



DRAFT

ColumbiaGrid Interregional Coordination Information Package

August 13, 2015

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I. Introduction

ColumbiaGrid has been, and continues to be, committed to interregional Order 1000 coordination, as described and defined in Order 1000 and as fulfilled through the Attachment Ks (including the Order 1000 Common Tariff) of ColumbiaGrid’s jurisdictional transmission providers. Also, please note that ColumbiaGrid is in the process of updating its webpage to host Order 1000–related information. These links will be updated once the effort to update ColumbiaGrid is completed.

II. ColumbiaGrid’s Second Amended and Restated Order 1000 Functional Agreement (“Order 1000 Agreement”)

ColumbiaGrid is a membership corporation, with an independent Board of Directors. It is also an independent planning entity that facilitates, in the ColumbiaGrid Planning Region, the jurisdictional transmission providers’ Order 1000 compliance through its obligations under the Second Amended and Restated Order 1000 Functional Agreement. Along with activities under the Second Amended Planning and Expansion Functional Agreement (PEFA), ColumbiaGrid is contractually obligated to the Order 1000 Agreement Parties to perform certain transmission planning activities to facilitate Order 1000 compliance of the jurisdictional transmission providers that are Enrolled in the Order 1000 ColumbiaGrid Planning Region, in accordance with the terms of the Order 1000 Agreement, as such Order 1000 Agreement may be amended or superseded from time to time. A copy of the Second Amended and Restated Order 1000 Functional Agreement by and among ColumbiaGrid, Avista Corporation (“Avista”), Puget Sound Energy, Inc. (“PSE”), and MATL LLP (“MATL”) can be obtained at: <https://www.columbiagrid.org/download.cfm?DVID=3958>

III. Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language (“Order 1000 Common Tariff”)

Please see Appendix A of this document for a copy of the Order 1000 Common Tariff Language.

IV. Order 1000 Common Tariff Explanatory Notes

Please see Appendix B of this document for a copy of the Order No. 1000 Compliance Filing Letter (Interregional).

V. Sharing Base-case Planning Data with other Western Planning Regions’ (CAISO, NTTG, WestConnect) Transmission Providers

ColumbiaGrid intends to share specific planning data and information (subject to and consistent with CEII, confidential information, the Order 1000 Common Tariff, the Order 1000 Agreement, and the Planning and Expansion Functional Agreement) with the qualified entities of CAISO, NTTG, and WestConnect by posting this information on the

secured portion of its website. Once new or updated information has been made available, ColumbiaGrid will send email notifications to those contact person(s) from qualified Transmission Providers within the other Planning Regions who have been approved for access to such information.

While specifics of the data sharing are still under development, generally, the planning data and information is intended to be updates or changes to the WECC power flow base cases (i.e. 'change files'), of which ColumbiaGrid uses in performing its annual system assessments. Details and particulars of what planning data and information will be made available shall be determined by ColumbiaGrid. However, it is intended that such planning data would reflect recent changes in system topology or conditions that occur in between WECC's regular annual base case development cycle.

VI. Order 1000 Common Tariff Correlation to ColumbiaGrid Order 1000 Information Package

a. Order 1000 Common Tariff Section 1: Definitions

No additional details.

b. Order 1000 Common Tariff Section 2: Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, ColumbiaGrid is to make available by posting on its website or otherwise provide to each of the other Planning Regions the information specified in the Order 1000 Common Tariff Language under section 2, items (i)-(iii). ColumbiaGrid will provide email notification to the other Planning Regions when the documents become available. These documents may be found at: <https://www.columbiagrid.org/O1000Inter-documents.cfm>

c. Order 1000 Common Tariff Section 3: Annual Interregional Coordination Meeting

ColumbiaGrid is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. ColumbiaGrid is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31st. The California ISO and NTTG hosted the Annual Interregional Coordination meetings in 2014 (Folsom, CA) and 2015 (Portland, OR), respectively. It is anticipated that WestConnect may host the Annual Interregional Coordination Meeting in 2016. Consequently, the schedule of future Annual Interregional Coordination Meetings may adhere to the following schedule beginning in calendar year 2016.

Year	Host
2016	WestConnect
2017	ColumbiaGrid
2018	California ISO
2019	NTTG
2020	WestConnect

Prior to the meeting, ColumbiaGrid will notify stakeholders by email regarding details for the upcoming Annual Interregional Coordination Meeting.

ColumbiaGrid will also post details and agenda for the Annual Interregional Coordination Meeting on its web site at:

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

- d. Section 4: ITP Joint Evaluation Process (*i.e. Joint Evaluation speaks to sharing information among the Relevant Planning Regions so that each Relevant Planning Region will evaluate the ITP within, and pursuant to, their particular individual regional planning processes and requirements.*)

4.1 Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section 4.2 (of the Order 1000 Common Tariff Language) by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region’s regional transmission planning process. A proposed ITP may be submitted into the ColumbiaGrid regional transmission planning process no later than March 31st of any even-numbered calendar year. Submittal instructions and a list of required data and information for each ITP submission can be found at:

<https://www.columbiagrid.org/O1000Inter-documents.cfm>

The data and information required for an ITP submission into ColumbiaGrid’s planning process must be consistent with the Order 1000 Agreement, such as Appendix A, Sections 2.5 and 2.6 of the ColumbiaGrid’s Order 1000 Agreement.

4.2 Joint Evaluation of an ITP

For each ITP that meets the requirements of Section 4.1 (of the Order 1000 Common Tariff Language), ColumbiaGrid (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP’s submittal in accordance with Section 4.1 or the immediately following calendar year. With respect to any such ITP, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding ITP data and projected ITP costs, study assumptions and methodologies it is to use in evaluating the ITP

through communication among the contact persons of the Relevant Planning Regions. This coordination will be done on an ‘as-needed’ basis pursuant to ColumbiaGrid’s regional transmission planning process and as described in the Order 1000 Common Tariff.

In addition, ColumbiaGrid will notify stakeholders (via email) of any new proposed ITP that has been properly submitted into the ColumbiaGrid regional transmission planning process. Subsequently, stakeholders may participate in the ITP evaluation process through ColumbiaGrid’s regional planning process as stated in Appendix A of the Second Amended and Restated Order 1000 Functional Agreement. Stakeholders who express interest to participate in the joint ITP evaluation process will receive notifications regarding updates, future public meetings, opportunities to provide comments and other major activities regarding a specific joint evaluation of an ITP.

- e. Section 5: Interregional Cost Allocation Process (*i.e. Interregional Cost Allocation Process speaks to sharing information among the Relevant Planning Regions so that each Relevant Planning Region will evaluate the ITP within, and pursuant to, their particular regional planning processes, including each Relevant Planning Region’s discretion in determining the potential benefits of a proposed ITP and whether or not to select the ITP in that Relevant Planning Region’s regional transmission plan.*)

For each ITP that meets the requirements of Section 5.1 (of the Order 1000 Common Tariff Language), ColumbiaGrid (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) in order to fulfill the requirements of the Order 1000 Common Tariff Language in Section 5.2 (i), (ii), (iii), (a) and (e) on an ‘as-needed’ basis pursuant to ColumbiaGrid’s regional transmission planning process and as described in the Order 1000 Common Tariff.

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

No additional details.

VII. ColumbiaGrid’s Contact Information

For Order 1000 Administration and Interregional Transmission Project (ITP) inquiries, please contact:

Paul Didsayabutra (primary)
Manager of Grid Planning
503-943-4956
paul@columbiagrid.org

Larry Furumasu (secondary)
Senior Planning Engineer

503-943-4953
furumasu@columbiagrid.org

VIII. Information for CAISO, NTTG, and WestConnect Planning Regions

- CAISO
<http://www.caiso.com/planning/Pages/InterregionalTransmissionPlanning/default.aspx>

To receive notifications regarding stakeholder meetings and other related information, please subscribe to receive market notices here:

<http://www.caiso.com/informed/Pages/Notifications/MarketNotices/MarketNoticeSubscriptionForm.aspx>

Order 1000 Administration & ITP Contacts:
Gary DeShazo (gdeshazo@caiso.com)

- NTTG
http://nttg.biz/site/index.php?option=com_content&view=category&id=596&Itemid=168

To receive notifications regarding stakeholder meetings and other related information, please submit your contact information to info@nttg.biz. Any comments or questions on interregional coordination may also be submitted to info@nttg.biz

Order 1000 Administration & ITP Contacts:
Sharon Helm (sharon.helms@comprehensivepower.org)

- WestConnect
http://www.westconnect.com/planning_order_1000_interregional_coord_process.php
Order 1000 Administration & ITP Contacts:
Charlie Reinhold (reinhold@ctcweb.net)

IX. ColumbiaGrid Interregional Transmission Project (ITP) Information

<https://www.columbiagrid.org/O1000Inter-documents.cfm>

X. Interregional Coordination Information

Annual Interregional Coordination Meeting schedule, details, agenda and other stakeholder information.

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

XI. ColumbiaGrid's FERC Public Utility Transmission Providers' Attachment K's

Avista

<http://www.oatioasis.com/avat/>

Puget Sound Energy

<http://www.oatioasis.com/PSEI/>

MATL

<http://www.oatioasis.com/MATL/>

XII. Appendix A - Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language

March 18, 2013



California ISO
Shaping a Renewed Future



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

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

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

Introduction

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

This [[insert name/number of this part of Attachment K/Section ___]] sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. ColumbiaGrid is to conduct the activities and processes set forth in this [[insert name/number of this part of [[Attachment K/Section ___]] in accordance with the provisions of this [[insert name/number of this part of Attachment K/Section ___]] and the other provisions of this [[Attachment K/tariff]].

Nothing in this [[part/section]] will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

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

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

Section 1. Definitions

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

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

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

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

Interregional Transmission Project (“ITP”): means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section 4.1.

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

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

Relevant Planning Regions: means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section 4.2, at which time it shall no longer be considered a Relevant Planning Region.

Section 2. Annual Interregional Information Exchange

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

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

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

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

ColumbiaGrid is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process ColumbiaGrid’s Annual Interregional Information. ColumbiaGrid may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

ColumbiaGrid is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by ColumbiaGrid in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if ColumbiaGrid reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission’s Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under ColumbiaGrid’s regional transmission planning process. *[[Optional Language - Any Annual Interregional Information made available or otherwise provided by ColumbiaGrid shall be “AS IS” and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of ColumbiaGrid or any [if this is used, Planning Region can put in the descriptor they want]] in ColumbiaGrid, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.]]*

Section 3. Annual Interregional Coordination Meeting

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

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

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

Section 4. ITP Joint Evaluation Process

4.1 Submission Requirements

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section 4.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31st of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

4.2 Joint Evaluation of an ITP

For each ITP that meets the requirements of Section 4.1, ColumbiaGrid (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section 4.1 or the immediately following calendar year. With respect to any such ITP, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

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

For each ITP that meets the requirements of Section 4.1, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under this Section 4.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if ColumbiaGrid determines that the ITP will not meet any of its regional transmission needs; thereafter ColumbiaGrid has no obligation under this Section 4.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of ColumbiaGrid's regional transmission needs.

Section 5. Interregional Cost Allocation Process

5.1 Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section 4.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from ColumbiaGrid and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

5.2 Interregional Cost Allocation Process

For each ITP that meets the requirements of Section 5.1, ColumbiaGrid (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) ColumbiaGrid's regional benefits stated in dollars resulting from the ITP, if any; and

- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section 6.2 below) to each Relevant Planning Region using the methodology described in this section 5.2.

For each ITP that meets the requirements of Section 5.1, ColumbiaGrid (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect ColumbiaGrid's analysis;
- (b) is to provide stakeholders an opportunity to participate in ColumbiaGrid's activities under this Section 5.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in ColumbiaGrid, ColumbiaGrid is to use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; ColumbiaGrid may use such information to identify its total share of the projected costs of the ITP to be assigned to ColumbiaGrid in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in ColumbiaGrid;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section 5.2 in the same general time frame as its joint evaluation activities pursuant to Section 4.2.

*March 18, 2013***Section 6. Application of Regional Cost Allocation Methodology to Selected ITP****6.1 Selection by All Relevant Planning Regions**

If ColumbiaGrid (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

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

If the ColumbiaGrid (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, ColumbiaGrid is to evaluate (or reevaluate, as the case may be) pursuant to Sections 5.2(d), 5.2(e), and 5.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of ColumbiaGrid and at least one other Relevant Planning Region, ColumbiaGrid is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections 5.2(d) or 5.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

XIII. Appendix B - Order No. 1000 Compliance Filing Letter (Interregional)



The PSE Building
10885 N.E. Fourth Street, Suite 700
Bellevue, WA 98004-5579
PHONE: 425-635-1400
FAX: 425-635-2400
www.perkinscoie.com

Donald G. Kari
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June 19, 2013

VIA ELECTRONIC FILING

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

**Re: Puget Sound Energy, Inc., Docket No. ER13-_____ -000
Order No. 1000 Compliance Filing (Interregional)**

Dear Secretary Bose:

Pursuant to Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations,¹ section 206 of the Federal Power Act,² Order No. 1000,³ the Notice Granting an Extension of Time to Submit Interregional Compliance Filings issued on February 26, 2013, and the Notice of Filing Procedures for Order 1000 Electronic Compliance Filings issued on September 19, 2012, Puget Sound Energy, Inc. ("PSE") hereby submits for filing PSE's revised Attachment K to its Open Access Transmission Tariff ("Tariff") as its compliance filing (interregional) required by Order No. 1000 ("Compliance Filing"). PSE's Attachment K relies, in substantial part, on PSE's participation in the ColumbiaGrid regional transmission planning process and the provisions of the ColumbiaGrid Planning and Expansion Functional Agreement ("PEFA") to achieve compliance with Order No. 1000.⁴ PSE is attaching for informational purposes the proposed Fourth Restated PEFA, that is intended to

¹ 18 C.F.R. Part 35.

² 16 U.S.C. § 824e.

³ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, 136 FERC ¶ 61,051 (2011) ("Order No. 1000"), *order on reh'g and clarification*, 139 FERC ¶ 61,132 (2012) ("Order No. 1000-A"), *order on reh'g*, 141 FERC ¶ 61,044 (2012) ("Order No. 1000-B").

⁴ In early 2007, ColumbiaGrid initially filed the PEFA on behalf of its jurisdictional members, Avista Corporation ("Avista") and PSE, as ColumbiaGrid Rate Schedule No. 1. The Commission first accepted the PEFA

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facilitate PSE's Order 1000 compliance and, that if executed PSE anticipates filing as PSE's Rate Schedule FERC No. CG1 for Commission acceptance.⁵ As explained more fully below, because PSE's Attachment K substantially relies on its participation in ColumbiaGrid, PSE's revised Attachment K submitted in this filing cannot become effective until such time as the Fourth Restated PEFA is effective.

I. Contents of Filing

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

1. This transmittal letter;
2. Redline version of PSE's Attachment K (Attachment A);
3. Clean version of PSE's Attachment K (Attachment B);
4. Redline version of proposed Fourth Restated PEFA (Attachment C) (redlined against the Third Restated PEFA and provided for informational purposes only);
5. *Pro Forma* Interregional Common Language (Attachment D) (for informational purposes only); and
6. Interregional Flow Diagram (Attachment E) (for informational purposes only)

in an order issued on April 3, 2007. *ColumbiaGrid*, 119 FERC ¶ 61,007 (2007). Since that time, the PEFA has been amended three times. ColumbiaGrid filed the first two of those amendments with FERC on behalf of Avista and PSE. Those amendments were accepted by FERC. See Docket Nos. ER08-457 and ER10-585. The third amendment to the PEFA (the Third Restated PEFA) was to facilitate compliance with the regional Order 1000 requirements and was filed by Avista and PSE as Avista and PSE rate schedules in Docket Nos. ER13-93 and ER13-98, respectively, in conjunction with Avista's and PSE's regional Order 1000 compliance filing filed in Docket Nos. ER13-94 and ER13-99, respectively. As explained in the transmittal letter accompanying Avista's and PSE's filings of the Third Restated PEFA, upon the Commission's acceptance of the Third Restated PEFA's filed by both Avista and PSE without modification or condition, PSE anticipates that ColumbiaGrid will take appropriate steps to terminate ColumbiaGrid Rate Schedule No. 1. To the extent the Fourth Restated PEFA is filed as Avista and PSE rate schedules, and those rate schedules become effective without modification or condition prior to the Third Restated PEFA becoming effective, PSE anticipates that ColumbiaGrid will similarly take appropriate steps to terminate ColumbiaGrid Rate Schedule No. 1.

⁵ The proposed Fourth Restated PEFA is attached hereto as Attachment C. If it becomes effective, the Fourth Restated PEFA is intended to completely supersede and replace, as among the executing parties, the Third Restated PEFA submitted to the Commission on October 11, 2012 in Docket No. ER13-98 in conjunction with PSE's Order 1000 regional compliance filing filed in Docket No. ER13-99.

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II. Contacts

PSE respectfully requests that the following persons be included on the official service list in these proceedings and that all communications concerning this filing be addressed to them:

John Phillips*
Puget Sound Energy, Inc. The
PSE Building
10885 NE 4th Street
P.O. Box 97034
Bellevue WA 98009-9734
Phone: (425) 454-6363
Email: john.phillips@pse.com

Donald G. Kari*
Jason Kuzma
Perkins Coie
LLP The PSE
Building
10885 NE 4th Street
Suite 700
Bellevue, WA 98004
Phone: (425) 635-1400
Email: dkari@perkinscoie.com
jkuzma@perkinscoie.com

PSE respectfully requests that the individuals identified above with an asterisk be placed on the Commission's official service list in this proceeding and be designated for service pursuant to Rule 2010, 18 C.F.R. § 385.2010. Applicants respectfully request waiver of 18 C.F.R. § 385.203(b)(3) to provide that a copy of any communication be served on each person designated above.

III. DESCRIPTION OF FILING

PSE participates in regional transmission planning through ColumbiaGrid⁶ as a party to the PEFA. The Planning Parties under the PEFA currently include jurisdictional and non-jurisdictional utilities. PSE submits the revised Attachment K attached hereto in response to the interregional transmission planning requirements of Order No. 1000.

As discussed in greater detail herein, after a comprehensive collaborative process encompassing the four transmission planning regions in the United States portion of the Western

⁶ ColumbiaGrid is a non-profit corporation that was formed in 2006 to better provide regional planning within the Pacific Northwest. ColumbiaGrid is a regional transmission planning entity with a Staff with expertise in regional planning and a functionally independent Board.

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Interconnection (the “Planning Regions”),⁷ entities that comprise the Planning Regions, including PSE, developed common tariff language addressing the interregional transmission coordination and cost allocation planning requirements of Order No. 1000 (“Common Language”). PSE’s proposed interregional transmission planning process submitted in this interregional Order 1000 Compliance Filing relies on, and is intertwined with, PSE’s regional Order 1000 compliance filing and related Third Restated PEFA filing, both of which are currently pending before the Commission in Docket Nos. ER13-99 and ER13-98 respectively. As explained more fully below, because PSE’s Order 1000 interregional planning processes in PSE’s Attachment K substantially rely on implementation of those processes through PSE’s participation in ColumbiaGrid as reflected in the proposed Fourth Restated PEFA, PSE’s interregional Compliance Filing submitted herein cannot become effective until such time as the Fourth Restated PEFA is effective.

At such time as the Fourth Restated PEFA becomes effective, it is intended that the Fourth Restated PEFA supersede and replace the Third Restated PEFA in its entirety and that the Fourth Restated PEFA supersede and replace all other prior versions of the PEFA in their entirety as among those entities that execute the Fourth Restated PEFA. Several non-jurisdictional entities that executed the Third Restated PEFA have indicated reluctance to enter into further amendments to the PEFA (including the proposed Fourth Restated PEFA) absent further action by the Commission on Avista’s and PSE’s regional Order 1000 Compliance Filings. Accordingly, the Planning Parties have not yet sought authorization to execute and have not executed the Fourth Restated PEFA.

All of the proposed changes to PSE’s Attachment K submitted in this Compliance Filing should, subject to Commission acceptance, become effective at such time as the Fourth Restated PEFA becomes effective. At such time as the Fourth Restated PEFA becomes effective in accordance with its terms, PSE anticipates that it will submit a new version of its Attachment K finally incorporating those changes proposed in this Compliance Filing and removing all provisions that are superseded by such proposed changes.

A. Summary of Interregional Provisions and Flow Diagram

In Order No. 1000, the Commission required each pair of transmission planning regions to work through their regional transmission planning processes to develop the same language to be included in each public utility transmission provider’s Open Access Transmission Tariff (“Tariff”) that describes the procedures to be used to satisfy the following requirements:

⁷ The Planning Regions are ColumbiaGrid, Northern Tier Transmission Group (“NTTG”), WestConnect, and the California Independent System Operator Corporation (“CAISO”).

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- The interregional transmission coordination procedures for neighboring planning regions;⁸
- The sharing of information regarding the respective needs of neighboring planning regions as well as the identification and joint evaluation by the neighboring transmission planning regions of potential interregional transmission facilities that address those needs; ⁹
- The identification and joint evaluation of transmission facilities that are proposed to be located in more than one planning region;¹⁰
- The exchange of planning data and information between neighboring transmission planning regions at least annually;¹¹
- The maintenance of a website or email list, either by individual public utility transmission providers or through their transmission planning regions, for communication of information related to interregional transmission coordination.¹²

In addition to the requirements listed above, Order No. 1000 also requires “public utility transmission providers in a transmission planning region to have, together with the public utility transmission providers in its own transmission planning region and a neighboring transmission planning region, a common method or methods for allocating the costs of a new interregional transmission facility in the two neighboring transmission planning regions in which the transmission facility is located.”¹³

Through a collaborative interregional process, participants in the Planning Regions, including PSE, developed the *pro forma* Common Language that each public utility transmission provider in the Planning Regions is incorporating into its respective tariff in response to the requirements in Order No. 1000 for public utility transmission providers in neighboring regions to have the same tariff language regarding certain interregional transmission planning processes and to have a common method or methods for allocating the costs of new interregional transmission

⁸ Order No. 1000 at P 475.

⁹ Order No. 1000 at PP 345-346.

¹⁰ Order No. 1000 at PP 345-346.

¹¹ Order No. 1000 at PP 345-346.

¹² Order No. 1000 at PP 345-346.

¹³ Order No. 1000 at P 578. The cost allocation method or methods used by the pair of neighboring transmission regions can differ from the cost allocation method or methods used by each region to allocate the cost of a new interregional transmission facility within that region. *Id.*

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facilities to the Relevant Planning Regions. For informational purposes only, PSE is providing the *pro forma* Common Language as Attachment D. The Common Language that is to be incorporated into PSE's proposed Attachment K at such time as the Fourth Restated PEFA becomes effective is submitted in this Compliance Filing as a new Section 13 in Part III of PSE's Attachment K (such incorporation shown in redline in Attachment B) and is also incorporated into the proposed Fourth Restated PEFA as Section 13 of Appendix A (such incorporation shown in redline in Attachment C).

The Common Language in Section 13 of Appendix A of the proposed Fourth Restated PEFA is to be implemented through Section 14 of Appendix A of the proposed Fourth Restated PEFA, which is also to be incorporated into PSE's Attachment K submitted in this Compliance Filing as a new Section 14 in Part III at such time as the Fourth Restated PEFA becomes effective. At such time, Part III, Section 10, of PSE's Attachment K will be amended to incorporate those changes required to incorporate the Order 1000 Cost Allocation provisions of the proposed Fourth Restated PEFA applicable to Interregional Transmission Projects. Appendix A, Definitions, of PSE's Attachment K will also be replaced to accommodate the revised and new terms applicable to PSE's interregional Compliance Filing. Finally, PSE is proposing to submit certain minor edits throughout its Attachment K to correct certain typographical and formatting errors contained in its Attachment K.

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

1. Year 1 of the Flow Diagram

The interregional coordination process begins with each Planning Region making available its Annual Interregional Information, which may include (i) the current planning cycle study plan, or underlying information that would typically be included in a study plan, (ii) initial study reports (or system assessments) from the current or previous planning cycle; and (iii) the regional transmission plan from the previous planning cycle. These data may be used to

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determine appropriate power flow cases and study assumptions and methodologies to be used during each Planning Region's current planning cycle. Each Planning Region makes this Annual Interregional Information available to the other Planning Regions as described in Section 2 of the Common Language and depicted in the Flow Diagram by the "Interregional Data Sharing" bubbles.

Pursuant to the Common Language, each Planning Region is to participate in an Annual Interregional Coordination Meeting, which is open to stakeholders.¹⁴ In both years of the planning cycle, prior to the Annual Interregional Coordination Meeting, each Planning Region is to make available its Annual Interregional Information by posting such information on its website, as described in Section 3 of the Common Language and depicted in the Flow Diagram by the arrows from each region to the "Annual Interregional Coordination Meeting" box. At the first-year Annual Interregional Coordination Meeting, the Planning Regions and stakeholders are to have the opportunity to identify conceptual interregional solutions that may meet regional transmission needs in two or more Planning Regions more efficiently or cost effectively.

Following the first-year Annual Interregional Coordination Meeting, each Relevant Planning Region, with regard to an Interregional Transmission Project ("ITP") that has been properly submitted (as described in Section 4.1 of the Common Language),¹⁵ is to participate in the joint evaluation of such ITP as described in Section 4.2 of the Common Language and depicted in the Flow Diagram by the "Regional Needs Analysis" box. Each Relevant Planning Region is to confer with each other Relevant Planning Region on project data and cost and study assumptions and methodologies, as illustrated by the "Interregional Data Sharing" bubbles in the Flow Diagram. Following this analysis, the CAISO publishes a final transmission plan, ColumbiaGrid publishes any updates to its system assessment report and Northern Tier Transmission Group generates a draft transmission plan. Within WestConnect, the first year of the regional transmission planning cycle is focused on the task of identifying regional needs, and development of a regional transmission plan occurs in the second year.

When there has been a request with regard to an ITP for an Interregional Cost Allocation that is properly submitted (as described in Section 5.1 of the Common Language), the CAISO and Northern Tier Transmission Group participants and ColumbiaGrid (if and to the extent such Planning Regions are Relevant Planning Regions) produce an initial determination of ITP

¹⁴ Common Language at § 3.

¹⁵ An "Interregional Transmission Project" means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Tariff Section 4.1. Common Language at § 1.

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benefits.¹⁶ Each Relevant Planning Region is to share its determination of regional ITP benefits with the other Relevant Planning Regions to provide an ITP cost assignment among the Relevant Planning Regions, as depicted in the Flow Diagram and described in Section 5.2 of the Common Language. The Relevant Planning Regions may share these plans and benefit determinations with stakeholders as depicted in the Flow Diagram by the arrows to the Year 2 link symbol (see Section 5.2(b) of the Common Language).

2. Year 2 of the Flow Diagram

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

Following the second-year Annual Interregional Coordination Meeting, each Planning Region will have the opportunity to incorporate information from other Planning Regions and stakeholders into its study plan, if applicable, and proceed to complete its transmission plan analysis and initial regional cost allocation. As described in Section 5.2 of the Common Language, each Relevant Planning Region is to determine if a properly-submitted ITP is a more cost effective or efficient solution to a transmission need in its region. To do so, each Relevant Planning Region is to use what its regional cost allocation would be, based on its assigned *pro rata* share of projected ITP costs, in determining whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation.¹⁷ If all the Relevant Planning Regions have selected an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, then such Relevant Planning Regions will each finalize their cost allocation and transmission plans, as depicted in the Flow Diagram at the end of each Relevant Planning Region's swim lane (see Section 6.1 of the Common Language).

However, if not all Relevant Planning Regions select the ITP in their regional transmission plans for purposes of Interregional Cost Allocation, but at least two Relevant Planning Regions have so selected the ITP, the Relevant Planning Regions that have selected the

¹⁶ PSE understands that the WestConnect Applicants are reviewing needs through the WECC Transmission Expansion Planning Policy Committee process in year one and that the initial determination of benefits in the WestConnect Planning Region occurs in year two, quarter one.

¹⁷ Also, pursuant to Common Language Section 5.2(e), each Relevant Planning Region is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; ColumbiaGrid may use such information to identify its total share of the projected costs of the ITP to be assigned to ColumbiaGrid in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in ColumbiaGrid.

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ITP in their regional transmission plans for purposes of Interregional Cost Allocation are to continue the analysis according to Common Language Section 6.2, with the planning cycle continuing beyond the second year as depicted in the Flow Diagram at the end of the “Tariff Section” swim lane.

B. Requirements for Implementing Interregional Transmission Coordination

In Order No. 1000, the Commission required that each public utility transmission provider ensure that the following requirements are included in the applicable interregional transmission coordination procedures: (1) a commitment to coordinate and share the results of each transmission planning region’s regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities, as well as a procedure for doing so; (2) a formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions; (3) an agreement to exchange, at least annually, planning data and information; and (4) a commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.¹⁸ PSE respectfully submits that each of these requirements is satisfied with the Planning Regions’ approach to interregional transmission coordination as reflected in the Common Language.

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

The Commission required each public utility transmission provider, through its regional transmission planning process, to establish procedures with each of its neighboring transmission planning regions for the purpose of coordinating and sharing the results of regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities.¹⁹ In addition to committing to share regional transmission planning information, the Commission directed each public utility transmission provider to develop and implement additional procedures that provide for the sharing of information regarding the respective transmission needs of each neighboring transmission planning region, and potential solutions to those needs, as well as the identification and joint evaluation of interregional transmission alternatives to those regional needs.²⁰

¹⁸ Order No. 1000 at App. C, pp. 613-14.

¹⁹ *Id.* P 396.

²⁰ *Id.* P 398.

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Pursuant to the Common Language, the Planning Regions are to share their regional transmission plans to facilitate the joint identification of interregional transmission projects and evaluation of whether proposed interregional transmission projects would address regional transmission needs more efficiently or cost-effectively than separate regional transmission projects. The Common Language includes the requisite procedures governing the sharing of regional transmission planning information and needs and the identification and joint evaluation of potential interregional transmission solutions.

2. Procedures to Identify and Jointly Evaluate Interregional Transmission Facilities

The Commission required each public utility transmission provider to develop a formal procedure to identify and jointly evaluate interregional transmission facilities that are proposed to be located in neighboring transmission planning regions.²¹ Regarding the applicable procedures, the Commission stated that the developer of an interregional transmission project must first propose its project in the regional transmission planning processes of each of the planning regions in which the transmission facility is proposed to be located.²² In addition, the neighboring transmission planning regions must jointly evaluate the proposed interregional transmission project within the same general timeframe as each planning region's individual consideration of the proposed transmission project.²³ Finally, each public utility transmission provider, through its transmission planning region, must develop procedures by which differences in the data, models, assumptions, planning horizons, and study criteria can be identified and resolved for purposes of jointly evaluating the proposed interregional transmission facility.²⁴

The Common Language includes procedures to identify and jointly evaluate transmission facilities that are proposed to be located in more than one Planning Region. For consideration and joint evaluation in the interregional transmission planning process, the proponent of an ITP must submit the project to the Relevant Planning Regions no later than March 31st of any even-numbered calendar year in accordance with the requirements of each Planning Region's regional transmission planning process.²⁵ In its submittal, to facilitate joint evaluation, the ITP proponent must include a list of all Planning Regions to which the project is submitted.²⁶

²¹ *Id.* P 435.

²² *Id.* PP 436 & 442.

²³ *Id.* PP 436, 438 & 440. The Commission expects the public utility transmission providers to develop a time line that "provides a meaningful opportunity to review and evaluate through the interregional transmission coordination procedures information developed through the regional transmission planning process and, similarly, provides a meaningful opportunity to review and use in the regional transmission planning process information developed in the interregional transmission coordination procedures." *Id.* at P 439.²⁴ *Id.* P 437.

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For properly submitted ITPs, the Relevant Planning Regions are to initiate joint evaluation of the proposed ITP in conjunction with their individual consideration of the proposed ITP pursuant to their regional transmission planning processes.²⁷ When conducting the joint evaluation, the Relevant Planning Regions are to confer with each other regarding the data and costs associated with the proposed ITP and the study assumptions and methodologies to use in evaluating the project in each regional transmission planning process.²⁸ Each Relevant Planning Region is to confer with the other Relevant Planning Regions and identify the appropriate transmission studies the Relevant Planning Region is to use in its regional planning process.

Each Relevant Planning Region is to seek to resolve any differences it has with the other Relevant Planning Regions regarding the ITP if those differences would affect the evaluation of the ITP.²⁹ During the second year of the interregional transmission planning process, each Relevant Planning Region is to determine under its regional transmission planning process if the proposed ITP is a more cost effective or efficient solution to one or more of its regional transmission needs.³⁰ If a Relevant Planning Region determines that the ITP would not satisfy any of its regional transmission needs, it is to notify the other Relevant Planning Region(s), and it is not obligated to continue the joint evaluation of the proposed project.³¹ In accordance with its regional transmission planning process, each Relevant Planning Region is to provide stakeholders with an opportunity to participate during the evaluation of the ITP.³²

3. Annual Exchange of Planning Data and Information

The Commission required each public utility transmission provider to adopt interregional transmission coordination procedures that provide for the exchange of planning data and information between transmission planning regions at least annually.³³ The Commission stated that these procedures must include the specific obligations for sharing planning data and information rather than only an agreement to do so.³⁴

²⁵ Common Language, Section 4.1. For projects seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region, the proponent of the ITP must submit the project to each such Planning Region in accordance with the applicable regional transmission planning processes. *Id.*

²⁶ Common Language, Section 4.1.

²⁷ Common Language, Section 4.2.

²⁸ Common Language, Section 4.2.

²⁹ Common Language, Section 4.2(a).

³⁰ Common Language, Section 4.2(d).

³¹ Common Language, Section 4.2(c).

³² Common Language, Section 4.2(b).

³³ Order No. 1000 at P 454.

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As set forth in the Common Language, each Planning Region is to participate in an Annual Interregional Coordination Meeting, which should be convened in February, but not later than March 31, of each year.³⁵ Prior to the Annual Interregional Coordination Meeting, each Planning Region is “to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in that Planning Region’s transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan”³⁶

At the Annual Interregional Coordination Meeting the Planning Regions may, as described in Common Language Section 3, discuss each Planning Region’s most recent Annual Interregional Information, interregional solutions that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently, and updates of the status of ITPs being evaluated or previously included in a Planning Region’s regional transmission plan.³⁷ The Annual Interregional Coordination Meeting is to be open to stakeholder attendance.³⁸

³⁴ *Id.* P 455.

³⁵ Common Language, Section 3.

³⁶ Common Language, Section 2.

³⁷ Common Language, Section 3.

³⁸ Common Language, Section 3.

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

The Commission required public utility transmission providers to maintain a website or e-mail list for the communication of information related to interregional transmission coordination procedures.³⁹ The Commission indicated that this information could be maintained on an existing public utility transmission provider's website or on a regional transmission planning website, and must be posted in a manner allowing stakeholders to distinguish between interregional and regional transmission planning information.⁴⁰

The Common Language provides that each Planning Region is to post its Annual Interregional Information on its website in accordance with its regional transmission planning process.⁴¹ A Planning Region is not required to post information that is not developed by the Planning Region, information that is to be provided by another Planning Region, or information that would violate the Commission's Standards of Conduct or other applicable legal requirements.⁴²

In addition, pursuant to the Planning Region's regional transmission planning process, any Annual Interregional Information posted by a Planning Region shall be subject to applicable confidentiality and Critical Energy Infrastructure Information restrictions, and any other applicable laws.⁴³

C. Compliance With Interregional Cost Allocation Principles

The following table summarizes PSE's response to the Order No. 1000 interregional cost allocation principles.

³⁹ Order No. 1000 at P 458.

⁴⁰ *Id.*

⁴¹ Common Language, Section 2.

⁴² Common Language, Section 2.

⁴³ Common Language, Section 2.

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	Order 1000 Interregional Cost Allocation Principle	Common Language
1	Costs of new interregional transmission facilities must be allocated to each transmission planning region in which that transmission facility is located in a manner that is at least roughly commensurate with the estimated benefits of that transmission facility in each of the transmission planning regions.	Benefits of an ITP determined by each region are used as the basis for assigning projected costs of the ITP among the regions; that is, each region will be assigned a share of the projected costs of the ITP that is <i>pro rata</i> to its share of the total determined benefits of all regions. ⁴⁴
2	A transmission planning region that receives no benefit from an interregional transmission facility that is located in that region, either at present or in the likely future scenario, must not be involuntarily allocated any of the costs of that transmission facility.	Consistent with the requirements of Order 1000, projected costs may only be assigned to regions to which the proposed ITP is proposed to be connected. Because benefits of an ITP determined by each region are used as the basis for assigning projected costs of the ITP among the regions and because regions that are not determined to have benefits are not assigned projected costs of the ITP, there is no involuntary allocation of costs to non-beneficiary regions. ⁴⁵
3	Allows, but does not require, use of benefit to cost threshold so long as any such threshold does not exceed a ratio of benefits to costs that exceeds 1.25, unless justified.	Under the Common Language, a benefit-to-cost threshold is not used. ⁴⁶ An individual region may use a benefit-to-cost threshold to determine whether to select an ITP as the more efficient or cost-effective solution to need(s) in its region as set forth in such region's Order 1000 regional filing.
4	Costs allocated for an interregional transmission facility must be assigned only to transmission planning regions in which the transmission facility is located. Costs may not be involuntarily assigned to a transmission planning region in which the transmission facility is not located. ⁴⁷	Under the common tariff language costs may only be assigned to Relevant Planning Regions. ⁴⁸ Relevant Planning Regions are defined as regions to which the proposed ITP is proposed to be connected. ⁴⁹

⁴⁴ Common Language, Section 5.2.

⁴⁵ Common Language, definition of Interregional Transmission Project; Section 5.2.

⁴⁶ See generally Common Language.

⁴⁷ Under section 14.4 of the proposed Fourth Restated PEFA and Part III, Section 14.4 of PSE's Attachment K, the projected costs of any ITP, for purposes of Interregional Cost Allocation, are to include the projected costs

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	Order 1000 Interregional Cost Allocation Principle	Common Language
5	Transparent method for determining benefits and identifying beneficiaries.	The interregional cost allocation method is straightforward and transparent: benefits of an ITP determined by each region are used as the basis for assigning projected costs of the ITP among the regions; that is, each region will be assigned a share of the projected costs of the ITP that is <i>pro rata</i> to its share of the total determined benefits of all regions. ⁵⁰ Transparency for stakeholders regarding data used in the cost allocation is provided by, among other things, providing stakeholders an opportunity to participate in each region's cost allocation activities and the regional planning process. ⁵¹
6	Allows, but does not require, different cost allocation methodologies for different types of interregional facilities.	Application of same cost assignment methodology to all Interregional Transmission Projects that are Order 1000 Projects. ⁵²

As illustrated in the table above, the Common Language meets the six interregional cost allocation principles of Order No. 1000.

IV. CONDITIONAL ASPECT OF FILING

As discussed above, PSE's proposed interregional transmission planning process submitted in this interregional Order 1000 Compliance Filing relies on, and is intertwined with, PSE's regional Order 1000 compliance filing and related Third Restated PEFA filing, both of which are currently pending before the Commission in Docket Nos. ER13-99 and ER13-98 respectively. Until such time as the proposed Fourth Restated PEFA and the Avista and PSE Attachment Ks implementing the proposed Fourth Restated PEFA become effective as filed,

required as a result of such ITP, if any, that (I) relate to transmission facilities outside any Relevant Planning Region and (II) all transmission providers in the Relevant Planning Regions that are beneficiaries of such ITP agree, in writing with all other beneficiaries, to bear. *See* Order No. 1000 at P 657 (interregional Cost Allocation Principle 4).

⁴⁸ Common Language, Section 5.2.

⁴⁹ Common Language, definition of Relevant Planning Region.

⁵⁰ Common Language, Section 5.2.

⁵¹ Common Language, Sections 4.2.b and 5.2.b.

⁵² Common Language, Section 5.2.

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consistent with section 17.1 of the proposed Fourth Restated PEFA,⁵³ it is appropriate that the pre-Order 1000 PEFA (or if it becomes effective in accordance with its terms, the Third Restated PEFA) remain in effect. If the proposed Fourth Restated PEFA does not become effective, it will be necessary to negotiate further revisions to the PEFA and attempt to reach agreement among the Parties, including the non-jurisdictional Planning Parties, in order to have a PEFA upon which Avista's and PSE's Attachment Ks may be based. Continued participation by non-jurisdictional utilities under the PEFA is beneficial to regional transmission planning.

V. SERVICE

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

VI. WAIVER

To the extent necessary, PSE requests waiver of any applicable requirements of 18 C.F.R. Part 35 in order to allow its Compliance Filing submitted herein to become effective in the manner described herein.

VII. CONCLUSION

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

⁵³ In this regard, section 17.1 of the proposed Fourth Restated PEFA includes the following:

Except as provided in section 17.2 [with respect to subsequently executing Planning Parties], this Fourth Amendment and Restatement of this Agreement shall become effective for all executing Parties upon their execution and delivery of this Fourth Amendment and Restatement of this Agreement or such later date as may be designated by the Commission; *provided that* with respect to a Planning Party subject to Commission jurisdiction, if the Commission asserts jurisdiction and does not accept this Agreement or any subsequent amendment for filing or accepts this Agreement or any subsequent amendment for filing but in connection with such acceptance requires a change in, or imposes a new condition on, this Agreement, this Agreement shall be effective thereafter only if all of the executing Parties agree in writing to such change or condition.

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Very truly yours,

PERKINS COIELLP

/s/ Donald G. Kari

Donald G. Kari

Enclosure

Enclosures