

Summary of December 13 Conference Call of the CREPC Regulatory Transmission Principles Work Group

Joining the call were: Becky Wilson, Chair (UT PSC); Connie White (UT PSC) George Compton (UT DPU); Nancy Kelly (UT Consumer Services); Tom Schneider/Marla Larson (MT PSC); Larry Nordell (MT Consumer Council); Cindy Lewis/Steve Oxley (WY PSC); Laura Nelson/Randy Lobb (ID PUC); Matt McVee (NV PSC), Wayne Shirley (Regulatory Assistance Project; and Doug Larson/Tom Carr (WIEB).

The group reviewed: summaries of existing state regulatory processes for transmission cost recovery, Larry Nordell's memo of 7 hypothetical cases of potential transmission projects, and Randy Lobb's description of cost recovery on the Oxbow-Brownlee line. The group discussed desirable additions to Larry's paper. They agreed to write up diverse examples of regulatory treatment of past transmission investments to serve as a collection of case studies. They discussed the allocation of transmission costs incurred by PacifiCorp. The group saw little credence in the argument that fear of triggering a rate case was deterring utilities from making transmission investments.

The group agreed to the following next steps.

- Becky Wilson will consolidate the drafts of state treatment of transmission investments into a paper by December 30;
- Information on state treatment of the following transmission projects will be developed: Sigurd-Nevada (Becky); Valmy to Idaho Power (Randy/Laura); Colstrip (Larry/Tom/Marla); and a yet-to-be-name Wyoming project (Steve).
- After reviewing Becky's product, Wayne will expand Larry's paper, add examples where available (e.g., Tehachapi, Path 15, Alturas), identify key issues, discuss the impact of new transmission changing flows on the system, expand scenario 4, and add a new scenario 8.
- Matt will be faxing information on the Centennial line in Nevada to interested work group members.
- Doug and Tom will explore information on the FERC open season process for gas pipeline expansion and find information on the Northern Lights proposal.
- The Work Group agreed on a longer term schedule under which –
 - It would agree on a draft document that describes existing regulatory policies and recent case study experiences, and discusses how existing processes would treat different types of transmission investments.
 - Once the Work Group is comfortable with the draft document, it would invite selected industry representatives to join the conference call and provide feedback on the draft document.
- The Work Group agreed to hold the next call on January 20 at 10:00 a.m. MDT/9:00 a.m. PST. TO CONNECT TO THE CALL DIAL 973.935.2026. THE PASS CODE IS 311861.