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September 20, 2013

VIA ELECTRONIC FILING

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

Re: Arizona Public Service Company
Docket No. ER13-82-____
Order No. 1000 OATT Compliance Filing

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission" or "FERC") Order on Compliance, issued in this docket on March 22, 2013,¹ Section 206 of the Federal Power Act ("FPA"),² and Order No. 1000³ issued by the Commission, the WestConnect Filing Parties⁴ ("Filing Parties") hereby submit this compliance filing to reflect changes to Attachment K⁵ of their respective Open Access Transmission Tariff ("OATT").⁶ Attachment K of the OATT is included with this filing in both clean and redline formats,⁷ with an effective date of January 1 of the year following FERC conditional or full acceptance of the instant filing. The Filing Parties believe the changes

¹ Public Service Company of Colorado, et al., 142 FERC ¶ 61,206 (2013) ("March 22 Order")

² 16 U.S.C. 824e (2006).

³ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 76 Fed. Reg. ¶ 49,842 (Aug. 11, 2011), FERC Stats. & Regs. ¶ 31,323 (2011), order on reh'g and clarification, Order No. 1000-A, 139 FERC ¶ 61,132 (2012) ("Order No. 1000").

⁴ The WestConnect Filing Parties are: Arizona Public Service Company ("APS"), Black Hills Power, Inc. ("Black Hills Power"), Basin Electric Power Cooperative, Powder River Electric Cooperative, Black Hills Colorado Electric Utility Company, LP ("Black Hills Colorado"), Cheyenne Light, Fuel, & Power Company ("Cheyenne LF&P"), El Paso Electric Company ("El Paso Electric"), NV Energy, Inc. Operating Companies ("NV Energy"), Xcel Energy Services, Inc. ("Xcel"), on behalf of Public Service Company of Colorado ("PSCo"), Public Service Company of New Mexico, Tucson Electric Power Company ("Tucson Electric"), and UNS Electric, Inc. ("UNS Electric").

⁵ The transmission planning process for Public Service Company of Colorado is incorporated into Attachment R-PSCo to the Xcel Energy OATT. The transmission planning process for Arizona Public Service Company is incorporated into Attachment E of its OATT.

⁶ This compliance filing is without prejudice to the Filing Parties' pending request for rehearing of the March 22 Order in these dockets.

⁷ The Attachment K included in this filing is redlined from the Attachment K included with the interregional compliance filing submitted to FERC on May 10, 2013 in Docket No. ER13-1450.

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proposed in their respective OATT Attachment Ks satisfy the Commission's directives in its March 22 Order.⁸

I. COMMUNICATIONS

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II. DESCRIPTION OF THE FILING PARTY

APS, a wholly-owned subsidiary of Pinnacle West Capital Corporation, is a vertically-integrated public utility, doing business under the laws of the State of Arizona. APS is engaged in the business of generating, transmitting, and distributing electricity in eleven of Arizona's fifteen counties. APS provides transmission service pursuant to its FERC-approved OATT. APS also is a transmission customer, taking service under its OATT, as well as under the transmission tariffs of other transmission owners in the West. APS serves more than one million retail electric customers in Arizona and participates in wholesale markets throughout the West. APS has been an active participant in regional and subregional transmission planning organizations, including the Western Electricity Coordinating Council ("WECC"), WestConnect, as well as the Southwest Area Transmission ("SWAT") planning group. APS is also enrolled in the WestConnect Planning Region for Order No. 1000 transmission planning purposes.

III. BACKGROUND

On October 11, 2012, APS, Black Hills Power, Inc. ("Black Hills Power"), Basin Electric Power Cooperative, Powder River Electric Cooperative, Black Hills Colorado Electric Utility Company, LP ("Black Hills Colorado"), Cheyenne Light, Fuel, & Power Company ("Cheyenne LF&P"), El Paso Electric Company ("El Paso Electric"), NV Energy, Inc. Operating Companies ("NV Energy"), Xcel Energy Services, Inc. ("Xcel"), on behalf of Public Service Company of Colorado ("PSCo"), Public Service Company of New Mexico, Tucson Electric Power Company ("Tucson Electric"), and UNS Electric,

⁸ Filing Parties note that the term Attachment K is used for simplicity as that is the location of the local and regional planning process information in the *pro forma* OATT. Some Filing Parties use different OATT attachments for their planning process information; for example, APS uses Attachment E and PSCo uses Attachment R-PSCo.

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Inc. (“UNS Electric”) respectively submitted revisions to their transmission planning processes under their respective OATTs to comply with Order No. 1000. In its March 22 Order, the Commission accepted the Filing Parties compliance filings, as modified, subject to further compliance filings due within 120 days of the March 22 Order. On June 19, 2013 the Filing Parties requested an additional 60 days to respond to the March 22 Order. On July 5, 2013 the Commission granted the request for extension and set the Filing Parties’ deadline to respond for no later than September 20, 2013. The instant filing is intended to satisfy the Filing Parties’ compliance obligations arising from the March 22 Order.

IV. TRANSMISSION PLANNING REGION

In PP 24-26 of the March 22 Order, the Commission directed the Filing Parties to formally enroll in a transmission planning region and evidence such enrollment by listing the enrolled transmission providers in their respective OATTs. To address the Commission’s directives, the Filing Parties have modified Section III.A.2.c of their respective OATT Attachment Ks to include the transmission providers formally enrolled in the WestConnect Order No. 1000 Planning Region. As discussed in more detail below, the list in Section III.A.2.c of Attachment K includes only the FERC-jurisdictional transmission providers formally enrolled in Transmission Owners with Load Serving Obligations sector of the WestConnect Planning Region.

Non-jurisdictional transmission owners can participate by formally enrolling as a Transmission Owner with Load Serving Obligations, in which case the Filing Parties will file revisions to their respective OATT Attachments to indicate the formal enrollment of a new transmission provider. Non-jurisdictional transmission owners can also choose not to formally enroll, but instead participate in the Transmission Owner with Load Serving Obligations (“TOLSO”) sector as a “Coordinating Transmission Owner”. Coordinating Transmission Owners will not be formally enrolled in the WestConnect Planning Region; therefore, they will not be listed in the respective OATT Attachments of the Filing Parties.

V. PROVIDING FOR THE PARTICIPATION OF BOTH JURISDICTIONAL AND NON-JURISDICTIONAL TRANSMISSION OWNERS IN REGIONAL TRANSMISSION PLANNING

In the March 22 Order, the Commission directed the elimination of what it ruled to be the voluntary nature of project participation in the WestConnect Planning Region. In particular, the Commission found inconsistent with Order No. 1000 the ability of transmission owners to elect to participate in a regional transmission project selected in the regional plan for purposes of cost allocation.⁹ This finding triggered a several-month process within the region to restructure the WestConnect compliance plan to comport with the order. The result of this process is a structure that is characterized by a region

⁹ March 22 Order at P 306, *et seq.*

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with two types of regional transmission owners: (a) those transmission owners subject to the Commission's jurisdiction and to the mandates of Order No. 1000, who are required to enroll in the region for purposes of complying with Order No. 1000; and (b) those transmission owners not subject to the Commission's jurisdiction who may participate in regional transmission planning without enrolling in the region. Non-jurisdictional transmission owners may choose to enroll in the region (in which case, they will be subject to Order No. 1000 cost allocation provisions), or they may choose to participate in the regional planning process by executing the WestConnect Order No. 1000 Planning Participation Agreement ("Planning Participation Agreement") and becoming a member of the Planning Management Committee ("PMC").

The Commission's Order No. 1000 requirements are aimed at improving the existing transmission planning processes throughout the country. Broad participation in planning by all transmission owners within the region should contribute to the success of the WestConnect regional transmission planning process. As discussed in more detail below, for those non-jurisdictional transmission owners that choose not to enroll in the region, the proposed structure allows for their continued participation in the WestConnect transmission planning process as coordinating transmission owners. The coordinating transmission owner provisions allow for the breadth of participation that the region enjoys today, and maintains the broad scope of funding of regional transmission planning activities that the region historically has experienced. In short, the coordinating transmission owner provisions allow for compliance with Order No. 1000 by the Filing Parties while maintaining the participation of non-jurisdictional transmission owners in the WestConnect regional transmission planning process to the fullest extent possible.

WestConnect presented this revised structure to stakeholders last month in a public meeting held on August 19, 2013. No stakeholder voiced opposition to it at the August meeting (or since). The Filing Parties present it to the Commission as a just and reasonable response to its compliance directives in the March 22 Order, and offer additional details on its characteristics, below:

A. The Difference Between Enrolling and Participating in the Region

To enroll in the region means being subject to the entirety of Order No. 1000 regional planning, including Order No. 1000's regional cost allocation provisions. Transmission owners that do not enroll in the region are allowed to participate in the regional process in the same way as enrolled transmission owners in every aspect *except* Order No. 1000 regional cost allocation, including:

- They are allowed to become members of the PMC
- They are allowed to propose a project for study in the regional process
- They are allowed to comment on the projects proposed by others
- They are allowed to vote on matters before the PMC for decision, except for decisions on Order No. 1000 cost allocation

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- They will fund the regional process in a manner comparable to that of transmission owners enrolled in the region

For those transmission owners that do not enroll in the region, their signing the Planning Participation Agreement (for PMC membership) will serve as an indicator of an individual transmission owner's commitment to participate in the WestConnect regional transmission planning process. For ease of reference, transmission owners not enrolled in the region, but participating in the regional transmission planning process will be called Coordinating Transmission Owners if they join the PMC's Transmission Owners with Load Serving Obligations member sector.¹⁰

B. The Scope of Regional Planning for Coordinating Transmission Owners

Even though a Coordinating Transmission Owner does not "enroll" in the region, it may submit a new proposed regional transmission facility for study in the WestConnect regional planning process. A Coordinating Transmission Owner may not seek Order No. 1000 cost allocation in the WestConnect Planning Region, however, for its proposed regional project. In addition, a Coordinating Transmission Owner may not seek Order No. 1000 cost allocation in the WestConnect Planning Region for any proposed project that is shown through the study process to provide quantifiable benefits, as defined in the respective OATT Attachment Ks, to itself or other Coordinating Transmission Owners.¹¹

The same treatment would apply without regard to whether the transmission facility is proposed by a Coordinating Transmission Owner or by someone else. Order No. 1000 cost allocation in the WestConnect Planning Region would not be applicable to any facility that electrically interconnects with a facility of a Coordinating Transmission Owner¹² (i.e., any transmission owner located within but not enrolled in the region). In addition, Order No. 1000 cost allocation in the WestConnect Planning Region would not be applicable to any proposed project that is shown through the WestConnect study process to provide quantifiable benefits, as defined in the respective OATT Attachment Ks, to a Coordinating Transmission Owner, or to any other transmission owner not enrolled in any region. Proposed transmission projects not eligible for Order No. 1000 cost allocation are eligible for study in the WestConnect regional transmission planning process as more efficient or cost-effective solutions to identified regional needs. The OATT has been revised to expressly provide for such eligibility. See Section III.C.5.

Other forms of cost responsibility may be pursued for such proposed regional projects, including, for example, participant funding. Participant funding is allowed, but will not

¹⁰ Timely and orderly withdrawal from enrollment in the WestConnect Planning Region, the continuing obligations of withdrawing entities toward the WestConnect Planning Region, and any conditions on re-enrollment will be addressed in the Planning Participation Agreement.

¹¹ Any project proposed through the regional process that connects to one or more Enrolled Transmission Owners would be eligible to be studied for Order No. 1000 cost allocation.

¹² Owned wholly or in part.

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serve as the method of Order No. 1000 cost allocation. Therefore, stakeholders interested in pursuing regional projects for which Order No. 1000 cost allocation is not available could pursue other forms of cost allocation outside of the parameters of Order No. 1000 cost allocation. Cost responsibility for participant funded projects will not be governed by the WestConnect Order No. 1000 regional cost allocation methods.

C. The Benefit of Proposing a Regional Project for Study by WestConnect When that Project is One for which Order No. 1000 Cost Allocation is Not Available

One benefit of proposing a regional project for study by WestConnect when that project is one for which Order No. 1000 cost allocation is not available would be the opportunity to have the facility's impacts (and benefits) identified and quantified holistically within a transparent, stakeholder-driven regional planning process, which could spur interest in the project's development among other parties. This will serve the Commission's goal of having a regional process that will identify projects that are more efficient or cost effective for the region. Even though Order No. 1000 cost allocation will not be available for every proposed transmission project in the region, this does not mean that projects that produce large benefits across the region will lag behind projects for which Order No. 1000 cost allocation is available. The expected outcome is that the better projects will get pursued, without regard to whether the cost allocation applicable to that project is Order No. 1000 cost allocation, or some other method.¹³ The process that identifies impacts (benefits) may be the tipping point for discussions among interested parties to take place.

D. Consideration of a Less Inclusive Planning Structure

Given the Commission's determinations that drive these issues (that non-jurisdictional transmission owners are not subject to Order No. 1000 and its cost allocation directives, that projects cannot be selected for Order No. 1000 cost allocation unless their costs are commensurate with their benefits, and that projects selected for Order No. 1000 cost allocation must not result in free ridership concerns), an alternative might be to create a structure in which only public utility transmission owners *enroll and participate* in the WestConnect regional transmission planning process. That alternative is less attractive to the range of transmission owners in the WestConnect Planning Region because it removes from the regional planning process a large part of the current transmission system in the WestConnect region and bars participation by historical contributors of both financial and human resources for regional planning activities. In contrast, the proposal presented in the instant filing strives to retain within the region all transmission owners in the region for purposes of *the process of regional transmission planning*, while acknowledging that with respect to Order No. 1000 cost allocation, non-jurisdictional transmission owners are free to decide whether or not to be subject to Order No. 1000

¹³ In this manner, cost allocation functions much like a project where all impacted parties have to agree to pursue the project before it moves forward.

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cost allocation. Those that enroll, whether jurisdictional or non-jurisdictional, will be subject to Order No. 1000's cost allocation provisions. Those that do not enroll will not be subject to Order No. 1000's cost allocation provisions, but still will be able to participate in the region's planning process in all other respects. By retaining a WestConnect governance structure that permits the maximum possible involvement of all transmission owners in the region, combined with the affirmative obligation required by the Commission in its March 22 Order, should better permit the development and study of regional projects that will better serve the region's needs.

E. Consideration of Other Alternatives

The Filing Parties evaluated a structure under which a proposed regional project identified as one that would provide quantifiable benefits, as such benefits are defined in EPE's Attachment K, to an entity not enrolled in the WestConnect Planning Region would have its project costs allocated exclusively to enrolled transmission owners through an identification of the costs that would have otherwise been attributed to unenrolled beneficiaries in proportion to their overall benefits, and a re-allocation of those costs onto enrolled transmission owners. This kind of structure was rejected as contrary to Order No. 1000. Under Order No. 1000's Regional Cost Allocation Principle 1, allocated costs must be roughly commensurate with benefits. If benefits to entities not enrolled in the region are identified and quantified, then it would be counter to Order No. 1000 to re-assign those benefits solely to enrolled entities, where the allocation would no longer be roughly commensurate with benefits. The proposed project's cost allocation must align with the project's identified beneficiaries in order to be eligible for regional cost allocation under Order No. 1000. That is why WestConnect selected the alternative that if a proposed project's benefits are identified to include an entity not enrolled in the region (and therefore not within the reach of the region's Order No. 1000 cost allocation), that project is not eligible for Order No. 1000 cost allocation.¹⁴ To do otherwise would be to violate the Commission's Regional Cost Allocation Principle 1, and permit free ridership through the re-allocation of quantified benefits away from entities not subject to Order No. 1000 and not enrolled in the region, and onto the shoulders of enrolled entities.

F. Impact on Funding of Regional Transmission Planning Activities

Under the proposed WestConnect structure, annual funding responsibilities for WestConnect's administrative and planning functions of both Enrolled Transmission Owners and Coordinating Transmission Owners will be set forth in the Planning Participation Agreement, which is being developed to govern the rights and obligations of all PMC members. Historically, transmission owners that would make up the Coordinating Transmission Owner group have contributed approximately half (sometimes a little more than half) of the overall funding for WestConnect transmission planning activities. Providing a means for Coordinating Transmission Owners to

¹⁴ In this manner, cost allocation functions much like a project where all impacted parties have to agree to pursue the project before it moves forward.

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participate in the WestConnect regional planning process through membership on the PMC should help mitigate the anticipated increase in the cost to execute the WestConnect Order No. 1000 Regional Planning Process—costs which would otherwise fall on other PMC members. In other words, it avoids the harsh and burdensome cost impacts that would come with a structure that loses the financial contributions of Coordinating Transmission Owners to fund the regional planning process.

G. Impact on Interregional Cost Allocation

The proposed structure does not trigger any change to the eligibility criteria for interregional cost allocation. Under the common interregional tariff language presented to the Commission by all four Order No. 1000 planning regions in the West, including WestConnect, for an interregional project to be eligible for interregional cost allocation, it must be selected in the regional transmission plans of at least two of the four western planning regions. This requirement remains unchanged. As a result, if a proposed regional transmission project in the WestConnect Planning Region electrically interconnects with transmission facilities of a transmission owner located within, but not enrolled in, the WestConnect Planning Region, or is shown through the study process to provide quantifiable benefits to that transmission owner, the proposed regional project would not be eligible for Order No. 1000 cost allocation in the WestConnect Planning Region. This would not affect the eligibility of the project for interregional cost allocation among the other three regions in the West. Under the common interregional tariff language, a project that interconnects with, but is not selected by, an individual region remains eligible for selection by the other relevant regions.¹⁵

VI. PMC GOVERNANCE-RELATED COMPLIANCE CLARIFICATION

In response to the Commission's directive in the March 22 Order at P 139, the Filing Parties incorporated new language into Section III.A of their respective OATT Attachments Ks to clarify that the WestConnect Steering Committee, and other historical committees of WestConnect, are to have no right to approve or deny the actions of the new PMC. In other words, the PMC is to be independent of the other committees and activities of WestConnect.

VII. OPENNESS

In PP 51-55 of the March 22 Order the Commission directed the Filing Parties to clarify that closed executive sessions of the PMC would only be used to address matters outside the Regional Planning Process. The Filing Parties had no intent to exclude stakeholders

¹⁵ As is the case with any other proposed interregional project, any project that does not meet the requirements for cost allocation as an interregional project would be eligible for completion as a participant-funded project. In this case, the project would have a full analysis of benefits to assist in development discussions.

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from the Regional Planning Process; however, to address the Commission directive, the Filing Parties have added language to Section III.B.5.b of their respective OATT Attachment Ks clarifying that closed executive sessions of the PMC will be used for matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation. The Filing Parties believe these executive sessions, if necessary, will have no impact on the Regional Planning Process nor will they exclude stakeholders from meaningful participation.

In PP 51-57 of the March 22 Order the Commission also directed the Filing Parties to include the process for stakeholders to access and submit non-disclosure agreements with WestConnect planning members. The Filing Parties have included additional language in Section III.E.8 of their respective OATT Attachment Ks directing any entity wishing to access confidential information to the WestConnect website to access a non-disclosure agreement and instructions for submitting the agreement.

VIII. DISPUTE RESOLUTION

The March 22 Order directed the Filing Parties to further revise the dispute resolution section of their respective OATT Attachments to include all procedures to address disputes arising from the regional transmission planning process.¹⁶ The Commission noted that the Filing Parties' dispute resolution provision did not address disputes that might arise between PMC members.¹⁷

As part of the instant filing, the Filing Parties added a new section to the dispute resolution provisions of their respective OATT Attachments to address the Commission's directive. The new section describes the procedures applicable to disputes that might arise between members of the PMC, and requires that disputes, whether arising under the OATT Attachment or between PMC members, be initiated on a timely basis, as further described in the OATT Attachment. The procedures incorporate a process whereby (i) the disputing PMC members must first seek to resolve the dispute through negotiation and the adoption by the PMC of a recommended course of action; or (ii) if a resolution is not adopted by the PMC, alternatively, the disputing parties may refer the dispute to arbitration in accordance with the provisions of the Planning Participation Agreement. If the disputing PMC members are unable to resolve their dispute using the avenues described above, a disputing PMC member may refer either a procedural or substantive matter within the Commission's jurisdiction to FERC for resolution, such as by filing a complaint, request for declaratory order or a change in rate, in accordance with its rights under the Federal Power Act.

¹⁶ March 22 Order at 95.

¹⁷ *Id.*

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IX. COMPARABILITY

The Commission directed the Filing Parties to address the tariff's omission of a requirement that "WestConnect, after considering the data and comments supplied by customers and other stakeholders, will 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."¹⁸ In response, the Filing Parties have incorporated into Section III.B.1 of their respective OATT Attachment Ks a statement that "the PMC, after considering the data and comments supplied by customers and other stakeholders, is to develop a regional transmission plan that treats similarly-situated customers (e.g., network, retail network, and native load) comparably in transmission system planning." Filing Parties point out that the reference to "a transmission system plan that meets the specific service requests of their transmission customers" does not appear in the compliance tariff. This is because the PMC has no transmission customers, and does not receive or evaluate specific service requests for transmission service on any individual transmission system. The PMC can, and will, accept the charge that its development of the regional transmission plan not reflect the unduly discriminatory treatment of similarly-situated customers in transmission system planning. In addition, Section III.E.1 of the Filing Parties' respective Attachment Ks makes clear that the regional plan developed by the PMC is to identify projects that more efficiently or cost effectively meet identified regional transmission needs. With respect to the obligation to reliably satisfy individual transmission service requests on an individual transmission system, that obligation is left in the hands of each individual transmission provider in a manner consistent with the Commission's instructions in the March 22 Order at P 336 ("Order No. 1000 does not require that the transmission facilities in a public utility transmission provider's local transmission plan (whether developed individually or jointly) be subject to approval at the regional or interregional level, unless the public utility transmission provider seeks to have any of those facilities selected in the regional transmission plan for purposes of cost allocation").

Second, in P 89 of the March 22 Order, the Commission directed the parties to provide that sponsors of non-transmission alternatives are to have an opportunity to demonstrate that information required for a project submittal should not be required for a specific non-transmission alternative proposal, because that opportunity is afforded to sponsors of transmission proposals. The Filing Parties have done so in Section III.C.6 of their respective OATT Attachment Ks.

Third, in P 90 of the March 22 Order, the Commission found that the scope of the application of the Filing Parties' proposed \$25,000 project submittal fee "might be unjust, unreasonable, and unduly discriminatory." The Commission concluded that the filing fee appeared to have been developed for projects eligible for regional cost allocation, and then questioned its application to projects not eligible for regional cost allocation

¹⁸ March 22 Order at P 87.

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(identifying, specifically, non-transmission alternatives). In response, the Filing Parties have restructured the scope and method of collecting fees associated with studying projects for the regional transmission plan in Section III.C of their respective OATT Attachment Ks. First, any project may seek study by the PMC to address an identified regional need, without regard to whether the project seeks regional cost allocation. Second, all projects seeking to be studied by the PMC as a more efficient or cost effective solution to an identified regional need are to pay for the cost of such study, without regard to whether the project is a transmission project or a non-transmission alternative, and without regard to whether the project seeks regional cost allocation. Finally, the method of collecting reimbursement for such study costs has been changed from a \$25,000 flat fee to a structure somewhat more akin to the way in which generator interconnection study costs are collected (by submission of a \$25,000 deposit, subject to true-up based upon actual study costs). As restructured, the collection of study costs is comparable for all projects seeking study by the PMC to address an identified regional need.

X. OBLIGATION TO PLAN

In PP 116-119 of the March 22 Order, the Commission directed that the PMC may not solely rely on stakeholders and other interested parties to propose more efficient or cost effective solutions, finding that it has an affirmative obligation to identify solutions that more efficiently or cost effectively meet regional transmission needs, even in the absence of requests by stakeholders. In response, the Filing Parties have incorporated into Section III.E.1 of their respective OATT Attachment Ks a statement to make clear that the PMC has this affirmative obligation, even in the absence of requests by stakeholders. In addition, the Filing Parties have expanded the OATT Attachment K language to describe the process by which the PMC will conduct its regional analysis through power flow studies, production cost analyses and other methods. See OATT Attachment K Sections III.E.2, III.E.3, III.E.4, and III.E.5 for the additions.

XI. TRANSPARENCY

In P 61 of the March 22 Order, the Commission found that the original compliance tariffs complied with the transparency principle. The Commission simply cautioned in P 62 that as tariff revisions are developed to comply with other directives in the March 22 Order, the Filing Parties are to evaluate whether additional revisions are necessary to remain in compliance with the transparency principle. In response, the Filing Parties developed the instant compliance revisions with the transparency principle in mind. Not only was care taken not to erode the transparency reflected in the original as-filed compliance tariff, the Filing Parties expanded upon it by improving the description of how stakeholders may participate in each transmission provider's local transmission planning processes with respect to transmission needs driven by Public Policy Requirements in Section II.C of their respective OATT Attachment Ks.

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XII. INFORMATION EXCHANGE

In P 67 of the March 22 Order, the Commission concluded that WestConnect had not provided sufficient clarity about the timing of information submissions in the WestConnect Regional Planning Process. According to the Commission, the proposal “only generally describes the timing of such submissions and the notice that will be provided to stakeholders and other entities responsible for submission of such data.”¹⁹

To address this directive, the WestConnect Filing Parties have established a more detailed schedule of information submission windows for stakeholders providing information for the WestConnect Regional Planning Process. Under the proposed language, WestConnect will provide a window of at least 30 days whenever WestConnect requests information from members and stakeholders. This is consistent with the language in the WestConnect Filing Parties’ existing tariffs specifying a 30-day window for information requested from transmission customers, independent transmission developers and owners, merchant transmission developers, and transmission owners with load serving obligations. In addition, the proposed language clarifies that transmission project submittals and non-transmission alternative submittals that address an identified regional need may be made through the 5th quarter of the planning cycle.²⁰

XIII. INFORMATION REQUIREMENTS

Order No. 1000 required planning regions to identify the information that project sponsors must submit for any projects that project sponsor sought to have considered in the regional planning process.²¹ In the March 22 Order, the Commission found that the WestConnect Filing Parties had proposed sufficiently detailed information requirements, but also found that the WestConnect Filing Parties’ tariffs had not included in their tariff language all of the information requirements for proposed projects that are included in their draft Business Practices. To remedy this, the Commission directed the WestConnect Filing Parties to include in their tariffs the requirement that prospective project sponsors provide the project’s in-service date and other applicable requirements.²²

In compliance, the WestConnect Filing Parties have revised their respective tariffs so that the list of information that project sponsors must provide in order for a project to be considered in the regional plan includes the project in-service date, among other identified requirements for a project proponent to submit its project in the regional planning process to address an identified regional need.²³

¹⁹ March 22 Order at P 67.

²⁰ Proposed Attachment K Section III.C.5 (“Transmission Project Submittals”); Proposed Attachment K Section III.C.6 (“Submission of Non-Transmission Alternatives”).

²¹ Order No. 1000 at P 325.

²² March 22 Order at P 226. The Commission explained that these changes are only necessary if the WestConnect utilities intend to require that transmission project sponsors provide this information. *Id.*

²³ Proposed Attachment K Section III.C.5.

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To address possible impacts from the proposed transmission project on other regions, the information requirements for proposed projects will require that the sponsor provide transmission system impact studies showing the system reliability impacts on neighboring transmission systems or other transmission planning regions, including the identification of all costs associated with upgrades required to mitigate the adverse impacts on other transmission systems. If such studies are not available, the project sponsor can request that they be performed by WestConnect at the sponsor's expense as part of WestConnect's analysis of the proposed project.²⁴

XIV. MERCHANT TRANSMISSION DEVELOPERS

In the March 22 Order, the Commission held that the WestConnect proposed tariff language on merchant transmission developers partially complied with Order No. 1000.²⁵ However, the Commission concluded that WestConnect Filing Parties should clarify their OATTs to specify the information requirements for merchant transmission developers. In particular, the Commission found that the WestConnect Filing Parties had indicated that merchant transmission developers must submit the same project information as is required for other transmission projects submitted through the WestConnect Regional Planning Process, must have proper NERC registrations, and must comply with Reliability Standards, but that the proposed tariff language had not made this clear.

In compliance with the Commission's directive on merchant developers, the WestConnect Filing Parties have proposed clarifications to their tariff language. In the description of the information collection requirements of the regional planning process, the description of the information to be submitted by merchant transmission developers has been expanded to specify that merchant transmission developers are subject to the same Reliability Standards as transmission owners with load-serving obligations, and are responsible for NERC registration and compliance with Regional Reliability Standards and other applicable local, state, and federal requirements governing their activities.²⁶

XV. QUALIFICATION CRITERIA

In PP 217-218 of the March 22 Order, the Commission concluded that the WestConnect Planning Region did not include the qualification criteria that WestConnect would use to establish a potential transmission developer's eligibility to develop a transmission project selected in the WestConnect Regional Plan for purposes of cost allocation. As stated in Order No. 1000, these criteria "must provide each potential transmission developer the opportunity to demonstrate that it has the necessary financial resources and technical expertise to develop, construct, own, operate and maintain transmission facilities."²⁷ The

²⁴ Proposed Attachment K Section III.C.5.

²⁵ March 22 Order at P 144.

²⁶ Proposed Attachment K Section III.C.3.

²⁷ Order No. 1000 at P 323.

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instant filing complies with the Commission's directive on developer qualification criteria.

WestConnect Filing Parties have specified that any entity may propose projects for consideration in the regional planning process if they provide the relevant information, but has established separate qualification criteria for entities seeking to be eligible to develop projects selected in the regional plan for cost allocation. This is consistent with the Commission's clarification that these developer qualification criteria apply only to transmission developers seeking to be eligible to use the WestConnect regional cost allocation process to develop projects identified in the WestConnect Regional Plan for purposes of cost allocation, and that any entity that does not seek to itself develop projects should be eligible to propose projects for consideration in the Regional Plan without pre-qualification.²⁸ Thus, Section III.C.5 of Attachment K explains that any entity may "propose a project for selection in the Regional Plan" so long as the project proponent submits the necessary information and is "an active member in good standing within one of the five PMC membership sectors." To become a member of a PMC membership sector, an entity must execute the WestConnect Planning Participation Agreement, and pay any dues, and comply with the provisions (as applicable) under that agreement.²⁹ As the dues for membership sectors such as "transmission customers," "state regulatory commissions," and "key interest groups" are minimal, the requirement to execute the WestConnect Planning Participation Agreement should not prevent any entity from proposing a project that it does not intend to develop itself.

If any entity wishes to propose a project for selection in the regional plan for purposes of cost allocation and be eligible to develop that project, WestConnect has provided criteria that such developers must meet to demonstrate that they have the "necessary financial resources and technical expertise to develop, construct, own, operate and maintain transmission facilities."³⁰

²⁸ Order No. 1000 at P 324 n.304 ("[Q]ualification criteria . . . should not be applied to an entity proposing a transmission project for consideration in the regional transmission planning process if that entity does not intend to develop the proposed transmission project."); *PacificCorp*, 143 FERC ¶ 61,151 at P 156 ("Whether a transmission project is *proposed* during the regional transmission planning process is different than whether there is an entity qualified to *develop* such a project. Therefore, we direct Filing Parties to clarify in their OATTs that: (1) any entity may submit a transmission project into the regional transmission planning process for consideration for purposes of cost allocation; and (2) their proposed qualification criteria will only apply to a transmission developer that intends to develop a transmission project that it submits into the regional transmission planning process for purposes of cost allocation.").

²⁹ Proposed Attachment K Section III.A.2.a.

³⁰ March 22 Order at P 211. Although a prospective transmission developer may satisfy these criteria, this does not entitle that developer to construct, own, and operate a transmission project. As noted in Proposed Attachment K Section III.D.1, only governmental authorities have the authority to grant those rights. This is consistent with the Commission's statement that "Nothing in this Final Rule preempts or limits any obligations or requirements that a nonincumbent transmission developer may be subject to under state or local laws." Order No. 1000 at P 339. *See also* March 22 Order at P 269 ("The determination of which transmission developer may use the regional cost allocation method for a selected transmission project does not necessarily confer rights to construct the project.").

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These criteria, included in Section III.D of Attachment K, consist of the following:

- *Overview*: Section III.D.2.a requires a prospective developer to provide a brief overview of its capability to finance, own, construct, operate, and maintain regional transmission projects consistent with Good Utility Practice, including the prospective developer's history of constructing, owning, operating, and maintaining transmission projects.
- *Business Practices*: Section III.D.2.b requires a prospective developer to describe its processes and history of developing transmission projects, including the types of resources it brings to transmission projects, including relevant capability and experience contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way and land acquisition, construction and project management related to the construction of transmission projects.
- *Compliance History*: Section III.D.2.c requires a prospective developer to describe its compliance history related to violations of NERC and/or Regional Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any Alternate Qualifying Entity. This will provide valuable information to the PMC about the applicant's ability to comply with the regulatory requirements governing the development of transmission projects. To the extent the applicant and any Alternate Qualifying Entity it may rely upon to meet these criteria lacks such a compliance history, this section provides them the flexibility to provide equivalent information regarding any electric distribution or generation facilities it has developed, constructed, owned, operated and/or maintained.
- *Participation in the Planning Process*: Section III.D.2.d requires a prospective transmission developer to describe its participation in the WestConnect Regional Planning Process or other planning forums for the identification, analysis, and communication of transmission projects as a way of determining the applicant's participation in the industry's efforts related to transmission development.
- *Project Execution*: Section III.D.2.e requires a prospective transmission developer to explain why it has the capability and experience to comply with the on-going scheduling, operating, and maintenance activities associated with project development and execution.
- *Right-of-Way Acquisition Ability*: Section III.D.2.f requires a prospective transmission developer to describe its procedures and practices for addressing the transmission project siting and right-of-way acquisition requirements necessary for transmission development.
- *Financial Health*: Section III.D.2.g requires a prospective transmission developer to demonstrate that it is sufficiently creditworthy and has adequate capital

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resources to finance transmission projects. In order to provide the flexibility sought by the Commission in this area,³¹ WestConnect provides several methods by which applicants can demonstrate their financial health. An applicant can demonstrate that it has an investment grade credit rating from both S&P and Moody's. Alternatively, an applicant can provide corporate financial statements for the most recent five years. If an applicant does not have a credit rating and is less than five years old, the applicant can submit corporate financial statements for each year those statements are available. As an alternative, the applicant can provide copies of their guarantees, surety bonds, letters of credit or other forms of security for the PMC's review. If an applicant is providing financial statements, the applicant must provide the funds from operations-to-interest coverage ratio, the funds from operation-to-total debt ratio, and the total debt-to-total capital ratio. The applicant must also indicate the levels of these ratios that the applicant will maintain during and after construction of the transmission project.

- *Safety Program*: Section III.D.2.h requires a prospective transmission developer to demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record, and has executed its safety program.
- *Transmission Operations*: Section III.D.2.i requires a prospective transmission developer to demonstrate it has the ability to operate a transmission project after it is complete. This includes, among other things, demonstrating that the applicant has control center operations capabilities, the ability to obtain required path ratings, a NERC compliance process and compliance history, as applicable, the required NERC certifications or the ability to obtain any applicable NERC certifications, the ability to establish Total Transfer Capability, storm/outage response and restoration plans, and a record of past reliability performance, as applicable. Recognizing that transmission developers might rely on other entities for these capabilities, WestConnect asks that the applicant provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training.
- *Transmission Maintenance*: Section III.D.2.j requires a prospective transmission developer to demonstrate that it has an adequate transmission maintenance program or, alternatively, plans to develop such a program. Such a maintenance program would cover staffing and crew training and transmission facility and equipment maintenance. This would also address the applicant's record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program. Recognizing that transmission developers might rely on other entities for these capabilities, WestConnect asks that the applicant provide a statement of which entity will be maintaining the completed transmission facilities.
- *Regulatory Compliance*: Section III.D.2.k requires a prospective transmission developer to demonstrate that it has the ability (or plans to develop the ability) to

³¹ See, e.g., *Louisville Gas & Electric Co.*, 144 FERC ¶ 61,054 at P 154 (2013).

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comply with Good Utility Practice, WECC criteria and Regional Reliability Standards, NERC Reliability Standards, construction standards, industry standards, environmental standards, and applicable local, state, and federal permitting requirements, as these are the regulatory requirements most closely related to successfully developing, operating, and maintaining a regional transmission project.

- *Affiliation Agreements*: Section III.D.2.l provides a prospective transmission developer an opportunity to rely on other entities, called “Alternate Qualifying Entities,” to fulfill the transmission developer qualification criteria. This is consistent with Commission directives in other orders, which have stressed flexibility in the arrangements that prospective developers can rely upon to fulfill developer qualification criteria.³² Under the WestConnect proposal, a transmission developer can rely on its own qualification, the qualifications of a corporate affiliate, or the qualifications of an unaffiliated third-party that submits an affidavit stating its willingness to perform the tasks identified by the prospective transmission developer.
- *WestConnect Membership*: Section III.D.2.m requires a prospective transmission developer to either be a member of WestConnect in the Transmission Owners with Load Serving Obligations sector or Independent Transmission Developers and Owners sector or to agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and sign the Planning Participation Agreement. The Commission has accepted a similar commitment in another region.³³
- *Other*: Section III.D.2.n permits the applicant to provide any additional information about its project development experience that the applicant believes would demonstrate its expertise related to the developer criteria.

The necessary information demonstrating qualification under these criteria must be submitted by potential developers during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the

³² *Avista Corp.*, 143 FERC ¶ 61,255 at P 187 (2013) (“Given the potential for a prospective transmission developer to rely on third-party contractors to construct, own, operate and maintain transmission facilities, it is unreasonable to require such a developer to demonstrate that it has the capability to do so without also providing an opportunity for a transmission developer to satisfy this showing through reliance on relevant third-party experience.”); *Southwest Power Pool, Inc.*, 144 FERC ¶ 61,059 at P 227 (2013) (“that it is premature at the qualification stage to require a potential transmission developer to enter into executed contracts with any entity the transmission developer may rely on to meet the managerial qualification criteria.”).

³³ *Avista Corp.*, 143 FERC ¶ 61,255 at P 181 (“[W]e find reasonable the requirement that any transmission developer who intends to sponsor a transmission project in the ColumbiaGrid transmission planning region execute the Restated PEFA before requesting Order No. 1000 cost allocation for a transmission project that it proposed.”).

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discretion to extend the period for the submission of this information.³⁴ By September 30 each year, the PMC will notify each prospective transmission developer whether it has satisfied these criteria. If an applicant did not satisfy the criteria, the PMC will provide that applicant with 30 days to correct the deficiency and the PMC will notify the applicant within 45 days after receiving the new information whether the applicant has satisfied the qualification criteria.³⁵ Then, by December 31 each year, the PMC will post on the WestConnect website a list of the transmission developers who satisfy the transmission developer criteria. Transmission developers found to meet the qualification criteria are “Eligible Transmission Developers.”³⁶

By June 30 each subsequent year, Eligible Transmission Developers must submit a notarized letter to WestConnect stating that the developer continues to meet the qualification criteria or identifying changes to the information in its initial application. Each Eligible Transmission Developer that is not yet a WestConnect member and current on its membership dues must submit an annual certification fee, which is equal to the membership fee they would pay each year as a member of WestConnect. WestConnect members that are current on their membership dues need not submit this annual certification fee.³⁷ Equality in this area ensures that no entity is unduly advantaged or disadvantaged based on its membership or lack of membership in WestConnect.

Each Eligible Transmission Developer will have an ongoing obligation to notify the PMC chair of changes to the information provided in the developer’s transmission developer application. Such notifications must be submitted within 30 days of the change. After receiving notification of the change, the PMC will either (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer, (2) suspend the transmission developer’s eligibility status until any deficiency in the transmission developer’s qualifications is cured, (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency, or (4) terminate the transmission developer’s eligibility status.³⁸

The PMC has the authority to terminate a transmission developer’s Eligible Transmission Developer status if the Eligible Transmission Developer (1) fails to submit its annual certification letter, (2) fails to pay the applicable WestConnect membership fees, (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer, (4) informs the PMC that it no longer

³⁴ Proposed Attachment K Section III.D.2. This discretion ensures that the PMC can provide a larger submission window as needed to accommodate the many prospective transmission developers who will be preparing to submit this information for the first time.

³⁵ This is consistent with the Commission’s directive in other proceedings that regions provide “procedures for timely notifying potential transmission developers of whether they satisfy the qualification criteria and providing opportunities to remedy any deficiencies.” *PacifiCorp*, 143 FERC ¶ 61,151 at P 157 (2013).

³⁶ Proposed Attachment K Section III.D.3.a.

³⁷ Proposed Attachment K Section III.D.3.b.

³⁸ Proposed Attachment K Section III.D.3.b.

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desires to be an Eligible Transmission Developer, (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change, or (6) fails to execute the Planning Participation Agreement within a reasonable time defined by the PMC after seeking to be an entity eligible to use the cost allocation methodology for a project selected in the regional plan for purposes of cost allocation.

XVI. REEVALUATION PROCESS

In the March 22 Order, the Commission explained that Order No. 1000 requires public utility transmission providers in a region to set forth the circumstances under which they will reevaluate the regional transmission plan to determine if delays in the development of a transmission facility selected in the regional plan for purposes of cost allocation require evaluation of alternative transmission solutions.³⁹ The purpose of this requirement is to ensure that “adequate processes are in place to determine whether delays associated with the completion of a transmission facility selected in a regional plan for purposes of cost allocation have the potential to adversely affect an incumbent transmission provider’s ability to fulfill its reliability needs or service obligations.”⁴⁰ The Commission stated that while it interpreted the Filing Parties proposed language concerning reevaluation as addressing this requirement, the Commission directed the Filing Parties to revise their OATTs to the extent necessary to conform them to the Commission’s description of the requirements of Order No. 1000.⁴¹ In connection with this directive, the Commission further ordered the Filing Parties to revise their OATTs to: (1) allow an incumbent transmission provider to propose solutions that it would implement within its retail distribution service territory or footprint if an evaluation of alternatives is needed; and (2) if the proposed solution is a transmission facility, provide for the facility’s evaluation for possible solutions in the regional transmission plan for purposes of cost allocation.⁴²

As revised, the Filing Parties’ proposed reevaluation process is fully consistent with the Commission’s description of the requirements of Order No. 1000. Under the process set out in the Filing Parties OATT Attachment Ks, the PMC shall reevaluate the Regional Plan and transmission facilities selected in the Regional Plan for purposes of cost allocation to determine if alternative transmission solutions are necessary if: (1) a project is delayed and fails to meet its in-service date by more than 2 years; (2) there are changes to underlying projects characteristics or beneficiaries, including a project’s failure to secure a developer or a project developer’s non-compliance with the qualification criteria set out in the OATT Attachment Ks; (3) there are significant physical changes to the project, including rating changes and changes to the number of transmission elements or point of interconnection; or (4) there is a change in the calculation of benefits or the cost-benefit ratio of the project that may affect whether the project remains an efficient or cost

³⁹ March 22 Order at P 254.

⁴⁰ See Order No. 1000-A at P 477.

⁴¹ March 22 Order at P 254.

⁴² *Id.*

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effective solution to meeting regional needs. Individual projects are subject to reevaluation until: (1) state and federal approval processes are completed and approved; (2) all local, state, and federal siting permits have been approved; and (3) major construction contracts have been issued. When reevaluation is required, the PMC will determine whether alternative transmission solutions are needed using the same regional planning processes and procedures that it uses in identifying solutions to regional transmission needs. Further, consistent with the Commission's directive, if an alternative solution is needed, an incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service or footprint and may submit any proposed transmission project for possible selection in the Regional Plan for purposes of cost allocation.

The criteria established by the Filing Parties ensures that the PMC will consider the need for alternative transmission solutions anytime that a project fails to meet its in-service date by a prescribed period of time or the project exhibits other characteristics, such as project, developer, or system changes, that are hallmarks that a project will be delayed or ultimately will not be constructed. Thus, consistent with the Commission's discussion, the Filing Parties have established a process by which the PMC will engage in ongoing review of project delays and the need for alternative solutions and which ensures that any such delays will not adversely affect an incumbent transmission provider's ability to fulfill its reliability needs or service obligations.

Moreover, the process established by the Filing Parties meets the other requirements of the March 22 Order. The Filing Parties have revised Section III.E.7 of their respective OATT Attachment Ks to clarify that the PMC is required to reevaluate the Regional Plan— not just individual projects — and that only the PMC has the authority to modify the status of a transmission project selected for purposes of cost allocation from the Regional Plan. In addition, the Filing Parties proposed revisions establish defined triggers for reevaluation, provide additional detail concerning changes to costs and benefits that trigger reevaluation, and clarify that the PMC will reevaluate projects selected in the Regional Plan for purposes of cost allocation and the need for alternative transmission solutions using the same processes that it uses when evaluating projects for selection in the Regional Plan for purposes of cost allocation in the first instance. Also, the Filing Parties have eliminated the concept of voluntary participant funding of projects in its reevaluation criteria. Finally, the Filing Parties have clarified that local or single system projects that have been selected in the Regional Plan for purposes of cost allocation are subject to reevaluation and have eliminated the exemptions from reevaluation for planned transmission system upgrades selected in the plan for purposes of regional cost allocation and projects that have been approved by the PMC in previous planning cycles.

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XVII. TRANSMISSION NEEDS DRIVEN BY PUBLIC POLICY REQUIREMENTS IN LOCAL AND REGIONAL PROCESS

The March 22 Order set forth a variety of directives for the Filing Parties to further revise their respective OATTs to fully comply with the Order No. 1000 directives to consider transmission needs driven by public policy requirements in the local and regional transmission planning process. The Filing Parties instant filing contains various revisions, as summarized below, to satisfy these directives.

As required by the March 22 Order, the Filing Parties revised their respective OATT Attachment Ks to include a definition of public policy requirements.⁴³ Specifically, this definition is set forth in Section II.A.3.c of the Filing Parties respective OATT Attachment Ks and defines “Public Policy Requirements” to mean those requirements enacted by state or federal laws or regulations, including those laws enacted by local governmental entities, such as a municipality or county. This definition is used in both the Filing Parties’ local and regional transmission planning sections of the OATT Attachment Ks. The Filing Parties also revised their respective OATT Attachment Ks to explain their reference to the term “proposed public policy requirements”, as required by the Commission.⁴⁴ As a preliminary matter, the Filing Parties replaced the term “proposed public policy requirements” with the term “proposed public policy” in the OATT Attachment Ks, which more accurately reflects that such public policy has not yet been enacted and, therefore, is not yet a requirement. As used in the Filing Parties’ OATT Attachment Ks, “proposed public policy” refers to public policy that has been proposed before a governmental authority, but not yet enacted.⁴⁵

The terms “Public Policy Requirements” and “proposed public policy” are used in both the local and regional transmission planning sections of the Filing Parties’ OATT Attachment Ks. A summary of the other changes made to the Filing Parties’ respective OATT Attachments to address consideration of Public Policy Requirements in both the local and regional transmission planning processes is set forth below.

A. Consideration of Public Policy Requirements in the Regional Transmission Planning Process

In response to the Commission’s directives in the March 22 Order, the Filing Parties added provisions that describe how stakeholders can submit what they believe are transmission needs driven by Public Policy Requirements and how the proposed process for evaluating solutions to transmission needs in the regional transmission planning process provides an opportunity for stakeholders to provide input during the evaluation of potential solutions to identified needs.⁴⁶ In addition, the Commission directed the Filing

⁴³ March 22 Order at PP 168, 196.

⁴⁴ *Id.* at PP 169, 196.

⁴⁵ See Section II.A.3.c of the Filing Parties OATT Attachment Ks.

⁴⁶ March 22 Order at PP 170, 176.

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Parties to address how they would identify which transmission needs driven by Public Policy Requirements would be evaluated for solutions, among the larger set of transmission needs driven by Public Policy Requirements.⁴⁷

Regional transmission needs driven by Public Policy Requirements will be addressed initially within the local planning cycles of the Filing Parties through the consideration of local transmission needs driven by Public Policy Requirements. For those Public Policy Requirements that affect more than one transmission owner in the WestConnect Planning Region (as defined in the OATT Attachment Ks), a solution identified at the local level to satisfy the local needs of the affected transmission owners(s) may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region. As such, stakeholders will have the opportunity to first offer input on or make proposals of what they believe are transmission needs driven by Public Policy Requirements at the local transmission planning meetings held by the respective Filing Parties. Stakeholders will also have the opportunity to participate in the open meetings held under the Regional Planning Process (as defined in the respective OATT Attachment Ks) to discuss transmission needs driven by Public Policy Requirements and the evaluation of solutions to such needs. During these open meetings, stakeholders may propose transmission needs driven by Public Policy Requirements and possible solutions to such needs, or offer comments on proposals of others. Stakeholders that sign the WestConnect Planning Participation Agreement and become members of the PMC will perform regional transmission planning functions, which will also provide opportunities to identify regional transmission needs driven by Public Policy Requirements and develop solutions to those needs through membership on the PMC subcommittees.

Notice of both regional and local transmission planning meetings in which stakeholders may participate will be posted on the WestConnect website.

Finally, the Filing Parties revised their respective OATT Attachment Ks to describe a just and reasonable and not unduly discriminatory process for identifying the transmission needs driven by enacted Public Policy Requirements for which solutions will be evaluated in the regional transmission planning process. The Filing Parties also explain in their compliance filings how their open and transparent regional transmission planning process determines whether to move forward regarding transmission needs driven by Public Policy Requirements.⁴⁸

B. Consideration of Public Policy Requirements in the Local Transmission Planning Process

Each of the Filing Parties revised its respective OATT Attachment K to include new provisions⁴⁹ that address: “(1) procedures to identify transmission needs driven by public

⁴⁷ *Id.* at P 172.

⁴⁸ March 22 Order at P 172.

⁴⁹ See Section II.C of the respective Filing Parties OATT Attachment Ks.

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policy requirements that allow stakeholders an opportunity to provide input and to offer proposals regarding the transmission needs they believe are driven by public policy requirements, and (2) a just and reasonable and not unduly discriminatory process for identifying, out of this larger set of needs, those needs for which transmission solutions will be evaluated” in response to the Commission’s directives in the March 22 Order.⁵⁰ The new provisions describe how stakeholders will have a meaningful opportunity to submit what the stakeholders believe are transmission needs driven by Public Policy Requirements, and provides for an open and transparent transmission planning process in compliance with the March 22 Order by incorporating stakeholder input at various stages of the local planning process.⁵¹

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting the respective Filing Parties’ point of contact directly at the email address provided in its OATT Attachment K. Additionally, stakeholders may offer input on or make proposals for local transmission needs driven by Public Policy Requirements at the Filing Parties’ open meetings under its local transmission planning processes set forth in their OATT Attachment Ks.

The Filing Parties revised their respective OATT Attachment Ks to describe a just and reasonable and not unduly discriminatory process for identifying the local transmission needs driven by enacted Public Policy Requirements for which solutions will be evaluated in the regional transmission planning process. The Filing Parties also explain in their compliance filings how their open and transparent transmission planning process determines whether to move forward regarding local transmission needs driven by Public Policy Requirements.⁵²

Stakeholders may also participate in the evaluation of solutions to those local transmission needs driven by Public Policy Requirements that are selected by each Filing Party for further evaluation. Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs during the respective Filing Parties’ open local transmission planning meetings. After seeking the input of stakeholders, each Filing Party will determine whether to select a particular local solution in its local transmission plan using the same procedures used to evaluate any other project proposed in the local planning process.

Additionally, the Filing Parties included in these new provisions a requirement to post on each of their own respective websites: (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in its respective local planning studies; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

⁵⁰ March 22 Order at P 200.

⁵¹ *Id.*

⁵² *Id.*

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XVIII. OWNERSHIP RIGHTS

To address the Commission's concerns discussed in P 340 of the March 22 Order, the Filing Parties propose additional language to what was originally proposed in Section VII.B.5 of their respective OATT Attachment Ks. The additional language clarifies that the Filing Parties did not intend to create a right of first refusal for transmission beneficiaries, but instead intended ownership as an alternative if the parties involved negotiated an arm's length transaction that allowed an identified beneficiary to receive an ownership percentage of the project rather than paying an allocated share of project costs through transmission service payments. If the parties are unable to reach an agreement under the ownership scenario, the identified beneficiaries would remain obligated for its allocated share of project costs identified through the regional cost allocation methodology. The Filing Parties believe the proposed language allows for flexibility for both the project developer and identified beneficiaries while still meeting the Commissions objectives for cost allocation.

The OATT Attachment K language proposed by the Filing Parties in Section VII.B.5 clarifies two things. First, it provides for an identified beneficiary to receive transfer capability on a project in exchange for its allocation of cost. Second, it provides an alternative through which an identified project beneficiary that contributes capital toward the construction of a regional transmission project (in lieu of making transmission service payments for transfer capability on a transmission project) to obtain, should it so elect and only upon the agreement of the project developer, a proportionate ownership interest in the project. The proposed language also affords an entity that is willing to front a portion of the cost of a project the opportunity to be fairly compensated for its contribution and in a manner proportionate to its investment in the project, no greater and no less, and opens up the opportunity for a transmission developer to secure capital contributions for its project (a choice a developer may find, in certain instances, superior to the option of securing service subscriptions). Additionally, providing an ownership option (in lieu of transmission service payments) allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option. Under either scenario, ownership or transmission service, such rights are limited to the extent of the benefit gained by the identified project beneficiary.

XIX. COST ALLOCATION, EVALUATION PROCESS FOR SELECTION IN PLAN FOR PURPOSES OF COST ALLOCATION

The Filing Parties have proposed changes to the language in their respective OATT Attachment Ks addressing the Commission's directives in the March 22 Order regarding cost allocation and the evaluation process for selection in the regional transmission plan for purposes of cost allocation. These proposed changes are as follows:

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A. Evaluation Process for Transmission Proposals for Selection in the Regional Transmission Plan for Purposes of Cost Allocation

1. Evaluation and Selection Process for Projects and the Role of Each WestConnect Committee and/or Subcommittee.

To address the Commission's issues discussed in P 238 of the March 22 Order regarding the role of certain WestConnect Committees in the process for determining the selection of a project in the regional transmission plan for purposes of cost allocation, the Filing Parties have added language to Section III.B.5.b of their respective OATT Attachment Ks that provides additional detail on the role of the PMC in the management of the WestConnect Regional Planning Process. Additionally, the PMC is responsible for the creation of and dissolving of subcommittees such as the Planning Subcommittee and Cost Allocation Subcommittee that provide recommendations to the PMC concerning the evaluation and selection process for projects to be included in the plan for purposes of cost allocation that address identified regional needs.

2. The Role of a Local Transmission Plan in the PMC Selection Process of a Regional Reliability Transmission Project

The Filing Parties have added language to Section III.E.2 of their respective OATT Attachment Ks to address the Commission's issue in P 242 of the March 22 Order, that a local transmission owner's willingness to modify its local transmission plan should not impact the PMC's selection of a more efficient or cost effective regional transmission project for purposes of cost allocation. In Section III.E.2, the Filing Parties state: "Because local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects." These revised provisions comport with the Commission's clarification on this issue in Order No. 1000-A at P 190 ("we also clarify that we do not require that the transmission facilities in a public utility transmission provider's local transmission plan be subject to approval at the regional or interregional level, unless that public utility transmission provider seeks to have any of those facilities selected in the regional transmission plan for purposes of cost allocation").

B. Cost Allocation for Transmission Projects Selected in the Regional Transmission Plan for Purposes of Cost Allocation

1. Binding Cost Allocation on Identified Beneficiaries

To address the Commission's issues discussed in P 309 of the March 22 Order regarding binding cost allocation on identified beneficiaries, the Filing Parties have added a new Section VII.B.10 to their respective OATT Attachment Ks. Section VII.B.10 states that

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the cost allocation methods, as provided in Section VII of the Filing Parties OATT Attachment Ks, are binding on the Enrolled Transmission Owners identified as beneficiaries, without prejudice to certain rights and obligations:

- (a) The right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of cost allocation;
- (b) The right and obligation of a transmission developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of cost allocation;
- (c) The right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable proceeding initiated by a transmission developer under the Federal Power Act, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and
- (d) The right and obligation of the Commission to act under Section 205 or other applicable provision of the Federal Power Act to approve or deny any cost recovery sought by a transmission developer for a transmission facility selected in the regional plan for purposes of cost allocation.

2. Clarification of Which Entities may be Allocated Costs for Reliability Projects Selected for Purposes of Cost Allocation

To address the Commission's issues discussed in P 313 of the March 22 Order, the Filing Parties have added a statement to Section VII.B.1 of their respective OATT Attachment Ks that states that the ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner, and that the costs of reliability projects will be allocated to enrolled transmission owners identified as beneficiaries.

3. Clarification of the Allocation of Costs Less Than or Equal to One Percent of Total Benefits for an Economic Transmission Project Selected for Cost Allocation

To address the Commission's issues discussed in P 315 of the March 22 Order regarding allocation of costs less than or equal to one percent of total benefits for an economic transmission project selected for cost allocation, the Filing Parties have added a statement to Section VII.B.2 of their respective OATT Attachments to clarify that: "Where a

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project satisfies the B/C ratio, is selected in the regional plan for purposes of cost allocation, and is determined to provide benefits less than or equal to one percent of total project benefits to an Enrolled Transmission, such benefits will be re-allocated to all other enrolled identified beneficiaries on a pro-rata basis, in relation to each entity's share of total project benefits.”

4. Clarification of Which Entities may be Allocated Costs for Economic Projects Selected for Purposes of Cost Allocation

To address the Commission's issues discussed in P 316 of the March 22 Order regarding the entities which may be allocated costs for economic projects selected for purposes of cost allocation, the Filing Parties have added a statement to Section VII.B.2 of their respective OATT Attachments that states that: “The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the enrolled transmission owners that show a benefit based on the amount of benefits calculated to each respective transmission owner.”

5. Explanation of the Determination of Whether Multiple Types of Benefits will be considered for a Single Transmission Project

To address the Commission's issues discussed in P 318 of the March 22 Order regarding the determination of whether multiple types of benefits will be considered for a single transmission project, the Filing Parties have provided additional clarification in Section VII.B.4 on this point, stating that interested stakeholders are given the opportunity to provide input to determine whether to consider multiple benefits for a single transmission project, in accordance with Section III (the Regional Transmission Planning Process). Further, the Filing Parties also describe the steps that the PMC will utilize in the determination of whether to consider multiple benefits for a single project, including categorizing the benefits as: (a) meeting NERC Transmission Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements. The PMC will identify all three benefits through the regional cost allocation process, and if the project cannot pass the cost allocation threshold for any one of the three benefit categories alone, the sum of benefits from each benefit may be considered.

6. Calculation of Benefit to Cost Ratios for Economic Transmission Projects

To address the Commission's issues discussed in P 322 of the March 22 Order regarding calculation of benefit to cost ratios for economic transmission projects, the Filing Parties have added clarifying language in Section VII.B.2 of their respective OATT Attachment Ks. The additional language states that in order for an economic project to be considered economically justified and receive cost allocation, it must have a benefit to cost ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of

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at least 1.25 under all reasonable scenarios evaluated. The Filing Parties have also included a description of how scenario analyses will be used to ensure that benefits for economic project selected for cost allocation and involving more than one system will be attributed to the beneficiary enrolled transmission owners. The clarification language also incorporates an example of how an aggregate load-weighted benefit to cost ratio calculation will be used to allocate costs of a project to the enrolled transmission owners, based on the extent of each of the enrolled transmission owners economic benefits received, relative to the total project benefits.

7. Consequences of a Transmission Facility Selected in the Regional Transmission Plan for Purposes of Cost Allocation on a Transmission System in Another Region

To address the Commission's issues discussed in P 323 of the March 22 Order regarding the consequences of a transmission facility selected in the regional transmission plan for purposes of cost allocation on a transmission system in another region, the Filing Parties have added a new Section VII.B.11 to their respective OATT Attachment Ks, to address the "Impact of a Regional Project on Neighboring Planning Regions." Under Section VII.B.11, the Filing Parties state that the PMC will study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions resulting from: a) the WECC Path Rating Process; b) under FERC OATT requirements; c) under NERC Reliability Standards requirements, and/or d) under any negotiated arrangements between the interconnected entities. In agreeing to study the impacts of a regional transmission facility on neighboring planning region, the PMC is not agreeing to bear the cost of any mitigation measures it identifies, and will request that developers design and build projects to mitigate the project's identified impacts on neighboring planning regions. Any costs involved in the mitigation shall be included in the regional transmission project's total project costs for purposes of determining the projects eligibility for regional cost allocation under Section VII.B. The Filing Parties state that the WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Authority Area, or any other entity, for the costs of any required mitigation measure, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region.

8. Documentation on Regional Cost Allocation for Reliability and Public Policy Transmission Projects

To address the Commission's issues discussed in P 325 of the March 22 Order regarding documentation of regional cost allocation for reliability and public policy transmission projects, the Filing Parties have incorporated an additional statement in each of Section VII.B.1 and Section VII.B.3 of their respective OATT Attachment Ks, stating that the

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manner in which WestConnect Regional Planning Process applies this methodology for cost allocation shall be described in the Regional Transmission Plan.

9. Production Cost Savings, Reserve Sharing Requirements and Documentation for Economic Transmission Projects

To address the Commission's issues discussed in P 326 of the March 22 Order regarding production cost savings, reserve sharing requirements and documentation for economic transmission projects, the Filing Parties have incorporated additional language in Section VII.B.2 of their respective OATT Attachment Ks. Specifically, the Filing Parties state that production cost savings are to be determined by the PMC performing a production cost simulation that models the impact of the proposed transmission project on production costs and congestion. The production cost savings and reductions in reserve sharing requirements will be calculated as the reduction in production costs between a production cost simulation with the project included, as compared to a production cost simulation without the project. The PMC will identify a transmission project's impact on reserve sharing requirements as it applies to the individual transmission systems involved. The Filing Parties intend that the following production cost principles be applied and that the production cost models appropriately consider the hurdle rates between transmission systems.

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least 10 years.
- Cost savings must be expressed in present-value dollars and consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system.
- The production cost study must account for contracts and agreements related to the access and use of generation.

The Filing Parties have also included language to provide stakeholders several different ways to acquire information regarding how the PMC applies the regional cost allocation method for an economic transmission project to a transmission facility.

XX. LOCAL TRANSMISSION PLANNING PROCESSES

In P 353 of the March 22 Order the Commission directed the Filing Parties to identify and justify changes to the Local Transmission Planning sections of their respective OATT Attachment Ks.⁵³ APS made several changes in the Local section it believes were done to conform to the directives of Order No. 1000 or to be consistent with the Regional Planning Section of the OATT Attachment.

⁵³ The transmission planning process for Arizona Public Service Company is incorporated into Attachment E of its OATT.

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First, APS inserted the word “local” throughout Section II of the OATT Attachment E to differentiate the local process from the regional process. Second, APS replaced the term “demand response” with “Non-Transmission Alternatives” throughout Section II of the OATT Attachment E to be consistent with Order No. 1000 terminology. APS believes the use of the term Non-Transmission Alternatives, rather than individual non-transmission alternatives such as demand response, is consistent with the directives in Order No. 1000.

Third, APS made two changes it believed were needed to conform to the Commissions directives for stakeholder participation and transparency in Order No. 1000. In Section II.A.2 APS corrected the link to the WECC non-disclosure agreement needed to access confidential or proprietary data. Additionally, in Section II.B.2.j APS clarified that it uses a SWAT distribution list to notify stakeholders of upcoming local planning meetings rather than its own distribution list.

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XXI. REQUEST FOR EFFECTIVE DATE AND ACCEPTANCE FOR FILING

In PP 24, 28, and 29 of the March 22 Order the Commission expressed concern with the Filing Parties proposal to tie the effective date of their respective OATT Attachment Ks with final Commission action and the apparent inconsistency between the implementation date for the Order No. 1000 planning process and the effective date of the OATT Attachments. In the instant filing, the Filing Parties propose an effective date of January 1 of the year following FERC conditional or full acceptance of the instant filing. Should this proposal result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in that odd-numbered year and begin its full biennial process in the following even-numbered year.

The Filing Parties believe this proposal gives FERC and WestConnect flexibility to allow for a January 1, 2014 effective date if the Commission chooses to issue an order prior to the end of 2013 and also gives some certainty to the parties participating in the WestConnect Planning Region that the effective date will be January 1, 2015 if the Commission issues an order after the end of 2013. WestConnect also will need to begin the full biennial planning process on an even-numbered year to align with its interregional neighbors, Northern Tier Transmission Group, ColumbiaGrid, and the California Independent System Operator. In the interim, while the Commission reviews the instant filing, WestConnect plans to continue transition efforts to the extent it can prior to Commission acceptance.

Sincerely,

Raymond C. Myford
Manager, Federal Regulation

APS ATTACHMENT E
Transmission Planning Process

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Attachment 1

I. Overview of the APS Transmission Planning Process

Arizona Public Service Company (APS) is a vertically integrated public utility engaged in the business of generating, transmitting and distributing electricity in eleven of Arizona's fifteen counties. APS provides electric transmission and related reliability services under state and federal statutes and regulations. APS's transmission planning process is based on the following three core objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to the transmission facilities under its control.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

APS's transmission planning process is intended to facilitate a timely, coordinated and transparent process --- one that facilitates the development of electric infrastructure in order to maintain reliability and meet load growth so that APS can continue to provide reliable and economic transmission service.

The APS transmission planning process includes a series of open planning meetings that APS will conduct at least twice a year to allow anyone including, but not limited to, network and point-to-point transmission customers, sponsors of transmission solutions, generation solutions and solutions using non-transmission alternatives (NTAs), interconnected neighbors, regulatory and state bodies and other stakeholders input into and participation in all stages of APS's transmission plan development.

In addition to its local transmission planning process, APS coordinates its transmission planning with that of other transmission providers and stakeholders in the desert southwest area, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission (SWAT) planning group, membership in WestConnect,¹ membership in the Western Electricity Coordinating Council (WECC) and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS).

¹ WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered into by FERC jurisdictional and non-jurisdictional transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Following the effective date of APS's September 20, 2013 Order No. 1000 compliance filing, the WestConnect Order No. 1000 regional transmission planning management committee will commence the regional transmission planning process under the principles set forth in FERC's order *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), et al. (collectively, "Order No. 890"), and carried forward in FERC's order *Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), et al. (collectively, "Order No. 1000").

Three subregional planning groups operate within the WestConnect footprint: SWAT, Colorado Coordinated Planning Group (CCPG) and the Sierra Subregional Planning Group (SSPG). WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (the WestConnect STP Project Agreement), dated May 23, 2007 (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). APS is a signatory to this Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection level.

II. APS Local Transmission Planning

A. APS Planning Process

1. APS and Stakeholder Alternative Solutions Evaluation Basis

APS's local planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Section II.A.5 of this Attachment E), including transmission solutions, generation solutions and solutions utilizing NTAs, whether presented by APS or another stakeholder, are evaluated on a comparable basis. The same criteria and evaluation process is applied to competing solutions and/or projects, regardless of type or class of stakeholder. Solution alternatives are evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or North American Electric Reliability Corporation (NERC) Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with state or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.

2. Confidential or Proprietary Information

APS's transmission local planning studies may include base case data that are WECC proprietary data or classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC or Commission). A stakeholder must hold membership in or execute a non-disclosure agreement with WECC in order to obtain requested base case data from WECC (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). A stakeholder may obtain APS transmission information classified as CEII information from APS by following APS's CEII Business Practice which is posted on APS's OASIS website (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

3. Types of Planning Studies; Consideration of Public Policy Requirements

a) Transmission Planning Studies. APS will conduct local reliability studies to ensure that all NERC, WECC, and local reliability standards are met for each year of the ten year planning horizon, including all APS customers' requirements for planned loads and resources, including NTAs.

These reliability planning studies will be coordinated with the other subregional transmission providers through the SWAT studies.

b) **Economic Planning Studies.** Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions, and solutions utilizing NTAs, (iii) the associated costs of congestion, (iv) the costs associated with relieving congestion through system enhancements (or other means) and, as appropriate (v) the economic impacts of integrating new resources and loads. APS will perform, or cause to be performed, economic planning studies at the request of any transmission customer or stakeholder. All economic planning studies performed, either by APS or TEPPC, will utilize the TEPPC public database.

c) **Consideration of Public Policy Requirements.** For purposes of this Attachment E, “Public Policy Requirements” means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. For example, APS incorporates Public Policy Requirements in accordance with Arizona renewable portfolio standards and resource adequacy plans in its transmission planning analysis. Proposed public policy (public policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

4. APS Transmission Local Planning Study Process

a) **Overview.** APS’s local transmission planning process consists of an assessment of the following needs:

(1) Provide adequate transmission to access sufficient resources in order to reliably and economically serve retail and network loads;

(2) Where feasible, identify NTAs, such as demand response resources, that could meet or mitigate the need for transmission additions or upgrades;

(3) Support APS’s local transmission and subregional transmission systems;

- (4) Provide for interconnection of new generation resources;
 - (5) Coordinate new interconnections with other transmission systems;
 - (6) Accommodate requests for long-term transmission access; and
 - (7) Consider local transmission needs driven by Public Policy Requirements.
- b) APS Transmission Local Planning Cycle
- (1) Calendar Year Planning Cycle. APS conducts its local transmission planning on a calendar year cycle for a ten year planning horizon.
 - (2) Annually Updated Ten Year Plan. APS updates its ten year plan annually. APS publishes an annual Ten Year Transmission Plan document, which identifies new 115 kV and above transmission lines and new substations. The Ten Year Plan document is filed at the end of January each year with the Arizona Corporation Commission (ACC).²
- c) Transmission Customer's Responsibility for Providing Data
- (1) Use of Customer Data. APS uses the information provided by its transmission customers to, among other things, assess network load and resource projections (including NTAs), transmission needs, operating dates and retirements for generation resources in APS's system and update regional models used to conduct planning studies.
 - (2) Submission of Data by Transmission Customers. Transmission customers are required pursuant to the APS Open Access Transmission Tariff (OATT), to submit their ten year projected network load and network resources (including NTAs) to APS on an annual basis. APS requires that network transmission customers submit this information electronically to apstransmission@aps.com by September 1 each year (as required in the APS Operating Agreement under its OATT). All other transmission customers must also submit this information

² The ACC's Biennial Transmission Assessment (BTA) process, in coordination with SWAT, evaluates the Arizona transmission providers' filed ten year plans and other study reports on a biennial basis. The BTA allows for and encourages stakeholder review, input and comment on the ACC's assessment of the plans, as published in the ACC's Biennial Transmission Assessment Report.

electronically to apstransmission@aps.com by September 1 each year in order to be included in the local transmission planning process for the transmission plans that APS will submit to the ACC the following January.

(3) Transmission Customer Data to be Submitted. To the maximum extent practicable and consistent with protection of proprietary information, data submitted by network transmission customers and other transmission customers should include for the ten year planning horizon:

(a) Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and environmental restrictions.

(b) Non-Transmission Alternatives – include, but are not limited to, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines. Such alternatives are Distributed Generation resources and Demand Side Management (load management), such as Energy Efficiency and Demand Response (e.g., interruptible load) programs, energy storage facilities, and smart grid equipment that can help eliminate (or mitigate) a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by Public Policy Requirements.

(c) Network Customers – forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.

(d) Point-to-Point Transmission Customers – projections of need for service over the planning horizon, including transmission capacity, duration and receipt and delivery points.

(4) Notification of Material Changes to Customer Data. Each transmission customer is responsible for submitting timely written notice to APS of material changes in any of the information previously provided to APS related to the transmission customer's load, resources (including NTAs) or other aspects of its facilities or operations which may, directly or indirectly, affect APS's ability to provide service.

d) Stakeholder Participation

(1) During its 2nd Quarter public planning meeting, APS will (a) review its current study plan with stakeholders; (b) provide an opportunity for stakeholder input on any aspect of APS's current study plan, including but not limited to, methodology, study inputs, Public Policy Requirements, and potential stakeholder-suggested transmission needs driven by Public Policy Requirements, and study results (including NTAs); (c) review any stakeholder proposals previously submitted to APS for study plan alternatives; (d) invite the submittal of additional stakeholder study plan proposals for review and discussion; and (e) provide updates on APS's planned projects.

After the 2nd Quarter meeting but not less than thirty (30) days before the 4th Quarter meeting, APS will post on its OASIS an explanation of those transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process and an explanation of why any suggested transmission needs driven by Public Policy Requirements will not be evaluated.

(2) During its 4th Quarter public planning meeting, APS will present a draft of its Ten Year Plan for the following calendar year for stakeholder review and comment.

e) Coordination of Transmission Study Cycle with SWAT and WestConnect Study Cycle. APS will coordinate the timing of its local transmission planning study cycle process with the development of the assumptions, coordinated base cases, and power flow cases performed within the SWAT and WestConnect planning group, which is open to participation by all interested parties.

f) APS Point of Contact for Local Reliability Study Requests. APS will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions and data underlying system plans.

g) APS Local Study Criteria and Guidelines. Customers should refer to the APS Transmission Planning Process and Guidelines (APS Planning Guidelines) for APS planning criteria, guidelines, assumptions and data. The APS Planning Guidelines are posted on the APS OASIS (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

5. APS Economic Planning Study Process

a) Requesting Economic Planning Studies. Any APS transmission customer or other stakeholder, including sponsors of transmission solutions, generation solutions and solutions using NTAs, (Customer) may submit an economic planning study request for an economic planning study directly to APS, WestConnect, or TEPPC (see APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). The Customer must submit its study request(s) no later than October 31 each year if the Customer wants APS to review such request with stakeholders in its 4th Quarter open public planning meeting. All requests must be submitted to APS electronically at apstransmission@aps.com. APS will coordinate the timing of its economic planning study cycle process with the WestConnect TEPPC planning processes.

b) APS Process for Handling Economic Study Requests. APS shall manage any economic planning study requests it receives under this Attachment E in the following manner:

(1) TEPPC Master List. APS shall forward the request to TEPPC for inclusion in the TEPPC Master List of economic planning studies for the Western Interconnection. (See APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

(2) Stakeholder Review of Economic Transmission Study Requests. APS shall review local requests in an APS open public planning meeting. Based on stakeholder input, APS shall determine whether (i) the study request should be classified a local priority request and performed by APS; (ii) whether the study request encompasses a region, in which case APS will transfer the request to WestConnect for consideration as a regional priority request at WestConnect's stakeholder meeting; or (iii) whether the study request encompasses the Western Interconnection, in which case APS will transfer the request to TEPPC for consideration as a Western Interconnection priority request at TEPPC's stakeholder meeting. The criteria WestConnect utilizes to prioritize requests for regional economic studies is described in Section III.E.3, below. The criteria TEPPC utilizes to prioritize requests for Western Interconnection economic studies are posted on the TEPPC page of the WECC website (see APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

(3) Criteria Used to Determine Whether a Transmission Planning Study Request is a Local Study Request. Based in part on the number and type of local study requests received, APS shall consider the following criteria to determine whether the economic transmission planning study request is a local study request:

(a) Whether the study request does not affect interconnected transmission systems; and

(b) The remedies are confined to the APS transmission system and resolved within the APS transmission system.

(4) Criteria Used to Determine Whether a Local Study Request Qualifies as a Local Priority Economic Transmission Planning Study Request. APS shall consider the following criteria to determine whether a local study request qualifies as a local priority economic transmission planning study request:

(a) Which portion(s) of the APS local transmission system shall be under consideration in the study.

(b) Whether the request raises fundamental design issues of interest to multiple parties.

(c) Whether the request raises public policy issues of national, regional or state interest.

(d) Whether the objectives of the study can be met by other existing or planned studies.

(e) Whether the study shall provide information of broad value to customers, regulators, transmission providers and other interested stakeholders.

(f) Whether similar requests for studies or scenarios can be represented generically if the projects are generally electrically equivalent.

(g) Whether requests can be aggregated into energy or load aggregation zones with generic transmission expansion between them.

(h) Whether the study request requires the use of production cost simulation or can it be better addressed through technical studies, *i.e.*, power flow and stability analysis.

(5) Economic Transmission Planning Study Requests Determined to be a Local Priority Request. If APS determines that the study request is a local priority request, APS will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors. APS will have no obligation to conduct and pay for more than three (3) priority local economic planning studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a priority local economic planning study. Additionally, unless studied as a cluster, each approved study request will be studied in the order in which it was received. If APS receives more than three (3) requests for local economic studies that are determined to be priority local requests, in the calendar year, the Customer of a non-conducted priority local economic planning study may request, and APS will provide, APS's assistance in having a third party perform the economic planning study at the Customer's expense. The Customer will have use of the TEPPC economic study data base and APS will support the Customer in coordinating the study as necessary through local, subregional or regional planning groups.

c) Process for Handling Economic Study Requests Received by TEPPC. TEPPC will review economic planning study requests received from either transmission providers or from Customers directly. TEPPC shall review such study requests during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic transmission planning studies in accordance with TEPPC's Transmission Planning Protocol. APS shall participate in the TEPPC prioritization process and provide input as to whether a study request should be included in the TEPPC study plan. The Customer is also encouraged to participate and provide input in the TEPPC prioritization process. Additionally, WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. For more detail regarding the TEPPC economic planning study process, see the TEPPC Transmission Planning Protocol (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

d) Low Priority Economic Study Requests. If either APS, WestConnect and/or TEPPC determines, after reviewing, through an open stakeholder process, that the requested economic planning study is not a priority study, the Customer may request APS's assistance in having a

third party perform the economic planning analysis at the Customer's expense. The Requester will have use of the TEPPC economic study data base and APS will support the Requester in coordinating the study through local, subregional or regional planning groups.

e) Clustering Local Priority Economic Studies. APS may determine that any number of Customer's economic planning study requests should be studied together or a Customer may request that APS study its request together with other requests. APS will consider the following criteria to determine whether to cluster priority local economic studies, both on its own volition and in response to a Customer's request:

(1) APS-Proposed Clusters

In the event that APS proposes to cluster certain priority local economic planning studies on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster studies are sufficiently similar from an electrical perspective to be feasibly and meaningfully studied as a group, it shall provide notice to each Customer that it proposes to include in the study. Each Customer shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from APS.

(2) Customer-Proposed Clusters

If a Customer wishes to propose a cluster study, prior to submitting an economic planning study cluster request to APS, the Customer must contact all of the other Customers whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. APS will determine whether, in its reasonable judgment, the local economic planning study requests that the Customer proposes to cluster and for which the other affected Customers have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. APS reserves the right to reject a Customer-proposed cluster on any reasonable grounds, including, without limitation, APS's determination that the proposed cluster cannot be feasibly studied as a group or that the proposed clustering impairs administration or timely processing of the economic study process. APS will make the determination whether to reject a proposed cluster and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Customers that propose to be clustered.

f) Cost Responsibility for Economic Studies

- (1) Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.5.b.5, including clustered priority local economic planning studies selected pursuant to Section II.A.5.e, will be performed or caused to be performed by APS at APS's expense. APS shall recover the costs of such studies through its transmission rates.
 - (2) Priority Regional Economic Planning Studies. Regional economic studies performed by TEPPC will be funded by WECC.
 - (3) Other Local Study Requests. Local economic study requests not selected pursuant to Sections II.A.5.b.5 or II.A.5.e, will be performed at the transmission customer's expense. At the Customer's request, APS may perform the study or work with the transmission customer and its third party contractor.
- g) Exchange of Data Unique to Economic Planning Studies.
- (1) Data Used for Economic Planning Studies. APS obtains all data used for its economic planning studies from the TEPPC database.
 - (2) Request for Base Case Data. Customer's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.
 - (3) Posting of Requesters' Requests for Economic Planning Studies. Customer's Request for economic planning studies and responses to such requests shall be posted on the APS OASIS (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf) and the WestConnect website (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf), subject to confidentiality requirements.
- h) APS Point of Contact for Study Requests. APS will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying economic planning studies.

B. APS Open Public Meetings – Overview

APS will hold at least two open public planning meetings a year, typically in the 2nd quarter and the 4th quarter, in coordination with the SWAT open public transmission planning meetings. This will allow and encourage customers, sponsors of transmission

solutions, generation solutions, NTAs, solutions using demand resources, interconnected neighbors, regulatory and state bodies and other stakeholders to participate in a coordinated, nondiscriminatory process for development of the APS local transmission plan.

1. Purpose and Scope. APS's open public transmission planning meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to APS during all stages, including the early stages, of its local transmission planning. These public transmission planning meetings will serve to:

a) Provide a forum for open and transparent communications among Arizona transmission providers, state regulatory authorities, customers, sponsors of transmission solutions, generation solutions, NTAs, solutions using demand resources, and other interested stakeholders.

b) Promote discussion of all aspects of the APS local transmission planning activities, including, but not limited to, methodology, study inputs and study results.

c) Provide a forum for APS to understand better the specific electric transmission interests of key stakeholders.

2. APS Public Local Planning Meeting Process.

a) Open Stakeholder Meetings. All public local planning meetings will be open to all stakeholders.

b) APS Local Planning Meeting Schedule. APS will establish its public local planning meeting schedule as needed, but will hold meetings no less than twice annually.

c) Meeting Purpose: Meetings will be conducted to (i) allow APS to maximize its understanding of its customers' forecast needs for the APS transmission system; (ii) offer customers, sponsors of transmission solutions, generation solutions and solutions using NTAs, and other stakeholders an opportunity to be informed about, and offer input and advice into, the APS transmission system and local planning process, as well as to propose alternatives for any upgrades identified by APS; (iii) review study results; and (iv) review local transmission plans.

d) Coordination with SWAT and/or WestConnect Meetings. APS's local transmission planning process will be coordinated with SWAT through quarterly planning meetings.

e) Posting of Meeting Notices. All meeting notices, including date, time, place and draft meeting agenda, will be posted on the APS OASIS (see APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf), and the WestConnect website (see APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf) and circulated to the APS distribution list at least thirty (30) days prior to the APS public local planning meeting.

f) Posting of Study Plans and Planning Results. Local study plans and planning results will be posted on the APS OASIS and WestConnect website at least two (2) weeks prior to the APS public local planning meeting.

g) Meeting Process. At the APS public local planning meetings, APS shall (i) review its local transmission planning process and current local study plan with stakeholders; (ii) request stakeholder review of the current local study plan; (iii) provide an opportunity for comment on any aspect of its local transmission planning process; (iv) invite the submittal of local transmission study requests from stakeholders for review and discussion; (v) review local economic planning study requests; and (vi) provide updates on its planned projects. During the meeting, and for fifteen (15) calendar days following the meeting, all stakeholders and interested parties will be encouraged to submit comments to APS on study results presented in the APS meeting. The final local study results and study plan will be posted on APS's OASIS (see APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf) and the WestConnect website (see APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

h) Electronic Input and Comments. Stakeholders may provide input, comments, advice and questions on APS's local transmission planning process at any time electronically by sending emails to apstransmission@aps.com.

i) APS Public Local Planning Meeting Schedule. At the 2nd Quarter meetings, APS will review information on loads, resources (including demand response resources), and other needs from its transmission customers, together with specific requests submitted either prior to or during the APS 2nd Quarter meeting (see Section II.A.4.d.1) for inclusion in APS's draft local transmission study plan. At the 4th Quarter meeting, APS will review economic study requests received by October 31 (see Section II.A.4.d.2) and present a draft of its ten year plan for stakeholder review and comment. This schedule may be modified to coordinate with the subregional, regional and Western Interconnection-wide transmission

planning processes, subject to updated postings on the APS OASIS and WestConnect websites.

j) APS Distribution List. APS uses the SWAT distribution list to notify all stakeholders of all upcoming APS public local planning meetings. Any other stakeholder wanting to be included on the distribution list – including, but not limited to, sponsors of transmission solutions, generation solutions and NTAs - should submit its information to the APS Point of Contact at apstransmission@aps.com. APS will add that information to the SWAT distribution list.

k) Posting of Meeting Documents. APS will post all meeting-related notes, documents and drafts or final reports on its OASIS (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf) and WestConnect website (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

l) Posting of Public Documents. In order to permit all stakeholders access to the information posted on the APS OASIS and WestConnect website, only public information will be shared, and public business conducted, in the APS open public planning meetings.

C. Planning for Public Policy Requirements in the Local Planning Process

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

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting APS's point of contact at apstransmission@aps.com. In addition, stakeholders have the opportunity to offer input or make proposals at APS's open meetings held pursuant to this Attachment E.

The process by which APS is to identify those local transmission needs driven by Public Policy Requirements for which a local transmission solution(s) will be evaluated, out of what may be a larger set of local transmission needs, is to utilize the two communication channels it has in place with stakeholders, identified above, through which local transmission needs driven by Public Policy Requirements are to be part of the open dialogue: (a) direct electronic communication to the APS dedicated email address, through which a stakeholder desiring to communicate directly with APS transmission planners may offer its views on which local transmission needs are ripe for evaluation for solutions, and (b) through participation in APS's open meetings held pursuant to this Attachment E.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, APS is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).

No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

APS is not required to identify any particular set of local transmission needs driven by Public Policy Requirements, but if APS chooses not to identify any stakeholder-suggested local transmission need driven by a Public Policy Requirement as a transmission need for which solutions will be evaluated in the local transmission planning process, APS will post on its OASIS an explanation of why the suggested transmission need will not be evaluated. APS's OASIS posting will include both an explanation of those local transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs driven by Public Policy Requirements were not identified for further evaluation. After considering the input of stakeholders, APS is to determine whether to move forward with the identification of a local solution to a particular local need driven by Public Policy Requirements.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

Stakeholders may use the two communication avenues identified above (direct electronic communication via email and/or participation in APS's open meetings)

to participate in the evaluation of solutions to identified local transmission needs driven by Public Policy Requirements that are selected by APS for further evaluation. Stakeholder may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the input of stakeholders, APS is to determine whether to select a particular local solution in its local transmission plan. APS will post its local transmission plan, which will include any such solutions selected.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process.

3. Posting of Public Policy Needs

APS will maintain on its OASIS (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

D. Ten Year Transmission System Plan

Each year APS uses the planning process described in Section II.A above to update its ten year transmission system plan. The APS ten year transmission system plan identifies new transmission facilities, 115 kV and above, and all facility replacements/upgrades required over the next ten years to reliably and economically serve its needs.

III. Regional Transmission Planning Process

In accordance with the Commission's regulations, this Attachment to the APS OATT implements the requirements for regional planning in accordance with Order No. 1000 and Order No. 890. APS engages in regional Planning and Coordination with the WestConnect regional process (Regional Planning Process).

The purpose of the Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment E and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

The WestConnect Planning Region is defined by the transmission owners and transmission provider members (referred to generally as "transmission owners") participating in the Regional Planning Process and for whom WestConnect is conducting regional planning. The service areas of the transmission providers consist of all or portions of nine states: Arizona, California, Colorado, New Mexico, Nebraska, Nevada, South Dakota, Texas and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process.

Following the effective date of APS's September 20, 2013 Order No. 1000 compliance filing (Effective Date), the WestConnect Order No. 1000 regional transmission planning management committee (PMC) will commence the Regional Planning Process. This committee will be responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, it is WestConnect's intent to begin its biennial process in even-numbered years. Should FERC acceptance of WestConnect's compliance filing result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in its first year and begin its biennial process the next year. To effectuate such an abbreviated process, the PMC will develop a study scope for the first year, including project submission deadlines, and post it to the WestConnect website within the first thirty (30) days of the year.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the Planning Participation Agreement) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The PMC will implement the stakeholder-

developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.

APS is a party to the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement) (See APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decision making in implementing the Regional Planning Process.

1. WestConnect Planning Participation Agreement

Each WestConnect member will be a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including transmission owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes and produce a Regional Plan.

2. Members

WestConnect has two types of members: (i) transmission owners that enroll in WestConnect in order to comply with Order No. 1000 planning and cost allocation requirements, as well transmission owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (ii) stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a) Joining the WestConnect Planning Region

A transmission owner that wishes to enroll or participate in the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement.

b) Exiting the WestConnect Planning Region

Should a transmission owner wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect

expenditures approved prior to providing its formal notice of withdrawal from WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to the committee on or prior to the effective date of such withdrawal.

c) List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Black Hills Colorado Electric Utility Company, LP
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & Power Company
- El Paso Electric Company
- NV Energy, Inc. Operating Companies
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tucson Electric Power Company
- UNS Electric, Inc.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles and carried forward in Order No. 1000:

- Coordination
- Openness
- Transparency
- Information exchange
- Comparability
- Dispute resolution

APS, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate their transmission plan into a single ten-year Regional Plan for the WestConnect Planning Region by:

- a) Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;
- b) Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and taking steps to ensure that each plan adheres to the methodology and format developed for the Regional Plan;
- c) Providing funding for the Planning Participation Agreement planning management functions pursuant to the Planning Participation Agreement;
- d) Maintaining a regional planning section on the WestConnect website,³ where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;
- e) Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and
- f) Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

B. Roles in the Regional Transmission Planning Process

1. PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, transmission owners, and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, is to develop a regional transmission plan that treats similarly-situated customers (e.g., network, retail network, and native load) comparably in transmission system planning.

The PMC is charged with development and approval of the Regional Plan. The PMC will be comprised of representatives from each stakeholder sector. The PMC will be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

2. Stakeholder Participation and Assistance

³ The WestConnect website is located at <http://www.westconnect.com>.

Stakeholders may participate in the Regional Planning Process in any one or more of the following ways: (a) by joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because they will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. (See APS's Attachment E Hyperlinks List posted on the APS OASIS http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect regional planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or NTAs in coordination with the Regional Planning Process.

4. Stakeholder Meetings

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

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

5. WestConnect Planning Governance Process

a) Membership Sectors

The Regional Planning Process will be governed by the PMC, which will be tasked with executing the Regional Planning Process and have authority to approve the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five PMC membership sectors is available:

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

Except for members qualified to join the Transmission Owners with Load Serving Obligations sector, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector. Only transmission owners with load serving obligations may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as coordinating transmission owners.

b) Planning Management Committee

The PMC will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

The PMC is to coordinate and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, is to develop and approve the Regional Plan based on

recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the PMC (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting of at least three sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligations sector; or
- 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3's) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision, except that transmission owners in the Transmission Owners with Load Serving Obligations sector that are not enrolled in the WestConnect Planning Region are not eligible to vote on the regional cost allocation decisions of the PMC.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including

matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

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

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study (ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.5 of this Attachment E.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect Planning Region member's (e.g., APS's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, non-transmission alternatives, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

No less than thirty (30) days' notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to affect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project submittals to address an identified regional need, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect Planning Region will be asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as

established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

4. Transmission Owners with Load Serving Obligation

Transmission owners and transmission providers that are members of the WestConnect Planning Region are responsible for providing all necessary system information through the Regional Planning Process.

At the beginning of each regional transmission planning cycle, transmission owners and transmission providers that are participating in the WestConnect Regional Planning Process will be responsible for verifying the accuracy of any data (including, but not limited to, system topology and project proposal information) they have previously submitted. Transmission owners will also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with Section III.C.5 below. Transmission owners will also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above in Section III.B.5.a.

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution compared to regional transmission needs
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status

- Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
- Impedance Information
- Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study (ies)
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis and if the request can be performed within the planning cycle timeframe.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period shall be posted on the WestConnect website and will also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC will have the authority to determine the

completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

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

6. Submission of Non-Transmission Alternatives Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

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

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same

or equivalent information (and deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although NTA projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect PMC will develop and publish a Regional Plan every other year.

D. Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

- (i) construct, own, and/or operate a transmission project,
- (ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
- (iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

- a) Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b) Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c) Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity (ies) under Section III.D.2.1. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d) Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

- e) **Project Execution**
A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.
- f) **Right-of-Way Acquisition Ability**
The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.
- g) **Financial Health**
The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.
- The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

- h) **Safety Program**
The applicant must demonstrate that they have an adequate internal safety program, contractor safety program, safety performance record and program execution.

- i) **Transmission Operations**
The applicant must: demonstrate that it has control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training.

- j) **Transmission Maintenance**
The applicant must demonstrate that they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities.

- k) **Regulatory Compliance**
The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional reliability standards, NERC Reliability Standards, construction standards, industry standards, environmental standards, and applicable local, state, and federal permitting requirements.

- l) **Affiliation Agreements**
A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity (ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity (ies) and to the extent a transmission developer intends to rely upon third-parties for meeting these criteria, the transmission developer must submit an affidavit from the third-parties stating their willingness to perform the tasks identified by the transmission developer. Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity (ies), the transmission

developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity (ies) meet(s) the criteria for which the transmission developer is relying upon the alternate qualifying entity (ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity (ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity (ies) to satisfy.

- m) **WestConnect Membership**
A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agree to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.
- n) **Other**
Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency (ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the "Eligible Transmission Developers") by posting on the WestConnect website, on or before December 31 of each year.

b) Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c) Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

E. Regional Planning Methodology and Protocols; Evaluation and Selection of Solution Alternatives

1. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and the more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion and within the means permitted by PMC funds. The study methods employed for PMC-initiated studies will be the same types of study methods employed for stakeholder-initiated studies (see, e.g., Section III.E.2 addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.E.3 addressing the use of production cost modeling for regional economic projects, and Section III.E.4 addressing the identification of Public Policy Requirements for regional public policy driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the PMC to be a more efficient cost-effective solution to one or more regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements.
- Non-transmission alternatives

APS encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached hereto as Attachment 1.

All WestConnect Transmission Owners with Load Serving Obligations shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

2. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which the base case system models will then be checked for adherence to the relevant NERC Transmission Planning Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as more specifically outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation will be referred back the appropriate transmission owner.

The PMC will identify projects to resolve any regional violations that impact more than one transmission owner of relevant NERC or WECC Transmission Planning Standards or WECC criteria. In addition, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost effective than other proposed solutions. The PMC will then identify the more efficient or cost effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project will take to complete and the timing of the need. Because local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects.

3. WestConnect Economic Planning Process

As part of the WestConnect Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the transmission system located within the WestConnect Planning Region through production cost modeling. This analysis also shall utilize WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be

proposed by stakeholders or developed through the stakeholder input process for evaluation of economic benefits. Under the Regional Planning Process, the PMC will identify more efficient or cost effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective.

4. WestConnect Public Policy Planning Process

a) Procedures for Identifying Regional Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual transmission owners in the WestConnect Planning Region (through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual transmission owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one transmission owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected transmission owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect transmission owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II.C of this Attachment E), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual transmission owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual transmission owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy

Requirements that are driving local transmission needs of the transmission owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the

communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

b) Procedures for Identifying Solutions to Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning, and, developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified regional transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

c) Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through Section III.E.3 (WestConnect Economic Planning Process) of this Attachment E, if time and resources permit.

d) Posting of Public Policy Considerations

WestConnect will maintain on its website (i) a list of all regional transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional

transmission planning cycle; and (ii) an explanation of why other suggested regional transmission needs driven by Public Policy Requirements will not be evaluated.

5. WestConnect Non-Transmission Alternatives Planning Process

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

6. Approval of the WestConnect Regional Transmission Plan

Upon completion of the studies and stakeholder input, the PMC will vote to approve the Regional Transmission Plan. The Regional Transmission Plan will document why projects were either included or not included in the Regional Transmission Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

7. Reevaluation of the WestConnect Regional Transmission Plan

The PMC is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following the Effective Date. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VII as if it were a new project. Only the PMC has the authority to

modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;
- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.
 - Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current cost information.
 - Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current benefit information.

- Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met.

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the transmission owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

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

- Local or single system transmission projects that have been identified in individual transmission provider's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date will also not be subject to reevaluation under the Regional Planning Process:

- Projects of transmission owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;

- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the Effective Date.

8. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII by FERC, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (*see* APS's Attachment E Hyperlinks List posted on the APS OASIS http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf); (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to applicable standards of conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to NDA@westconnect.com. The NDA can be accessed on the WestConnect website.

IV. Recovery of Planning Costs

Unless APS allocates planning-related costs to an individual stakeholder as permitted under the Tariff, all costs incurred by APS related to the local transmission plan process or the subregional or regional planning process shall be included in APS's transmission rate base.

APS's OATT has approved rates for transmission service, which are derived under a formula methodology that is updated annually. Within the costs included in APS's transmission formula rate are both transmission plant and O&M expenses. Planning activities that are performed for the construction of specific transmission facilities in service are capitalized as transmission plant. General planning cost activities, such as regional planning (WECC and WestConnect) and planning under the WestConnect, are recorded as O&M expenses. Therefore, a portion of the transmission planning costs is recovered through the administration of transmission service via the OATT.

V. Dispute Resolution

For purposes of APS's regional planning process, APS and its Eligible Customers, as well as potential customers and stakeholders, participating in the planning process shall follow the following dispute resolution procedures in the event of a dispute concerning Attachment E:

A. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

B. Non-WECC. For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of the APS OATT shall apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties).

C. Notwithstanding anything to the contrary in this Section V, any affected party may refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate.

For disputes between members of the PMC, the following dispute resolution procedures are to apply:

A. The disputing PMC member(s) must initiate its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

B. A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

C. The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate. A disputing PMC member first must pursue resolution under the provisions of the Planning Participation Agreement before referring a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution.

All disputes, whether they arise under this Attachment E or between members of the PMC, must be initiated no later than thirty (30) calendar days from the date on which the conduct that gives rise to the dispute occurs.

VII. Cost Allocation

A. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.

⁴ A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

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

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

APS will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

1. Open Season Solicitation of Interest

For any transmission project identified in an APS reliability or economic planning study in which APS is the project sponsor, APS may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by APS to hold an open season solicitation of interest for a transmission project, APS will:

⁴ The reference to a public utility transmission owner's "footprint" refers to the electrical footprint of the transmission owner (i.e., the location of that transmission owner's electrical assets) and not necessarily the physical/spatial footprint. Where a transmission owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term, footprint, would refer to the location of the transmission facilities of such transmission-only company.

- a) Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- b) Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- c) Post information via WECC's planning project review reports.
- d) Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

2. APS Coordination within a Solicitation of Interest Process

APS, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into APS's transmission project plan any other planned project on or interconnected with APS's transmission system.

3. APS Projects without a Solicitation of Interest Process

APS may elect to proceed with small and/or reliability transmission projects without an open season solicitation of interest, in which case APS will proceed with the project pursuant to its rights and obligations as a Transmission Provider.

4. Allocation of Costs

a) Proportional Allocation

For any local transmission project entered into pursuant to an open season solicitation process, project costs and associated transmission rights will generally be allocated proportionally to project participants' respective ownership shares subject to a negotiated participation agreement. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant. Nothing in this section precludes project participants from utilizing another cost allocation methodology, provided all project participants agree to the alternative.

b) Economic Benefits or Congestion Relief

For a local transmission project wholly within the APS local transmission system that is undertaken for economic reasons or congestion relief at the request of a Customer, the project costs will be allocated to the Customer.

c) APS Rate Recovery

Notwithstanding the foregoing provisions, APS will not assume cost responsibility for any local transmission project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.

d) Exclusions

The cost for transmission projects undertaken in connection with requests for interconnection or transmission service on the APS transmission system, which are governed by existing cost allocation methods within APS's Tariff, will continue to be so governed and will not be subject to the principles of this Section VII.

B. Regional Transmission Projects

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries enrolled in the WestConnect Planning Region, as identified in this Attachment E. A project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment E) to a transmission owner located within the WestConnect Planning Region, but not enrolled in the WestConnect Planning Region is not eligible for regional cost allocation. Similarly, a project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment E) to a transmission owner not enrolled in any planning region is not eligible for regional cost allocation.

The PMC, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied. If an entity other than a transmission owner enrolled in the region (see III.A.2.c) is an identified beneficiary, the project is not eligible for regional cost allocation.
- Cost assignments must be commensurate with estimated benefits.

- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold (B/C) of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded, as applicable.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

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

- Reliability Projects;
- Economic or Congestion Relief Projects; or
- Public Policy Projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. APS encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

In order to allocate costs to enrolled transmission owners for system reliability improvements that are necessary for their systems to meet the NERC Transmission Planning Standards, the WestConnect cost allocation procedure will allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC Transmission Planning Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan will be included in the Regional Plan and will be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis will be performed on the collective plans to ensure the combined plans adhere to all relevant NERC Transmission Planning Standards, and stakeholders will be afforded an opportunity to propose projects that are more efficient or cost

effective than components of multiple Transmission Owner local plans as outlined in Section III.E, above.

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

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost effectively by a single regional project, that regional project will be approved for selection in the Regional Plan and the cost will be shared by those enrolled transmission owners in proportion to the cost of alternatives that could be pursued by the individual transmission owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner.

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

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant enrolled transmission owner's retail distribution service territory or footprint
- 2 is the total cost of local reliability upgrades in the combination of enrolled transmission owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project
- 3 is the total cost of the regional reliability project
- 4 is the total cost allocated to the relevant enrolled transmission owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each enrolled transmission owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and

vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically-justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the enrolled transmission owners that show a benefit based on the amount of benefits calculated to each respective transmission owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost
 - Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
 - Company 1 allocation: $90/150 (100) = \$60$ million
 - Company 1 B/C ratio: $90/60 = 1.5$
 - Company 2 allocation: $60/150 (100) = \$40$ million
 - Company 2 B/C ratio: $60/40 = 1.5$

Other than through the reevaluation process described in Section III.E.7 of this Attachment E, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC

in identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.B of this Attachment E. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

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

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the total projected present value of economic benefits for the relevant enrolled transmission owner
- 2 is the total projected present value of economic benefits for the entire project
- 3 is the total cost of the economic project
- 4 is the total cost allocated to the relevant enrolled transmission owner

Any enrolled transmission owner with benefits less than or equal to one percent of total project benefits will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified enrolled transmission owner, such benefits will be re-allocated to all other identified enrolled beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a transmission owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed in Section II of this Attachment E), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC is to determine whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that will access the resources enabled by the project in order to meet their Public Policy Requirements.

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

The costs for public policy projects will be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question
- 2 is the total number of megawatts of public policy resources enabled by the public policy project
- 3 is the total project cost
- 4 is the cost for the public policy project allocated to the entity in question

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

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

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient and cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment E. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment E. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any

one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

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

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will identified beneficiaries enrolled in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act may seek cost recovery from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case, the project beneficiary would instead receive an ownership percentage in proportion to their capital contribution (Ownership Proposal). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment E with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment E with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VII.B.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, and (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

The WestConnect PMC will not be responsible for choosing a developer for, or managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC will monitor the status of project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the regional transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region will establish a date by which the steps required to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

8. APS Rate Recovery

Notwithstanding the foregoing provisions, APS will not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in APS's retail and/or wholesale transmission rates.

9. No Obligation to Construct

The WestConnect Regional Planning Process is intended to determine and recommend the more efficient or cost-effective transmission solutions for the

WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the Regional Planning Process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment E, the Business Practice Manual or the Planning Participation Agreement, or any cost allocation shall (1) determine any transmission service to be received by, or any transmission usage by, any entity; (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage; (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation; (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation; or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment E, the Business Practice Manual or the Planning Participation Agreement with respect to regional cost allocation shall preclude any WestConnect Planning Region member from satisfying its statutory obligations.

10. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VII of this Attachment E are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.E.7 of this Attachment E; (2) the right and obligation of a Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (3) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision of proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (4) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.⁵

⁵ An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VII.5. If an Eligible Transmission Developer is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from

11. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VII.B of this Attachment E, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

12. Exclusions

identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

The cost for transmission projects undertaken in connection with requests for generation interconnection or transmission service on the APS transmission system, which are governed by existing cost allocation methods within the OATT, will continue to be so governed and will not be subject to the principles of this Section VII.

In the event of an inconsistency between this Attachment E and the load interconnection cost allocation policy, this Attachment E shall control.

APS ATTACHMENT E
Transmission Planning Process

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Attachment 1

I. Overview of the APS Transmission Planning Process

Arizona Public Service Company (APS) is a vertically integrated public utility engaged in the business of generating, transmitting and distributing electricity in eleven of Arizona's fifteen counties. APS provides electric transmission and related reliability services under state and federal statutes and regulations. APS's transmission planning process is based on the following three core objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to the transmission facilities under its control.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

APS's transmission planning process is intended to facilitate a timely, coordinated and transparent process --- one that facilitates the development of electric infrastructure in order to maintain reliability and meet load growth so that APS can continue to provide reliable and economic transmission service.

The APS transmission planning process includes a series of open planning meetings that APS will conduct at least twice a year to allow anyone including, but not limited to, network and point-to-point transmission customers, sponsors of transmission solutions, generation solutions and solutions using non-transmission alternatives (NTAs), interconnected neighbors, regulatory and state bodies and other stakeholders input into and participation in all stages of APS's transmission plan development.

In addition to its local transmission planning process, APS coordinates its transmission planning with that of other transmission providers and stakeholders in the desert southwest area, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission (SWAT) planning group, membership in WestConnect,¹ membership in the Western Electricity Coordinating Council (WECC) and participation in the WECC Transmission

¹ WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered into by FERC jurisdictional and non-jurisdictional transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Following the effective date of APS's [September 20, 2013](#) Order No. 1000 compliance filing, the WestConnect [Order No. 1000 regional transmission planning management committee will commence the regional transmission planning process](#) ~~members shall establish a regional planning management subcommittee which shall be responsible for regional transmission planning~~ under the principles set forth in FERC's order *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), et al. (collectively, "Order No. 890"), and carried forward in FERC's order *Transmission Planning and Cost Allocation by Transmission Owning and Operating Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), et al. (collectively, "Order No. 1000").

Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS).

Three subregional planning groups operate within the WestConnect footprint: SWAT, Colorado Coordinated Planning Group (CCPG) and the Sierra Subregional Planning Group (SSPG). WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (the WestConnect STP Project Agreement), dated May 23, 2007 (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). APS is a signatory to this Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection level.

II. APS Local Transmission Planning

A. APS Planning Process

1. APS and Stakeholder Alternative Solutions Evaluation Basis

APS's local planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Section II.A.5 of this Attachment E), including transmission solutions, generation solutions and solutions utilizing NTAs, whether presented by APS or another ~~Stakeholder~~~~stakeholder~~, are evaluated on a comparable basis. The same criteria and evaluation process is applied to competing solutions and/or projects, regardless of type or class of ~~Stakeholder~~~~stakeholder~~. Solution alternatives are evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or North American Electric Reliability Corporation (NERC) Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with state or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.

2. Confidential or Proprietary Information

APS's transmission local planning studies may include base case data that are WECC proprietary data or classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC ~~or Commission~~). A stakeholder must hold membership in or execute a non-disclosure agreement with WECC in order to obtain requested base case data from WECC (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). A stakeholder may obtain APS transmission information classified as CEII information from APS by following APS's CEII Business Practice which is posted on APS's OASIS website (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

3. Types of Planning Studies; Consideration of Public Policy Requirements

a) Transmission Planning Studies. APS will conduct local reliability studies to ensure that all NERC, WECC, and local reliability standards are met for each year of the ten year planning horizon, including all APS customers' requirements for planned loads and resources, including NTAs.

These reliability planning studies will be coordinated with the other subregional transmission providers through the SWAT studies.

b) Economic Planning Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions, and solutions utilizing NTAs, (iii) the associated costs of congestion, (iv) the costs associated with relieving congestion through system enhancements (or other means) and, as appropriate (v) the economic impacts of integrating new resources and loads. APS will perform, or cause to be performed, economic planning studies at the request of any transmission customer or stakeholder. All economic planning studies performed, either by APS or TEPPC, will utilize the TEPPC public database.

c) Consideration of Public Policy Requirements. ~~Enacted federal, state and local public policy requirements~~For purposes of this Attachment E, “Public Policy Requirements” means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or are modeled in the local planning studies. For example, APS incorporates ~~enacted local and state public policy requirements~~Public Policy Requirements in accordance with Arizona renewable portfolio standards and resource adequacy plans in its transmission planning analysis. Proposed public policy ~~requirements (public policy proposed before a governmental authority but not yet enacted), although not enacted,~~ may be studied ~~through the scenario planning analysis~~ if time and resources permit.

4. APS Transmission Local Planning Study Process

a) Overview. APS’s local transmission planning process consists of an assessment of the following needs:

(1) Provide adequate transmission to access sufficient resources in order to reliably and economically serve retail and network loads;

(2) Where feasible, identify NTAs, such as demand response resources, that could meet or mitigate the need for transmission additions or upgrades;

- (3) Support APS's local transmission and subregional transmission systems;
- (4) Provide for interconnection of new generation resources;
- (5) Coordinate new interconnections with other transmission systems;
- (6) Accommodate requests for long-term transmission access; and
- (7) ~~Consider local transmission needs and/or impacts~~ driven by ~~public policy requirements~~ Public Policy Requirements.

b) APS Transmission Local Planning Cycle

- (1) Calendar Year Planning Cycle. APS conducts its local transmission planning on a calendar year cycle for a ten year planning horizon.
- (2) Annually Updated Ten Year Plan. APS updates its ten year plan annually. APS publishes an annual Ten Year Transmission Plan document, which identifies new 115 kV and above transmission lines and new substations. The Ten Year Plan document is filed at the end of January each year with the Arizona Corporation Commission (ACC).²

c) Transmission Customer's Responsibility for Providing Data

- (1) Use of Customer Data. APS uses the information provided by its transmission customers to, among other things, assess network load and resource projections (including NTAs), transmission needs, operating dates and retirements for generation resources in APS's system and update regional models used to conduct planning studies.
- (2) Submission of Data by Transmission Customers. Transmission customers are required pursuant to the APS Open Access Transmission Tariff (OATT), to submit their ten year projected network load and network resources (including NTAs) to APS on an annual basis. APS requires that network transmission customers submit this information electronically to

² The ACC's Biennial Transmission Assessment (BTA) process, in coordination with SWAT, evaluates the Arizona transmission providers' filed ten year plans and other study reports on a biennial basis. The BTA allows for and encourages stakeholder review, input and comment on the ACC's assessment of the plans, as published in the ACC's Biennial Transmission Assessment Report.

apstransmission@aps.com by September 1 each year (as required in the APS Operating Agreement under its OATT). All other transmission customers must also submit this information electronically to apstransmission@aps.com by September 1 each year in order to be included in the local transmission planning process for the transmission plans that APS will submit to the ACC the following January.

(3) Transmission Customer Data to be Submitted. To the maximum extent practicable and consistent with protection of proprietary information, data submitted by network transmission customers and other transmission customers should include for the ten year planning horizon:

(a) Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and environmental restrictions.

(b) Non-Transmission Alternatives – include, but are not limited to, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines. Such alternatives are Distributed Generation resources and Demand Side Management (load management), such as Energy Efficiency and Demand Response (e.g., interruptible load) programs, energy storage facilities, and smart grid equipment that can help eliminate (or mitigate) a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet grid needs driven by ~~public policy requirements~~ Public Policy Requirements.

(c) Network Customers – forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.

(d) Point-to-Point Transmission Customers – projections of need for service over the planning horizon, including transmission capacity, duration and receipt and delivery points.

(4) Notification of Material Changes to Customer Data. Each transmission customer is responsible for submitting timely written notice to APS of material changes in any of the information previously provided to APS related to the transmission customer's load, resources (including NTAs) or other aspects of its facilities or operations which may, directly or indirectly, affect APS's ability to provide service.

d) Stakeholder Participation

(1) During its 2nd Quarter public planning meeting, APS will (a) review its current study plan with stakeholders; (b) provide an opportunity for stakeholder input on any aspect of APS's current study plan, including but not limited to, methodology, study inputs, Public Policy Requirements, and potential stakeholder-suggested transmission needs driven by Public Policy Requirements, and study results (including NTAs); (c) review any stakeholder proposals previously submitted to APS for study plan alternatives; (d) invite the submittal of additional stakeholder study plan proposals for review and discussion; and (e) provide updates on APS's planned projects.

After the 2nd Quarter meeting but not less than thirty (30) days before the 4th Quarter meeting, APS will post on its OASIS an explanation of those transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process and an explanation of why any suggested transmission needs driven by Public Policy Requirements will not be evaluated.

~~(1)~~(2) During its 4th Quarter public planning meeting, APS will present a draft of its Ten Year Plan for the following calendar year for stakeholder review and comment.

e) Coordination of Transmission Study Cycle with SWAT and WestConnect Study Cycle. APS will coordinate the timing of its local transmission planning study cycle process with the development of the assumptions, coordinated base cases, and power flow cases performed within the SWAT and WestConnect planning group, which is open to participation by all interested parties.

f) APS Point of Contact for Local Reliability Study Requests. APS will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions and data underlying system plans.

g) APS Local Study Criteria and Guidelines. Customers should refer to the APS Transmission Planning Process and Guidelines (APS Planning Guidelines) for APS planning criteria, guidelines, assumptions and data. The APS Planning Guidelines are posted on the APS OASIS (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

5. APS Economic Planning Study Process

a) Requesting Economic Planning Studies. Any APS transmission customer or other stakeholder, including sponsors of transmission solutions, generation solutions and solutions using NTAs, (“Customer”) may submit an economic planning study request for an economic planning study directly to APS, WestConnect, or TEPPC (see APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). The Customer must submit its study request(s) no later than October 31 each year if the Customer wants APS to review such request with stakeholders in its 4th Quarter open public planning meeting. All requests must be submitted to APS electronically at apstransmission@aps.com. APS will coordinate the timing of its economic planning study cycle process with the WestConnect TEPPC planning processes.

b) APS Process for Handling Economic Study Requests. APS shall manage any economic planning study requests it receives under this Attachment E in the following manner:

(1) TEPPC Master List. APS shall forward the request to TEPPC for inclusion in the TEPPC Master List of economic planning studies for the Western Interconnection. (See APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

(2) Stakeholder Review of Economic Transmission Study Requests. APS shall review local requests in an APS open public planning meeting. Based on stakeholder input, APS shall determine whether (i) the study request should be classified a local priority request and performed by APS; (ii) whether the study request encompasses a region, in which case APS will transfer the request to WestConnect for consideration as a regional priority request at WestConnect’s stakeholder meeting; or (iii) whether the study request encompasses the Western Interconnection, in which case APS will transfer the request to TEPPC for consideration as a Western Interconnection priority request at TEPPC’s stakeholder meeting. The criteria WestConnect utilizes to prioritize requests for regional economic studies is described in Section III.D.3, below. The criteria TEPPC utilizes to prioritize requests for Western Interconnection economic studies are posted on the TEPPC page of the WECC website (see APS Attachment E Hyperlinks List at

<http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach E Hyperlink List.pdf>).

(3) Criteria Used to Determine Whether a Transmission Planning Study Request is a Local Study Request. Based in part on the number and type of local study requests received, APS shall consider the following criteria to determine whether the economic transmission planning study request is a local study request:

- (a) Whether the study request does not affect interconnected transmission systems; and
- (b) The remedies are confined to the APS transmission system and resolved within the APS transmission system.

(4) Criteria Used to Determine Whether a Local Study Request Qualifies as a Local Priority Economic Transmission Planning Study Request. APS shall consider the following criteria to determine whether a local study request qualifies as a local priority economic transmission planning study request:

- (a) Which portion(s) of the APS local transmission system shall be under consideration in the study.
- (b) Whether the request raises fundamental design issues of interest to multiple parties.
- (c) Whether the request raises public policy issues of national, regional or state interest.
- (d) Whether the objectives of the study can be met by other existing or planned studies.
- (e) Whether the study shall provide information of broad value to customers, regulators, transmission providers and other interested ~~Stakeholders~~stakeholders.
- (f) Whether similar requests for studies or scenarios can be represented generically if the projects are generally electrically equivalent.
- (g) Whether requests can be aggregated into energy or load aggregation zones with generic transmission expansion between them.

(h) Whether the study request requires the use of production cost simulation or can it be better addressed through technical studies, *i.e.*, power flow and stability analysis.

(5) Economic Transmission Planning Study Requests Determined to be a Local Priority Request. If APS determines that the study request is a local priority request, APS will conduct the study and coordinate assumptions and results with its customers, stakeholders and interconnected neighbors. APS will have no obligation to conduct and pay for more than three (3) priority local economic planning studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a priority local economic planning study. Additionally, unless studied as a cluster, each approved study request will be studied in the order in which it was received. If APS receives more than three (3) requests for local economic studies that are determined to be priority local requests, in the calendar year, the Customer of a non-conducted priority local economic planning study may request, and APS will provide, APS's assistance in having a third party perform the economic planning study at the Customer's expense. The Customer will have use of the TEPPC economic study data base and APS will support the Customer in coordinating the study as necessary through local, subregional or regional planning groups.

c) Process for Handling Economic Study Requests Received by TEPPC. TEPPC will review economic planning study requests received from either transmission providers or from Customers directly. TEPPC shall review such study requests during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic transmission planning studies in accordance with TEPPC's Transmission Planning Protocol. APS shall participate in the TEPPC prioritization process and provide input as to whether a study request should be included in the TEPPC study plan. The Customer is also encouraged to participate and provide input in the TEPPC prioritization process. Additionally, WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. For more detail regarding the TEPPC economic planning study process, see the TEPPC Transmission Planning Protocol (*see* APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

d) Low Priority Economic Study Requests. If either APS, WestConnect and/or TEPPC determines, after reviewing, through an open stakeholder process, that the requested economic planning study is not a priority study, the Customer may request APS's assistance in having a third party perform the economic planning analysis at the Customer's expense. The Requester will have use of the TEPPC economic study data base and APS will support the Requester in coordinating the study through local, subregional or regional planning groups.

e) Clustering Local Priority Economic Studies. APS may determine that any number of Customer's economic planning study requests should be studied together or a Customer may request that APS study its request together with other requests. APS will consider the following criteria to determine whether to cluster priority local economic studies, both on its own volition and in response to a Customer's request:

(1) APS-Proposed Clusters

In the event that APS proposes to cluster certain priority local economic planning studies on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster studies are sufficiently similar from an electrical perspective to be feasibly and meaningfully studied as a group, it shall provide notice to each Customer that it proposes to include in the study. Each Customer shall be provided the opportunity to opt out of the cluster within ten (10) days of notice from APS.

(2) Customer-Proposed Clusters

If a Customer wishes to propose a cluster study, prior to submitting an economic planning study cluster request to APS, the Customer must contact all of the other Customers whose requests it proposes to cluster and obtain their written consent that they are willing to have their request clustered with other identified requests. APS will determine whether, in its reasonable judgment, the local economic planning study requests that the Customer proposes to cluster and for which the other affected Customers have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. APS reserves the right to reject a Customer-proposed cluster on any reasonable grounds, including, without limitation, APS's determination that the proposed cluster cannot be feasibly studied as a group or that the proposed clustering impairs administration or timely processing of the economic study process. APS will make the determination whether to reject a proposed cluster and provide notice of any decision to reject, within twenty (20) days of receipt

of all of the written consents of the Customers that propose to be clustered.

f) Cost Responsibility for Economic Studies

(1) Priority Local Economic Planning Studies. Priority local economic planning studies selected pursuant to Section II.A.5.b.5, including clustered priority local economic planning studies selected pursuant to Section II.A.5.e, will be performed or caused to be performed by APS at APS's expense. APS shall recover the costs of such studies through its transmission rates.

(2) Priority Regional Economic Planning Studies. Regional economic studies performed by TEPPC will be funded by WECC.

(3) Other Local Study Requests. Local economic study requests not selected pursuant to Sections II.A.5.b.5 or II.A.5.e, will be performed at the transmission customer's expense. At the Customer's request, APS may perform the study or work with the transmission customer and its third party contractor.

g) Exchange of Data Unique to Economic Planning Studies.

(1) Data Used for Economic Planning Studies. APS obtains all data used for its economic planning studies from the TEPPC database.

(2) Request for Base Case Data. Customer's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.

(3) Posting of Requesters' Requests for Economic Planning Studies. Customer's Request for economic planning studies and responses to such requests shall be posted on the APS OASIS (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf) and the WestConnect website (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf), subject to confidentiality requirements.

h) APS Point of Contact for Study Requests. APS will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying economic planning studies.

B. APS Open Public Meetings – Overview

APS will hold at least two open public planning meetings a year, typically in the 2nd quarter and the 4th quarter, in coordination with the SWAT open public transmission planning meetings. This will allow and encourage customers, sponsors of transmission solutions, generation solutions, NTAs, solutions using demand resources, interconnected neighbors, regulatory and state bodies and other stakeholders to participate in a coordinated, nondiscriminatory process for development of the APS local transmission plan.

1. Purpose and Scope. APS's open public transmission planning meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to APS during all stages, including the early stages, of its local transmission planning. These public transmission planning meetings will serve to:

- a) Provide a forum for open and transparent communications among Arizona transmission providers, state regulatory authorities, customers, sponsors of transmission solutions, generation solutions, NTAs, solutions using demand resources, and other interested stakeholders.
- b) Promote discussion of all aspects of the APS local transmission planning activities, including, but not limited to, methodology, study inputs and study results.
- c) Provide a forum for APS to understand better the specific electric transmission interests of key stakeholders.

2. APS Public Local Planning Meeting Process.

- a) Open Stakeholder Meetings. All public local planning meetings will be open to all stakeholders.
- b) APS Local Planning Meeting Schedule. APS will establish its public local planning meeting schedule as needed, but will hold meetings no less than twice annually.
- c) Meeting Purpose: Meetings will be conducted to (i) allow APS to maximize its understanding of its customers' forecast needs for the APS transmission system; (ii) offer customers, sponsors of transmission solutions, generation solutions and solutions using NTAs, and other stakeholders an opportunity to be informed about, and offer input and advice into, the APS transmission system and local planning process, as well as to propose alternatives for any upgrades identified by APS; (iii) review study results; and (iv) review local transmission plans.

d) Coordination with SWAT and/or WestConnect Meetings. APS's local transmission planning process will be coordinated with SWAT through quarterly planning meetings.

e) Posting of Meeting Notices. All meeting notices, including date, time, place and draft meeting agenda, will be posted on the APS OASIS (see APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf), and the WestConnect website (see APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf) and circulated to the APS distribution list at least thirty (30) days prior to the APS public local planning meeting.

f) Posting of Study Plans and Planning Results. Local study plans and planning results will be posted on the APS OASIS and WestConnect website at least two (2) weeks prior to the APS public local planning meeting.

g) Meeting Process. At the APS public local planning meetings, APS shall (i) review its local transmission planning process and current local study plan with stakeholders; (ii) request stakeholder review of the current local study plan; (iii) provide an opportunity for comment on any aspect of its local transmission planning process; (iv) invite the submittal of local transmission study requests from stakeholders for review and discussion; (v) review local economic planning study requests; and (vi) provide updates on its planned projects. During the meeting, and for fifteen (15) calendar days following the meeting, all stakeholders and interested parties will be encouraged to submit comments to APS on study results presented in the APS meeting. The final local study results and study plan will be posted on APS's OASIS (see APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf) and the WestConnect website (see APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

h) Electronic Input and Comments. Stakeholders may provide input, comments, advice and questions on APS's local transmission planning process at any time electronically by sending emails to apstransmission@aps.com.

i) APS Public Local Planning Meeting Schedule. At the 2nd Quarter meetings, APS will review information on loads, resources (including demand response resources), and other needs from its transmission customers, together with specific requests submitted either prior to or during the APS 2nd Quarter meeting (see Section II.A.4.d.1) for inclusion in APS's draft local transmission study plan. At the 4th Quarter meeting,

APS will review economic study requests received by October 31 (*see* Section II.A.4.d.2) and present a draft of its ten year plan for stakeholder review and comment. This schedule may be modified to coordinate with the subregional, regional and Western Interconnection-wide transmission planning processes, subject to updated postings on the APS OASIS and WestConnect websites.

j) APS Distribution List. APS uses the SWAT distribution list to notify all stakeholders of all upcoming APS public local planning meetings. Any other stakeholder wanting to be included on the distribution list – including, but not limited to, sponsors of transmission solutions, generation solutions and NTAs - should submit its information to the APS Point of Contact at apstransmission@aps.com. APS will add that information to the SWAT distribution list.

k) Posting of Meeting Documents. APS will post all meeting-related notes, documents and drafts or final reports on its OASIS (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf) and WestConnect website (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

l) Posting of Public Documents. In order to permit all stakeholders access to the information posted on the APS OASIS and WestConnect website, only public information will be shared, and public business conducted, in the APS open public planning meetings.

C. Planning for Public Policy Requirements in the Local Planning Process

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

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting APS's point of contact at apstransmission@aps.com. In addition, stakeholders have the opportunity to offer input or make proposals at APS's open meetings held pursuant to this Attachment E.

The process by which APS is to identify those local transmission needs driven by Public Policy Requirements for which a local transmission solution(s) will be evaluated, out of what may be a larger set of local transmission needs, is to utilize the two communication channels it has in place with stakeholders, identified above, through which local transmission needs driven by Public Policy Requirements are to be part of the open dialogue: (a) direct electronic communication to the APS dedicated email address, through which a stakeholder

desiring to communicate directly with APS transmission planners may offer its views on which local transmission needs are ripe for evaluation for solutions, and (b) through participation in APS's open meetings held pursuant to this Attachment E.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, APS is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).

No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

APS is not required to identify any particular set of local transmission needs driven by Public Policy Requirements, but if APS chooses not to identify any stakeholder-suggested local transmission need driven by a Public Policy Requirement as a transmission need for which solutions will be evaluated in the local transmission planning process, APS will post on its OASIS an explanation of why the suggested transmission need will not be evaluated. APS's OASIS posting will include both an explanation of those local transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs driven by Public Policy Requirements were not identified for further evaluation. After considering the input of stakeholders, APS is to determine whether to move forward with the identification of a local solution to a particular local need driven by Public Policy Requirements.

2. Procedures for Evaluating Solutions to Identified Transmission Needs

Stakeholders may use the two communication avenues identified above (direct electronic communication via email and/or participation in APS's open meetings) to participate in the evaluation of solutions to identified local transmission needs driven by Public Policy Requirements that are selected by APS for further evaluation. Stakeholder may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the input of stakeholders, APS is to determine whether to select a particular local solution in its local transmission plan. APS will post its local transmission plan, which will include any such solutions selected.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process.

3. Posting of Public Policy Needs

APS will maintain on its OASIS (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

C.D. Ten Year Transmission System Plan

Each year APS uses the planning process described in Section II.A above to update its ten year transmission system plan. The APS ten year transmission system plan identifies new transmission facilities, 115 kV and above, and all facility replacements/upgrades required over the next ten years to reliably and economically serve its needs.

III. Regional Transmission Planning Process

In accordance with the Commission's regulations, this Attachment to the APS OATT implements the requirements for regional planning in accordance with Order No. 1000 and Order No. 890. APS engages in regional Planning and Coordination with the WestConnect regional process (Regional Planning Process). ~~The WestConnect Planning Region is defined by the transmission providers enrolled in the WestConnect Regional Planning Process.~~

The purpose of the ~~WestConnect~~-Regional Planning Process is to produce a regional transmission plan (the Regional Plan) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment E and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

A. Overview

~~APS is a party to the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement) (See APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). The WestConnect Planning Region is defined by the ~~interconnected~~ transmission owners and transmission provider members (referred to generally as "transmission owners") participating enrolled in the WestConnect regional Regional transmission pPlanning process Process (the Regional Planning Process) and for whom WestConnect is conducting regional planning. The service areas of the transmission providers consist of all or portions of nine states: Arizona, California, Colorado, New Mexico, Nebraska, Nevada, South Dakota, Texas and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process.~~

~~Following the effective date of APS's September 20, 2013 Order No. 1000 compliance filing (Effective Date), the WestConnect Order No. 1000 regional transmission planning management committee (PMC) will commence the Regional Planning Process. This committee will be responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, it is WestConnect's intent to begin its biennial process in even-numbered years. Should FERC acceptance of WestConnect's compliance filing result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in its first year and begin its biennial process the next year. To effectuate such an abbreviated process, the PMC will develop a study scope for the first year, including project submission deadlines, and post it to the WestConnect website within the first thirty (30) days of the year.~~

~~Following the effective date of APS's Order No. 1000 compliance filing, the WestConnect members will terminate or supersede the WestConnect STP Project Agreement and will establish a WestConnect Order No. 1000 regional transmission~~

~~planning management committee (Planning Management Committee). This committee will be responsible for administering the regional Planning Process.~~

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

APS is a party to the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement) (See APS Attachment E Hyperlinks List at http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decision making in implementing the Regional Planning Process.

1. WestConnect Planning Participation Agreement

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

2. ~~Enrollment Process~~Members

WestConnect has two types of members: (i) ~~Transmission transmission Owners owners~~ that ~~join enroll in~~ WestConnect in order to comply with Order No. 1000 planning and cost allocation requirements, ~~as well transmission owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes,~~ and (ii) stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a) Joining the WestConnect Planning Region

A transmission owner that wishes to ~~join enroll or participate in~~ the WestConnect Planning Region may do so by executing the Planning

~~Membership-Participation~~ Agreement and paying its share of costs as provided for in the Planning ~~Membership-Participation~~ Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the ~~WestConnect~~ Planning ~~Participation Membership~~ Agreement, ~~and~~ paying annual dues, ~~and complying with applicable provisions~~ as outlined in such agreement.

b) Exiting the WestConnect Planning Region

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

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders will forfeit any monies or dues paid to the ~~Planning Management Committee~~PMC and agree to remit to the ~~Planning Management Committee~~PMC any outstanding monies owed to the committee on or prior to the effective date of such withdrawal.

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

c) List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Black Hills Colorado Electric Utility Company, LP
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & Power Company
- El Paso Electric Company
- NV Energy, Inc. Operating Companies
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tucson Electric Power Company
- UNS Electric, Inc.

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

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles and carried forward in Order No. 1000:

- Coordination
- Openness
- Transparency
- Information exchange
- Comparability
- Dispute resolution

APS, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate their transmission plan into a single ten-year Regional Plan for the WestConnect Planning Region by:

- a) Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;
- b) Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and taking steps to ensure that each plan adheres to the methodology and format developed for the Regional Plan;
- c) Providing funding for the Planning Participation Agreement planning management functions pursuant to the Planning Participation Agreement;
- d) Maintaining a regional planning section on the WestConnect website,³ where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; ~~and~~
- e) Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; ~~and~~
- f) Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

³ The WestConnect website is located at <http://www.westconnect.com>.

B. Roles in the Regional Transmission Planning Process

1. ~~WestConnect~~ PMC Role

~~WestConnect~~ The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. ~~WestConnect~~ The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members, transmission owners, and other interested stakeholders, ~~WestConnect~~ the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, is to develop a regional transmission plan that treats similarly-situated customers (e.g., network, retail network, and native load) comparably in transmission system planning.

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

2. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process in any one or more of the following ways: (a) by joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is ~~voluntary and~~ open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning ~~Management—Participation~~ Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because they will be the default source of monies to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. (See APS's Attachment E Hyperlinks

List posted on the APS OASIS http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf). All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect regional planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

3. Forum for Evaluation

~~The~~ WestConnect ~~also—Regional Planning Process~~ provides a forum for transmission project sponsors to introduce their specific projects to interested ~~Stakeholders—stakeholders~~ and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or NTAs in coordination with the Regional Planning Process.

4. Stakeholder Meetings

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

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

5. WestConnect Planning Governance Process

a) Membership Sectors

The Regional Planning Process will be governed by the ~~Planning Management Committee~~PMC, which will be tasked with executing the Regional Planning Process and have authority to approve the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five ~~Planning Management Committee~~PMC membership sectors ~~are-is~~ available:

- Transmission Owners with Load Serving Obligations
- Transmission Customers
- Independent Transmission Developers and Owners

- State Regulatory Commissions
- Key Interest Groups

Except for members qualified to join the Transmission Owners with Load Serving Obligations sector, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector. ~~Qualified-Only~~ transmission owners with load serving obligations may join ~~only~~ the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as coordinating transmission owners.

b) Planning Management Committee

The ~~Planning Management Committee~~PMC will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the ~~Planning Management Committee~~PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. ~~The responsibilities of the Planning Management Committee~~PMC is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies. ~~will be set forth in the Planning Participation Agreement.~~

The PMC is to coordinate and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (PS) and Cost Allocation Subcommittee (CAS). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the ~~Planning Management Committee~~PMC (including approval of the Regional ~~Transmission~~Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting of at least ~~3~~three sectors approving a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligations sector; or
- 75% of the members voting of the four member sectors other than the Transmission Owners with Load Serving Obligation sector approving a motion and two-thirds (2/3's) of the members voting of the Transmission Owners with Load Serving Obligation sector approving a motion.

Each entity within a membership sector is entitled to one vote on items presented for decision—, except that transmission owners in the Transmission Owners with Load Serving Obligations sector that are not enrolled in the WestConnect Planning Region are not eligible to vote on the regional cost allocation decisions of the PMC.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether active or threatened).

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

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, ~~Consistent~~consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. ~~The data necessary~~

~~for any project submitted will be listed in the Business Practice Manual~~Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study (ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.5 of this Attachment E.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect Planning Region member's (e.g., APS's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to load forecasts, generation resource plans, non-transmission alternatives, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

~~No less than thirty (30) days' Adequate advance-~~ notice will be given for customers to submit any required data and data submissions will generally be able to be made via email or by posting information to a designated website.

2. Independent Transmission Developers and Owners

Transmission Developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include projects submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project ~~ideas~~, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project

developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

3. Merchant Transmission Developers

Merchant Transmission Developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to affect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project ~~ideas~~submittals to address an identified regional need, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect Planning Region will be asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.
~~The data required of merchant transmission developers will be listed in the Business Practice Manual.~~

4. Transmission Owners with Load Serving Obligation

Transmission owners and transmission providers that are members of the WestConnect Planning Region are responsible for providing all necessary system information through the Regional Planning Process.

At the beginning of each regional transmission planning cycle, transmission owners and transmission providers that are participating in

the WestConnect Regional Planning Process will be responsible for verifying the accuracy of any data (including, but not limited to, system topology and project proposal information) they have previously submitted. Transmission owners will also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need for purposes of cost allocation in accordance with ~~the~~ Section III.C.5 below. Transmission owners will also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. Transmission Project Submittals Seeking Regional Cost Allocation

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain The the following criteria must be satisfied information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for ~~a the~~ project submittal to be eligible for evaluated evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan for purposes of cost allocation a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above in Section III.B.5.a. under the Regional Planning Process:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution compared to regional transmission needs
- A detailed project description including, but not limited to, the following:
 - Scope
 - Points of interconnection to existing (or planned) system
 - Operating Voltage and Alternating Current or Direct Current status
 - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
 - Impedance Information
 - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost

- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- If seeking cost allocation through WestConnect, a \$25,000 fee deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study (ies)
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis and if the request can be performed within the planning cycle timeframe.

There is to be An-an open submission period for project proposals to address identified regional needs ~~will be conducted during the fourth calendar quarter of the regional transmission planning cycle.~~ Notice of the submission period shall be posted on the WestConnect website and will also be made via email to WestConnect stakeholders. The submission period shall last for no less than thirty (30) days and will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The ~~Planning Management Committee~~PMC will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the ~~Planning Management Committee~~PMC.

Any stakeholder wishing to present a project idea submittal to address an identified regional need shall be required to submit the data listed above to be considered in the Regional Planning Process. Should the submitting

stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. The ~~Planning Management Committee~~PMC retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, ~~WestConnect the~~ PMC will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the ~~Planning Management Committee~~PMC in its sole discretion.

6. Submission of Non-Transmission Alternatives Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

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

As with entities submitting a transmission project under Section III.C.5, those who submit under Section III.C.6 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and submittal fees/deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although NTA projects will be

considered in the Regional Planning Process, they are not eligible for regional cost allocation.

7. The WestConnect Regional Planning Cycle

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

D. Transmission Developer Qualification Criteria

1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

- (i) construct, own, and/or operate a transmission project,
- (ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
- (iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

- a) Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b) Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c) Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity (ies) under Section III.D.2.1. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d) Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e) Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.

f) Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g) Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- o Funds from operations-to-interest coverage.
- o Funds from operation-to-total debt.
- o Total debt-to-total capital.
- o The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h) Safety Program

The applicant must demonstrate that they have an adequate internal safety program, contractor safety program, safety performance record and program execution.

i) Transmission Operations

The applicant must demonstrate that it has control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training.

j) Transmission Maintenance

The applicant must demonstrate that they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities.

k) Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional reliability standards, NERC Reliability Standards, construction standards, industry standards, environmental standards, and applicable local, state, and federal permitting requirements.

l) Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity (ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity (ies) and to the extent a transmission developer intends to rely upon third-parties for meeting these criteria, the transmission developer must submit an affidavit from the third-parties stating their willingness to perform the tasks identified by the transmission developer. Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity (ies), the transmission

developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity (ies) meet(s) the criteria for which the transmission developer is relying upon the alternate qualifying entity (ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity (ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity (ies) to satisfy.

m) WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agree to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n) Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency (ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the "Eligible Transmission Developers") by posting on the WestConnect website, on or before December 31 of each year.

b) Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c) Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

D.E. Regional Planning Methodology and Protocols; Evaluation and Selection of Solution Alternatives

1. Overview of Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and the more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion and within the means permitted by PMC funds. The study methods employed for PMC-initiated studies will be the same types of study methods employed for stakeholder-initiated studies (see, e.g., Section III.E.2 addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.E.3 addressing the use of production cost modeling for regional economic projects, and Section III.E.4 addressing the identification of Public Policy Requirements for regional public policy driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to fulfill the identified need practically; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with ~~public policy requirements~~Public Policy Requirements or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the ~~Planning Management Committee~~PMC to be a more efficient cost-effective solution to one or more regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by ~~public policy requirements~~Public Policy Requirements.

- Non-transmission alternatives

APS encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached hereto as Attachment 1.

All WestConnect Transmission Owners with Load Serving Obligations shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

2. WestConnect Reliability Planning Process

~~All WestConnect Transmission Owners with Load Serving Obligations shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models. Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which t~~The base case system models will then be checked for adherence to the relevant NERC Transmission Planning Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as more specifically outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation will be referred back the appropriate transmission owner.

The ~~Regional Plan~~PMC will identify projects to resolve any ~~potential-regional~~ violations that impact more than one transmission owner of relevant NERC or WECC Transmission Planning Standards or WECC criteria. In addition, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that ~~replace components of multiple transmission owner local transmission plans, provided they are found to be more efficient or more cost effective to than~~ other proposed solutions. The ~~Regional Planning Process~~PMC will then identify the ~~most more efficient or cost effective regional~~appropriate transmission project that meets the identified regional transmission need, taking into account factors such as how long the project will take to complete and the timing of the need. Because local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs the local transmission plans will not be modified; however, Under the Regional Planning Process, the Planning Management CommitteePMC ~~will may identify more efficient or cost effective regional transmission projects~~secure the approval of the applicable local transmission owner(s) before modifying their local transmission plan, since local

~~transmission owners are ultimately responsible for compliance with NERC Reliability Standards.~~

3. WestConnect Economic Planning Process

As part of the WestConnect Regional Planning Process, ~~WestConnect the PMC is to analyze whether there are~~ projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the transmission system located within the WestConnect Planning Region ~~through production cost modeling. This analysis also shall utilize WestConnect will analyze economic projects upon a~~ WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has subsequently been validated by WestConnect. Additional projects may also be proposed by stakeholders or developed through the stakeholder input process for evaluation of economic benefits. Under the Regional Planning Process, the PMC will identify more efficient or cost effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective.

4. WestConnect Public Policy Planning Process

a) Procedures for Identifying Regional Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual transmission owners in the WestConnect Planning Region (through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual transmission owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one transmission owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected transmission owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region. As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to aid in meeting regional transmission needs driven by public policy requirements, as they may be established. During the initial stages of each

~~regional transmission planning cycle, WestConnect stakeholders will review enacted public policy requirements and determine which regional transmission needs will be included in the modeling for that cycle.~~

WestConnect transmission owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section II.C of this Attachment E), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual transmission owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual transmission owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the transmission owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

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

b) Procedures for Identifying Evaluating Solutions to Identified Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning, and, developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

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

c) Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through Section III.E.3 (WestConnect Economic Planning Process) of this Attachment E, if time and resources permit.

d) Posting of Public Policy Considerations

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

5. WestConnect Non-Transmission Alternatives Planning Process

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

6. Approval of the WestConnect Regional Transmission Plan

Upon completion of the studies and stakeholder input, the ~~WestConnect Planning Management Committee~~PMC will vote to approve the Regional Transmission Plan. The Regional Transmission Plan will document why projects were either included or not included in the Regional Transmission Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of regional cost allocation. Projects that meet system needs are incorporated into the ~~WestConnect Regional Transmission~~Plan. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

7. Reevaluation of the WestConnect Regional Transmission Plan

The ~~Planning Management Committee~~PMC is the governing body responsible for determiningdeciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require, during each planning eyele, when and if projects are to be reevaluated reevaluation. Reevaluation will begin within the second planning cycle following the Effective Date. The Regional Plan and Any-any project that is reevaluated according to the criteria below may also be subject to modification of its status as a project selected for cost allocation, with any costs reallocated under Section VII as if it were a new project in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VII as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that triggerProjects subject to reevaluation include, but are not limited toare:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;
- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding,

regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;

- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
- ~~Projects with any change in participatory or cost allocation entities that result in a project that is not fully funded; and~~
- Projects with a change in the calculation of benefits or benefit/cost (B/C) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.
 - Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current cost information.
 - Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current benefit information.
 - Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met.

- State and federal approval processes completed and approved (including cost recovery approval under Section 205 of the Federal Power Act as applicable);
- All local, state and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the transmission owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

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

- Local or single system transmission projects that have been identified in individual transmission provider's Transmission Planning (TPL) Reliability Standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- ~~Planned transmission system upgrades to existing facilities~~ that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- ~~Projects that have been approved by WestConnect in previous planning cycles unless agreed upon by the beneficiaries identified in the approved project.~~

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

- Projects of transmission owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the ~~last e~~ Effective date

~~Date of the WestConnect FERC jurisdictional Transmission Owners Order No. 1000 compliance filings.~~

8. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII by FERC, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in or execute a non-disclosure agreement (NDA) with WECC (*see* APS's Attachment E Hyperlinks List posted on the APS OASIS http://www.oatiaoasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf); (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to applicable standards of conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to NDA@westconnect.com. The NDA can be accessed on the WestConnect website.

IV. Recovery of Planning Costs

Unless APS allocates planning-related costs to an individual stakeholder as permitted under the Tariff, all costs incurred by APS related to the ~~Local-local Transmission-transmission Plan-plan~~ process or the subregional or regional planning process shall be included in APS's transmission rate base.

APS's OATT has approved rates for transmission service, which are derived under a formula methodology that is updated annually. Within the costs included in APS's transmission formula rate are both transmission plant and O&M expenses. Planning activities that are performed for the construction of specific transmission facilities in service are capitalized as transmission plant. General planning cost activities, such as regional planning (WECC and WestConnect) and planning under the WestConnect, are recorded as O&M expenses. Therefore, a portion of the transmission planning costs is recovered through the administration of transmission service via the OATT.

V. Dispute Resolution

For purposes of APS's regional planning process, APS and its Eligible Customers, as well as potential customers and stakeholders, participating in the planning process shall follow the following dispute resolution procedures in the event of a dispute concerning Attachment E:

A. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies (*see* APS Attachment E Hyperlinks List at http://www.oatioasis.com/AZPS/AZPSdocs/Attach_E_Hyperlink_List.pdf).

B. Non-WECC. For disputes not within the scope of the WECC dispute resolution procedures, the dispute resolution procedures set forth in Section 12 of the APS OATT shall apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties).

C. Notwithstanding anything to the contrary in this Section V, any affected party may refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution ~~at any time~~, for example by filing with FERC a complaint, a request for declaratory order or a change in rate.

For disputes between members of the PMC, the following dispute resolution procedures are to apply:

A. The disputing PMC member(s) must initiate its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

B. A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

C. The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate. A disputing PMC member first must pursue resolution under the provisions of the Planning Participation Agreement before referring a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution.

All disputes, whether they arise under this Attachment E or between members of the PMC, must be initiated no later than thirty (30) calendar days from the date on which the conduct that gives rise to the dispute occurs.

VII. Cost Allocation

A. Local Transmission Projects

Local Transmission Projects are projects located within a Transmission Owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.

⁴ A Transmission Owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan, and not subject to the provisions governing regional cost allocation set forth below.

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

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

APS will utilize a case-by-case approach to allocate costs for new transmission projects. This approach will be based on the following principles:

1. Open Season Solicitation of Interest

For any transmission project identified in an APS reliability or economic planning study in which APS is the project sponsor, APS may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by APS to hold an open season solicitation of interest for a transmission project, APS will:

⁴ The reference to a public utility transmission owner's "footprint" refers to the electrical footprint of the transmission owner (i.e., the location of that transmission owner's electrical assets) and not necessarily the physical/spatial footprint. Where a transmission owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term, footprint, would refer to the location of the transmission facilities of such transmission-only company.

- a) Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
- b) Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
- c) Post information via WECC's planning project review reports.
- d) Develop the initial transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

2. APS Coordination within a Solicitation of Interest Process

APS, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into APS's transmission project plan any other planned project on or interconnected with APS's transmission system.

3. APS Projects without a Solicitation of Interest Process

APS may elect to proceed with small and/or reliability transmission projects without an open season solicitation of interest, in which case APS will proceed with the project pursuant to its rights and obligations as a Transmission Provider.

4. Allocation of Costs

a) Proportional Allocation

For any local transmission project entered into pursuant to an open season solicitation process, project costs and associated transmission rights will generally be allocated proportionally to project participants' respective ownership shares subject to a negotiated participation agreement. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant. Nothing in this section precludes project participants from utilizing another cost allocation methodology, provided all project participants agree to the alternative.

b) Economic Benefits or Congestion Relief

For a local transmission project wholly within the APS local transmission system that is undertaken for economic reasons or congestion relief at the request of a Customer, the project costs will be allocated to the Customer.

c) APS Rate Recovery

Notwithstanding the foregoing provisions, APS will not assume cost responsibility for any local transmission project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.

d) Exclusions

The cost for transmission projects undertaken in connection with requests for interconnection or transmission service on the APS transmission system, which are governed by existing cost allocation methods within APS's Tariff, will continue to be so governed and will not be subject to the principles of this Section VII.

B. Regional Transmission Projects

For any project determined by the ~~Planning Management Committee~~PMC to be eligible for regional cost allocation, project costs ~~and associated transmission rights~~ will be allocated proportionally to those entities determined by the ~~Planning Management Committee~~PMC, as shown in the Regional Plan, to be beneficiaries ~~of the project, and who agree to participate in such regional project~~ enrolled in the WestConnect Planning Region, as identified in this Attachment E. A project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment E) to a transmission owner located within the WestConnect Planning Region, but not enrolled in the WestConnect Planning Region is not eligible for regional cost allocation. Similarly, a project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment E) to a transmission owner not enrolled in any planning region is not eligible for regional cost allocation.

The ~~Planning Management Committee~~PMC, ~~with input from the CAS,~~ is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied. If an entity other than a transmission owner enrolled in the

region (see III.A.2.c) is an identified beneficiary, the project is not eligible for regional cost allocation.

- Cost assignments must be commensurate with estimated benefits.
- Those that receive no benefits must not be involuntarily assigned costs.
- A benefit-to-cost threshold (B/C) of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded, as applicable.
- Costs must be allocated solely within the WestConnect Planning Region, unless other regions or entities voluntarily assumes costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

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

- Reliability Projects;
- Economic or Congestion Relief Projects; or
- Public Policy Projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. APS encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation assessment. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

In order to allocate costs to ~~customers-enrolled transmission owners~~ for system reliability improvements that are necessary for their systems to meet the NERC Transmission Planning Standards, the WestConnect cost allocation procedure will allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC Transmission Planning Standards during the planning horizon.

All components of a Transmission Owner's local transmission plan will be included in the Regional Plan and will be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis

will be performed on the collective plans to ensure the combined plans adhere to all relevant NERC Transmission Planning Standards, and stakeholders will be afforded an opportunity to propose projects that are more efficient or cost effective than replace components of multiple Transmission Owner local plans as outlined in Section III.D-E, above.

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

Should multiple utilities have separate reliability issues that are addressed most more efficiently or cost effectively by a single regional project ~~and the utilities approve the change to their local plans~~, that regional project will be approved for selection in the Regional Plan and the cost will be shared by those enrolled transmission owners utilities in proportion to the cost of alternatives that could be pursued by the individual utility transmission owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner.

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

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant enrolled Transmission Owner's-owner's retail distribution service territory or footprint
- 2 is the total cost of local reliability upgrades in the combination of enrolled Transmission transmission Owners'-owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project
- 3 is the total cost of the regional reliability project
- 4 is the total cost allocated to the relevant enrolled Transmission transmission Owner's-owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each enrolled transmission owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order WestConnect will establish a B/C ratio of 1.25 for a project to be considered economically-justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the enrolled transmission owners that show a benefit based on the amount of benefits calculated to each respective transmission owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost
 - Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
 - Company 1 allocation: $90/150 (100) = \$60$ million
 - Company 1 B/C ratio: $90/60 = 1.5$
 - Company 2 allocation: $60/150 (100) = \$40$ million
 - Company 2 B/C ratio: $60/40 = 1.5$

Other than through the reevaluation process described in Section III.E.7 of this Attachment E, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process shall consider production cost savings and reduction in reserve sharing requirements as economic benefits

capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC indentifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.B of this Attachment E. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

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

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the total projected present value of economic benefits for the relevant ~~enrolled Transmission transmission Owner's owner retail distribution service territory or footprint~~
- 2 is the total projected present value of economic benefits for the entire project
- 3 is the total cost of the economic project
- 4 is the total cost allocated to the relevant ~~enrolled Transmission transmission Owner's owner retail distribution service territory or footprint~~

Any ~~enrolled transmission owner Transmission Owner's retail distribution service territory or footprint~~ with benefits less than or equal to one percent of total project benefits will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified enrolled transmission owner, such benefits will be re-allocated to all other identified enrolled beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from ~~enacted public policy requirements Public Policy Requirements, as defined by the Regional Planning Process,~~ shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from ~~proposed public policy needs that are not legislated~~ shall be reported by each entity for its own service territory; ~~d.~~ Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. Transmission needs driven by ~~public policy requirements Public Policy Requirements~~ will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a transmission owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed in Section II of this Attachment E), Any any projects arising out of a regional need for transmission infrastructure to satisfy the ~~public policy requirements Public Policy Requirements~~ shall be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public

Policy Requirements pursuant to the stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC is to determine whether to select a particular regional solution in the regional transmission plan for purposes of cost allocation. The identification of beneficiaries costs of these projects shall be ~~shared with~~ the entities that will access the resources enabled by the project in order to meet their ~~public policy requirements~~ Public Policy Requirements.

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

The costs for public policy projects will be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question
- 2 is the total number of megawatts of public policy resources enabled by the public policy project
- 3 is the total project cost
- 4 is the cost for the public policy project allocated to the entity in question

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

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

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission Plan.

4. Combination of Benefits

In developing a more efficient and cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project shall be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment E. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment E. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered; however, the value of economic benefits may only be considered in response to a WECC Board approved recommendation to study congestion in the WestConnect footprint.

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

5. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under Section 205 of the Federal Power Act. In no event will identified beneficiaries enrolled in the WestConnect Planning Region from whom project costs are sought to be recovered under Section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act may seek cost recovery from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

~~To the extent a project beneficiary elects to participate in a project approved for cost allocation in the Regional Plan, the beneficiary will receive transmission transfer capability on the project in exchange for transmission service payments.~~

In addition, aIf a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary with transfer capability on the project may resell the transfer capability. Alternatively, a project beneficiary could seek to If the beneficiary makes a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case, it the project beneficiary shall would instead receive an ownership percentage in proportion to their capital contribution (Ownership Proposal). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment E with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment E with respect to Order No. 1000 cost allocation imposes on an Eligible

Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VII.B.5 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, and (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

6. Project Development Schedule

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

establish a date by which the steps required to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

7. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

8. APS Rate Recovery

Notwithstanding the foregoing provisions, APS will not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in APS's retail and/or wholesale transmission rates.

9. No Obligation to Construct

The WestConnect Regional Planning Process is intended to determine and recommend the more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the Regional Planning Process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct, any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment E, the Business Practice Manual or the Planning Participation Agreement, or any cost allocation shall (1) determine any transmission service to be received by, or any transmission usage by, any entity; (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage; (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation; (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation; or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment E, the Business Practice Manual or the Planning Participation Agreement with respect to regional cost allocation shall preclude any WestConnect Planning Region member from satisfying its statutory obligations.

10. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VII of this Attachment E are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section III.E.7 of this Attachment E; (2) the right and obligation of a Eligible Transmission Developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (3) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision of proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (4) the right and obligation of the Commission to act under Section 205 or other applicable provisions of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.⁵

11. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VII.B of this Attachment E, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a

⁵ An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VII.5. If an Eligible Transmission Developer is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

10.12. Exclusions

The cost for transmission projects undertaken in connection with requests for generation interconnection or transmission service on the APS transmission system, which are governed by existing cost allocation methods within the OATT, will continue to be so governed and will not be subject to the principles of this Section VII.

In the event of an inconsistency between this Attachment E and the load interconnection cost allocation policy, this Attachment E shall control.

FERC rendition of the electronically filed tariff records in Docket No. ER13-00082-002
Filing Data:
CID: C001436
Filing Title: OATT Order No. 1000 Compliance Filing
Company Filing Identifier: 240
Type of Filing Code: 80
Associated Filing Identifier: 153
Tariff Title: FERC Electric Tariff, Volume No. 2
Tariff ID: 11
Payment Confirmation:
Suspension Motion:

Tariff Record Data:
Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Table of Contents, Attachment E, Regional Transmission Planning Process, 1.2.0, A
Record Narrative Name: Table of Contents
Tariff Record ID: 68
Tariff Record Collation Value: 335665000 Tariff Record Parent Identifier: 0
Proposed Date: 9998-12-31
Priority Order: 700
Record Change Type: CHANGE
Record Content Type: 2
Associated Filing Identifier:

This is a PDF section and we cannot render PDF in a RTF document.
Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment E, Section 1, Overview of APS Transmission Planning Process, 1.1.0, A
Record Narrative Name:
Tariff Record ID: 69
Tariff Record Collation Value: 340660000 Tariff Record Parent Identifier: 68
Proposed Date: 9998-12-31
Priority Order: 700
Record Change Type: CHANGE
Record Content Type: 2
Associated Filing Identifier:

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Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment E, Section 2, APS Local Transmission Planning, 1.1.0, A
Record Narrative Name:
Tariff Record ID: 70
Tariff Record Collation Value: 345655000 Tariff Record Parent Identifier: 68
Proposed Date: 9998-12-31
Priority Order: 700
Record Change Type: CHANGE
Record Content Type: 2
Associated Filing Identifier:

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Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment E, Section 3, Regional Transmission Planning Process, 1.1.0, A
Record Narrative Name:
Tariff Record ID: 71
Tariff Record Collation Value: 350650000 Tariff Record Parent Identifier: 68
Proposed Date: 9998-12-31
Priority Order: 700
Record Change Type: CHANGE
Record Content Type: 2
Associated Filing Identifier:

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Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment E, Section 4, Recovery of Planning Costs, 1.1.0, A
Record Narrative Name:
Tariff Record ID: 73
Tariff Record Collation Value: 360640000 Tariff Record Parent Identifier: 68

Proposed Date: 9998-12-31
Priority Order: 700
Record Change Type: CHANGE
Record Content Type: 2
Associated Filing Identifier:

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Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment E, Section 5, Dispute Resolution, 1.1.0, A
Record Narrative Name:
Tariff Record ID: 74
Tariff Record Collation Value: 365635000 Tariff Record Parent Identifier: 68
Proposed Date: 9998-12-31
Priority Order: 700
Record Change Type: CHANGE
Record Content Type: 2
Associated Filing Identifier:

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Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Attachment E, Section 7, Cost Allocation, 1.1.0, A
Record Narrative Name:
Tariff Record ID: 75
Tariff Record Collation Value: 370630000 Tariff Record Parent Identifier: 68
Proposed Date: 9998-12-31
Priority Order: 700
Record Change Type: CHANGE
Record Content Type: 2
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| 240-a5ee539a-3382-4e1d-9b12-f7a6dac9e9aa.PDF..... | 32-102 |
| 240-96a6b5d4-1b4f-4abd-ab2f-f46071615f1d.PDF..... | 103-175 |
| FERC GENERATED TARIFF FILING.RTF..... | 176-177 |