent so that participants in those processes can identify any failure to provide comparable treatment in developing the Bonneville transmission plan.<sup>74</sup> As noted above, Bonneville's Attachment K planning process permits any entity to provide projected or forecasted data with respect to any load, generating resource, demand response, or need for transmission service<sup>75</sup> and alternative solutions in response to an identified transmission planning need.<sup>76</sup>

47. Avista's and Puget Sound's planning processes also incorporate, respectively, data from network, point-to-point customers, demand response resources, and other entities for inclusion in their transmission planning processes.<sup>77</sup> Also, as noted above these transmission providers also conduct open meetings to consider input and comments on the transmission plan.

### **Commission Determination**

48. We find the planning processes outlined in the Transmission Providers' respective Attachment Ks satisfy the comparability principle outlined in Order No. 890. As noted above, we find the Transmission Providers generally comply with the principles addressing coordination, openness, transparency and information exchange. These principles ensure that transmission providers treat similarly-situated customers comparably with respect to data collection and with regard to participation in their transmission planning processes. Our review of the Attachment Ks indicates that the Transmission Providers partially comply with the comparability principle because under their planning processes, customers are treated comparably in the transmission system planning processes conducted by each Transmission Provider.

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<sup>73</sup> Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216.

<sup>74</sup> Bonneville Transmittal Letter at 8-9.

<sup>75</sup> Bonneville Attachment K, Part III, section 6.1

<sup>76</sup> *Id.* at section 6.2

<sup>77</sup> Bonneville Attachment K, Part III, sections 2 and 5; Avista Attachment K, Part II, section 2; Puget Sound Attachment K, Part VIII, section E.

49. However, Order No. 890-A was issued on December 27, 2007, subsequent to the Transmission Providers submitting their Order No. 890 Attachment K compliance filings. In Order No. 890-A, the Commission provided additional guidance, among other things, as to how the transmission provider can achieve compliance with the comparability principle. Specifically, the Commission stated that the transmission provider needed to identify as part of its Attachment K planning process “how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning.”<sup>78</sup> Here, the Transmission Providers have submitted tariff language providing that, as a general matter, demand response resources will be treated comparably. However, since Order No. 890-A was issued subsequent to the filings before us, the Transmission Providers did not have an opportunity to demonstrate that they comply with this requirement of Order No. 890-A. Therefore, Avista and Puget Sound are directed to file within 90 days of issuance of this order, a compliance filing addressing the necessary demonstration required by Order No. 890-A. Bonneville must file, within 90 days of the date of this order, a modification to its filing addressing the necessary demonstration required by Order No. 890-A.<sup>79</sup>

## 6. Dispute Resolution

50. The dispute resolution principle requires transmission providers to identify a process to manage disputes that arise from the planning process. The Commission explained that an existing dispute resolution process may be utilized, but that transmission providers seeking to rely on an existing dispute resolution process must specifically address how its procedures will address matters related to transmission planning. The Commission encouraged transmission providers, customers, and other stakeholders to utilize the Commission’s Dispute Resolution Service to help develop a three-step dispute resolution process, consisting of negotiation, mediation, and arbitration. In order to facilitate resolution of all disputes related to planning activities, a transmission provider’s dispute resolution process must be available to address both procedural and substantive planning issues. The Commission made clear, however, that all affected parties retain any rights they may have under FPA section 206 to file complaints with the Commission.<sup>80</sup>

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<sup>78</sup> Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216; *see also* Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 479, 487, 494 and 549.

<sup>79</sup> For example, tariff language should provide for participation throughout the transmission planning process by sponsors of transmission solutions, generation solutions, and solutions utilizing demand resources.

<sup>80</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 501-503.

### **Filings**

51. The Transmission Providers' respective Attachment Ks all state that disputes arising out of the planning process between the transmission provider and one or more of its transmission customers will be addressed under section 12 (Dispute Resolution Procedures) of their respective OATTs.<sup>81</sup> The Transmission Providers' Attachment Ks also provide that, with respect to disputes arising over sub-regional planning activities, ColumbiaGrid will provide a forum where transmission customers, transmission providers, planning parties and other stakeholders can raise and address issues.<sup>82</sup> The Transmission Providers note that, because ColumbiaGrid is a separate and operationally independent entity making recommendations regarding multi-system planning issues, it will provide a neutral forum for resolving substantive and procedural disputes. They further note that nothing contained in their respective Attachment Ks restricts the rights of any person to file a complaint with the Commission under the FPA.<sup>83</sup>

### **Commission Determination**

52. We find the planning processes outlined in the Transmission Providers' respective Attachment Ks satisfy the dispute resolution principle outlined in Order No. 890 because each proposed Attachment K provides a means for disputes arising in the context of transmission planning to be addressed using a dispute resolution mechanism. Specifically, the Transmission Providers' Attachment Ks provide that disputes arising out of the planning processes between a transmission provider and one or more of its customers will be addressed under section 12 (Dispute Resolution Procedures) of the respective Transmission Providers' tariffs. The Transmission Providers' Attachment Ks provide that disputes that are not within the scope of the foregoing dispute resolution processes, but that arise in connection with the ColumbiaGrid planning processes, may be addressed, by agreement of the parties to the dispute, through non-binding mediation using the Commission's Dispute Resolution Service or other non-binding mediation mechanism. In addition, the Transmission Providers' Attachment Ks provide that disputes among PEFA parties within the scope of the arbitration provisions of section

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<sup>81</sup> Bonneville references section 12 of its Order No. 888 reciprocity tariff.

<sup>82</sup> Bonneville Attachment K, Part VI; Avista Attachment K, Part VII; Puget Attachment K, Part IX.

<sup>83</sup> Disputes that are not within the scope of the ColumbiaGrid dispute resolution processes that may arise out of Attachment K in connection with the ColumbiaGrid planning process may be addressed with agreement of all parties to the dispute, through non-binding mediation using the FERC Dispute Resolution Service or any other non-binding mediation mechanism mutually agreeable to all parties.

16.1 of the PEFA will be addressed through the provisions in that section. The Transmission Providers' Attachment Ks provide that nothing in their respective Attachment Ks restricts the rights of any person to file a complaint with the Commission under relevant provisions of the FPA.<sup>84</sup>

## 7. Regional Participation

53. The regional participation principle provides that, in addition to preparing a system plan for its own control area on an open and nondiscriminatory basis, each transmission provider is required to coordinate with interconnected systems to: (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data; and (2) identify system enhancements that could relieve congestion or integrate new resources. In Order No. 890, the Commission stated that the specific features of the regional planning effort should take account of and accommodate, where appropriate, existing institutions, as well as physical characteristics of the region and historical practices. The Commission there declined to mandate the geographic scope of particular planning regions, instead stating that the geographic scope of a planning process should be governed by the integrated nature of the regional power grid and the particular reliability and resource issues affecting individual regions and sub-regions. The Commission also made clear that reliance on existing NERC planning processes may not be sufficient to meet the requirements of Order No. 890 unless they are open and inclusive and address both reliability and economic considerations. To the extent a transmission provider's implementation of the NERC processes is not appropriate for such economic issues, individual regions or sub-regions must develop alternative processes.<sup>85</sup>

54. In Order No. 890-A, the Commission clarified that while the obligation to engage in regional coordination is directed to transmission providers, participation in such processes is not limited to transmission providers and should be open to all interested

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<sup>84</sup> We note that section 12 of the Transmission Providers' respective OATTs omit the second step, mediation, of a three step dispute resolution process consisting of negotiation, mediation and arbitration. While we are not directing the Transmission Providers to include mediation, we strongly encourage them to consider including a mediation step in their dispute resolution process. We have found that a high percentage of disputes sent to the Commission's Dispute Resolution Service or another mediator or an Administrative Law Judge serving as a Settlement Judge settle without adjudication. If the Transmission Providers desire to include the mediation step, they should do so in the compliance filings required at the end of this order.

<sup>85</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 523-28.

customers and stakeholders.<sup>86</sup> The Commission also emphasized that effective regional planning should include coordination among regions and sub-regions as necessary, in order to share data, information, and assumptions to maintain reliability and allow customers to consider resource options that span the regions.<sup>87</sup>

### **Filings**

55. The Transmission Providers' Attachment Ks state that they will coordinate on a sub-regional basis using ColumbiaGrid to facilitate joint study group meetings and develop a coordinated sub-regional plan. As noted above, ColumbiaGrid's sub-regional planning process includes performing annual assessments of members' transmission systems in accordance with WECC and the NERC requirements; convening study teams to address the needs identified by annual assessments or in response to requests for transmission service or interconnection service affecting multiple systems; drafting and approving biennial transmission plans;<sup>88</sup> and facilitating coordinated planning of multi-system projects. The Transmission Providers' Attachment Ks indicate that, under its sub-regional planning process, ColumbiaGrid conducts public meetings with general notification to parties<sup>89</sup> that may be affected or interested in an upgrade that affects the sub-regional transmission system in order to form study teams.<sup>90</sup>

56. ColumbiaGrid performs an annual assessment of each party's transmission system to determine the ability of each party to serve its network load, native load obligations, and long-term firm obligations. Using the system assessments, ColumbiaGrid identifies any inability to meet such obligations and convenes study teams to address each

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<sup>86</sup> Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 226.

<sup>87</sup> *Id.*

<sup>88</sup> The ColumbiaGrid Board will review the biennial transmission plan in an open public process and will base its review and adoption of the biennial transmission plan on the technical merits of the draft plan developed.

<sup>89</sup> *See, e.g.*, Avista Attachment K, Part IV, section 4. Avista's Attachment K states that ColumbiaGrid will develop a protocol to identify and notify states, including agencies responsible for facility siting and utility regulation, tribes, and Pacific Northwest utilities.

<sup>90</sup> Under this "study team" model, the transmission provider(s) that may be materially affected by the project assumes primary responsibility for leading and performing necessary analytical work. *See, e.g.*, Avista Attachment K, Part IV, section 4.3.



identified need. The study teams are the primary tool for participation by planning parties, affected persons and interested persons in the development of transmission projects included in the Biennial Plan.

57. ColumbiaGrid also forms study teams in response to requests for transmission service or interconnection service received by a transmission owner member of ColumbiaGrid that the member believes will affect multiple transmission systems. ColumbiaGrid notifies affected persons, and the study team will develop a study agreement in accordance with the transmission owner member's policies and procedures. If the transmission or interconnection requesting customer agrees to assume the costs of the study, and instructs the transmission owner to proceed, the study team develops a solution to provide sufficient capacity to serve the request. While the study team collaboratively develops a proposed project in response to the request, each transmission owner member of ColumbiaGrid retains all obligations under its OATT to perform studies.<sup>91</sup>

58. In addition, the Transmission Providers' Attachment Ks indicate that these transmission providers will coordinate on a regional basis using the WECC TEPPC<sup>92</sup> Transmission Planning Protocol to perform economic planning studies and to coordinate regional transmission projects that address congestion on the system.<sup>93</sup>

### **Comments of AWEA Parties and AWEA**

59. AWEA argues that each transmission provider's Attachment K planning process does not adequately detail how regional coordination will occur, and thus does not satisfy the requirements of Order No. 890.<sup>94</sup> Specifically, AWEA argues that the Attachment Ks do not adequately address coordination because there is no formal process established between the sub-regional planning groups, ColumbiaGrid, the Northern Tier

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<sup>91</sup> As noted above, the Transmission Providers' have incorporated the ColumbiaGrid PEFA transmission planning process into their respective Attachment Ks.

<sup>92</sup> WECC organized TEPPC to provide west-wide study and data services, and to provide coordination and transmission planning leadership across the Western Interconnection. *See* Transmission Planning Protocol of the WECC's TEPPC, section 3.4.

<sup>93</sup> Bonneville Attachment K, Part V; Avista Attachment K, Part VI; Puget Sound Attachment K, Part VII.

<sup>94</sup> AWEA Parties and AWEA filed separate protests in the Attachment K filings for Bonneville, Avista and Puget Sound but those protests raise the same issues.

Transmission Group (NTTG) and the Northwest Transmission Assessment Committee (NTAC), in the Pacific Northwest.

60. AWEA Parties also assert that the Transmission Providers' respective Attachment Ks do not detail a process that can ensure that all necessary information will be passed between NTTG, ColumbiaGrid and NTAC in a timely way, and that plans will be coordinated to avoid duplication. According to AWEA Parties, such details should include timelines and frequency of coordination meetings, how and when information exchange between groups will take place, and opportunities for stakeholders to participate, review and provide comments.

61. In response, Bonneville states that it has supported the development of a single sub-regional planning entity for the Pacific Northwest for many years. It claims that it is conducting the coordination described in AWEA Parties' comments in accordance with its Attachment K<sup>95</sup> and is discussing ways to further coordination in the region with the parties to the Planning Agreement.<sup>96</sup>

62. ColumbiaGrid agrees that formation of a single planning entity is the optimal approach to sub-regional planning in the Pacific Northwest. Towards that end, ColumbiaGrid states that it has spent much of the last year reaching out to additional participants and affected state commissions in an effort to expand its footprint. While these efforts have met with some success, ColumbiaGrid states that additional work is necessary. ColumbiaGrid states that it is working closely with NTTG to foster greater collaboration on joint study teams. ColumbiaGrid supports movement towards a single regional planning entity, rather than spending resources formalizing coordination protocols among transmission providers, including their designated sub-regional planning entities.

63. Avista states that, contrary to AWEA's assertions, its Attachment K does address sub-regional coordination. As a member of ColumbiaGrid and a signatory to the PEFA, Avista participates in sub-regional transmission planning and provides a mechanism by which entities throughout the Pacific Northwest may participate in coordinated planning activities. Moreover, Avista states that Part IV of its Attachment K describes ColumbiaGrid's sub-regional planning process including the ability and obligation of ColumbiaGrid to directly coordinate with any and all non-PEFA parties that wish to participate. In addition, because it participates in the regional process developed by WECC, which develops and maintains a Western Interconnection-wide data base for

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<sup>95</sup> For example, Bonneville notes ColumbiaGrid's review of the West of McNary project. *See* Bonneville Answer at 5.

<sup>96</sup> *See id.* at 3.

planning analysis and which coordinates the economic planning of significant regional projects, Avista argues that its Attachment K satisfies the requirements of Order No. 890.

### **Commission Determination**

64. We find that the Transmission Providers' Attachment Ks partially comply with the regional participation principle outlined in Order No. 890. We disagree with assertions raised that the Transmission Providers' Attachment Ks do not adequately detail regional coordination. Bonneville, Avista and Puget Sound are members of ColumbiaGrid, have signed the PEFA, and have incorporated into their respective Attachment Ks the ColumbiaGrid sub-regional transmission planning process. As noted previously, we support the effort to coordinate planning activities and the implementation of a single process for both public utility and non-public utility transmission providers in the region.<sup>97</sup> As part of the ColumbiaGrid planning process, these transmission providers submit their local transmission plans to ColumbiaGrid which independently performs an annual assessment of its members' transmission systems in an open and transparent manner in accordance with WECC and NERC criteria.<sup>98</sup> We find, by their participation in ColumbiaGrid, these Transmission Providers' Attachment Ks generally satisfy the requirement to coordinate with interconnected systems to share system plans and to identify system enhancements that could relieve congestion or integrate new resources, as described above.

65. It is our understanding, however, that the WECC TEPPC Transmission Planning Protocol commits all sub-regional organizations, including ColumbiaGrid, NTTG and NTAC, to: coordinate and share information and assumptions for planning studies; coordinate planning efforts between groups while maintaining their individual planning processes; and coordinate with the WECC's TEPPC and other sub-regional planning groups, to develop coordinated transmission studies and plans.<sup>99</sup> However, these commitments and processes are not reflected in the Attachment Ks submitted by the Transmission Providers. Accordingly, Avista and Puget are directed to submit compliance filings within 90 days of the date of this order providing additional detail in

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<sup>97</sup> The Commission noted the increased coordination and transparency offered under the PEFA. *See ColumbiaGrid*, 119 FERC ¶ 61,007, at P 25 (2007).

<sup>98</sup> The system assessment will determine the ability of each transmission owner to serve, consistent with the planning criteria, its network and native load obligations and other existing long-term firm transmission obligations and other existing long-term firm transmission obligations anticipated to occur during the ten-year planning horizon. *See Avista Transmittal Letter*, Appendix B, 4.

<sup>99</sup> *See Transmission Planning Protocol*, section 4.3.

their Attachment Ks on the WECC's TEPPC process or providing direct links (i.e., URLs) to the appropriate documents on the WECC website where the processes to coordinate information and planning efforts are discussed. Likewise, Bonneville must file, within 90 days from the date of this order, a modification to its filing providing this additional detail or links to the appropriate documents on the WECC website. Parties concerned that the WECC's TEPPC process fails to provide a sufficient forum for coordination between sub-regional planning organizations can raise their concerns on review of these filings.

## **8. Economic Planning Studies**

66. The economic planning studies principle requires transmission providers to account for economic, as well as reliability, considerations in the transmission planning process. The Commission explained in Order No. 890 that good utility practice requires vertically-integrated transmission providers to plan not only to maintain reliability, but also to consider whether transmission upgrades can reduce the overall cost of serving native load. The economic planning studies principle is designed to ensure that economic considerations are adequately addressed when planning for OATT customers as well. The Commission emphasized that the scope of economic planning studies should not just be limited to individual requests for transmission service. Customers must be given the opportunity to obtain studies that evaluate potential upgrades or other investments that could reduce congestion or integrate new resources and loads on an aggregated or regional basis.

67. All transmission providers, including RTOs and ISOs, were directed in Order No. 890 to develop procedures to allow stakeholders to identify a certain number of high priority studies annually and a means to cluster or batch requests to streamline processing. The Commission determined that the cost of the high priority studies would be recovered as part of the transmission provider's overall OATT cost of service, while the cost of additional studies would be borne by the stakeholder(s) requesting the study.<sup>100</sup>

68. In Order No. 890-A, the Commission made clear that the transmission provider's planning process must clearly describe the process by which economic planning studies can be requested and how they will be prioritized.<sup>101</sup> In Order No. 890-A, the Commission also made clear that a transmission provider's affiliates should be treated like any other stakeholder and, therefore, their requests for studies should be considered

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<sup>100</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 542-51.

<sup>101</sup> Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 236.

comparably, pursuant to the process outlined in the transmission provider's planning process.<sup>102</sup>

### **Filings**

69. Under Bonneville's Attachment K, any customer, interested person, or group of customers or interested persons may submit a request for an economic study to Bonneville. Not less frequently than twice during each planning process, Bonneville will conduct a public meeting to review each request and to receive input on such requests from interested persons. After consideration of such input, Bonneville will determine whether studies should be clustered and whether a request should be high-priority.<sup>103</sup> Bonneville will perform up to two high-priority economic studies per year and recover the cost of such studies in its transmission rates. Bonneville explains that one of the two studies per year would be identified as a result of an economic study request submitted by Bonneville's transmission planning function and one additional economic study will be based upon economic planning study requests from customers or interested stakeholders. Bonneville's Attachment K describes criteria Bonneville would apply to determine which requests are high-priority.<sup>104</sup>

70. Bonneville's Attachment K indicates that high-priority economic study requests that affect transmission systems in addition to Bonneville's will be coordinated with other transmission owners through ColumbiaGrid. Additionally, requests for congestion studies that require production cost analysis are forwarded to ColumbiaGrid and/or the WECC's TEPPC for prioritization and study performance. Bonneville's Attachment K provides any additional high priority economic studies or studies determined not to be high-priority will not be performed by Bonneville, but Bonneville may assist the requestor in the performance of such studies at the requestor's expense<sup>105</sup>

71. Under Avista's Attachment K, transmission customers or other parties may submit a request for an economic planning study to evaluate potential upgrades or other investments that could reduce congestion or integrate new resources and loads on an aggregate basis or regional basis to Avista or directly to the WECC's TEPPC. Avista

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<sup>102</sup> *Id.*

<sup>103</sup> Bonneville Attachment K, Part III, section 8.2

<sup>104</sup> *Id.*

<sup>105</sup> *Id.*

will post each request on its OASIS,<sup>106</sup> and will submit all requests to TEPPC. Avista's Attachment K provides that costs for the economic studies will be collected through the WECC membership dues.

72. Puget Sound's Attachment K states that transmission customers or stakeholders may submit requests for local economic planning studies to Puget Sound which will post the request on its OASIS for five years. Puget Sound's Attachment K also includes a process to determine whether and to what extent the requested local economic planning study should be clustered or batched with similar requests; whether the requested local economic planning study should be considered high priority and whether the study would constitute a local economic planning study.<sup>107</sup> Puget Sound's Attachment K indicates that up to three requested high-priority local economic planning studies will be performed annually without direct assessment of the cost to the requestors. Its Attachment K also indicates that Puget Sound will perform the local economic planning studies in a manner that is open and coordinated with stakeholders. Additionally, Puget Sound's Attachment K provides that any additional requests for economic studies will be performed at the expense of the requestor. Finally, its Attachment K provides that in the event that the request is not a local economic planning study the request will be forwarded to ColumbiaGrid or the WECC's TEPPC for their consideration and notes that economic planning studies requiring production cost modeling will be forwarded to TEPPC for consideration.<sup>108</sup>

73. With regard to the WECC's TEPPC process, the Transmission Providers' respective Attachment Ks indicate that Western Interconnection-wide economic studies are performed by TEPPC. The studies are conducted in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. Each notes that the TEPPC Transmission Planning Protocol governs this process and is posted on the WECC website at [www.wecc.biz](http://www.wecc.biz). The Transmission Providers' Attachment Ks reflect that each of the Transmission Providers participate in the TEPPC planning process to ensure that data and assumptions are coordinated.<sup>109</sup>

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<sup>106</sup> Requests must be made by October 31 of each year to be incorporated into the next planning cycle. Avista, Attachment K, Part VI, section 1.

<sup>107</sup> Puget Sound Attachment K, Part VII section B.

<sup>108</sup> *Id.* at section C

<sup>109</sup> For example, Avista's Attachment K indicates that the WECC's TEPPC process provides for the development and maintenance of a west-wide economic study database and will perform economic congestion studies using an annual study cycle to develop and approve a study plan that includes high-priority economic study requests

(continued...)

### **Commission Determination**

74. We find Bonneville's and Puget Sound's local economic planning studies procedures outlined in their respective Attachment Ks partially comply with the economic planning studies principle outlined in Order No. 890. We find that their local planning processes include procedures for parties to request economic planning studies and criteria to identify a specific number of high priority studies. Bonneville and Puget Sound also commit to batch economic planning study requests. Bonneville and Puget Sound, however, indicate in their Attachment Ks that high priority economic planning study requests that affect multiple transmission systems will be coordinated with other transmission owners through ColumbiaGrid, yet is unclear whether ColumbiaGrid will conduct economic planning studies in this circumstance. Therefore, we direct Bonneville and Puget Sound to address in a compliance filing to be submitted within 90 days of the date of this order, an explanation regarding whether, and if so, under what procedures ColumbiaGrid will undertake economic planning studies under its sub-regional transmission planning process.

75. Avista's Attachment K indicates that Avista will not conduct local economic planning studies and, instead, any request for an economic planning study will be posted on its OASIS and forwarded to the WECC's TEPPC. It is unclear whether, and to what extent, TEPPC will conduct local economic planning studies on Avista's behalf. Avista is directed to further address its process for conducting local economic planning studies, including the clustering of study requests, or further address TEPPC's role in conducting local economic planning studies on behalf of Avista<sup>110</sup> in a compliance filing to be made within 90 days of the date of this order.<sup>111</sup>

76. With regard to the Western Interconnection-wide economic planning studies conducted by TEPPC, each Attachment K indicates that those economic planning study requests requiring production cost modeling will be conducted using the TEPPC planning process and protocols which are posted at [www.wecc.biz](http://www.wecc.biz). We conclude that the Transmission Providers have provided insufficient information in their Attachment Ks on the WECC's TEPPC processes to prioritize and complete regional economic planning studies. In Order No. 890, the Commission stated that regional congestion studies can be

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determined through an open process. Avista's Attachment K indicates that, if a request for an economic study request is not included as a high-priority study, the TEPPC protocols provide for an appeal process.

<sup>110</sup> Order No. 890 at P 551.

<sup>111</sup> Avista should also address ColumbiaGrid's role in economic planning studies on behalf of Avista to the extent ColumbiaGrid will perform such studies.

used as part of regional transmission planning processes required by the final rule.<sup>112</sup> Here, the Transmission Providers Attachment Ks generally reference the TEPPC processes and WECC's website, but provide no detail on those processes or links to the appropriate TEPPC documents in which those processes are discussed. Accordingly, Avista and Puget are directed to submit compliance filings within 90 days of the date of this order providing additional detail in their Attachment Ks on the WECC's TEPPC process or providing direct links (i.e., URLs) to the appropriate documents on the WECC website where the processes to prioritize and complete regional economic planning studies are discussed. Likewise, Bonneville must file, within 90 days from the date of this order, a modification to its filing providing this additional detail or links to the appropriate documents on the WECC website.

## 9. Cost Allocation

77. The cost allocation principle requires that transmission providers address in their planning process the allocation of costs of new facilities that do not fit under existing rate structures. In Order No. 890, the Commission suggested that such new facilities might include regional projects involving several transmission owners or economic projects that are identified through the study process, rather than individual requests for service. The Commission did not impose a particular allocation method for such projects and, instead, permitted transmission providers and stakeholders to determine the criteria that best fits their own experience and regional needs. Transmission providers, therefore, were directed to identify the types of new projects that are not covered under existing cost allocation rules and, as a result, would be affected by the cost allocation proposal.

78. The Commission suggested that several factors be weighed in determining whether a cost allocation methodology is appropriate. First, a cost allocation proposal should fairly assign costs among participants, including those who cause them to be incurred and those who otherwise benefit from them. Second, the cost allocation proposal should provide adequate incentives to construct new transmission. Third, the cost allocation proposal should be generally supported by state authorities and participants across the region. The Commission stressed that each region should address cost allocation issues up front, at least in principle, rather than have them relitigated each time a project is proposed.<sup>113</sup> In Order No. 890-A, the Commission also made clear that the details of proposed cost allocation methodologies must be clearly defined, as

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<sup>112</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 551.

<sup>113</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 557-61.



participants seeking to support new transmission investment need some degree of certainty regarding cost allocation to pursue that investment.<sup>114</sup>

### **Filings**

79. Each Transmission Provider's Attachment K indicates that under the ColumbiaGrid sub-regional process, cost allocation for transmission projects that are the result of an identified need or which are the result of a request for transmission service are addressed within the study team where parties try to reach mutual agreement. The ColumbiaGrid Board may modify a cost allocation developed in the study team to the extent a modification is supported by the record. The Transmission Providers' Attachment Ks state that in making a cost allocation recommendation the ColumbiaGrid Board intends to consider: (1) whether a cost allocation fairly assigns costs among participants; (2) whether a cost allocation proposal provides adequate incentives to construct new transmission, and (3) whether the proposal is generally supported by State authorities and participants across the region.<sup>115</sup> The Transmission Providers' Attachment Ks provide that, upon approval of the ColumbiaGrid Board, the cost allocation will be reflected in a Facilities Agreement among the parties to construct the transmission project.<sup>116</sup>

### **Comments Addressing Cost Allocation**

80. AWEA Parties argue that the Transmission Providers' respective Attachment Ks are lacking in detail regarding cost allocation. AWEA Parties argue specifically that Bonneville intends to use ColumbiaGrid's cost allocation process for transmission projects with other ColumbiaGrid members, but AWEA Parties argue that Bonneville also should indicate what cost allocation methodologies will be used for projects that involve transmission providers that are not ColumbiaGrid members. Moreover, AWEA Parties state that the need for a cost allocation mechanism for projects involving parties outside of ColumbiaGrid illustrates why the Northwest should move towards one sub-

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<sup>114</sup> Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 251.

<sup>115</sup> Bonneville Attachment K, Part IV; Avista Attachment K, Part IV, section 11; Puget Sound, Attachment K, Part III, section 11.

<sup>116</sup> Under the PEFA, ColumbiaGrid will offer a Facilities Agreement for projects that address an identified inability to serve native load or long-term firm obligations and whose transmission solutions will impact the regional transmission system and must be implemented on a coordinated basis. *See* ColumbiaGrid PEFA, FERC Electric Rate Schedule No. 1, section 1.19. *See also* *ColumbiaGrid*, 119 FERC ¶ 61,007, at P 31 (2007).

regional transmission planning process. AWEA Parties argue that Bonneville's Attachment K filing should explicitly reference the NTTG process.<sup>117</sup>

81. Regarding cost allocation, Bonneville explains that the ColumbiaGrid has cost allocation principles, and a process to request a recommended cost allocation for projects included in the ColumbiaGrid Plan.<sup>118</sup> Bonneville states that it may also participate in a request for a cost allocation recommendation under the NTTG process.<sup>119</sup> Bonneville points out that: (1) study teams for capacity increase projects are open to interested persons such as AWEA or non-ColumbiaGrid transmission owners; (2) the teams are to attempt to agree on cost allocation for such projects; and (3) a party to the Planning Agreement may request a cost allocation recommendation from ColumbiaGrid for such projects.<sup>120</sup>

82. Bonneville also points out that the ColumbiaGrid planning process requires cost allocation for reliability projects involving more than one transmission system, even if such projects include non-ColumbiaGrid systems.<sup>121</sup> With respect to cost allocations for projects needed to satisfy transmission service requests that affect more than one transmission system, Bonneville explains that, if the affected transmission owners are unable to reach agreement on cost allocation, ColumbiaGrid may recommend a cost allocation. Bonneville points out that the Commission determined in Order No. 890 that it would "not impose a particular allocation method for such projects, but rather will permit transmission providers and stakeholders their own specific criteria which best fit their own experience and regional needs."<sup>122</sup>

83. Bonneville asserts that the principles and processes for cost allocation adopted by ColumbiaGrid, and stated in Bonneville's Attachment K, are acceptable to the ColumbiaGrid planning parties and are more likely to encourage collaboration than

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<sup>117</sup> AWEA notes that NTTG is currently developing a cost allocation process, based on principles of inclusion and transparency for all stakeholders and early participation of state public utility commissions.

<sup>118</sup> Bonneville Attachment K, Part III, section 9, Part IV, section 11.

<sup>119</sup> Bonneville Attachment K, Part III, section 9.

<sup>120</sup> Bonneville Attachment K, Part IV, section 8.4.

<sup>121</sup> Bonneville Attachment K, Part IV, sections 5.2, 5.4, 10.1.1(i)a., and Appendix A, A.14.

<sup>122</sup> See Order 890, FERC Stats. & Regs. ¶ 31,241 at P 558.

detailed criteria.<sup>123</sup> Further, Bonneville argues that more detailed criteria would not likely be acceptable to many parties in the Northwest. Bonneville states that the capability of an independent staff and the role of an independent Board to participate in the cost allocation process is unique to ColumbiaGrid within the Pacific Northwest.<sup>124</sup>

### **Commission Determination**

84. We find the Transmission Providers' respective Attachment Ks in partial compliance with the cost allocation principle in Order No. 890. The Transmission Providers' Attachment Ks provide that, with respect to cost allocation for certain projects,<sup>125</sup> ColumbiaGrid will make a cost allocation recommendation based on the factors articulated in Order No. 890 for a project considered by a study team. While we find that recommendations based on the factors announced further our objectives, Order No. 890 requires a specific cost allocation methodology be reflected up front in Attachment K, rather than considered on a case-by-case basis. Although we recognize that the ColumbiaGrid sub-regional planning process in which the Transmission Providers participate is fairly new, we have made clear in Order No. 890-A, as noted above, that the details of proposed cost allocation methodologies must be clearly defined, so that participants seeking to support new transmission infrastructure investment have some degree of certainty regarding cost allocation.<sup>126</sup> Therefore, the Transmission Providers must work, through their participation in ColumbiaGrid, to further refine a specific methodology for cost allocation, to provide more certainty for transmission providers and market participants to support new transmission infrastructure investment. Accordingly, Avista and Puget Sound are directed to submit compliance filings within 90

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<sup>123</sup> Bonneville notes that major transmission facilities in the Pacific Northwest involving multiple owners historically have been built after negotiated agreement. *See* Bonneville's Answer at 7.

<sup>124</sup> *See* Bonneville's Answer at 7.

<sup>125</sup> ColumbiaGrid may recommend a cost allocation in the event that parties to a study team cannot agree on cost allocation for a modification to the regional interconnected system: (1) to meet a need identified on a transmission provider's system, or (2) for purpose of providing requested transmission service made to a transmission provider. In addition, ColumbiaGrid may recommend a cost allocation in instances where a party to the PEFA requests a cost allocation recommendation for a project to voluntarily increase the transmission capacity of the regional interconnected transmission system.

<sup>126</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at 561; Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at 251.

days of the date of this order, identifying the cost methodology that will be used for allocation of costs for projects developed in response to their local transmission planning processes and the ColumbiaGrid process, as discussed above. Bonneville must file, within 90 days of the date of this order, a modification to its filing identifying the cost methodology that will be used for allocation of costs for projects developed in response to its local transmission planning process and the ColumbiaGrid process, as discussed above.

85. We also note that while the Transmission Providers respectively refer to ColumbiaGrid in addressing the cost allocation principle for regional projects spanning several systems, Bonneville, Avista and Puget Sound did not address a cost allocation principle to address upgrades to their respective transmission systems stemming from the transmission planning process for which Bonneville, Avista and Puget Sound do not already have an existing methodology, such as an economic project designed to alleviate congestion in particular area of a its transmission system as determined by an economic planning study. Therefore, we direct Avista and Puget Sound respectively to address the cost allocation principle for single system projects in respective compliance filings to be made within 90 days of the date of this order. Bonneville must file, within 90 days from the date of this order, a modification to its filing addressing the cost allocation principle for single system projects.

#### **10. Recovery of Planning Costs**

86. In Order No. 890, the Commission recognized the importance of cost recovery for planning activities, specifically addressing that issue after discussing the nine principles that govern the planning process. The Commission directed transmission providers to work with other participants in the planning process to develop cost recovery proposals in order to determine whether all relevant parties, including state agencies, have the ability to recover the costs of participating in the planning process. The Commission also suggested that transmission providers consider whether mechanisms for regional cost recovery may be appropriate, such as through agreements (formal or informal) to incur and allocate costs jointly.<sup>127</sup>

#### **Filings**

87. Bonneville's Attachment K provides that the costs of the Attachment K process, including its share of the ColumbiaGrid planning costs, will be recovered in Bonneville's rates. Bonneville explains that the PEFA provides a formula for allocating ColumbiaGrid

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<sup>127</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 586.

planning process costs among the PEFA parties, and that each PEFA party will develop its own cost recovery mechanism.<sup>128</sup>

88. Bonneville points out that neither the states nor other participants have requested funding for their participation in ColumbiaGrid planning efforts, yet the states of Washington and Oregon have frequently sent representatives to ColumbiaGrid's meetings.<sup>129</sup> Bonneville states that it attempts to make the states' processes accessible through meetings in different locations (although often in Portland), and to provide telephone and in some cases web participation for meetings. Bonneville states that it is not proposing to provide additional funding.<sup>130</sup>

89. Avista's Attachment K states that it will hold all local transmission planning process meetings within its retail electric service territory in a central location to minimize local travel costs for participants. It further states that individual participants in the local transmission planning process are invited to participate through their local electric service provider and recovery of local planning process costs for such individuals may be available through their local electric utility service provider. Recovery of costs of participation by any of the transmission provider's bundled retail native load customers and any state authorities will be pursuant to applicable state tariffs or policies.<sup>131</sup>

### **Commission Determination**

90. We find that Bonneville has provided a sufficient explanation of cost recovery of transmission planning costs. Bonneville also notes that no participant in the sub-regional process has requested funding for participation. Puget Sound and Avista did not address in their respective Attachment Ks, cost recovery for planning activities. Therefore, we direct Avista and Puget Sound to file, within 90 days of the date of this order, further compliance filings explaining how they, respectively, intend to recover their transmission planning costs.

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<sup>128</sup> See Bonneville Transmittal at 12.

<sup>129</sup> *Id.* at 12-13.

<sup>130</sup> Bonneville Attachment K, Part III, section 10.

<sup>131</sup> Avista will also provide electronic or hard copies of all reports, meeting notes and any addition pertinent materials (except CEII) upon written request within 30 days to any stakeholder not able to attend a meeting or otherwise participate. Avista Attachment K, section 2.3.

### **11. Bonneville's Request for Waiver of Filing Fees**

91. Bonneville petitions for an exemption from the filing fee based on its non-jurisdictional status. As we stated in Order No. 888-A, “[the Commission’s] regulations specifically exempt states, municipalities, and anyone who is engaged in the official business of the Federal Government from filing fees.”<sup>132</sup> Because Bonneville is an agency of the United States Department of Energy engaged in the official business of the Federal government, we will grant Bonneville’s request for waiver of the filing fee.

#### The Commission orders:

(A) Bonneville’s petition for a declaratory order is hereby granted, subject to further compliance filings, as directed in the body of this order.

(B) Bonneville’s request for exemption from the filing fee is hereby granted.

(C) Avista’s Attachment K filing is hereby accepted, effective December 7, 2007, subject to further compliance filings, as discussed in the body of this order.

(D) Puget Sound’s Attachment K filing is hereby accepted, effective December 7, 2007, subject to further compliance filings, as discussed in the body of this order.

(E) Avista and Puget Sound are hereby directed to submit respective compliance filings, within 90 days of the date of this order.

(F) Bonneville is hereby directed to submit modifications to its filing within 90 days of the date of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>132</sup> Order No. 888-A, FERC Stats. & Regs. ¶ 31,048 at 30,288-89.