

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Avista Corporation,  
Bonneville Power Administration,  
Idaho Power Company,  
The Montana Power Company,  
Nevada Power Company,  
PacifiCorp,  
Portland General Electric Company,  
Puget Sound Energy, Inc.,  
Sierra Pacific Power Company

Docket No. RT01-35-005

**SUPPLEMENTAL INFORMATIONAL FILING RELATED TO  
STAGE 2 FILING AND REQUEST FOR DECLARATORY ORDER  
PURSUANT TO ORDER 2000**

On March 29, 2002, Avista Corporation, the Bonneville Power Administration, Idaho Power Company, Nevada Power Company, NorthWestern Energy, L.L.C. (formerly the Montana Power Company), PacifiCorp, Portland General Electric Company, Puget Sound Energy, Inc., and Sierra Pacific Power Company, joined by British Columbia Hydro and Power Authority, a nonjurisdictional Canadian utility, (collectively, the “filing utilities”) filed with the Federal Energy Regulatory Commission (the “Commission”) a Stage 2 Filing and Request for Declaratory Order Pursuant to Order 2000, in accordance with Rule 207(a)(2) of the Commission’s Rules of Practice

and Procedure, 18 C.F.R. § 385.207(a)(2) (2000) (the “Stage 2 Filing”). The Stage 2 Filing included, as Attachment L, an Illustrative Implementation Plan Summary. The Stage 2 Filing explained that the Illustrative Implementation Plan Summary was included “to demonstrate the set of activities that must be undertaken by RTO West to become operational and [to] describe[] the interrelationship of the major components and relative duration,”<sup>1</sup> but did not necessarily reflect the actual timing or sequence of events to establish RTO West. The Stage 2 Filing further explained that the filing utilities were working to develop a detailed plan with proper activity sequencing and that they expected to file this plan within 60 days following the Stage 2 Filing.<sup>2</sup>

On May 28, 2002, the filing utilities submitted to the Commission an Informational Filing Related to Stage 2 Filing and Request for Declaratory Order Pursuant to Order 2000, explaining that more time was needed to complete the detailed implementation plan for RTO West and to allow for stakeholder input. The filing utilities have now completed their work on the detailed plan, and have also consulted with interested stakeholders by conference call to receive their comments.

Accordingly, the filing utilities now submit to the Commission, for its information, the following documents:

1. Attachment A – Detailed Implementation Plan; and
2. Attachment B – Description of General Approach to Public Involvement in Post-Stage 2 Filing Activities.

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<sup>1</sup> Stage 2 Filing at 62.

<sup>2</sup> *Id.*

The Implementation Plan is organized into two general timeframes: (1) the 12 months following the Stage 2 Filing and (2) the period beginning 12 months after completion of the Stage 2 Filing and running through the anticipated operational start-up date for RTO West. It represents the filing utilities' current expectations and priorities as they anticipate the Commission's response to the Stage 2 Filing and prepare to retain a qualified implementation program manager (the "Program Manager") through a Request for Qualifications/Proposal for RTO West Implementation Services (the "Implementation RFP")<sup>3</sup>. The Implementation Plan has been informed by the substantial efforts previously undertaken by a national firm the filing utilities hired to develop a comprehensive analysis of the tasks necessary to implement the RTO West proposal.<sup>4</sup> The filing utilities may revisit and modify the Implementation Plan if warranted by Commission action in response to the Stage 2 Filing or other subsequent developments, or if they identify changes that would enhance implementation.

One major area covered by the Implementation Plan focuses on follow-up work related to the Stage 2 Filing. This effort will include consultation with interested stakeholders and will address, among other things, further analysis of how best to approach interconnection and integration of generation and load; completion of a draft Scheduling Coordinator Agreement; on-going work to refine, flesh out, and test and validate the RTO West market design; and development of a proposed tariff for RTO West. The filing utilities have already dedicated significant time and resources to critical

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<sup>3</sup> The Implementation RFP was posted on the RTO West Web site on June 19, 2002 at [http://rtowest.org/Doc/PMO\\_RFP.pdf](http://rtowest.org/Doc/PMO_RFP.pdf) and can now be found at [http://128.242.83.219/Doc/PMO\\_RFP.pdf](http://128.242.83.219/Doc/PMO_RFP.pdf).

<sup>4</sup> See Stage 2 Filing at 62 and Attachment L.

groundwork in these areas. They expect to increase their efforts as the work progresses, while incorporating stakeholder participation and feedback.

Another major area of work in the Implementation Plan centers on the Western Market Vision<sup>5</sup> to create seamless energy markets and transmission services in the West. As explained in the Stage 2 Filing, the filing utilities are working with representatives of the California ISO and WestConnect on such areas as market monitoring, West-wide coordination of system expansion planning, potential approaches to pricing reciprocity, and investigation of shared market access interfaces, compatible and complementary communications and computer systems, and back-up control centers.

A third major area of work covered by the Implementation Plan is formal program implementation, to be directed by the Program Manager selected through the Implementation RFP. The Program Manager's responsibilities will include business plan development, strategic and foundational work to secure capital funding for start-up and initial operations, and development and testing of the communications, software, and hardware infrastructure necessary to support RTO West's business.<sup>6</sup> The Program

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<sup>5</sup> The Western Market Vision, developed and supported by representatives working on the proposals for RTO West and WestConnect, as well as representatives of the California ISO, was first filed with the Commission as Exhibit A to the Status Report Concerning RTO West Development, filed December 1, 2001 by Avista Corporation, Bonneville Power Administration, British Columbia Hydro and Power Authority, Idaho Power Company, the Montana Power Company (now NorthWestern Energy, L.L.C.), PacifiCorp, and Puget Sound Energy, Inc.

<sup>6</sup> The continuing retention of the Program Manager will, of course, be subject to periodic performance reviews, and the RTO West independent Board of Directors, when seated, will have the power to modify or terminate the arrangements with the Program Manager.

Manager will also oversee and support RTO West's transition to governance by an independent Board of Trustees.<sup>7</sup>

The other major areas covered by the Implementation Plan are activities, beginning 12 months after the completion of the Stage 2 Filing, that will enable RTO West to move from design and testing activities to commercial operations. These activities are organized around broad subject areas such as "Regulatory," "Operations," and "Administrative and Governance."

The Implementation RFP posted on the RTO West Web site on June 19, 2002 reflects the filing utilities' commitment to take concrete, decisive steps to move forward with RTO West implementation. Assuming the filing utilities' request for declaratory relief in the Stage 2 Filing is granted, the Implementation RFP process is scheduled to be completed by sometime in September 2002. Once selected, the Program Manager will be dedicated full time to moving RTO West from the design stage to commercial operations. The overarching goal will be to prepare the foundation for successful, efficient operations to begin as soon as critical regulatory, contractual, and financial prerequisites have been satisfied, while minimizing start-up and ongoing costs.

The filing utilities recognize the continuing importance of public involvement during the transition from RTO West design to RTO West commercial operations. They thought it might be potentially confusing, however, to try to interweave entries related to public process throughout the various subject areas covered by the Implementation Plan. They also believe that stakeholder participation processes may need to be flexible

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<sup>7</sup> The independent Board of Trustees will be elected by representatives of RTO West member classes in accordance with the RTO West Bylaws submitted in the Stage 2 Filing. *See* Attachment C to the Stage 2 Filing.

depending upon what tasks and subject areas are under consideration and where in the development process they fall. Accordingly, the filing utilities have included with this filing as Attachment B a general description of the approach they intend to follow to provide for meaningful, constructive public involvement in various aspects of the Implementation Plan.

As the Stage 2 Filing noted, there are a number of factors that could affect the ability and willingness of one or more filing utilities to move ahead with the RTO West proposal, assuming the Commission grants the declaratory relief requested in the Stage 2 Filing.<sup>8</sup> The materials submitted with this filing present a pathway to enable RTO West to reach operational start-up through a well-planned, cost-effective implementation process.

Respectfully submitted this 27<sup>th</sup> day of June, 2002.

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Pamela L. Jacklin  
Of Attorneys for PacifiCorp and, for the  
purposes of this filing only, on behalf of  
the filing utilities

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<sup>8</sup> See, e.g., Stage 2 Filing at 12-16.







ID	Task Name	Duration	Start	Finish	2002				2003				2004				2005				2006		
					Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
252	Submit IRS Filing	0 days	Mon 3/3/03	Mon 3/3/03						★ 3/3													
253	Anticipated Decision Date	0 days	Mon 11/3/03	Mon 11/3/03							★ 11/3												
254	Other Legal Agreements	305 days	Wed 10/16/02	Mon 12/15/03																			
260	<b>Operations</b>	<b>578 days</b>	<b>Fri 10/31/03</b>	<b>Tue 1/17/06</b>																			
261	As Is Infrastructure Review/Interface Requirements Definition	132 days	Mon 12/1/03	Tue 6/1/04																			
262	Assess and Develop Requirements	66 days	Wed 6/2/04	Wed 9/1/04																			
263	Select Alternative Development Options	10 days	Thu 9/2/04	Wed 9/15/04																			
264	Develop RFP Shell(s)	22 days	Thu 9/16/04	Fri 10/15/04																			
265	Seams Dependent Infrastructure Development	355 days	Mon 1/5/04	Mon 5/16/05																			
266	Complete Specifications	10 days	Mon 1/5/04	Mon 1/19/04																			
269	Select Vendor	169 days	Mon 1/19/04	Fri 9/10/04																			
277	Write Software and Construct Systems	264 days	Wed 5/12/04	Mon 5/16/05																			
278	Seams Independent Infrastructure Development	349 days	Thu 9/16/04	Tue 1/17/06																			
279	Complete Specifications	10 days	Thu 9/16/04	Wed 9/29/04																			
280	Select Vendor	174 days	Thu 9/30/04	Tue 5/31/05																			
287	Write Software and Construct Systems	252 days	Mon 1/31/05	Tue 1/17/06																			
288	Prototype Workflow Development (Organization Middleware)	45 days	Fri 10/31/03	Thu 1/1/04																			
289	Prototype Business Process Workflow Development	45 days	Fri 10/31/03	Thu 1/1/04																			
290	Market Interface Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
291	Tariff Administration Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
292	Market Monitoring Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
293	Parallel Path Management Workflow (As Appropriate)	45 days	Fri 10/31/03	Thu 1/1/04																			
294	Congestion Management Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
295	System Operations Workflow Development	45 days	Fri 10/31/03	Thu 1/1/04																			
296	Ancillary Service Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
297	Operations Training Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
298	Interregional Coordination Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
299	Voltage Regulation Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
300	Load Forecasting Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
301	Transmission Planning/Adequacy (Next Day) Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
302	Dispatch Coordination With Inter- and Intra-Region Con	45 days	Fri 10/31/03	Thu 1/1/04																			
303	Security Coordination Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
304	Operations Engineering Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
305	NERC Reporting Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
306	Customer Compliance Monitoring Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
307	Generation Outage Coordination Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
308	Transmission Outage Coordination Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
309	Metering Operations (Includes Data Acquisitions and Ac	45 days	Fri 10/31/03	Thu 1/1/04																			
310	Backup Operations/System Restoration/Emergency Ma	45 days	Fri 10/31/03	Thu 1/1/04																			
311	Market Operations Workflow	45 days	Fri 10/31/03	Thu 1/1/04																			
312	Tagging & Scheduling Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
313	Imbalances Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
314	OASIS Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
315	TTC/ATC Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
316	Losses Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			
317	Congestion Management Studies Workflows	45 days	Fri 10/31/03	Thu 1/1/04																			



ID	Task Name	Duration	Start	Finish	2002				2003				2004				2005				2006		
					Q4	Q1	Q2	Q3	Q4	Q1	Q2												
388	Treasury and Cash Management	22 days	Wed 10/2/02	Thu 10/31/02																			
389	Billing and Settlements	22 days	Wed 10/2/02	Thu 10/31/02																			
390	Management Practices and Reporting	22 days	Wed 10/2/02	Thu 10/31/02																			
391	Legal and Regulatory	22 days	Wed 10/2/02	Thu 10/31/02																			
392	Internal Audit	22 days	Wed 10/2/02	Thu 10/31/02																			
393	Media Relations	22 days	Wed 10/2/02	Thu 10/31/02																			
394	Financial Analysis and Reporting	22 days	Wed 10/2/02	Thu 10/31/02																			
395	Risk Management	22 days	Wed 10/2/02	Thu 10/31/02																			
396	FERC and SEC Reporting	22 days	Wed 10/2/02	Thu 10/31/02																			
397	NERC Reporting	22 days	Wed 10/2/02	Thu 10/31/02																			
398	Officers Review and Approve Workflows	44 days	Thu 9/2/04	Tue 11/2/04																			
399	Perform Employee Procedures Training	10 days	Wed 11/3/04	Tue 11/16/04																			
400	Officers Select Financial Auditor	44 days	Thu 9/2/04	Tue 11/2/04																			
401	Human Capital and Organization Development	847 days	Wed 10/2/02	Wed 12/28/05																			
402	Organization Design	115 days	Wed 10/2/02	Mon 3/10/03																			
403	Develop Organization Functional Structures	44 days	Wed 10/2/02	Mon 12/2/02																			
404	Develop and Conduct Department Design Meetings	10 days	Tue 12/3/02	Mon 12/16/02																			
405	Validate Department Structures from Design Initiatives	5 days	Tue 12/17/02	Mon 12/23/02																			
406	Validate/Modify FTE Requirements from Design Initiatives	5 days	Tue 12/17/02	Mon 12/23/02																			
407	Present Organization Baseline to CEO/Steering Committee	5 days	Mon 2/3/03	Fri 2/7/03																			
408	Develop Job Descriptions	22 days	Mon 2/10/03	Mon 3/10/03																			
409	Conduct Job Analysis	22 days	Mon 2/10/03	Mon 3/10/03																			
410	Identify Performance Dimensions/Competencies	10 days	Mon 2/10/03	Fri 2/21/03																			
411	Develop Job Descriptions in Standardized Format	10 days	Mon 2/10/03	Fri 2/21/03																			
412	Confirm Job Descriptions with RTOWest Staff	1 day	Mon 2/10/03	Mon 2/10/03																			
413	HR Resource Procurement	732 days	Tue 3/11/03	Wed 12/28/05																			
414	Develop Staffing Master Plan and Policies	22 days	Tue 3/11/03	Wed 4/9/03																			
418	Develop Job Posting Process	171 days	Tue 3/11/03	Tue 11/4/03																			
421	Interview Team Development	196 days	Tue 3/11/03	Tue 12/9/03																			
427	HR Onboarding - Hiring Process	551 days	Wed 11/19/03	Wed 12/28/05																			
438	HR Strategy Development	32 days	Fri 10/31/03	Mon 12/15/03																			
439	Create HR Advisory Panel	10 days	Fri 10/31/03	Thu 11/13/03																			
440	Define HR Policies and Procedures	22 days	Fri 11/14/03	Mon 12/15/03																			
441	General Company Set-up	22 days	Fri 11/14/03	Mon 12/15/03																			
442	Payroll	22 days	Fri 11/14/03	Mon 12/15/03																			
443	Benefits (Retirement, Vacation Policy, Transition of Sen	22 days	Fri 11/14/03	Mon 12/15/03																			
444	Performance Management	22 days	Fri 11/14/03	Mon 12/15/03																			
445	Employee Record Maintenance	22 days	Fri 11/14/03	Mon 12/15/03																			
446	Compensation	22 days	Fri 11/14/03	Mon 12/15/03																			
447	Governance Implementation	502 days	Wed 10/2/02	Wed 9/1/04																			
448	Board of Directors	228 days	Mon 12/2/02	Tue 10/14/03																			
449	Staffing Support For Board Processes	22 days	Mon 12/2/02	Tue 12/31/02																			
450	Market Participants Form Voting Groups	44 days	Mon 12/2/02	Thu 1/30/03																			
451	Prepare for Elections Trustee Selection Comm. (TSC)	22 days	Mon 12/2/02	Tue 12/31/02																			
452	Hold Elections for TSC	1 day	Mon 3/3/03	Mon 3/3/03																			
453	Resolve Any Dispute Regarding Elections for TSC	22 days	Tue 3/4/03	Wed 4/2/03																			



## **ATTACHMENT B**

### Description of General Approach to Public Involvement in Post-Stage 2 Filing Activities

A number of comments submitted in response to the filing utilities' Stage 2 Filing and Request for Declaratory Order Pursuant to Order 2000 urged the RTO West filing utilities to adopt a robust public involvement process for ongoing RTO West development work. The filing utilities agree and intend to continue to use the RTO West Regional Representative Group (RRG) as a major vehicle through which to distribute information on policy development and related issues and to take comments from stakeholder representatives and the general public.

The filing utilities used stakeholder work groups during Stage 1 and Stage 2 of the RTO West development process to produce white papers, to describe alternative solutions to various issues, to debate the merits and demerits of proposals, and to take comment on various options. These work groups, while very helpful in providing useful comment, sometimes got bogged down in lengthy debate, particularly when the topics under discussion involved difficult policy issues that could be resolved in several fundamentally different ways.

The filing utilities hope to make the stakeholder work groups more efficient by developing draft "straw" proposals to present to stakeholder work groups for discussion. Because many conceptual issues related to the RTO West proposal were resolved during the Stage 2 process, particularly in the areas of pricing and congestion management, the filing utilities expect debate on issues to be relatively narrow and to take less time, although there are many details that will need discussion. The filing utilities intend to be responsive to suggestions from stakeholders on approaches to public involvement that may differ from issue to issue and to modify these approaches as appropriate to make the process as effective and efficient as practical.

As urged by a number of intervenors responding to the Stage 2 Filing, the three developing Regional Transmission Organizations in the West (RTO West, the California ISO, and WestConnect) agree that work groups of the Seams Steering Group-Western Interconnection (SSG-WI) will be open to the public. To facilitate stakeholder involvement in these work groups, SSG-WI will establish a Web site to post pertinent information and materials, including advance notice of work group meetings, together with locations and times for those meetings. The filing utilities will endeavor, to the extent feasible, to set up conference phone participation for work group meetings as well.

The SSG-WI policy group has not yet determined what public process it will follow. In any case, each participating Regional Transmission Organization is expected to solicit stakeholder input concerning whether to adopt a recommendation from SSG-WI. The filing utilities intend to use the RTO West RRG process as their forum for public involvement on these issues.