



Review of RTTF Finance Subcommittee Activity

Chairman: Tom Wray



SWAT Oversight Committee Meeting

May 19, 2009

Finance Subcommittee Purpose

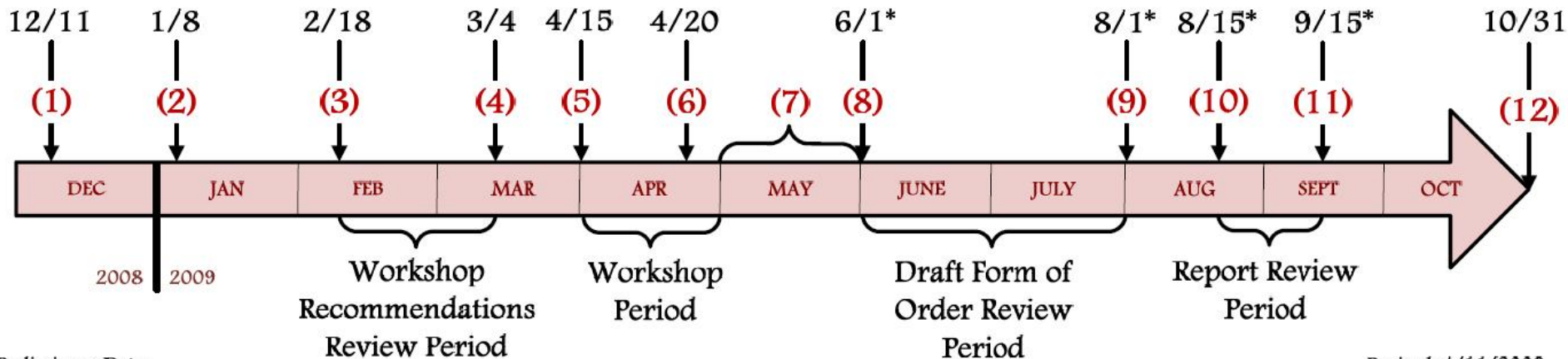
- The RTTF created the Finance Subcommittee on 1/8/2009 in response to ACC Order No. 70635 (12/11/2008).
- Provide the RTTF with recommendations for financing methodologies for renewable transmission projects (RTP) in Arizona.
- Provide information and support to the utilities responsible for responding to Order No. 70635.

Finance Subcommittee Activities

- Meeting No. 1 (2/18/2009)
- Meeting No. 2 (3/4/2009)
- Interim Report
- Participation in the Workshop (4/20/2009)
- Follow-up activities after the Workshop
- Re-assess work plan for the summer and issue a Final Report by September 2009
- Archived materials are available at:
www.westconnect.com

RTTF Finance Subcommittee: Timeline

- (1) 12/11/08 ACC issues Order No. 70635
- (2) 1/8/09 RTTF creates subcommittees: a) AARTIS b) Project Finance
- (3) 2/18/09 Meeting No. 1: Define Scope; Schedule; RTP Definition; Deliverables
- (4) 3/4/09 Meeting No. 2: Finalize Workshop Recommendations
- (5) 4/15/09 Submit Interim Report to RTTF
- (6) 4/20/09 Workshop Date
- (7) 5/09 Based on Workshop, RTTF reviews subcommittee scope of investigation
- (8) 6/1/09* Meeting No. 3: Discuss and develop Draft Form of Order, initiate review
- (9) 8/1/09* Meeting No. 4: Conclude Review of Draft Form of Order
- (10) 8/15/09* Issue Draft Report to Subcommittee and initiate review
- (11) 9/15/09* Issue Final Report to RTTF with Draft Form of Order
- (12) 10/31/09 Utilities respond to order No. 70635: "...funding mechanisms... shall be filed with the Commission no later than October 31, 2009..."



*Preliminary Dates

Revised: 4/11/2009

Meeting No. 1 (2/18/2009)

■ Discussion Items

- ★ Overview of SWAT and RTTF
- ★ 5th BTA, ACC Order No. 70635
- ★ Subcommittee's Scope and Schedule
- ★ Timeline for Activities
- ★ Potential Working Definitions for RTPs
- ★ Possible Subcommittee Deliverables

Meeting No. 2 (3/4/2009)

■ Discussion Items

- ★ Cost Recovery Methodologies for RTP investments
- ★ Allocation of Base and Incentive Returns on Equity for Developing RTPs – General Discussion
- ★ Transmission Capacity Subscription Methodologies
- ★ Potential Working Definitions for RTPs
- ★ Recent FERC Policies and Relevant Orders
- ★ Legislative Developments

Interim Report

- Provided to the Chairmen of SWAT and RTTF
- Filed in the ACC Open Docket that is intended to gather information regarding renewable transmission issues [Docket No. E~00000A~09~0066]
- Report includes the following parts:
 - ★ Introduction/Executive Summary
 - ★ Subcommittee Work To~Date
 - ★ Areas of Inquiry
 - ★ Appendices
- Interim Report is available at: www.westconnect.com

Workshop Participation

- Provided an update on the subcommittee's activity to the Workshop conducted on 4/20/2009
- Will participate in the second Workshop scheduled for 6/5/2009
- Based on the discussions of the Workshops, the subcommittee's workplan and scope of investigation will be further refined

Future Activity

- Meeting No. 3 will be scheduled in late June following the second Workshop; Meeting No. 4 is planned to occur in August
- The subcommittee will issue a Final Report to RTTF and SWAT by September 2009
- The Final Report will include a draft Form of Order outlining recommended regulatory treatment of RTP investments made by utilities subject to jurisdiction of the ACC
- The subcommittee will continue to file all work products in the information docket for renewable transmission projects and will be posted at www.westconnect.com

Contact Information

SWAT members interested in participating in the RTTF Finance Subcommittee should send contact information to:

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