

September 14, 2007

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6 TO: FERC Staff, FPSC Staff, Transmission Customers and other  
7 Stakeholders  
8  
9 FROM: Florida Attachment K Sponsors - Florida Power & Light Company  
10 JEA, Orlando Utilities Commission, Progress Energy Florida, Inc.  
11 and Tampa Electric Company  
12  
13  
14 SUBJECT: Draft Strawman Attachment K  
15

16  
17 The purpose of this communication is to provide an updated draft of the Florida  
18 Attachment K sponsors' strawman document and an update of the stakeholder  
19 process for the final development of this document.  
20

21 This draft of Attachment K incorporates the following events and input since the  
22 first posting of the strawman on May 29, 2007:

- 23 (1) The Federal Energy Regulatory Commission (FERC) Technical  
24 Conference in Little Rock, AK
- 25 (2) The results to date of the Florida Reliability Coordinating Council (FRCC)  
26 Cost Sharing Task Force (CSTF) stakeholder process in developing the  
27 current draft (August 7) of the *FRCC Cost Allocation Methodology &*  
28 *Principles*. The Florida Public Service Commission (FPSC) was briefed on  
29 the status of this "work in progress" at the FPSC Ten Year Site Plan (TYSP)  
30 Workshop on August 15. The draft was subsequently reviewed by the FRCC  
31 Board on August 17 and accepted as a conceptual framework to continue  
32 further development
- 33 (3) The FERC Staff White Paper issued on August 2 which provides further  
34 guidance on the development of Attachment K.
- 35 (4) Discussion and comments received during the August 21 stakeholder  
36 conference call on the August draft of the strawman Attachment K.
- 37 (5) Other comments received from stakeholders.  
38

39 The sponsors fully support the continued dialogue with the stakeholders in the  
40 development of this Attachment K and the FRCC Cost Allocation Methodology &  
41 Principles which is currently being addressed through the FRCC CSTF  
42 stakeholder process in coordination with the overall Attachment K process. We  
43 welcome specific wording modifications to this effect.  
44

1 With respect to the Attachment K posting requirement of September 14, 2007,  
2 the sponsors will be meeting this requirement by posting the latest draft of  
3 Attachment K and with this communication.  
4

5 While we are mindful that the stakeholders will not have had time to review the  
6 new draft Attachment K prior to September 14<sup>th</sup>, the sponsors' intent was to  
7 provide this new draft as soon as it was developed along with a process for  
8 continued stakeholder input such that a consensus Attachment K for the Florida  
9 entities can be achieved. In support of this goal, there is remaining work to do  
10 and a schedule is necessary. To that end, the schedule below allows for  
11 stakeholder input as well as FPSC and FRCC reviews and approvals to enable  
12 final development and completion of Attachment K and the attendant compliance  
13 filing with the FERC on or before December 7, 2007.

- 14 • Sept 24 – Attachment K stakeholders meeting at the FRCC (10 a.m. – 3  
15 p.m.). The sponsors welcome specific proposed wording modifications to the  
16 draft Attachment K.
- 17 • Sept 27 – FRCC CSTF meeting at the FRCC (10 a.m. – 3 p.m.)
- 18 • Oct 1-2 – FERC Technical Conference in Atlanta
- 19 • Oct 12 – Attachment K stakeholders meeting at the FRCC (10 a.m. – 3 p.m.)

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**STRAWMAN ATTACHMENT K**  
**Transmission Planning Process**  
**Sponsored by:**  
**Florida Power & Light Company**  
**JEA**  
**Orlando Utilities Commission**  
**Progress Energy Florida, Inc.**  
**Tampa Electric Company**

1 **ATTACHMENT K**

2 **Transmission Planning Process**

3

4 **Purpose**

5 Transmission Provider plans for the existing and future requirements of all  
6 customers of Transmission Provider's transmission system in a coordinated,  
7 open, comparable, non-discriminatory and transparent manner both at the local  
8 and regional level. The Transmission Planning Process described herein  
9 includes Transmission Service for Transmission Provider's Native Load  
10 Customers, Network Customers, Firm Point-to-Point Transmission Customers,  
11 and Generator Interconnection Service for Interconnection Customers. The  
12 Transmission Planning Process is intended to provide transmission customers  
13 the opportunity to interact with the transmission planning personnel of the  
14 Transmission Provider in order for transmission customers to provide timely and  
15 meaningful input into the development of the transmission plan. Transmission  
16 Provider's Transmission Planning Process works in conjunction with and is an  
17 integral part of the Florida Reliability Coordinating Council's ("FRCC") Regional  
18 Transmission Planning Process  
19 ([http://www.frcc.com/Planning/Shared%20Documents/FRCC\\_Regional\\_Transmission\\_Planning\\_Process.pdf](http://www.frcc.com/Planning/Shared%20Documents/FRCC_Regional_Transmission_Planning_Process.pdf)) which facilitates coordinated planning by all  
20 transmission providers, owners and stakeholders within the FRCC Region. The  
21 FRCC is one of the North American Electric Reliability Corporation ("NERC")  
22 Regional Reliability Organizations, with responsibility for maintaining grid  
23

1 reliability in Peninsular Florida, east of the Apalachicola River. This region is  
2 electrically unique because it is a peninsula and is tied to the Eastern  
3 Interconnection only on one side. FRCC's members include investor owned  
4 utilities, cooperative utilities, municipal utilities, a federal power agency, power  
5 marketers, and independent power producers. The FRCC Board of Directors  
6 has the responsibility to ensure that the FRCC Regional Transmission Planning  
7 Process is fully implemented. The FRCC Planning Committee, which includes  
8 representation by all FRCC members, directs the FRCC Transmission Working  
9 Group, in conjunction with the FRCC Staff, to conduct the necessary studies to  
10 fully implement the FRCC Regional Transmission Planning Process. The  
11 descriptions of the FRCC Regional Transmission Planning Process set forth  
12 herein summarize the elements of that process as they relate to Transmission  
13 Provider and the principles of the Final Rule in Docket No. RM05-25-000.  
14 The Florida Public Service Commission ("FPSC") is an integral part of the  
15 planning process by providing input, guidance, regulatory oversight and decision-  
16 making under this process. Additionally, the FPSC conducts workshops on an  
17 annual basis to review the transmission and generation expansion plans for  
18 Florida. The FPSC, under Florida law, has the authority to ensure an adequate  
19 and reliable electric system for Florida.

20 As set forth below, Transmission Provider's Transmission Planning Process is a  
21 seamless process that fully integrates both the local and regional transmission  
22 planning and is designed to satisfy the following principles, as defined in the  
23 FERC Final Rule in Docket No. RM05-25-000: (1) coordination, (2) openness,

1 (3) transparency, (4) information exchange, (5) comparability, (6) dispute  
2 resolution, (7) regional coordination, (8) economic planning studies, and (9) cost  
3 allocation for new projects. Descriptions of the FRCC Regional Transmission  
4 Planning Process are contained herein as they relate to Transmission Provider's  
5 Transmission Planning Process.

6

7 **Coordination**

8 Transmission Provider consults and interacts directly with its customers in  
9 providing transmission service and generator interconnection service as well as  
10 with its neighboring transmission providers, on a regular basis. A transmission  
11 customer may request and/or schedule a meeting with a Transmission Provider  
12 to discuss any issue related to the provision of transmission service at any time.  
13 Transmission Provider consults and interacts with its customers any time during  
14 the study process that either the transmission customer or the Transmission  
15 Provider deem necessary and/or at various stages of the planning process (e.g.,  
16 Scoping Meeting, Feasibility, System Impact and Facilities Studies). An open  
17 dialogue between the transmission customer and the Transmission Provider shall  
18 take place regarding customer needs. Topics such as load growth projections,  
19 planned generation resource additions/deletions, new delivery points and  
20 possible transmission alternatives shall be discussed. This dialogue is intended  
21 to provide timely and meaningful input and participation of customers during the  
22 early stages of development of the transmission plan. Additionally, the  
23 transmission customer shall have an opportunity to comment at any time during

1 the evaluation process and/or when study findings (Feasibility, System Impact  
2 and Facilities Studies) are communicated by the Transmission Provider to the  
3 customer. Transmission Provider communicates with its neighboring  
4 transmission providers on a regular basis, and Transmission Provider facilitates  
5 communication and consultation between its customers and its neighboring  
6 transmission service providers/owners, specifically, if during the transmission  
7 service study process, a neighboring system's facilities are identified as being  
8 affected. This coordination process continues in a seamless manner at the local  
9 as well as the regional level, leading to each Transmission Provider providing an  
10 initial transmission plan which, when consolidated, becomes the initial regional  
11 transmission plan. This initial transmission plan is reviewed by the FRCC as well  
12 as all interested transmission customers/users. The Transmission Provider relies  
13 on the FRCC Committee process to finalize its initial transmission plan as  
14 submitted to the FRCC. In addition to transmission customers/users being  
15 provided timely and meaningful input and participation during the planning  
16 process with the Transmission Provider, the transmission customers/users are  
17 also given an additional opportunity to raise any issues, concerns or minority  
18 opinions that they believe have not been adequately addressed by any  
19 Transmission Providers' initial transmission plan submittal during the FRCC  
20 review process. This FRCC review process normally commences shortly after  
21 the submittal of the Ten Year Site Plans to the FPSC on April 1 of each year.  
22 Once issues raised by interested stakeholders are addressed, the Planning  
23 Committee approves the proposed regional transmission plan and presents it to

1 the FRCC Board for approval. Upon approval by the Board, which is expected in  
2 December of each year, the FRCC sends the final regional transmission plan to  
3 the FPSC. Unresolved issues may be referred to the FRCC Dispute Resolution  
4 Process as described below.

5 The FRCC Regional Transmission Planning Process is intended to ensure the  
6 long-term reliability and economic needs of the bulk power system in the FRCC  
7 Region.<sup>1</sup> An objective of the FRCC Regional Transmission Planning Process is  
8 to ensure coordination of the transmission planning activities within the FRCC  
9 Region in order to provide for the development of a reliable and economically  
10 robust transmission network in the FRCC Region. The process is intended to  
11 develop a regional transmission plan to meet the existing and future  
12 requirements of all customers/users, providers, owners, and operators of the  
13 transmission system in a coordinated, open and transparent manner.

14 The FRCC obtains and posts transmission owners' 10-year expansion plans on  
15 the FRCC web site. All transmission providers/owners provide their long-term  
16 firm transmission service requests and generator interconnection service  
17 requests to the FRCC in a common format. The FRCC consolidates all requests  
18 for coordination purposes, and posts the consolidated requests available for  
19 viewing by all FRCC members.

20 This coordinated FRCC Regional Transmission Planning Process offers many

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<sup>1</sup> Nothing in the FRCC Regional Transmission Planning Process is intended to limit or override rights or obligations of transmission providers, owners and/or transmission customers/users contained in any rate schedules, tariffs or binding regulatory orders issued by applicable federal, state or local agencies. In the event that a conflict arises between the FRCC process and the rights and obligations included in those rate schedules, tariffs or regulatory orders, and the conflict cannot be mutually resolved among the appropriate transmission providers, owners, or customers/users, any affected party may seek a resolution from the appropriate regulatory agencies or judicial bodies having jurisdiction.



1 opportunities for transmission providers to interact with customers and  
2 neighboring systems during the development of the transmission plan. The  
3 schedule of committee and working group meetings related to transmission  
4 planning is posted on the FRCC website (<http://www.frcc.com/meetings.htm>).  
5 FRCC meeting notices, meeting minutes and documents of FRCC Planning  
6 Committee and/or FRCC Board meetings in which transmission plans or related  
7 study results are exchanged, discussed or presented, are distributed by the  
8 FRCC. Detailed evaluation and analysis of the transmission providers/owners  
9 plans are conducted by the FRCC Transmission Working Group (“TWG”) and  
10 Stability Working Group (“SWG”) in concert with the FRCC Staff. The TWG and  
11 SWG are further described below.

12 A general scope of the Planning Committee and the respective working groups  
13 related to transmission planning are described below. The scope of these  
14 committees is subject to change in the future in order to address evolving needs.  
15 The members of the Planning Committee and the working groups related to  
16 transmission planning are posted on the FRCC website  
17 (<http://www.frcc.com/committees.htm>). Contact with the Planning Committee and  
18 transmission working groups can be made through FRCC staff or through the  
19 chair of the respective committee or working group.

20

## 21 **Planning Committee**

22 The Planning Committee promotes the reliability of the Bulk Power System in the  
23 FRCC, and assesses and encourages generation and transmission adequacy.

1 The Planning Committee reports to the Board of Directors. Rules and  
2 procedures governing the Planning Committee are posted on the FRCC website  
3 ([http://www.frcc.com/downloads/Rules%20of%20Procedure%20for%20FRCC%20](http://www.frcc.com/downloads/Rules%20of%20Procedure%20for%20FRCC%20Standing%20Committees-Revised%202005.pdf)  
4 [Standing%20Committees-Revised%202005.pdf](http://www.frcc.com/downloads/Rules%20of%20Procedure%20for%20FRCC%20Standing%20Committees-Revised%202005.pdf)).

5 Working Groups related to transmission planning reporting to the Planning  
6 Committee are described below.

7

#### 8 **Transmission Working Group**

9 The Transmission Working Group engages in active coordination of transmission  
10 planning within the FRCC Region under the direction of the FRCC Planning  
11 Committee, and performs the duties as required by the FRCC Regional  
12 Transmission Planning Process. Some of the responsibilities and objectives of  
13 the Transmission Working Group are: 1) Maintain, update and provide summer  
14 and winter database cases for FRCC including the bulk power transmission and  
15 generation systems, projected loads and any facility additions for an eleven year  
16 period; 2) Putting together the FERC Form 715 filing and EIA-411 for FRCC  
17 members, preparation of State of Florida electrical maps, etc.

18

#### 19 **Stability Working Group**

1 The Stability Working Group engages in the active coordination of transmission  
2 planning in the FRCC Region, assesses stability of the FRCC bulk electric  
3 system under various conditions, and provides support to the other FRCC  
4 working groups as needed. Some of the responsibilities and objectives of the  
5 Stability Working Group are: 1) Maintain and update a dynamic data base for  
6 the FRCC Region. This data base is coordinated with selected FRCC planning  
7 horizon power flow cases as required by NERC Multi-regional Modeling Working  
8 Group and other FRCC study needs; 2) Assess dynamic performance of the  
9 FRCC bulk power system in response to Category B, C and D contingencies  
10 which includes special protection systems, under frequency load shedding  
11 programs, oscillatory stability, disturbances involving separation, etc..

12

### 13 **Openness**

14 Transmission Provider provides notice and schedules meetings with its  
15 transmission customers as deemed necessary by the transmission customer  
16 and/or Transmission Provider. Transmission Provider schedules meetings with  
17 its customers to interact, exchange perspectives or share findings from studies.  
18 Transmission Provider communicates and interacts with its transmission service  
19 customers on a regular basis to discuss loads, generation/network resource  
20 additions/deletions, new facility additions and upgrades, demand resource  
21 information, customer's projections of future needs, and related subjects that  
22 have an impact on the provision of transmission service to a customer.  
23 Transmission Provider provides a status update to its customers on a regular

1 basis or at any time, if requested by a customer.

2

3 This openness principle is also incorporated in the FRCC Regional Transmission  
4 Planning Process by which the Transmission Provider participates in along with  
5 other parties in the committee and working processes at the FRCC as described  
6 below. The participants in the planning process at the FRCC are the sector  
7 representative of the Planning Committee. A list of representatives may be found  
8 on the FRCC website under FRCC Planning Committee Member list

9 (<http://www.frcc.com/downloads/pcsector.pdf>). The rules governing Planning

10 Committee structure and processes as they relate to Organization Structure,  
11 Standing Committee Representation, Standing Committee Quorum and Voting,  
12 Duties of Officers and Representatives, General Procedures for Standing  
13 Committees, FRCC Representation on NERC Committees, Procedures of  
14 Minutes of Meetings and Conduct of the Meeting are set forth on the FRCC  
15 website

16 (<http://www.frcc.com/downloads/Rules%20of%20Procedure%20for%20FRCC%20Standing%20Committees-Revised%202005.pdf>).

18 The FRCC meeting dates (<http://www.frcc.com/meetings.htm>), and the chairs,  
19 and member representatives for the various committees are also posted on the  
20 FRCC website (<http://www.frcc.com/committees.htm>). The Meeting agenda for  
21 the Planning Committee is normally provided two weeks prior to the meeting to  
22 the committee members.

23 FRCC meeting notices, meeting minutes and documents of FRCC Planning

1 Committee and/or FRCC Board meetings in which transmission plans or related  
2 study results will be exchanged, discussed or presented, are distributed by the  
3 FRCC.

4 The FRCC developed FERC Standards of Conduct Protocols for the purpose of  
5 ensuring proper disclosure of transmission information in accordance with FERC  
6 requirements. The primary rule is that a transmission provider must treat all  
7 transmission customers, affiliated and non-affiliated on a non-discriminatory  
8 basis and it cannot operate its transmission system to give a preference to any  
9 transmission customer or to share non-public transmission or customer  
10 information with any transmission customer. The rules also prevent transmission  
11 function employees from sharing with their merchant employees and certain  
12 affiliates non-public transmission information about the transmission provider's  
13 transmission system or any other transmission system, which is information that  
14 the affiliated merchant employee receiving the information could use to  
15 commercial advantage. The full document that describes the FRCC developed  
16 FERC Standards of Conduct Protocols is posted on the FRCC website  
17 ([http://www.frcc.com/Planning/Shared%20Documents/Standards\\_of\\_Conduct\\_Protocols.pdf](http://www.frcc.com/Planning/Shared%20Documents/Standards_of_Conduct_Protocols.pdf)).

18  
19 Customer input is included in the early stages of the development of the  
20 transmission plans, as well as during and after plan evaluation processes.  
21 Detailed evaluation and analysis of the transmission providers/owners plans are  
22 conducted by the FRCC Transmission Working Group and Stability Working  
23 Groups under the direction of the Planning Committee. Such evaluation and

1 analysis provides the basis for possible changes to the transmission  
2 providers/owners plans that could result in a more reliable and more robust  
3 transmission system for the FRCC Region. The FRCC Planning Committee  
4 meets on a regular basis, usually monthly, with two weeks' prior notice.  
5 The FRCC conducts the FRCC planning process in an open manner in such a  
6 way that it ensures fair treatment for all customers/users, owners and operators  
7 of the transmission system. Stakeholders have access to and participate in the  
8 FRCC planning process. The committees and working groups described in this  
9 document are stakeholder groups. The Planning Committee consists of five  
10 stakeholder sectors: Suppliers, Non-IOU Utility Wholesalers, Load Serving  
11 Entities, Generating Load Serving Entities and IOUs. The rules of procedure  
12 governing the Planning Committee in conducting the FRCC Regional  
13 Transmission Planning Process is posted on the FRCC website  
14 (<http://www.frcc.com/downloads/Rules%20of%20Procedure%20for%20FRCC%20Standing%20Committees-Revised%202005.pdf>). The FPSC is encouraged to  
15 and does participate in the FRCC Regional Transmission Planning Process.  
16 The FRCC Regional Transmission Planning Process provides for the overall  
17 protection of all confidential and proprietary information that is used to support  
18 the planning process. A customer/user may enter into a confidentiality  
19 agreement with the FRCC and/or applicable transmission provider/owner, as  
20 appropriate, to be eligible to receive transmission information that is restricted  
21 due to Critical Energy Infrastructure Information ("CEII"), security, business rules  
22 and standards and/or other limitations. The procedure for requesting this type of  
23

1 information is delineated at the FRCC website at  
2 [http://www.frcc.com/Planning/Shared%20Documents/Transmission\\_Info\\_Release\\_Procedure\\_and](http://www.frcc.com/Planning/Shared%20Documents/Transmission_Info_Release_Procedure_and_Forms.pdf)  
3 [Forms.pdf](http://www.frcc.com/Planning/Shared%20Documents/Transmission_Info_Release_Procedure_and_Forms.pdf).

4

## 5 **Transparency**

6 Transmission Provider plans its transmission system in accordance with the  
7 NERC and FRCC Planning Reliability Standards, along with Transmission  
8 Provider's own design, planning and operating criteria which it utilizes for all  
9 customers on a comparable and non-discriminatory basis. These  
10 standards/criteria are also referred to in the Transmission Provider's FERC Form  
11 715. In addition, Transmission Provider makes available Facility Connection  
12 Requirements, Capacity Benefit Margin ("CBM") Methodology and other pertinent  
13 information used in the transmission planning process and posts this information  
14 on the Transmission Provider's OASIS website.

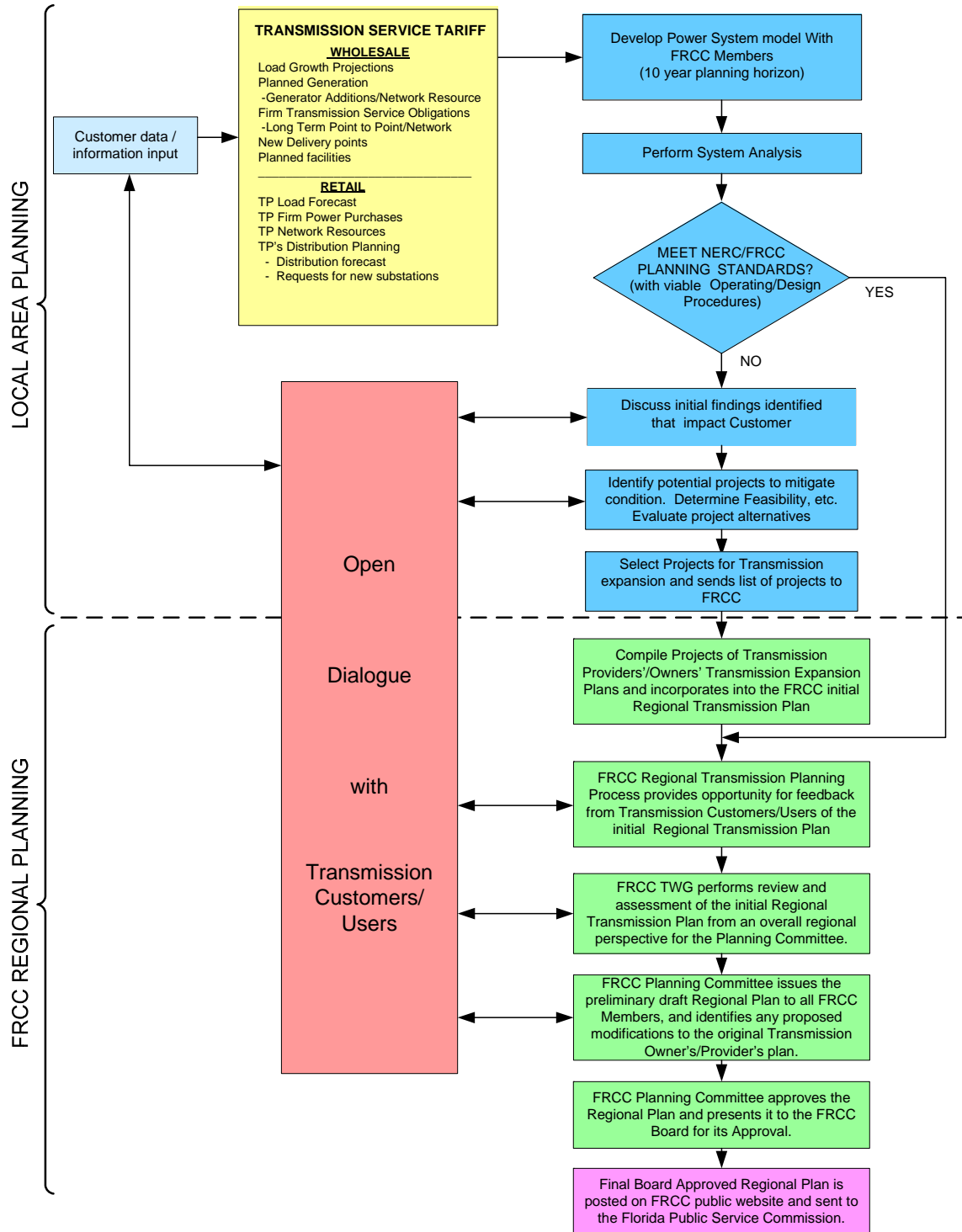
15 During the Transmission Provider's local area planning process the Transmission  
16 Provider utilizes the FRCC databanks which contain information provided by the  
17 Transmission Provider and Customers of projected loads as well as all planned  
18 and committed transmission and generation projects, including upgrades, new  
19 facilities and changes to planned-in-service dates over the planning horizon, as  
20 the base case for Transmission Provider's studies. Transmission Provider  
21 makes available to a transmission service customer the underlying data,  
22 assumptions, criteria and underlying transmission plans utilized in the study  
23 process. Transmission Provider provides written descriptions of the basic  
24 methodology, criteria and processes used to develop plans. In order to get a

1 better understanding, a transmission customer may inquire about the  
2 assumptions, data and/or underlying methods, criteria, etc. and the customer will  
3 be provided a response by the Transmission Provider's qualified technical  
4 representative. Dialogue during the study process is encouraged. The dialogue  
5 during the Transmission Providers local area planning process between the  
6 Transmission Provider and Customers involves discussions of the initial findings  
7 that affect customers, potential alternatives including feasibility of mitigating any  
8 adverse findings and third party impacts. Discussion of initial findings in areas of  
9 the system that affect customers is intended to communicate and validate with  
10 the customer issues or concerns identified by the Transmission Provider or  
11 conversely, issues not specifically identified by the Transmission Provider that  
12 may be of concern to the customers. As part of the process of identifying  
13 potential alternatives to mitigate any adverse issue or concern, the dialogue with  
14 the customer should facilitate the identification of the most effective solution.  
15 This dialogue during the different stages of the planning process provides for  
16 meaningful input and participation of transmission customers in the development  
17 of the transmission plan. The goal of this interaction between the Transmission  
18 Provider and customers is to develop a transmission expansion plan that meets  
19 the needs of the Transmission Provider and customer in a reliable cost effective  
20 manner. This planning process between the Transmission Provider and  
21 customers are illustrated in the process flow diagram below.  
22 An overview of the Transmission Provider's local area planning process and how  
23 it relates to the FRCC Regional Transmission Planning Process is shown in the



1 flow chart below:

## **TRANSMISSION PROVIDER'S (TP) LOCAL AND REGIONAL COORDINATED TRANSMISSION PLANNING PROCESS OVERVIEW**



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2 Once the results of the Transmission Provider's local area planning process are  
3 reflected in the FRCC Regional Transmission Planning Process, the FRCC  
4 seeks input and feedback from transmission customers/users for any issues or  
5 concerns that are identified and independently assesses the initial Regional Plan  
6 from a FRCC regional perspective. A dialogue between the FRCC, transmission  
7 customers/users and transmission owners/providers occurs to address any  
8 issues identified during this process. When the FRCC Regional Transmission  
9 Plan has been approved by the FRCC Planning Committee, it is sent to the  
10 FRCC Board for approval. After the FRCC Board approves the FRCC Regional  
11 Transmission Plan, it is posted on the FRCC website and sent to the FPSC.  
12 Additionally, the FRCC compiles all of the individual transmission  
13 providers/owners FERC Form 715's within the FRCC region, including  
14 Transmission Provider's, and files all FERC Form 715's for its members with  
15 FERC on an annual basis.

16 Studies conducted pursuant to the FRCC Regional Transmission Planning  
17 Process utilize the applicable reliability standards and criteria of the FRCC and  
18 NERC that apply to the Bulk Power System as defined by NERC. Such studies  
19 also utilize the specific design, operating and planning criteria used by FRCC  
20 transmission providers/owners. The transmission planning criteria are available  
21 to all customers and stakeholders. Transmission planning assumptions and  
22 project descriptions for transmission projects and the status of upgrades are  
23 available. The FRCC updates and distributes transmission projects/upgrades on

1 a regular basis. The FRCC also updates and distributes on a periodic basis the  
2 load flow data base. The FRCC publishes the individual transmission providers'  
3 system impact study schedules so that other potentially impacted transmission  
4 owners can assess whether they are affected and elect to participate in the study  
5 analysis. The FRCC planning studies are also distributed by the FRCC and  
6 updated as needed.

7 The FRCC also produces the following annual reports which are submitted to the  
8 FPSC:

- 9 • The *Regional Load and Resource Plan* contains aggregate data on  
10 demand and energy, capacity and reserves, and proposed new generating  
11 unit and transmission line additions for Peninsular Florida as well as  
12 statewide.
- 13 • The *Reliability Assessment* is an aggregate study of generating unit  
14 availability, forced outage rates, load forecast methodologies, and gas  
15 pipeline availability.
- 16 • The *Long Range Transmission Reliability Study* is an assessment of the  
17 adequacy of Peninsular Florida's bulk power and transmission system.  
18 The study includes both short-term (1-5 years) detailed analysis and long-  
19 term (6-10 years) evaluation of developing trends that would require  
20 transmission additions or other corrective action. Updates on regional  
21 areas of interest and/or constraints (e.g. Central Florida) are also  
22 addressed.

23

## 24 **Information Exchange**

25 Transmission Provider participates in information exchange on a regular and  
26 ongoing basis with the FRCC, neighboring utilities, and customers. Transmission  
27 customers are required to submit data to the Transmission Provider in order for  
28 the Transmission Provider to plan for the needs of network and point-to-point  
29 customers. This data/information shall be provided by the transmission customer  
30 by November 1 of each year. Such data/information includes load growth

1 projections, planned generation resource additions/upgrades (including network  
2 resources), any demand response resources, new delivery points, new or  
3 continuation of long-term firm point-to-point transactions with specific receipt (i.e.,  
4 source or electrical location of generation resources) and delivery points, (i.e.,  
5 the electrical location of load or sink where the power will be delivered to), and  
6 planned transmission facilities. This data/information shall be provided over the  
7 10 year planning horizon to the extent such information is known. Additionally,  
8 the transmission customer shall provide timely written notice of any material  
9 changes to this data/information as soon as practicable due to the possible effect  
10 on the transmission plan or the ability of the transmission provider to provide  
11 service.

12 The Transmission Provider utilizes the information provided in modeling and  
13 assessing the performance of its system in order to develop a transmission plan  
14 that meets the needs of all customers of the transmission system. The  
15 Transmission Provider exchanges information with a transmission customer to  
16 provide an opportunity for the transmission customer to evaluate the initial study  
17 findings or to propose potential alternative transmission solutions for  
18 consideration by the Transmission Provider. If the Transmission Provider and  
19 transmission customer agree that the transmission customer's recommended  
20 solution is the best over-all transmission solution then such solution will be  
21 incorporated in the Transmission Provider's plan. Through this information  
22 exchange process the transmission customer has an integral role in the  
23 development of the transmission plan. Consistent with the Transmission

1 Provider's obligation under federal and state law, and under NERC and FRCC  
2 reliability standards, the Transmission Provider is ultimately responsible for the  
3 transmission plan.

4 The FRCC TWG sets the schedule for data submittal and frequency of  
5 information exchange which starts at the beginning of each calendar year.

6 Updates and revisions are discussed at the FRCC Planning Committee meetings  
7 by the members. This process requires extensive coordination and information  
8 exchange over a period of several months as the FRCC develops electric power  
9 system load-flow databank models for the FRCC Region. The models include  
10 data for every utility in peninsular Florida and are developed and maintained by  
11 the FRCC. The TWG is responsible for developing and maintaining power flow  
12 base cases. The FRCC power flow base case models contain the data used by  
13 the FRCC and transmission providers for intra- and inter-regional assessment  
14 studies, and other system studies. The models created also are the basis for  
15 the FRCC submittal to the NERC Multi-regional Modeling Working Group  
16 (MMWG). TWG members support the data collection requirements and  
17 guidelines related to the accurate modeling of generation, transmission and load  
18 in the power flow cases. The data collected includes:

19 For power flow models:

- 20 • Bus data; (name, base voltage, type, area assignment, zone  
21 assignment, owner)
- 22 • Load data; (bus, MW, MVAR, area assignment, zone assignment,  
23 owner)
- 24 • Generator data; (bus, machine number, MW, MVAR, status, PMAX,  
25 PMIN, QMAX, QMIN, MVA base, voltage set-point, regulating bus)
- 26 • Branch data; (from bus, to bus, circuit number, impedances, ratings,  
27 status, length, owner)

- 1 • Transformer data; (from bus, to bus, to bus, circuit number, status,  
2 winding impedances, ratings, taps, voltage control bus, voltage limits,  
3 owner)
- 4 • Area interchange data; (area, slack bus, desired interchange,  
5 tolerance)
- 6 • Switched shunt data
- 7 • Facts device data

8

9 For dynamic stability models: (in addition to power flow model data)

- 10 • Generator models; (turbine, generator, governor, exciter, power  
11 system stabilizers)
- 12 • Relay models; (distance, out of step, underfrequency)
- 13 • Special protection scheme models

14

15 For short circuit models: (in addition to power flow model data)

- 16 • Zero and negative sequence impedances;

17 The databank models are compiled and incorporate load projections by  
18 substations, firm transmission services, and transmission expansion projects  
19 over the 10 year planning horizon. Transmission Provider utilizes the FRCC  
20 databanks which contain projected loads as well as all planned and committed  
21 transmission and generation projects, including upgrades, new facilities and  
22 changes to planned in-service dates over the planning horizon, as the base case  
23 for Transmission Provider's studies. These databanks are maintained by the  
24 FRCC Transmission Working Group and are updated on a periodic basis to  
25 ensure that the assumptions are current. Transmission Provider makes available  
26 to a transmission service customer the underlying data, assumptions, criteria and  
27 transmission plans utilized in the study process. If information is deemed  
28 confidential, Transmission Provider requires the customer to enter into a  
29 confidentiality agreement prior to providing the confidential information.

30 The FRCC maintains databanks of all FRCC members' projected loads and

1 planned and committed transmission and generation projects, including  
2 upgrades, new facilities, and changes to planned in-service dates. These  
3 databanks are updated on a periodic basis. The FRCC maintains and updates  
4 the load flow, short circuit, and stability models. All of this above information is  
5 distributed by the FRCC, along with the FRCC transmission planning studies,  
6 subject to possible redaction of user sensitive or critical infrastructure information  
7 consistent with market and business rules and standards.

8

### 9 **Comparability**

10 This comparability principle is applied in all aspects of the transmission planning  
11 process including each of the respective principles in this Attachment K.

12 Transmission Provider incorporates into its transmission plans on a comparable  
13 basis all firm transmission obligations, both retail and wholesale. The retail  
14 obligations consist of load growth, interconnection and integration of new network  
15 resources, firm power purchases and new distribution substations. Transmission  
16 Provider wholesale obligations are existing firm wholesale power sales, existing  
17 long-term firm transmission service including firm point-to-point and network  
18 (interconnection and integration of network resources), projected network load,  
19 generator interconnections, and new delivery points.

20 Transmission Provider plans for forecasted load, generation additions/upgrades  
21 which include network resources and new distribution substations associated  
22 with retail service obligations. A network transmission customer provides  
23 corresponding data as part of the provision of service, such as load forecast

1 data, generation additions/upgrades including network resource forecast, new  
2 delivery points, and other information needed by the Transmission Provider to  
3 plan for the needs of the customer. Both Transmission Provider and the  
4 transmission customers reflect their demand resources within the information that  
5 is input within this planning process. The data required for planning the  
6 transmission system for both retail and wholesale customers is comparable. The  
7 data/information is also provided to the FRCC for their use in databank  
8 development and analysis under the FRCC Regional Transmission Planning  
9 Process. These data requirements are generally communicated by OASIS,  
10 email, letter or combination thereof.

11 Transmission providers/owners submit to the FRCC their latest 10-year  
12 expansion plans for their transmission systems, which incorporate the  
13 transmission expansion needed to meet the transmission customer  
14 requirements, including a list of transmission projects that provides for all of the  
15 firm obligations based on the best available information. The FRCC complies  
16 and distributes a list of projects distributed from the transmission  
17 providers/owners and updates the project status to keep the list current. FRCC  
18 complies and distributes the transmission providers/owners' 10-year expansion  
19 plans. All transmission users and other affected parties are asked to submit to  
20 the FRCC any issues or special needs that they believe are not adequately  
21 addressed in the expansion plans.

22

23 **Dispute Resolution**



1 If a dispute arises between a transmission customer and the transmission  
2 provider involving Transmission Service under the Tariff, then the Dispute  
3 Resolution Procedures set forth in Article 12 of the Tariff shall govern.

4 If a dispute arises among or between Transmission Provider and another  
5 transmission owner(s) involving a cost allocation issue regarding the Cost  
6 Allocation Methodology and Principles, then the dispute resolution process set  
7 forth below under the cost allocation principle of this Attachment K shall govern.

8 If a dispute arises among or between Transmission Provider and another  
9 transmission provider/owner(s), regarding the FRCC Regional Transmission  
10 Planning Process, then the dispute resolution procedures that are contained in  
11 the FRCC Regional Transmission Planning Process as set forth below in this  
12 Attachment K shall govern.

13 The FRCC Regional Transmission Planning Process has two alternative dispute  
14 resolution processes. Any party raising an unresolved issue may request the  
15 Mediator Dispute Resolution Process, which involves a mediator being selected  
16 jointly by the disputing parties. If the Mediator Dispute Resolution Process is  
17 completed, and the issue is still unresolved, by mutual agreement between the  
18 parties, the Independent Evaluator Dispute Resolution Process may be utilized.

19 The Independent Evaluator is selected by the FRCC Board of Directors. If the  
20 issue is unresolved by either of the dispute resolution processes, the  
21 transmission owners, affected parties, or the FRCC may request that the FPSC  
22 address such unresolved dispute. Notwithstanding the foregoing, any  
23 unresolved issue(s) may be submitted to any regulatory or judicial body having

1 jurisdiction.

2 Described below are the two alternative dispute resolution processes:

3 **Alternative 1 - Mediator Dispute Resolution Process (Non-Binding)**

4 The Mediator Process shall be completed within 60 days of commencement.

5 A mediator shall be selected jointly by the disputing parties. The mediator shall

6 (1) be knowledgeable in the subject matter of the dispute, and (2) have no

7 official, financial, or personal conflict of interest with respect to the issues in

8 controversy, unless the interest is fully disclosed in writing to all participants and

9 all participants waive in writing any objection to the interest.

10 The disputing parties shall attempt in good faith to resolve the dispute in

11 accordance with the procedures and timetable established by the mediator. In

12 furtherance of the mediation efforts, the mediator may:

- 13       • Require the parties to meet for face-to-face discussions, with or without  
14       the mediator;
- 15       • Act as an intermediary between the disputing parties;
- 16       • Require the disputing parties to submit written statements of issues and  
17       positions; and
- 18       • If requested by the disputing parties, provide a written recommendation on  
19       resolution of the dispute.
- 20

21 If a resolution of the dispute is not reached by the 30th day after the appointment

22 of the mediator or such later date as may be agreed to by the parties, the

23 mediator shall promptly provide the disputing parties with a written, confidential,

24 non-binding recommendation on resolution of the dispute, including the

25 mediator's assessment of the merits of the principal positions being advanced by

26 each of the disputing parties. At a time and place specified by the mediator after

27 delivery of the foregoing recommendation, but no later than 15 days after

1 issuance of the mediator's recommendation, the disputing parties shall meet in a  
2 good faith attempt to resolve the dispute in light of the mediator's  
3 recommendation. Each disputing party shall be represented at the meeting by a  
4 person with authority to settle the dispute, along with such other persons as each  
5 disputing party shall deem appropriate. If the disputing parties are unable to  
6 resolve the dispute at or in connection with this meeting, then: (1) any disputing  
7 party may commence such arbitral, judicial, regulatory or other proceedings as  
8 may be appropriate; and (2) the recommendation of the mediator shall have no  
9 further force or effect, and shall not be admissible for any purpose, in any  
10 subsequent arbitral, administrative, judicial, or other proceeding.

11 The costs of the time, expenses, and other charges of the mediator and of the  
12 mediation process shall be borne by the parties to the dispute, with each side in  
13 a mediated matter bearing one-half of such costs. Each party shall bear its own  
14 costs and attorney's fees incurred in connection with any mediation.

15 **Alternative 2 - Independent Evaluator Dispute Resolution Process (Non-**  
16 **Binding)**

17 The Independent Evaluator Dispute Resolution Process shall be completed  
18 within 90 days.

19 An assessment of the unresolved issue(s) shall be performed by an Independent  
20 Evaluator that will be selected by the FRCC Board. The Independent Evaluator  
21 shall evaluate the disputed issue(s) utilizing the same criteria that the Planning  
22 Committee is held to, that is, "the applicable reliability criteria of FRCC and  
23 NERC, and the individual transmission owner's/provider's specific design,

1 operating and planning criteria.”

2 The Independent Evaluator shall be a recognized independent expert with  
3 substantial experience in the field of transmission planning with no past business  
4 relationship to any of the affected parties within the past two years from the date  
5 the Dispute Resolution Process is started.

6 The Board shall retain an Independent Evaluator within 15 days of the request to  
7 utilize the Independent Evaluator Dispute Resolution Process.

8 The Independent Evaluator shall prepare a report of its findings, with  
9 recommendations on the unresolved issue(s), to the Board and the Planning  
10 Committee within 45 days from the date the Board selected the Independent  
11 Evaluator. The Independent Evaluator’s findings and recommendations shall not  
12 be binding. The Board, with the assistance of the Planning Committee and the  
13 Independent Evaluator’s report, shall attempt to resolve the unresolved issue(s)  
14 within 30 days from receipt of the Independent Evaluator’s report. If the Board  
15 fails to resolve the issue(s) to the satisfaction of all parties, any disputing party  
16 may commence such arbitral, judicial, regulatory or other proceedings as may be  
17 appropriate.

18 The costs of the Independent Evaluator shall be borne by the parties to the  
19 dispute with each party bearing an equal share of such costs. The FRCC shall  
20 be one of the parties. Each party shall bear its own costs and attorney fees  
21 incurred in connection with the dispute resolution.

22

23 **Regional Participation**

1 The FRCC Regional Transmission Planning Process begins with the  
2 consolidation of the long term transmission plans of all of the transmission  
3 providers/owners in the FRCC Region. Such transmission plans incorporate the  
4 integration of new firm resources as well as other firm commitments. Any  
5 generating or transmission entity not required to submit a 10 year plan to the  
6 FPSC submits its 10 year expansion plan to the FRCC, together with any issues  
7 or special needs they believe are not adequately addressed by the transmission  
8 providers/owners' 10 year plans. The FRCC process requires that the FRCC  
9 Planning Committee address any issue or area of concern not previously or  
10 adequately addressed with emphasis on constructing a more robust regional  
11 transmission system.

12 Each transmission provider/owner furnishes the FRCC with a study schedule for  
13 each system impact study so that other potentially affected transmission  
14 providers/owners can independently assess whether they may be affected by the  
15 request, and elect to participate in or monitor the study process. If a  
16 transmission provider/owner believes that it may be affected, it may participate in  
17 the study process.

18 FRCC has a reliability coordination arrangement with Southern Company  
19 Services, Inc. ("Southern"), which is in the Southeastern Subregion of the SERC  
20 Reliability Corporation Region that the FRCC is connected to, with the purpose of  
21 safeguarding and augmenting the reliability of the Southern/SERC and the FRCC  
22 bulk power supply systems. This arrangement provides for exchanges of  
23 information and system data between Southern and FRCC for the coordination of

1 planning and operations in the interest of reliability. The arrangement also  
2 provides the mechanism for regional studies and recommendations designed to  
3 improve the reliability of the interconnected bulk power system. Duties under the  
4 arrangement are as follows: (1) Coordination of generation and transmission  
5 system planning, construction, operating, and protection to maintain maximum  
6 reliability; (2) Coordination of interconnection lines and facilities for full  
7 implementation of mutual assistance in emergencies; (3) Initiation of joint studies  
8 and investigations pertaining to the reliability of bulk power supply facilities; (4)  
9 Coordination of maintenance schedules of generating units and transmission  
10 lines; (5) Determination of requirements for necessary communication between  
11 the parties; (6) Coordination of load relief measures and restoration procedures;  
12 (7) Coordination of spinning reserve requirements; (8) Coordination of voltage  
13 levels and reactive power supply; (9) Other matters relating to the reliability of  
14 bulk power supply required to meet customer service requirements; and (10)  
15 Exchange of necessary information, such as magnitude and characteristics of  
16 actual and forecasted loads, capability of generating facilities, programs of  
17 capacity additions, capability of bulk power interchange facilities, plant and  
18 system emergencies, unit outages, and line outages.

19 The FRCC and the Southeastern Subregion of SERC plan to establish a link to  
20 transmission providers and Regional Reliability Organization websites as  
21 applicable that contain study methodologies, joint transmission studies, inter-  
22 regional transmission service and generator interconnection service related  
23 studies, and procedures to request economic studies. Transmission providers

1 within the FRCC and Southeastern Subregion of SERC coordinate with each  
2 other as necessary in the performance of economic studies. FRCC and  
3 Southeastern SERC transmission providers plan to attend transmission planning  
4 forums when study findings are presented to stakeholders that impact their  
5 respective transmission systems.

6 The FRCC is a member of the Eastern Interconnection Reliability Assessment  
7 Group ("ERAG") which includes other Eastern Interconnection reliability regional  
8 entities, the Midwest Reliability Organization, the Northeast Power Coordinating  
9 Council, Inc., Reliability First Corporation, SERC Reliability Corporation, and  
10 Southwest Power Pool. The purpose of ERAG is to ensure reliability of the  
11 interconnected system and the adequacy of infrastructure in their respective  
12 regions for the benefit of all end-users of electricity and all entities engaged in  
13 providing electric services in the region.

14

### 15 **Economic Planning Studies**

16 In the performance of an economic sensitivity study that is identified as part of  
17 the FRCC Regional Transmission Planning Process, Transmission Provider  
18 plans to participate in such study utilizing the procedures that are contained in  
19 the FRCC Regional Transmission Planning Process. If Transmission Provider  
20 receives a specific request to perform economic studies for a transmission  
21 customer, Transmission Provider plans to utilize the OASIS for such requests.

22 To the extent an economic study would involve other transmission  
23 providers/owners, Transmission Provider will coordinate with these

1 providers/owners in performing the study.

2

3 The FRCC Regional Transmission Planning Process includes both economic and  
4 congestion studies. One of the sensitivities may include evaluating the FRCC  
5 Region with various generation dispatches that test or stress the transmission  
6 system, including economic dispatch from all generation (firm and non-firm) in  
7 the region. Other sensitivities may include specific areas where a  
8 combination/cluster of generation and load serving capability involving various  
9 transmission providers/owners in the FRCC experiences or may experience  
10 significant and recurring transmission congestion on their transmission facilities.  
11 Members of the FRCC Planning Committee may also request specific economic  
12 analyses that would examine potential generation resource options, or other  
13 types of regional economic studies, and to the extent information is available,  
14 may request a study of the cost of congestion. The FRCC Planning Committee  
15 may consider clustering studies as appropriate. Economic analyses should  
16 reflect the upgrades to integrate necessary new generation resources and/or  
17 loads on an aggregate or regional (cluster) basis.

18

### 19 **Cost Allocation**

20 If a transmission expansion is identified as needed under the FRCC Regional  
21 Transmission Planning Process and such transmission expansion results in a  
22 material adverse system impact upon a third party transmission owner as  
23 described in Paragraph 1 below, the Transmission Provider plans to utilize the



1 Cost Allocation Methodology and Principles as outlined below in this Attachment  
2 K. The FPSC is involved in this process and provides oversight, guidance and  
3 may exercise its statutory authority as appropriate.

4 *[The following description of the Cost Allocation Methodology and Principles is a*  
5 *“work in progress” in the FRCC region and will require additional work to*  
6 *complete. The FRCC Board is currently overseeing this process development.*  
7 *A time line to meet the December 7 FERC compliance filing date has been*  
8 *established. The description is a high level representation of the principles and*  
9 *guidelines that are the basis for the continued development of Cost Allocation*  
10 *Methodology and Principles. The following FRCC link,*  
11 [http://www.frcc.com/Planning/Shared%20Documents/FRCC\\_Cost\\_Allocation\\_Methodology\\_and](http://www.frcc.com/Planning/Shared%20Documents/FRCC_Cost_Allocation_Methodology_and_Principles.pdf)  
12 [Principles.pdf](http://www.frcc.com/Planning/Shared%20Documents/FRCC_Cost_Allocation_Methodology_and_Principles.pdf), *will allow access by interested parties to review underlying detail on*  
13 *this methodology which will be updated as the document is further developed.]*  
14

15 The following Cost Allocation Methodology and Principles are intended to provide  
16 guidelines and mechanisms for resolution of cost responsibility in those  
17 circumstances where transmission expansion is identified as being needed under  
18 the FRCC Regional Transmission Planning Process, and such transmission  
19 expansion results in a material adverse system impact upon a third party  
20 Transmission Owner<sup>2</sup> as described in Paragraph 1 below. All transmission  
21 projects not covered by this Process will be the financial responsibility of the  
22 Transmission Owner. The right of recovery under this Process only relates to  
23 transmission expansion costs that are above and beyond any costs associated  
24 with transmission construction that is addressed pursuant to FERC Orders 2003  
25 and 2006.

---

<sup>2</sup> Transmission Owner means an electric utility owning transmission facilities in the FRCC Region.

1

2 Cost Allocation Methodology and Principles

3 1. A Transmission Owner shall be responsible for upgrading its respective  
4 transmission system to meet NERC and FRCC Reliability Standards identified  
5 under the FRCC Regional Transmission Planning Process.

6 a. In those circumstances when a Transmission Owner's provision of long  
7 term firm point-to-point transmission services or network service to  
8 accommodate designations of new long term network resources to serve  
9 retail and/or wholesale customers causes a material adverse impact that  
10 satisfies the "Threshold Concepts" delineated below (see Paragraph 4) on  
11 a third party Transmission Owner's system (i.e., "Affected Transmission  
12 Owner") and which results in the need to expand and/or upgrade the  
13 Affected Transmission Owner's 230 kV or above transmission system to  
14 meet NERC and FRCC Reliability Standards (i.e., "Transmission  
15 Expansion"), then such Affected Transmission Owner shall have the right  
16 to recover from third parties all or a portion of the costs associated with  
17 such Transmission Expansion.

18

19 2. Costs associated with Transmission Expansion by the Affected Transmission  
20 Owner shall include only the capital costs of the transmission facility,  
21 including up-front<sup>3</sup> identifiable costs. The total costs for cost sharing would

---

<sup>3</sup> "Up-front" costs are costs that are expended in preparation for the construction of a transmission project, incurred up to and including the date the utility completes site clearing work. Up-front costs include, but are not limited to: any and all costs associated with preparing, reviewing and defending a Transmission Line Siting Act application; costs associated with site, technology and route selection and acquisition; costs

1 be the “up-front” costs plus the cost of construction (which includes the cost of  
2 financing the construction).

3

4 3. The Affected Transmission Owner shall be solely responsible for the  
5 execution of all engineering, permitting, rights-of-way and construction of the  
6 facilities associated with the Transmission Expansion.

7

8 4. Threshold Concepts: All of the following Thresholds Concepts must be met in  
9 order for an Affected Transmission Owner to have a right to recover from third  
10 parties all or a portion of the costs associated with a Transmission Expansion:

- 11 • A pre-specified change in flow on the Affected Transmission Owner’s  
12 facilities which results in a Reliability Standards violation;
- 13 • The Transmission Expansion must be 230 kV or higher voltage;
- 14 • The costs associated with the Transmission Expansion must exceed a  
15 pre-specified amount; and
- 16 • The Transmission Owner must identify itself as a potential Affected  
17 Transmission Owner in a timely manner.

18

19 5. The entity connecting a new generator and requesting long-term firm  
20 transmission service, the Transmission Owner where a new generator is to be  
21 connected, the Affected Transmission Owner, the transmission service  
22 customer(s), and the Transmission Owner(s) providing long-term firm  
23 transmission service, as applicable, shall enter into good faith negotiations to  
24 allocate and assign cost responsibility for the expansion and/or upgrades to  
25 the Affected Transmission Owner’s transmission system consistent with the  
26 “Cost Allocation Methodology and Principles for Transmission Expansions”

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of engineering, designing, and permitting; costs of clearing, grading, and excavation; and costs of development of any on-site construction facilities.

1 set forth below. At the time of commencement of negotiations, each entity  
2 shall designate a senior representative for each such entity to be available to  
3 resolve disputes.

4 Cost Allocation Methodology and Principles for Transmission Expansions:

5 The costs associated with the implementation of the Transmission Expansion  
6 will be allocated to entities as follows:

- 7 • A recognition of planned transmission facility benefits that are identifiable,  
8 quantifiable and needed (e.g., deferral of other transmission projects).  
9
- 10 • Costs, net of recognized benefits, shall be allocated based on:
  - 11 – A portion to the load in the area or zone associated with the need for  
12 the Transmission Expansion.
  - 13 – A portion to sources or cluster of sources which are causing the need  
14 for the transmission expansion.

15  
16 6. In the event the entities involved in Paragraph 5, above, are unable to reach  
17 agreement on the determination and assignment of cost responsibility within a  
18 60 day period, the dispute shall be referred, as promptly as practicable, to the  
19 designated representatives discussed above in Paragraph 5 for resolution.

20  
21 7. In the event the designated representatives are unable to resolve the dispute  
22 within 30 days by mutual agreement, such dispute may be submitted to the  
23 FPSC for dispute resolution, in which case the following provisions shall  
24 apply: (i) the decision of the FPSC shall be deemed final and binding upon  
25 the parties to the proceeding (a) if the affected parties agree ahead of time in  
26 writing to that effect or (b) if the decision of the FPSC is not challenged within  
27 90 days of its issuance; and (ii) the decision of the FPSC, if not binding under  
28 the provisions of (i)(a) above, may be challenged within 90 days of its

1 issuance (a) at the FERC if it involves matters subject to FERC's jurisdiction  
2 or (b), if the matter is not FERC-jurisdictional, in a court having jurisdiction to  
3 hear appeals from FPSC decisions.

4

5 8. Nothing in these Cost Allocation Methodology and Principles provisions is  
6 intended to abrogate or mitigate any rights a party may have before any  
7 regulatory body having jurisdiction.

8