

# CTC-WAPA JPA Crosswalk

CTC draft agreement dated 4/4/2018 and WAPA agreement draft dated 7/11/2018

| CTC Draft Document | CTC Draft Section No.                 | WAPA Draft Section No.                | Primary Differences   | PDP/INT Customer Review   |
|--------------------|---------------------------------------|---------------------------------------|---|---|
|                    | All Sections                          | All Sections                          | <p>The WAPA draft uses Contractors, Parties, and Participants to describe the entities in the JPA.</p> <p>A Contractor is an entity other than WAPA that has signed the JPA; Parties include Contractors and WAPA; and a Participant is an entity that has signed Exhibit A that covers prepayment funding for construction projects.</p>   | <p>-Definition for Contractor should be revised to address the Tribal position. Sovereign entity.</p> <p>-Should exclude the GPCPs from agreement. Please explain reasoning for inclusion.</p> <p>-Unlimited vs limited waiver.</p>   |
|                    | Preamble Section 1                    | Preamble Section 1                    | <p>Changed the agreement name from "JPPA" to "JPA" based on May 10th discussion.</p> <p>Changed references of DSW to WAPA to better reflect it is an agreement between WAPA and P-DP and southern Intertie customers, not DSW and the customers. Also, eliminated most references to WAPA HQ; although, information regarding WAPA HQ will be provided at the work plan meetings.</p> | <p>Meeting participants indicated OK</p> <p>Meeting participants indicated OK</p>   |
| JPA                | Explanatory Recitals Section 2.3, 2.5 | Explanatory Recitals Section 2.5, 2.8 | As discussed at previous meetings, the JPA will only be applicable to the P-DP and southern portion of the Intertie transmission systems.   | Need to define what is included in the southern portion of the Intertie transmission systems. Want to ensure clarity.   |
|                    | Explanatory Recitals Section 2.4      | Goals and Objectives Section 3.1.5    | WAPA is not seeking to expand customer approval beyond the use of prepayment funds for construction projects, which is currently provided for under the MOU.  | <p>-Prefer to expand customer approval to "Customer-approved TYP projects" regardless of funding source.</p> <p>-If DSW provides adequate justification or obstructs Customers' position, then Customers may want to consider a fall back non-binding vote, which would give DSW a sense of what all Customers support.</p> <p>-Section 3.1.1. What is included in "input &amp; recommendations to WAPA"?</p> <p>-Section 3.1.2. What is DSW's meaning in "opportunities for input into the formation of DSW transmission systems construction projects?"</p> |
|                    | N/A                                   | Goals and Objectives Section 3        | Added a section on Goals and Objectives. This section helps clarify the purpose and objectives of the JPA.  | Need to expand goals & objectives to ensure clarity that RRADs, O&M and rates are included.   |

| CTC Draft Document | CTC Draft Section No.  | WAPA Draft Section No.   | Primary Differences   | PDP/INT Customer Review   |
|--------------------|--|--|---|---|
| JPA                | N/A  | Termination of Prior Agreements Section 5                                  | <p>Added a section on Termination of Prior Agreements. The section helps explain the status of agreements which are associated with the JPA.</p> <p>The CTC draft calls for the MOU to be replaced by the execution of the JPA. WAPA's draft complies with the termination provisions in Section 11 of the MOU. Exhibit A of the JPA replaces the MOU if it is terminated. Exhibit A is not effective until MOU is terminated. This allows a customer to execute the JPA regardless of the disposition of the MOU. If the MOU is not terminated, Exhibit A does not take effect and the JPA and MOU would run concurrently.</p> <p>As discussed at previous meetings, having two documents (the MOU and Exhibit A) providing separate voting mechanisms for the use of prepayments is not feasible.</p> | <p>Need discussion on superseding of original JPA and/or Prepayment Funding MOU. There may be some entities who do not wish to sign a new agreement.</p> <p>CTC recommends that if tribal entities or others do not wish to sign a new agreement, they should be able to participate fully in the discussions, decisions &amp; votes. Need further discussion with Tribes.</p> <p>Why is it not feasible? What are the show stoppers?</p> |
|                    | Term of Agreement Section 3  | Term of Agreement Section 6  | The CTC draft does not provide WAPA the capability to terminate the JPA. WAPA must be allowed to terminate the JPA.   | Discussion participants agree that the original language should remain. WAPA should be able to terminate the agreement only when all other entities have terminated or agree to terminate.  |
|                    | Definitions Section 4  | Definitions Section 7 Attachment No. 1                                     | Definitions have been moved to Attachment No. 1. The definitions have been revised to conform to WAPA's understanding of the intent, goals, and objectives of the JPA. Memorializing the definitions in an attachment provides flexibility for future modifications if needed.  | Below, is a list of definitions that need clarification and/or revision.  |
|                    | Incorporation of the Explanatory Recitals, Exhibits, and Attachments Section 5 | Explanatory Recitals Section 2, Exhibits Section 18 Attachments Section 15 | The CTC draft's incorporation of the Explanatory Recitals, Exhibits, and Attachments is included in individual sections within the body of WAPA's draft, using WAPA's standard language.  | Need to ensure that recitals are addressed adequately within (and as part of) the agreement.  |
| JPA                | Reviews, Comments and Approvals Section 6                                      | Exchange of Information Section 8 Attachments 2 through 5                  | Similar to the CTC draft, the WAPA draft contains the major topics (TYP, RRADS, Budget, Unobligated Balances, Reporting, and Transmission Planning) on which WAPA will share information and collaborate with customers. WAPA's draft describes each of these topics and notes the process, schedule, and information to be shared. For ease of making updates, further detail is included in attachments rather than the JPA itself.   | <p>-DSW's draft does not include Rates, O&amp;M &amp; PPW. Need to ensure these are fully addressed elsewhere.</p> <p>-Section 8.1.2 Information: Need more clarification as to what DSW means? Can be quite restrictive if strictly interpreted.</p> <p>-Section 8.2. Replacement, Retirement, Additions &amp; Deletions. Other documents refer to it as Replacement, Repairs, Additions &amp; Deletions. Which is it?</p>               |

| CTC Draft Document | CTC Draft Section No.       | WAPA Draft Section No. | Primary Differences   | PDP/INT Customer Review  |
|--------------------|-----------------------------|------------------------|---|--|
| JPA                |                             |                        |   | <p>-Section 8.1.2 same as Section 8.2. Still uncomfortable.</p> <p>-Section 8.4. Transmission Planning: 8.4 and the related attachment are inadequate. Does not align with previous discussions.</p>   |
|                    | Approvals Section 6.1       | N/A                    | <p>Section 6.1 was not included in WAPA's draft. The WAPA draft does not provide for customer approval of the TYP, RRADs, or funding other than prepayments for construction projects. WAPA must comply with requirements under its OATT (such as providing for network upgrades), and cannot defer decisions on capital projects that are needed to support its statutory mission. Additional customer approval beyond the use of prepayments for construction projects is not consistent with similar customer agreements throughout WAPA.</p> <p>WAPA's intent in developing the JPA is to memorialize existing processes, procedures, and collaboration on issues that materially impact the P-DP and southern Intertie transmission systems.</p> | <p>-Further discussion needed. Customers still need to vote on entire TYP regardless of funding source.</p> <p>-Customers agree to removal of RRADs approval.</p> <p>-DSW's processes have always been inconsistent with other regions &amp; would continue to be so under DSW's current proposal. While, PDP/INT Customers need to approve all TYP projects may be inconsistent with other customer agreements, other regions have large customer groups that retain a trust fund and make decisions on funding the TYP outside of WAPA's TYP process. PDP/INT Customers may want to consider the potential of a trust fund to control all customer funds prior to providing to DSW.</p> <p>-PDP/INT Customers' intent is to improve on existing &amp; create new procedures to provide more Customer involvement &amp; timely information and to document the final JPA procedures for future reference.</p> |
|                    | Funding Plans Section 6.1.3 | Exhibit A              | <p>As Exhibit A documents the customers' ability to approve prepayments for individual construction projects rather than a plan consisting of multiple construction projects, the WAPA draft eliminates voting on a Funding Plan. This aligns with the MOU, in which individual projects are often approved rather than a plan.</p> <p>WAPA's draft requires that to vote on the use of prepayments a participant must not be in default on existing prepayment financial obligations. This is intended to ensure that only customers who are current on their payments may vote.</p>   | <p>-Customers require vote on all TYP projects.</p> <p>-Customers concur that it will not generally be needed to vote on RRADs, O&amp;M or budget, at this time.</p> <p>-MOU is outdated and incomplete.</p> <p>-Recommend concurrence with this proposal.</p> <p>-Recommend Customers' concurrence with this proposal.</p>  |

| CTC Draft Document | CTC Draft Section No.  | WAPA Draft Section No.  | Primary Differences  | PDP/INT Customer Review   |
|--------------------|--|---|--|---|
|                    |  |   | WAPA's draft allows for the use of prepayments, subject to vote, for the design of construction projects. Additionally, mid-cycle projects may be introduced by WAPA, but funding of such projects still requires a vote.  |   |
| JPA                | Customer Funded Projects Section 6.2.4                                     | Limitations on what parties are obligated to provide Section 14   | WAPA cannot provide information that may violate confidentiality, restrictions on proprietary information, or arrangements with other parties.   | Agree, but what is DSW's official definition of these terms? If there is no NDA, does DSW consider the information available to PDP/INT Customers? Explain DSW's position when a confidential project impacts existing Customers.   |
|                    | Long-term Leases Section 6.2.5   | Exchange of Information, Sec 8  | WAPA shall provide information on leases at TYP and work plan meetings, but may be limited in providing information on pre-lease negotiations.   | Do Customers concur with this position? Recommend concurrence. Subject to NDA?  |
|                    | Coordination of the Funding Plan with Transmission Plan Section 6.2.9      | Exchange of Information Section 8<br><br>10-Year Plan Process and Schedule Attachment No. 2<br><br>Transmission Planning Process & Schedule Attachment No.5 | WAPA's transmission planning procedures are documented in its OATT which is referenced in Attachment No. 5. Attachment No. 2 describes WAPA's TYP process including AOAs.  | -Section 8 and Attachment #5 are inadequate.<br>-Having to refer to outside documents provides confusion & more time. Customers prefer not to have to refer to other document, but rather to document the agreed to procedures within the JPA.<br><br>-This does not appear to match what was agreed to with Customers in transmission planning meetings. Please explain. |
|                    | Funding for DSW Expenses on PDP/INT Project Transmission Systems Sec 8.1   | N/A   | Section 8.1 was not included in WAPA's draft. Although WAPA worked with the customers to ensure that prepayments rather than Net Zero are used to fund PDP & Intertie, it cannot agree to be prohibited by a customer agreement from seeking sources of appropriated funding.  | -Please provide additional discussion for clarity.<br>-What is DSW's plan of approach? Are there any plans already being considered?  |
|                    | Funding for DSW Expenses on PDP & INT Project Transmission Systems Sec 8.2 | N/A   | Section 8.2 was not included in WAPA's draft. The criteria outlined in Section 8.2 is similar to language from the 1995 JPA except that the 1995 criteria were only applicable to projects not included in WAPA's TYP. Expanding the criteria to include all projects, irrespective of inclusion in the TYP, would prevent WAPA from making any improvements to its transmission system including routine equipment changes. | -Customers do not want to prevent DSW from making improvements to the transmission system. Customers want to ensure DSW makes reasonable & justified improvements to the system.<br>-Recommend we add it back in but clarify to address DSW's concern   |
|                    | Prepayment Funding Sec 9   | Exhibit A   | WAPA's draft reflects that P-DP and southern Intertie prepayment funds are aggregated.   | Concur  |

| CTC Draft Document | CTC Draft Section No.   | WAPA Draft Section No.                             | Primary Differences   | PDP/INT Customer Review  |
|--------------------|---|--|---|--|
|                    | Termination Conditions Sec 10                                       | Term of Agreement Section 6                        | WAPA's draft does not automatically terminate a customer from the JPA if they no longer have a contract with WAPA; however, lack of a contract would preclude a customer from approving prepayment funding for construction projects.                                       | Under what conditions would WAPA not terminate a Customer from the JPA if they no longer have a contract with WAPA?  |
|                    | Modifications to Attachments Section 12.3                           | Attachments Section 15                             | The CTC's draft allows for parties other than WAPA to modify attachments. WAPA's draft provides for WAPA to modify attachments by giving customers written notice and an opportunity to comment on proposed changes.  | Disagree. WAPA should not have sole authority to modify attachments without negotiations with Customers. This is a bi-lateral agreement & attachments are also considered bi-lateral. Need to clarify in agreement.  |
| JPA                | Parker-Davis Project Priority Use Power Section 14                  | Parker-Davis Project Priority Use Power Section 13 | Priorities for the use of transmission on the Parker-Davis Project should not be an element of the JPA, which is intended to facilitate information sharing and collaboration.  | Disagree. PUP PDP transmission & delivery has first priority over the associated transmission system and must be retained in the agreement for clarity.  |
| JPA                | No Limitation on Information to be Provided to Customers Section 16 | Exchange of Information Section 8                  | As described in Section 8, WAPA expects substantial exchanges of information and collaboration on a host of topics; however, WAPA cannot provide information that may violate confidentiality, restrictions on proprietary information, or arrangements with other parties. | <p>Two suggestions to resolve tribal sovereign immunity issue:</p> <p><b>a)</b> Change definition of Contractor to: <i>“An entity with one (1) or more contracts or agreements with WAPA who has chosen to be a Party to this Agreement.”</i></p> <p><b>b)</b> Add new language in appropriate place: <i>“Nothing in this Agreement or in any current or future schedules, attachments, exhibits, amendments or addenda is intended to be or shall be construed as a waiver of any tribe’s sovereign immunity. The Parties understand and agree that neither this Agreement nor any underlying law or procedure shall confer jurisdiction on any state or federal court over any tribe for claims under the Agreement.”</i></p> <p>-Agree. Customers also expect substantial exchange of information &amp; collaboration</p> <p>-WAPA should clarify, and provide examples, of how and why DSW would make this decision.</p> |
| Exhibit A          | N/A   | Exhibit A  | WAPA eliminated customer attendance at the Capital Planning Committee's Financial and Technical Sub-teams since those are internal WAPA planning  | Disagree. This is a change from what had been discussed and agreed to previously.  |

| CTC Draft Document   | CTC Draft Section No. | WAPA Draft Section No.  | Primary Differences  | PDP/INT Customer Review  |
|--|-----------------------|---|--|--|
|  |                       |   | teams. Opportunities for customer participation in WAPA's capital planning is included in the TYP process and RRADs attachments.   |  |
| All Attachments  | N/A                   | N/A   | <p>The CTC draft attachments are substantially detailed regarding processes and procedures that are mostly internal to WAPA. In contrast, WAPA's draft attachments provide a general overview of processes and materials to be provided.</p> <p>WAPA is open to the concept of developing a high-level table depicting the primary meeting regiment inclusive of TYP, RRADS, Budget and Transmission Planning.</p>   | <p>-Customers require a commitment to institutionalize the procedures. Without more details, DSW would not be committed to retain procedures agreed to &amp; could take liberties in their interpretation.</p> <p>-While some procedures may appear to be internal to WAPA, they document dates and processes that are important to the expected outcome.</p> <p>-A higher-level table seems feasible, as the CTC has provided the same previously, but should be in addition to the more detailed procedures.</p> |
| <u>Attachment A</u><br>WAPA/DSW<br>Transmission<br>Planning<br>Process | N/A                   | Transmission Planning<br>Process & Schedule<br>Attachment No. 5                           | Rather than duplicate WAPA's OATT procedures and schedule, the preferred approach is to refer to Attachment P. Attachment P prescribes opportunities for customer participation in WAPA's transmission planning, providing meeting notices, sharing and posting of information, and the receiving, responding and documenting of customer and interested parties' comments. In addition to the meetings in Attachment P, WAPA will convene up to 2 (two) additional meetings annually. | <p>-Disagree. WAPA's volunteering to adhere to the OATT does not relieve (or circumvent) WAPA's statutory requirement to provide Fed Power Customers w/ Fed Transmission Svc.</p> <p>-WAPA should provide more clarity in what they anticipate to provide to Customers.<br/>#Transmission Mgr previously indicated more information/clarity on plans prior to finalizing.<br/>#This reflects no change from current processes, which is inadequate.</p>  |
| <u>Attachment B</u><br>WAPA/DSW<br>TYP and<br>RRADs<br>Process         | N/A                   | 10-Year Plan Process<br>and Schedule<br>Attachment No. 2<br><br>RRADs<br>Attachment No. 3 | <p>The attachments to WAPA's draft document the existing TYP and RRADs processes and meeting regiment.</p> <p>As discussed at previous meetings, WAPA will report on RRADs at the program level. For RRADs projects that have an estimated cost in excess of one (1) million dollars, WAPA will provide additional information regarding scope and cost.</p>   | <p>-Additional detail is needed on how &amp; when decisions are made and how DSW takes Customer input into consideration.</p> <p>-Agree with the reporting of RRADs project with additional discussion for those RRADs &gt;\$1 million.</p> <p>-Please clarify WAPA's RRADs detail. What is meant by WAPA "program level" In Atth 3?</p>   |
| <u>Attachment C</u><br>Rates<br>Process                                | N/A                   | 10-Year Plan Process<br>& Schedule<br>Attachment No. 2                                    | Rather than providing preliminary rate analysis once per year, WAPA's draft includes rate analysis at two of the TYP meetings as well as the annual meeting at which WAPA presents its work plan. This analysis is in addition to  | -Concur with the Rates information being performed twice each year with the TYP discussions. However, WAPA does not include a JPA rate attachment. The assumption is that the  |

| CTC Draft Document  | CTC Draft Section No. | WAPA Draft Section No.         | Primary Differences   | PDP/INT Customer Review  |
|---|-----------------------|--------------------------------|---|--|
|   |                       | Budget Review Attachment No. 4 | <p>more detailed information provided at an informal rate meeting or meetings conducted during a public rate setting process.</p> <p>WAPA eliminated the CTC draft's 2% threshold for disclosure of rate impacts and the associated optional meeting. WAPA will discuss rate impacts at the meetings described above regardless of percentage impact.</p> | <p>process is included within the TYP &amp; budget processes, but details as to the process or level of detail is <b>not</b> included. Need additional information.</p> <p>-WAPA had agreed to run "what if" scenarios if Customers had a rate concern &amp; potential mitigating suggestions.</p> <p>-WAPA, Atth #2, 1.1.2.2 indicates "new AoA studies are proposed to Contractors." Having a proposed project indicates a need for concurrence by those receiving the proposal. The AoA process now appears to merely be a report to Customers about whatever AoAs WAPA has run. Customers would like the AoA process to be a more interactive process &amp; to be able to suggest different AoA ideas.</p> |
| <u>Attachment D</u><br>Western and DSW Financial Execution and Budget Formulation | N/A                   | Budget Review Attachment No. 4 | As described previously, the JPA should not duplicate WAPA HQ's customer outreach processes. WAPA HQ is committed to keeping the customers informed. WAPA's draft provides that DSW and HQ information will be shared at prescribed annual meetings.  | Disagree. The purpose of the JPA is to document the agreed to functional area procedures that impact PDP/INT Customers' costs & rates. WAPA HQ costs are allocated to DSW & other regions & impact the Customers' costs & rates. While we agree that WAPA HQ is currently providing more information to DSW customers, the agreement will be used for future reference when Customers & DSW managers are replaced with others. This will preserve the intent agreed to into the future.  |
| <u>Attachment E</u><br>DSW Purchased Power and Wheeling Process                   | N/A                   | Budget Review Attachment No. 4 | DSW's PPW costs are predominantly attributed to generation and are reported at the P-DP Annual Operating Plan meeting. The JPA should not duplicate the efforts of this annual meeting. The JPA is specific to P-DP and southern Intertie transmission, therefore, WAPA will report on applicable PPW information at budget meetings.                     | While DSW's PPW costs are mostly attributed to generation & reported in the AOP, PPW costs are not strictly generation. Costs not directly associated with generation is applied to transmission. Customers need documentation within the JPAJ that PPW information will be provided (budget vs actuals) during the budget meetings. Customers can agree that DSW may report on PPW budgets vs actual information in the budget meeting & should document such within the JPA.   |

## ISSUES TO ADDRESS

- **Unlimited vs Limited Waiver.** Do not agree with the inclusion of the GPCPs. Please explain the reasoning behind including GPCPs in the agreement.
- **Termination of Agreement.** WAPA may terminate only when all other participants have terminated or agree to terminate. Disagree that DSW is able to terminate on a unilateral basis. This is a bilateral agreement.
- **Voting Rights.** DSW PDP/INT Customers shall vote on all PDP/INT projects included in the TYP; not just projects funded through Customer prepayments.
- **Transmission Planning Process.** DSW PDP/INT Customers had negotiated Customer involvement in DSW’s transmission planning process. It appears that DSW has withdrawn from their agreement. Need clarification and discussion.
- **Analysis of Alternatives (AOA).** It is important for DSW PDP/INT Customers to be involved in AOA discussions & analysis to aid DSW in identifying all potential options available. This should help prevent missed opportunities & reduce the potential for unknown or unforeseen issues related to new TYP projects. CTC believed that DSW had committed to providing Customers with the opportunity to participate in AOA discussions prior to inclusion into the TYP. DSW should explain their expectations.
- **Scope of Dialogue.** Shift of Federal liability to Customers. Ensure there are no Customer burden in claims area. May need to strengthen agreement to ensure WAPA is not relieved of any liability. Section 2.7 does address in part.
- **Rate Process.** DSW had agreed to run rate “what if” scenarios if Customers requested & had potential suggestions to mitigate rate increases.
- **Definitions.** Several definitions need clarity and/or revision.
  - Construction projects (WAPA/DSW);
  - Contractor;
  - Intertie system description improvement needed
  - Materials definition needs more clarity. Agreement says: “Documents, studies, and/or reports related to the implementation of this agreement.” Should be “documents, studies and/or reports related to the *WAPA functional area operations* (studies, reports, status, criteria, budget vs actual data, etc.)
  - Define and provide citation for Parker-Davis Project Consolidation Act;
  - Prepayments (Customer prepayments); perhaps add? In DSW, these UBCs have been approved & collected to use for specific construction projects)
  - RRADs (Replace, REPAIR, Add & Delete), (Need revising?)
  - TYP definition should be improved upon
- **Unobligated Balances** (amount of budget authority? Isn’t it the amount of funds that has been committed for a project, but not obligated in accounting system?)