



**WESTCONNECT FERC ORDER 1000
COMPLIANCE STRIKE TEAM MEETING NOTES
AGENDA ITEMS, MEETING NOTES & ACTION ITEMS**

DATE: Thursday, April 5, 2012

TIME: 10:00 a.m. (PDT/Arizona)

CHAired BY: Raymond Myford

CALL IN NUMBER: 1-877-668-4490; CODE: 207 787 33

Antitrust Guidance

Antitrust considerations direct meeting participants to avoid discussion of topics or behavior that could result in anticompetitive behavior including: restraint of trade and conspiracies to monopolize, unfair or deceptive business acts or practices, price discriminations, division of markets, allocation of production, imposition of boycotts, and exclusive dealing arrangements. Instead, discussion should be designed to produce tariff language reflecting a transmission planning process that is pro-competitive and enhances efficiencies and consumer welfare.

Participants in this meeting should also avoid discussion of:

- your company's current or future prices, costs, marketing plans, internal business practices or other competitively sensitive information
- allocating markets, customers or territories with your competitors
- whether or not to deal with any other company or any action to exclude a competitor.

It is not the purpose of the meeting to discuss any topics that would raise antitrust concerns; if anyone believes we are straying into improper areas, please raise the topic with this group so that we can redirect the discussion. Minutes are being kept of this meeting. If anyone takes notes, make sure they are complete.

Agenda Items

- Drafting team progress?
- OATT Attachment progress?



- Upcoming meetings:
 - IMC in Albuquerque 4/17
 - O1K Stakeholder in Phoenix 5/10
- Anything else?

Meeting Notes

- Attendees:

MEETING ATTENDEES:	
Charlie Reinhold, WestConnect	✓
Robin Nuschler, El Paso Electric	✓
Mike Nitido, TEP	✓
Grace Wung, NV Energy	✓
John Priecko, ICF	✓

➤ **Drafting team progress?**

- Charlie Reinhold: Kenna Hagen just sent out an email on the status of drafting efforts for revision of tariff.
 - Kenna Hagen (via email): Dan Kline took a stab at a first draft of revising the tariff. We will continue to work on it to provide a more refined draft to the group in the near future.
- Charlie Reinhold: Northern Tier Transmission Group had a stakeholder meeting a week ago Monday and they have a markup of Attachment K in redline format. Charlie noted that this resource is available for anyone interested.
 - Robin Nuschler: Would like to see a copy of the Northern Tier Transmission Group markup of Attachment K.



- Charlie Reinhold: Will distribute the Northern Tier Transmission Group's draft markup of its Attachment K that was presented to stakeholders on March 28 to the Compliance Strike Team Group.
 - Robin Nuschler: On prior calls, the group split up drafting duties including drafting of the transmittal presentation to FERC, which is part of Robin's responsibilities. It will be helpful to see how Northern Tier is filling out the Attachment K.
 - Robin Nuschler: Have not shared any of her drafting products with the group. By the next call anticipates having something to provide to the group. At that point we can talk about logistics of merging all individual drafting efforts together.
 - Grace Wung: I am drafting the cost allocation portion of the changes, but have been struggling with what the Planning Committee has agreed to. Still want to review the documents and will send out an outline prior to the next call. Do not yet understand principles of what the strike teams are coming up with so it is a bit difficult to draft.
 - Charlie Reinhold: Lots of the concepts are still being developed by the strike teams.
 - Mike Nitido: Has not been involved in drafting products, but thinks Amy Welander has taken a piece of the drafting duties, but is unsure of status.
- **OATT Attachment progress?**
- Charlie Reinhold: Suspect we are waiting for a lot of the individual pieces to come back from other strike teams.
 - Robin Nuschler: Since last call some have participated in phone call with FERC staff to discuss issue of how much can we use business practices. Generally ended up with agreement that we should not feel like there is any less flexibility than when Attachment K was initially drafted. As long as we generally honor the case law principles of if it is affecting the rate for service or terms of conditions of service it should be in the tariff.
 - Charlie Reinhold: Charlie agreed with Robin's understand of FERC call. The call pointed specifically to what we filed for 890 compliance for the transparency and openness and all of 9 principles as something that should guide the group.



- Charlie Reinhold: Had opportunity to talk with Mason Emmett at CREPC meeting in San Diego earlier this week and got a bit more detail. Charlie walked him through committee structure with a planning and cost allocation committee with some stakeholder representation and voting with subcommittees doing work and reporting up. Mason's feeling was that we may need to describe in the filing those committees that do have that type of voting structure. The rest of the structure underneath it that provides work product that comes up to decision-making bodies is probably okay to be covered in some business practices that are more easily changed. Mason recognized the need for flexibility on how work is conducted. This should help us as we move forward.

- **Anything else?**
- Charlie Reinhold: This group is continuing to try and get done what it can until other strike teams finish their deliberations.
- Charlie Reinhold: The Governance Strike Team had a call yesterday afternoon. Mike McElhany and Charlie had developed some issues which they requested input on during the Governance Strike Team Call. We did not receive a tremendous amount of input. We talked about general WestConnect membership for overall effort including FERC Order 1000 planning, pricing experiment, and all other market initiatives. We should be getting some proposals back on expanding membership including developing transmission projects. This may shift over into FO1K membership as well. The discussion centered on how transmission developers could have membership prior to having wire in the air of 100 miles long of 100 kV and above (standard for membership).
- Charlie Reinhold: Will forward issues list from Governance Strike Team to Compliance Strike Team. Will wait to distribute working version of strawman proposal until some pending items are resolved.

- **Upcoming meetings:**
- Next IMC Meeting in Albuquerque on 4/17
- Next FO1K Stakeholder Meeting in Phoenix on 5/10
 - Charlie Reinhold: Hopefully by this next meeting will have some specific items and concepts to send out to stakeholder group for how we intend to put the planning process together for FERC filing.



- Charlie Reinhold: There is currently a good high level understanding of Cost Allocation. Planning Strike Team continues to make progress on defining process, region, timelines for data submittals and assumptions. They are looking at moving from current annual planning cycle to either biennial or triennial process.
 - Robin Nuschler: Do you see any problem if individual WestConnect members use an annual process for local planning even though the region would go to every two or three years?
 - Charlie Reinhold: Do not really see a problem. Local reliability assessment probably needs to be done on an annual basis and will just need to determine how those bubble up into the regional planning process. Off-year plans could be disconnected from regional process, but every other year planning effort will come into the regional process.
 - Robin Nuschler: This makes sense and is where we would like to end up on the local side of things.
 - Charlie Reinhold: Generally does not see a major change in local planning function in this regard.
- Next Compliance Strike Team Meeting on 5/3 (first Thursday of month) at 10:00 a.m. (PDT/AZ).

Action Items from Meeting

Responsible Party	Action Item	Due Date	Status
Charlie Reinhold	Distribute the Northern Tier Transmission Group's draft markup of its Attachment K that was presented to stakeholders on March 28 to the compliance strike team group.	4/6/12	Complete. 4/5: Charlie sent to compliance strike team via email.
Charlie Reinhold	forward issues list from Governance Strike Team to Compliance Strike Team	4/6/12	Complete. 4/5: Charlie sent to compliance strike team via email.