

NOTES



October 18, 2018

Joint Planning Agreement (JPA)

<https://www.wapa.gov/regions/DSW/pages/jpa.aspx>

| No. | Subject | Discussion |
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| 1. | Introductions | <ul style="list-style-type: none">All |
| 2. | Administrative Matters <ul style="list-style-type: none">Sign In Sheet, Mute phones, WebExEmail for questions/commentsLunch provided by SRP | <ul style="list-style-type: none">Jack Murray |
| 3. | Discussion <ul style="list-style-type: none">Entity NomenclatureTermination ProvisionsComment/Response ProcessesTransmission Planning (Attachment No. 4)Updating of AttachmentsNext Steps/Action Item Recap | <ul style="list-style-type: none">All |

Action Items:

| 4. | Assigned To | Task Description |
|-----|-------------|---|
| 4a. | WAPA | Remove Exhibit A from the JPA. Change references in the body of the JPA for this change. |
| 4b. | WAPA | Revise the JPA based on discussions at the meeting and post an updated draft to WAPA's website by October 25, 2018. |
| 4c. | Customers | Identify who their Authorized Representatives will be. |
| 4d. | Customers | Provide final comments to the JPA by November 1 st including reviewing the attachments to determine which items should be included in the body of the JPA. |
| 4e. | WAPA | Offer a conference call for the attorneys should they be interested in reviewing the use of certain terms, Section 19 regarding materials not subject to release, and Section 16 regarding administrative revisions to attachments. |
| 4f. | WAPA | Meet the agreed upon timeline by posting the final JPA to WAPA's website by November 9, 2018. |

Notes:

| Comments & Questions | Discussion/Response |
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| Customer comments received indicated a preference to have only PDP/INT transmission customers be a party to the JPA. | As discussed at previous meetings, WAPA’s intent is to produce an information sharing agreement available to all customers. |
| There appears to be inconsistent use of “Contractor(s)”, Party(ies), and “Customers(s)” throughout the JPA. | WAPA will review the JPA to ensure the consistent use of those terms and offer a follow-up conference call with the attorneys, should they be interested in further discussion. |
| What will happen to the customers’ voting rights if the JPA terminates? If WAPA has unilateral rights to terminate the JPA and the Exhibit A is terminated as well because of this, this could jeopardize the voting rights captured in Exhibit A. | WAPA expressed that we are not willing to engage in an agreement or portions of an agreement in perpetuity without a reasonable off-ramp provision. Customers expressed that they are not willing to replace the Prepayment Memorandum of Understanding (MOU) with Exhibit A in the JPA if WAPA may terminate under any circumstances. After substantial discussion and a side-bar by the customers, it was agreed that Exhibit A will be removed from the JPA. That leaves the MOU intact for the time being. Future discussions will take place after the JPA is completed to either amend or replace the MOU. This approach provides an avenue to achieve the primary goals that have been established by executing the JPA in a timely manner. This will also simplify the entity nomenclature by removing the term “Participants” and the reliance on Exhibit A to document the approval of the use of prepayments for construction projects. WAPA will update the draft JPA to make these changes. |
| The termination provisions state that after two (2) consecutive meetings falls below twenty-five (25) percent, WAPA could terminate the agreement. Which meetings is this portion of the JPA referring to? | The two (2) consecutive meetings refer to the Quarterly TYP Meetings. WAPA needs to be able to terminate the JPA should it become irrelevant or no longer valued by the customers. |
| The comment processes regarding Section 8 (Exchange of Information) were well received. Minor edits were discussed. | Minimal editorial updates will be incorporated to clean up Section 8 (Exchange of Information). WAPA is in agreement and will make the necessary changes. |
| Check consistencies of the language used throughout the JPA (i.e. “WAPA shall” vs. “WAPA will”). | WAPA is in agreement and will review. |
| Concerns were expressed about the use of passive or active language, for example in Section 3.1.1. | WAPA is open to changes regarding this and has updated each draft of the JPA to reflect the latest customer comments. Customers had differing preferences on the use of active or passive language. |

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| Customers expressed that Attachment No. 4 now satisfies their previous concerns, but suggested a minor edit. | WAPA will make this change in the next draft of the JPA. |
| Customers suggested the inclusion of “seed funding” in the JPA. | WAPA explained that seed funding would be included in the information sharing prescribed by the JPA. The customers felt that it was a significant aspect of our 10-Year Plan process and warranted a reference in the JPA. WAPA will incorporate seed funding in the next draft of the JPA. |
| WAPA asked the customers about their suggestion to separate O&M from General and Administrative in Attachment No. 3. WAPA thought that the intent was to ensure better reporting of indirect costs and allocations. | Customers confirmed that was their intent. WAPA suggested this could be resolved by expanding indirect reporting/allocations identified in the tables in Attachment No. 3. WAPA will make this change in the next draft of the JPA. |
| There were questions regarding the timing of when information and materials will be available relative to a vote. For example, will the budget information for FY23 be available in FY21? | The timing of providing O&M and RRADs information was described. The MOU requirement is to conduct meetings at specific times which will require a modification by the participants if these times are to change—WAPA cannot change meeting dates unilaterally. Therefore, all of the budget information customers are seeking might not be available prior to the prescribed prepayment funding meeting when a vote is scheduled. |
| Will WAPA consult with the customers at the Work Plan meeting and Budget Versus Actual meeting on the development of a DSW Transmission Systems-specific Unobligated Balance strategy on an annual basis? | Yes, WAPA needs to reassess the unobligated balance strategy on an annual basis to determine if it is sufficient. As described in Section 8.3 and Attachment No. 3, WAPA intends to consult with the customers on unobligated balances. |
| Updating Attachments— customers were concerned about WAPA’s ability to unilaterally update attachments. | The latest draft includes language either moved from the attachments to the body of the agreement, or duplicated into the body to address this concern. WAPA reiterated the reasons why it is appropriate to retain the ability to unilaterally update the attachments after consultation with customers. Attachments are intended to describe the mechanics of meeting regiments or elements that are specific to a WAPA process. It was suggested that additional language in Section 16, Attachments, be included to demonstrate that WAPA’s updating of attachments will not undermine the intent or goals of the agreement. It was also agreed to that the customers will review the next draft and provide specific feedback regarding any other elements they want moved from the attachments to the body of the |

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| | agreement. Based on discussions, WAPA will add language to Section 16 to the effect that WAPA's updating of attachments will not materially change the intent or obligations of the parties under the agreement. |
| Information Limitations – customers were concerned that WAPA will withhold information and reply “confidential” or “not able to provide” with little to no communicated justification or cited limitation. | WAPA will add language to Section 19, Access to Materials, to commit WAPA to describing what limitation is prohibiting sharing materials requested by customers. |
| WAPA presented two (2) timelines to complete the drafting of the JPA by either October 31 st or November 9 th . | After discussion, nearly all customers preferred the timeline with a November 9 th completion date; although, one (1) of the customers expressed that it would be difficult to accomplish that. |