



March 9, 2007

Dear: Jay Looke, Steve Walton, Mark Maher, WECC; Dave Areghini, SRP; Scott Cauchois, CORA; Grace Anderson, CEC; Mike Evans, STGP; Marv Landauer, BPA; Harlow Peterson, USE; Dian M. Grueneich, CPUC; Gordon Dobson-Mack, PWX; Robert Kondziolka, SRP; Chris Reese, PSE; Robert Smith, APS; Gary DeShazo, CISO; Sandra Johnson, PSC; Paul Arnold, ColumbiaGrid

RE: Order 890 Strawman Proposal Coordination

The Northern Tier has reached the stage where we would like to organize and coordinate transmission planning and use issues with neighboring sub-regional groups. In addition, Northern Tier wishes to begin discussions with the Western Electricity Coordinating Council (WECC) to expand and enhance their processes and responsibilities along with Northern Tier procedures to meet or exceed requirements of the new Federal Energy Regulatory Commission's Order 890.

Northern Tier continues the initiatives started by the Rocky Mountain Area Transmission Study (RMATS) and the Committee on Regional Electric Power Cooperation's (CREPC) Transmission Regulatory Principles Work Group (TREG) as a sub-regional transmission group under the WECC Transmission Expansion Planning and Policy Committee (TEPPC). In this regard, Northern Tier has established an organization with two work groups: the Transmission Planning Work Group and Transmission Use Work Group. It appears to Northern Tier members that one of the most immediate requirements arising from Order 890 concerns Transmission Planning and the development of planning Strawman proposals for enhanced regional and sub-regional transmission planning.

In addition to being a major portion of the Western Electricity Coordinating Council's transmission footprint, the combined transmission system of Northern Tier members connects with the systems of all sub-regional groups in the Western Interconnection and connects together the diverse generation, load and wholesale market areas of the West. Therefore, Northern Tier needs to coordinate with all the parties including WECC, WestConnect's planning arms, California Sub-Regional Planning, Colorado Coordinated Planning Group, the Northwest's NWPP and ColumbiaGrid.

FERC Order 890 provides more importance to coordination, openness, regional participation and transparency of transmission planning, but also adds new requirements for the region and its sub-regions to perform economic planning in addition to reliability coordination. To accomplish this worthy task, the Northern Tier Transmission Planning Work Group would like to have coordination discussions with WECC TEPPC and neighboring sub-regions as soon as possible to coordinate mutually beneficial provisions

into the Northern Tier Planning Strawman proposal for its members in the required time frame. It is hoped that this endeavor would also enhance and benefit the planning efforts in your region.

Use of existing organizations is allowed for both regional and sub-regional coordination under Order 890. We see definite roles for each to meet the order requirements. However, because Northern Tier adjoins all of the Western Interconnection sub-regional transmission groups, we seek to coordinate these discussions all together at the WECC and TEPPC level for expediency and to best establish the regional and sub-regional vision of roles and responsibilities. The Order requires discussions to begin immediately and by copy of this letter we respectfully request that this process be initiated and facilitated by TEPPC. Northern Tier looks forward to coordinating with all neighboring sub-regions hopefully through a TEPPC process, but will work directly if the TEPPC method is not available.

Finally, on March 14, 2007, the Northern Tier will hold a meeting of its sub-regional planning group. The purpose of the meeting is to review Order 890 planning requirements, present initiatives, procedures, TEPPC process coordination, and a development plan for meeting the order's requirements. Additional information for this meeting is posted on the Northern Tier website (www.NTTG.biz).

Thank you for your interest in this matter, we sincerely hope that we can meet soon and develop a clear understanding of your views on this approach and launch a coordinated process.

Best Regards,

A handwritten signature in blue ink, appearing to read "Kip Sikes".

Kip Sikes
Chairman
NTTG Planning Workgroup

Cc: John Cupparo
Marsha Smith