

TRANSMISSION PRICING WORK GROUP

MISSION: Recommend to Regional Representatives Group approach to Transmission Pricing issues including any phase-ins over time. In lieu of consensus, provide prioritized approaches and advantages and disadvantages of each

ISSUES COVERED:

- #1 Recovery of fixed transmission costs
- #2 Transmission losses
- #5 Facilitation of needed construction of new transmission facilities (transmission pricing aspects)
- #10 RTO tariffs

LEADER: Dave Hackett

SCHEDULE:

- 1) Kick-Off with Workshop 1
- 2) Pricing Model Updated by June 30, 2000
- 3) Recommendations due August 24, 2000

TRANSMISSION PRICING WORKSHOP

LEADERS: Phillip McLeod
John Chandley
Mike Calwalader
Susan Pope

SCHEDULE: Model Validation Workshop May 25, 2000
Case Studies with Data WS July 13, 2000

OBJECTIVES:

1. Review present model and make any recommendations for any possible simplification while assuring that the model will be entirely capable of addressing expected pricing alternatives. (May workshop)
2. Create clear definition of data fields. (May workshop)
3. Use a sample case to demonstrate how model would operate. (May workshop)
4. Evaluate how model handles cost shift between participants and note issues of concern. (May workshop)
5. Review alternatives for recovering transmission line loss. (May workshop)
6. Verify results with latest data. (July workshop)
7. Recommend approach to provide island service
8. Develop pricing approaches for recovering cost for transmission expansions accomplished through non-market mechanisms