

Version [45.0](#)



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**OPEN ACCESS TRANSMISSION TARIFF  
BUSINESS PRACTICES**

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Effective Date: ~~June~~~~October~~~~December 14~~December 14~~22~~, 2016~~5~~

**Revision History**

<b>Version</b>	<b>Author(s)</b>	<b>Description of Modifications</b>	<b>Date Completed</b>
2.2	Various E.ON Transmission Staff	Add Order 890 Modifications	05/30/2008
2.3	Larry Monday	Modified 5.4 Network Loss Provision	03/15/2010
2.4	Derek Rahn	Modified Naming and Address	11/11/2010
2.5	Derek Rahn	Addition of the GI Ad Hoc Study Process	06/24/2011
3.0	TranServ	Modifications for transfer of ITO to TranServ	07/30/2012
3.1	TranServ LG&E/KU	Modified 6.1 Approval of TSR Sourced from a Unit in the GI Queue Modified 6.4 for clarity on use of the most up to date TEP and that it would not be limited to just the first 2 years.	1/14/2013
3.2	LG&E/KU	Added section 6.9 on TSR(s) for generating station auxiliary load changes. Removed signature page.	9/24/2013
4.0	LG&E/KU	Added section 3.4.4 on posting of network resources; added section 3.4.5 on additional data for annual resource forecast; revised section 3.5.1 on credit worthiness; revised section 6.4 on TSR thresholds; other miscellaneous minor modifications. Added definition section.	6/15/2015
<a href="#">5.0</a>	<a href="#">LG&amp;E/KU</a>	<a href="#">General review. Add CBM usage description</a>	<a href="#">102/422/2016</a>

## Table of Contents

<b>1. Business Practices</b> .....	<b>5</b>
<b>1.1 Definitions</b> .....	<b>5</b>
<b>2. General Requirements</b> .....	<b>8</b>
<b>2.1 Transmission Service Access</b> .....	<b>8</b>
<b>2.2 Transmission Service Forms</b> .....	<b>9</b>
<b>2.3 Posted Criteria Documents</b> .....	<b>9</b>
<b>2.4 Types of Service</b> .....	<b>9</b>
<b>3. Reserving Transmission Service</b> .....	<b>10</b>
<b>3.1 Available Transfer Capability</b> .....	<b>10</b>
<b>3.2 Obtaining Point-To-Point Transmission</b> .....	<b>11</b>
3.2.1 Firm Service.....	11
3.2.2 Non-Firm Service.....	12
3.2.3 Service Timing Requirements .....	12
<b>3.3 Preemption</b> .....	<b>14</b>
3.3.1 Monthly Preemption.....	14
3.3.2 Weekly and Daily Preemption .....	15
3.3.3 Non-Firm Reservations.....	15
<b>3.4 Network Integrated Transmission Service (NITS)</b> .....	<b>15</b>
3.4.1 Initial Application for Network Integration Transmission Service.....	16
3.4.2 Load Delivery Point.....	18
3.4.3 Designation/Undesignation of Network Resources.....	18
3.4.4 OASIS Posting of Network Resources Information.....	23
3.4.5 Additional Information for Annual 10 year Load and Resource Forecast.....	25
<b>3.5 Service Request Preconditions and Validation</b> .....	<b>25</b>
3.5.1 Service Agreement Application and Credit Requirement .....	25
3.5.2 Service Request Validation Criteria.....	25
3.5.3 Source/Sink Specifications .....	26
<b>3.6 Service Request ATC/AFC Evaluation</b> .....	<b>26</b>
3.6.1 For requests ending within the 18 month ATC/AFC Window .....	26
3.6.2 For requests ending outside the 18 month ATC/AFC Window.....	26
<b>3.7 Partial Service</b> .....	<b>27</b>
<b>3.8 Annulment of Pre-Confirmed Reservation</b> .....	<b>27</b>
<b>3.9 Service Request Renewal</b> .....	<b>27</b>
<b>3.10 Reassigning a Service Request</b> .....	<b>28</b>
<b>3.11 Resale on OASIS</b> .....	<b>28</b>

<b>3.12</b>	<b>Transfers on OASIS</b>	<b>29</b>
<b>3.13</b>	<b>Full Transfers</b>	<b>29</b>
<b>3.14</b>	<b>Partial Transfers</b>	<b>29</b>
<b>3.15</b>	<b>Evaluation Response Time</b>	<b>30</b>
<b>3.16</b>	<b>Service Request Retraction</b>	<b>30</b>
<b>3.17</b>	<b>Service Request Annulment</b>	<b>30</b>
<b>3.18</b>	<b>Denial of Service Request Statistics</b>	<b>30</b>
<b>3.19</b>	<b>Redirecting Service</b>	<b>30</b>
3.19.1	Redirect on a Non-Firm Basis	31
3.19.2	Redirect on a Firm-Basis	31
3.19.3	Redirect and Rollover Rights	32
3.20	Forgiveness of Transmission Service Charges	32
<b>4.</b>	<b>Scheduling</b>	<b>33</b>
<b>4.1</b>	<b>Schedule Requirements</b>	<b>33</b>
<b>4.2</b>	<b>Schedule Submittal Requirements</b>	<b>33</b>
4.2.1	Firm Service	33
4.2.2	Non-Firm Service	33
4.2.3	Electronic Scheduling Validation Checks	34
<b>4.3</b>	<b>Late Schedules</b>	<b>35</b>
<b>4.4</b>	<b>Loss Provisions</b>	<b>35</b>
<b>4.5</b>	<b>Source/Sink Tag Validations</b>	<b>36</b>
<b>5.</b>	<b>Feasibility Analysis Service</b>	<b>37</b>
<b>6.</b>	<b>System Impact Study</b>	<b>38</b>
<b>6.1</b>	<b>Approval of TSR Sourced From a Unit in the GI Queue</b>	<b>38</b>
<b>6.2</b>	<b>Customer Requested Deferred SIS</b>	<b>38</b>
<b>6.3</b>	<b>Updates to NITS Agreement for Service to TO's Bundled Native Load</b>	<b>38</b>
<b>6.4</b>	<b>Material Modification of Network Customer Load Forecast Changes</b>	<b>38</b>
<b>6.5</b>	<b>Restudy Scenarios</b>	<b>39</b>
<b>6.6</b>	<b>TSR Approvals after a Study</b>	<b>40</b>
<b>6.7</b>	<b>Process for Conditional Curtailment Option (CCO) and Planning Redispatch (PRD)</b>	<b>41</b>
<b>6.8</b>	<b>Posting requirements for redispatch</b>	<b>43</b>
<b>6.9</b>	<b>TSRs for Generating Station Auxiliary Loads</b>	<b>43</b>
<b>7.</b>	<b>Performance Metrics Posting Requirements</b>	<b>46</b>
<b>7.1</b>	<b>FAS Metrics</b>	<b>46</b>
<b>8.</b>	<b>System Failures</b>	<b>47</b>
<b>8.1</b>	<b>Tag Authority Failure</b>	<b>47</b>

## Business Practices

These Business Practices (BP) describe the procedures and protocols employed by TranServ International, Inc. (TranServ) acting as the Independent Transmission Organization (ITO), to provide transmission service on the Louisville Gas & Electric/Kentucky Utilities Services Company (LG&E/KU) Transmission System on a non-discriminatory basis. In a non-emergency situation, proposed changes to these practices will be posted on OASIS for 30 days, [and an email notifying entities of the posting will be made via the LG&E/KU exploder list<sup>1</sup>](#). Comments, if any, must be submitted to the ITO in writing during this period. Following the 30 day notice period, the ITO will post the final changes, taking into consideration the comments, and they will become effective upon posting. If conditions arise that necessitate an emergency change to these Business Practices, the change posting process may be omitted or abbreviated, as necessary, to remedy the emergency condition. LG&E/KU bears the ultimate responsibility for the provision of transmission services to Eligible Customers (as defined in the Open Access Transmission Tariff (OATT)); including the sole authority to amend these Business Practices.

### 1.1 Definitions

Definitions can be found in the NERC Glossary for italicized terms.

*[Available Flowgate Capability](#)*

*[Available Transfer Capability](#)*

[Delivery Point](#) – per the OATT Section 31.4 is an interconnection point between the Transmission Owner's Transmission System and a Network Load. Existing and new Delivery Points will be identified in the Network Customers NITS Agreement list of Delivery Points.

[Designated Network Resource \(DNR\) Capacity](#) - Represents the capacity of a resource that has been designated to serve the [Network Load](#) of a specific [Network Customer](#). As defined by FERC, the capacity of the resource should be based on the "maximum generator nameplate, contracted output amounts, or output identified in generator interconnection agreements

[Eligible Customer](#) – Defined in OATT Section 1.12

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<sup>1</sup> [Customers may request to be added to this list by going to LG&E/KU OASIS > Contact Information > OATT Notification List.](#)

Version 45.0

[Facilities Study – Defined in OATT Section 1.13](#)

Firm Transmission Service

Generator Owner

Generator Installed Capacity (GIC) - Represents the generating resource's interconnection capacity as established in either: (1) a generator interconnection agreement or; (2) for resources without such generator interconnection agreement, based on historical modeling in NERC MMWG models, prior to the establishment of the generator interconnection process in FERC Order No. 2003

Independent Transmission Organization (ITO) – Defined in OATT Section 1.17

Load-Serving Entity (LSE)

Network Customer – Defined in OATT Section 1.23

Network Integration Transmission Service (NITS)

Network Load – Defined in OATT Section 1.25

Network Resource – Defined in OATT Section 1.28

NITS Capacity - Represents the maximum MWs that can be transferred from a specific DNR to the specific Network Customer's load

Non-Firm Transmission Service

Normal Rating

Open Access Transmission Tariff (OATT)

Open Access Same Time Information Service (OASIS)

Outage Transfer Distribution Factor (OTDF)

Point of Delivery (POD)

Point of Receipt (POR)

Point-to-Point Transmission Service (PTP)

Power Transfer Distribution Factors (PTDF)

Version [45.0](#)

Reliability Coordinator (RC)

System Impact Study – Defined in OATT Section 1.51

Total Transfer Capability (TTC)

Total Flowgate Capability (TFC)

Transfer Distribution Factor (TDF)

Transmission Customer

Transmission Planner (TP)

Transmission Operator (TOP)

Transmission Reliability Margin (TRM)

Transmission System – Defined in OATT Section 1.58

## 2. General Requirements

### 2.1 Transmission Service Access

Transmission service on the systems of Louisville Gas & Electric Company (LG&E) and Kentucky Utilities Company (KU) is provided in accordance with the provisions and requirements of the LG&E/KU Open Access Transmission OATT (OATT). As described in the OATT, Transmission Service Requests (TSRs) must be submitted for approval to the ITO via LG&E/KU's OASIS website. Schedules for transfers using Approved and Confirmed reservations must also be submitted to the ITO and the LG&E/KU Balancing Authority (BA) via the Open Access Technology International, Inc. (OATI) electronic tagging service.

Questions regarding transmission service on the LG&E/KU system should be submitted to:

Manager Tariff Services  
TranServ International, Inc.  
3660 Technology Drive NE  
Minneapolis, MN 55418  
(763) 205-7099  
(763) 201-5333 (fax)  
[Support@transervinternational.net](mailto:Support@transervinternational.net)

Questions regarding the scheduling of transmission service on the LG&E/KU system should be submitted to the LG&E/KU Balancing Authority at:

[ESOC@lge-ku.com](mailto:ESOC@lge-ku.com)  
(502) 333-6704

To submit a request for transmission service on the LG&E/KU system, Transmission Customers must obtain access to the LG&E/KU OASIS at: <http://www.oatioasis.com>.

To obtain access to the LG&E/KU OASIS, complete the registration form located at the top left hand corner. User authentication requires a digital certificate from DST or OATI, [or other vendor](#).



Version 45.0

Eligible customers will also need to register entity names and additional source/sink names on the NAESB WebRegistry at <https://www.naesbwry.oati.com/NAESBWRY/sys-index.wml>

Requests for initial service may be submitted by completing the electronic form in accordance with the provisions of the OATT and these Business Practices. Copies of these forms are located under the Customer Application and Registration Folder at <http://www.oatioasis.com/LGEE/index.html>.

## **2.2 Transmission Service Forms**

The Firm and Non-Firm service agreements are located on the OATI OASIS at the following locations:

[https://www.oasis.oati.com/LGEE/LGEEdocs/Service\\_Agreement\\_-\\_Firm\\_PTP\\_-\\_Attachment\\_A.pdf](https://www.oasis.oati.com/LGEE/LGEEdocs/Service_Agreement_-_Firm_PTP_-_Attachment_A.pdf)

[https://www.oasis.oati.com/LGEE/LGEEdocs/Service\\_Agreement\\_-\\_Non-Firm\\_PTP\\_-\\_Attachment\\_B.pdf](https://www.oasis.oati.com/LGEE/LGEEdocs/Service_Agreement_-_Non-Firm_PTP_-_Attachment_B.pdf)

## **2.3 Posted Criteria Documents**

Any required studies for TSR's or Generator Interconnection Service will be performed using the TSR Study Criteria and GI Study Criteria posted on the OASIS.

## **2.4 Types of Service**

The OATT offers Point-To-Point and Network Integration Transmission Service. The timing requirements for submission of TSRs and electronic schedules are specified herein.

### 3. Reserving Transmission Service

Eligible Customers may request transmission service on the LG&E/KU OASIS.

#### 3.1 Available Transfer Capability

The ITO shall post and update on OASIS the Available Transfer Capability (ATC) in accordance with the methodology described in Attachment C of the OATT. The ITO will post each day the underlying load forecast assumptions, supplied by the Network Customers, used in the calculation of ATC. LG&E/KU will post the forecast and actual daily peak load values for each day for the BA and the LG&E/KU native load.

Per FERC Order Nos. 890 and 890-A the TSP will post a brief, but specific, narrative explanation of the primary event triggering a change in TTC which triggers a change by 10% or more in the yearly or monthly ATC on any constrained path. The ITO calculates the effective ATC for each path on the LG&E/KU Transmission System based on the transfer capability available on the limiting system's flowgates. Depending on how system conditions have changed since the last calculation, the available capacity on the most limiting flowgate may change significantly or a different facility may become the most limiting flowgate. The ITO monitoring process will be able to determine when the calculated maximum transfer capability has changed by 10% or more. In those instances, the ITO will update the OASIS page to identify the model assumption changes that have resulted in significant changes in ATC. This process will achieve the desired transparency and provide the customer with specific information about changes in the underlying operational assumptions that produce significant changes in posted ATC values.

Additionally, the ITO will draft and post a narrative explanation of the cause when the Monthly Firm ATC value posted for a specific path remains 0 for 6 consecutive future months and 6 consecutive past months. This report will be based upon the first posting of Monthly ATC that occurs on the third day of the month.

The ITO will facilitate requests for additional information relating to the calculation of ATC and TTC for parties who have executed the "**CONFIDENTIALITY AGREEMENT FOR TREATMENT OF CRITICAL ENERGY INFRASTRUCTURE INFORMATION AND CONFIDENTIAL TRANSMISSION PLANNING INFORMATION**" located in Appendix 1 of Attachment K of the OATT.

Version [45.0](#)

## 3.2 Obtaining Point-To-Point Transmission

Point-To-Point Transmission Service is offered between valid Points of Receipt (POR) and Points of Delivery (POD) in accordance with Part II of the OATT.

### 3.2.1 Firm Service

Firm Point-To-Point Service is sold in fixed daily, weekly, monthly, and yearly increments. Prior to submitting a request for Firm Point-To-Point Transmission Service, Eligible Customers must complete and execute pages 1 and 2 of the [OATT Attachment A - Form of Service Agreement for Firm Point-to-Point Transmission Service Agreement \(TSA\) for Firm service](#).

Fixed Daily - Requests for Daily Firm service must start at 00:00 EST on the first day of the service period and end at 24:00 EST on the last day of the service period. Daily Firm service may be requested for up to 7 days.

Fixed Weekly - Requests for Weekly Firm service must start at 00:00 EST on Monday of the first week of the service period and end at 24:00 EST on Sunday of the last week of the service period. Weekly Firm service may be requested for up to 4 weeks.

Fixed Monthly - Requests for Monthly Firm service must start at 00:00 EST on the first day of the first month of the service period and end at 24:00 EST on the last day of the last month of the service period. Monthly Firm service may be requested for up to 12 months.

Extended Yearly - Requests for Yearly Firm service must start at 00:00 EST on the first day of the first month of the service period and end at 24:00 EST on the last day of the last month of the service period. Yearly Firm service must be reserved for a minimum of 1 year. There is no maximum term for Yearly Firm service. Yearly service that commences or ends more than 18 months after the TSR queue date will require a TSR Study.

**Long-Term Firm Transmission Service** - Firm transmission service request with a term of 1 year or longer.

**Short-Term Firm Transmission Service** - Firm transmission service requested in increments of less than 1 year.

**Conditional Firm Transmission Service** - Transmission service which can be curtailed under certain conditions or for a certain number of hours, but which will be Firm service in all other conditions or hours. The procedures for requesting Conditional Firm Transmission Service are detailed in Section [6.74.2](#) of these Business Practices.

Version [45.0](#)

**Planning Redispatch** – Transmission service which involves relief of system constraints by redispatching the Transmission Owner's (TOs) resources, provided that the Customer agrees to compensate the TO pursuant to the terms of Section 27 of the LG&E/KU OATT and agrees to either (i) compensate the TO for any necessary transmission facility additions, or (ii) accept the service subject to a biennial reassessment by the ITO of redispatch requirements as described in Section 15.4 of the LG&E/KU OATT. The procedures for requesting Planning Redispatch service are detailed in Section [6.74-2](#) of these Business Practices.

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### 3.2.2 Non-Firm Service

Non-Firm Transmission Service is available in hourly, daily, weekly, and monthly increments. Prior to submitting a request for Non-Firm Point-To-Point Service, Eligible Customers must execute [aOATT Attachment B – Form of Service Agreement for Non-Firm Point-to-Point Transmission Service agreement-Agreement \(TSA\) for Non-Firm service\\_](#)

**Fixed Hourly** - The service starts at the beginning of a clock hour and stops at the end of a clock hour. Non-Firm Hourly service may be requested for up to 24 hours.

**Current Hour** - The service starts within the current hour or within the next hour but requested less than 30 minutes prior to the start of the hour.

**Fixed Daily** - The service starts at 00:00 EST and stops exactly at 24:00 EST on the last day. Non-Firm Daily service may be requested for up to 7 days.

**Fixed Weekly** - The service starts at 00:00 EST on Monday and stops at 24:00 EST on a subsequent Sunday. Non-Firm Weekly service may be requested for up to 4 weeks.

**Fixed Monthly** - The service starts at 00:00 EST on the first day of the month and stops at 24:00 EST on the last day of the last month of service. Non-Firm Monthly service may be requested for up to 12 months.

### 3.2.3 Service Timing Requirements

Customer queue time, provider response times and rebid timing requirements are listed in the Table below.

Point-To-Point TSR Evaluation Response Times										
NAESB Business Practices Timing requirements and Proposed ITO response times										
NAESB BUSINESS PRACTICES						OATT		ITO		
Class	Service increment	Time Queued prior to Start	Provider Evaluation Time Limit	Customer Confirmation Time Limit after CounterOffer	Provider Counter Time Limit After Rebid	OATT Maximum TSR Queue Time prior to Start	OATT Maximum Response Time by ITO	ITO TSR Pass Evaluation Status	Maximum TSR Queue Time prior to Start	Minimum Queue Time Allowed Prior to Start
Current Hour Non-Firm	Hourly	< hour	Best Effort	5 min.	5 min.	After the previous hours service has began, must be preconfirmed	30 min.	Accept	within the Current Hour	1 minute
Non-Firm	Hourly	> hour	30 min.	5 min.	5 min.	Noon the Day Before	30 min.	Accept	Noon the Day Before	1 minute
Non-Firm	Daily	N/A	30 min.	2 hours	10 min.	2 days	30 min.	Accept	2 days	1 hour
Non-Firm	Weekly	N/A	4 hours	24 hours	4 hours	14 days	4 hours	Accept	14 days	1 day
Non-Firm	Monthly	N/A	2 days	24 hours	4 hours	60 days	2 days	Accept	60 days	1 day
Firm	Daily	< 24 hours	Best Effort	2 hours	30 min.	Not Specified	When Feasible	N/A	Not Allowed	Not Allowed
Firm	Daily	N/A	30 days	24 hours	4 hours	Not Specified	When Feasible	Accept	N/A	1 day
Firm	Weekly	N/A	30 days	48 hours	4 hours	Not Specified	When Feasible	Accept	N/A	2 days
Firm	Monthly	N/A	30 days	4 days	4 hours	Not Specified	When Feasible	Accept	N/A	7 days
Firm	Annual	60 days	30 days	15 days	4 hours	At least 60 days in advance of the calendar month service is requested	30 days after receiving written application	Received	As specified in Tariff	As specified in Tariff

Note: Days are Calendar Days

### 3.2.3.1 Current-Hour Transmission Service

Current-hour transmission service is Non-Firm hourly or secondary transmission service to be utilized within the current hour or within the next hour but submitted less than 30 minutes prior to the start of the hour.

Requests for current-hour transmission service:

1. Must be pre-confirmed on the OASIS.
2. Are limited to a single hour.
3. Must be made for a full hour, even if the intent is to schedule the service for a partial hour.
4. Must be scheduled and tagged and are subject to applicable scheduling timing requirements and approvals.
5. Are not to be used by the Transmission Customer to request service for transmission usage after the fact.

### 3.3 Preemption

#### 3.3.1 Monthly Preemption

Short-term Monthly Firm TSRs are subject to preemption by a Yearly Firm TSRs. If the Transmission System becomes oversubscribed, requests for competing Yearly Firm service may preempt requests for Monthly Firm service. ITO will use the following guidelines to preempt Monthly Firm service to accommodate Yearly Firm service.

- If the Transmission System becomes oversubscribed, Yearly Firm service will preempt Monthly Firm service using following criteria:
  - For oversubscribed contract path interfaces based on the current OASIS posting, ITO will preempt Monthly Firm service under LG&E/KU OATT using contract path ATC methodology up to 1 month before the commencement of Monthly service.
  - For oversubscribed flowgate AFC or ASFTC identified in the initial request evaluation results of the Yearly TSR posted on OASIS, the ITO will preempt Monthly Firm service under LG&E/KU OATT up to 1 month before the commencement of monthly service if that Monthly TSR has a significant impact (greater than 5% for PTDF and 3% for OTDF flowgate) on the oversubscribed flowgate(s).
  - Upon Customer request, the ITO may preempt the Customer's own Monthly Firm service reservations to accommodate their Yearly Firm service request even after the conditional reservation deadline. In this case, the ITO will post a discretion notice on the OASIS.
- Monthly Firm reservations that are not within 1 month of starting are conditional and are subject to preemption by annual reservations and pre-confirmed Monthly Firm reservations of longer terms.
- Monthly Firm reservations will be evaluated for preemption on a "last-in-first-out" basis.
- For each oversubscribed Flowgate, the ITO will perform a Distribution Factor analysis to determine the required amount of Monthly Firm service to be preempted to accommodate the Long-Term Firm Point-To-Point Transmission Service under Part II of the OATT with a term of one year or more. ITO may limit the preempting analysis to the month of August for summer season and to the month of January for the winter season.
- ITO will not preempt Monthly Firm reservations based on non-posted constraint facilities.
- The ITO will not preempt if the only candidates for preemption are TSR's for the same Customer.

Version 45.0

### 3.3.2 Weekly and Daily Preemption

Weekly Firm Reservations that are not within 1 week of starting are conditional and are subject to preemption by Annual, Monthly and pre-confirmed Weekly reservations of longer duration. Daily Firm Reservations are subject to preemption by Annual, Monthly, Weekly and pre-confirmed Daily of longer duration.

### 3.3.3 Non-Firm Reservations

Preemption of Non-Firm Reservations will not be implemented by the ITO until North American Energy Standards Board (NAESB) has implemented the Business Practices for Preemption.

## 3.4 Network Integrated Transmission Service (NITS)

NITS is offered in accordance with Part III of the OATT. NITS is available after a load serving Customer interconnected to the LG&E/KU Transmission System submits an initial ~~request~~ ~~on OASIS along with a completed NITS application~~ ~~Excel spreadsheet application~~, including ~~any~~ ~~the~~ deposit required by Section 29.2 of the OATT, and executes a OATT Attachment G - Network Operating Agreement.<sup>2</sup> The NITS ~~application~~ ~~Excel spreadsheet application~~ can be downloaded from the Customer Registration and Application ~~and Registration~~ Folder located at <https://www.oasis.oatieasis.com/LGEE/index.html>.

NITS is available on a Firm basis for delivery of capacity and energy from Designated Network Resources (DNR) to Designated Network Load (DNL) and on a Non-Firm basis to deliver energy to Network Load from resources not designated as Network Resources.

Customers must submit a valid request on the ~~ITO~~ OASIS along with the initial NITS application ~~Excel spreadsheet~~ ~~application for NITS~~. The duration of the request should adhere to the following guidelines.

- ~~For term requests, Customer's should "profile" the OASIS request in order to adhere to the load forecast submitted in the NITS application.~~
- Requests for ongoing service must be submitted for a period of 5 years or greater to be eligible for rollover.

<sup>2</sup> In addition to the required deposit, upon receipt, or during the evaluation of a request for service, the Transmission Owner may conduct an initial credit evaluation of the Transmission Customer's ability to meet the creditworthiness criteria set forth Attachment L to the OATT.

### 3.4.1 Initial Application for Network Integration Transmission Service

The initial request for NITS must be submitted no later than 60 days prior to start of service. The Customer must provide, ~~using the posted NITS application Excel spreadsheet, the projected load demands for a 10-year forecast of the anticipated summer, summer shoulder, and winter and spring light load time periods~~ ~~peak for DNL, for the and a current 120-year transmission expansion planning period~~ ~~forecast of the DNR, or for a minimum of 10 years after the start of service, as~~ specified in the OATT. ~~A list of Network Resources is also required, as further described in the spreadsheet.~~ In order to be eligible for roll-over rights, the requested service must be at least 5 years in duration.

To initiate new NITS, the Customer must contact the ITO to request ~~Customer and Sink~~ the registration ~~be added to a new Sink on~~ the OASIS and then submit a written application containing the data specified in Section 29.2 of the OATT to the ITO. Pursuant to Section 29.2 of the OATT, ~~if the Eligible Customer meets the creditworthiness requirements of Attachment L at time of application, then no performance assurance will be required with the application. If the Eligible Customer does not meet the creditworthiness requirements of Attachment L at the time it submits its application or anytime thereafter, then it must provide performance assurances as detailed in Section 4 of Attachment L.~~ ~~the application for NITS must be accompanied by a deposit approximating the charge for 1 month of NITS service, submitted to LG&E/KU. The deposit may be waived as provided for in Section 2.1 of the LG&E/KU Creditworthiness Standard. In addition to the required deposit, upon receipt, or during the evaluation of a request for service, the TO may conduct an initial credit evaluation of the Transmission Customer's ability to meet the creditworthiness criteria set forth Attachment L of the OATT.~~ When the application is received and the new Sink has been created, the Customer must submit an OASIS request for the NITS application. ~~The NITS request must specify the service type as "Initial NITS Request" and indicate the new NITS Sink.~~

The ITO must acknowledge receipt of the request within 10 days (unless the parties agree to another time frame). If an application fails to meet the requirements of Section 29.2 of the OATT, the ITO will notify the Network Customer requesting service within 15 days of receipt and specify the reasons for such failure. Whenever possible, the ITO will attempt to remedy deficiencies through informal communications with the Customer.



Version [45.0](#)

Prior to receiving NITS, the TO and Network Customer, or a third party, must complete the technical arrangements set forth in Sections 29.3 and 30.4 of the OATT. These sections require the completion of equipment installation and any additional requirements. The Network Customer is responsible for the construction, maintenance, and operation of the facilities on its side of each delivery point or interconnection necessary for reliable delivery of capacity and energy from the TO's Transmission System to the Network Customer.

NITS shall not commence until all equipment installation and any additional requirements, as specified in the executed NITS agreement, have been completed by the TO and Network Customer or third party. The TO and Network Customer shall exercise reasonable efforts to complete such arrangements as soon as practicable, taking into consideration the Service Commencement Date.

Network Customers wishing to make changes to designated loads must submit the desired changes ~~onto the ITO via~~ [OASIS](#).

~~The TO is not responsible for charges pursuant to Schedules 1 through 6, 9, or 10 to the extent that the TO takes NITS to serve its bundled load.~~

Network Customers must submit to the ITO the following information: (1) annual updates of Network Load and Network Resource forecasts consistent with those included in its NITS Application under Part III of the OATT, and (2) timely written notice of material changes in any other information provided in its Application relating to Network Customer's Network Load, Network Resources, its Transmission System, or other aspects of its facilities or operations affecting the TO's ability to provide reliable service.

The TO is not responsible for charges pursuant to Schedules 1 through 6, 9, or 10 to the extent that the TO takes NITS to serve its bundled load.

### 3.4.2 Load Delivery Point

#### 3.4.2.1 Requesting New Load Delivery Points

Requests by existing Customers to add a new load delivery point may be made by making a placeholder TSR on the OASIS to establish priority in the TSR Queue, then submitting an updated application [Excel spreadsheet](#), per Section 29.2 of the OATT to the ITO. ~~The only 10-year load forecast that need to be submitted in the~~ updated application [should contain the new or modified projected load as well as the incremental impacts to existing delivery points](#)~~will be for the new load request and any delivery points impacted by this request. Load forecasts as from the currently approved by the ITO Transmission Expansion Plan are is also required for each affected delivery point.~~

#### 3.4.2.2 Requesting Temporary [Network](#) Load Delivery Point

Customers that want to add [a known](#), or ~~knew of potential~~ locations, where a [Temporary Network](#) Load ~~d~~Delivery ~~p~~Point could be requested in the future, must notify the ITO of situations where a temporary [Network](#) Load could be added and transmission service requested. An example of temporary load is where Customers may have a Normally Open Interconnection with LG&E/KU and the ability to shift load by closing the switch and isolating the load ~~i~~into the LG&E/KU BA. Each ~~t~~Temporary [Network](#) Load ~~d~~Delivery ~~p~~Point will require the Customer to have a pre-approved registered Sink and posted ATC.

### 3.4.3 Designation/Undesignation of Network Resources

A new request to increase NITS Capacity must be submitted on the LG&E/KU OASIS for each new resource or increase in NITS Capacity of an existing resource. The amount requested (NITS Capacity) should be the transmission capacity being designated from the Network Resource to serve the designated Network Load.

Additional Network Resources may be designated to serve Network Load for a term of 1 day or greater. Network Customers are required to use the LG&E/KU OASIS to request designation of a new Network Resource and to terminate (undesignate) the designation of an existing Network Resource. If the OASIS function allowing designation or termination of a Network Resource is unavailable, Network Customers shall submit information identified below in the form requested by the ITO via electronic submission to the ITO for processing. The network Customer must update the capacities specified in its list of DNRs posted on OASIS for long-term Designation or Indefinite Undesignation concurrent with the Confirmation of the request. For Monthly

Version [45.0](#)

Designation or all temporary Undesignation of a DNR the ITO will post an OASIS Notices Message based upon the information provided in the network Customer NITS Application. Daily and Weekly Designations can be queried on OASIS under Reservations. This information will be available for download on OASIS for at least 90 days.

The information describing the request to be provided by the Customer shall include:

- Name of requestor
- Identification of the resource
- Effective time for the designation or termination
- For temporary undesignations, the start and end time for the undesignation
- Identification of whether the transaction involves the Transmission Provider's wholesale merchant function or any affiliate
- Any other relevant terms and conditions e.g. OASIS AREF

**3.4.3.1 Attestation that Network Resource Qualifies for Designation**

Network Customers must include a statement with each application for pre-confirmed requests for network service, or at the time of service confirmation on OASIS for non-pre-confirmed network service requests, that attests, for each Network Resource identified that, (1) The Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the OATT; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. An attestation must be included in the Customer comment field of the TSR for pre-confirmed requests or added to the comment field prior to confirming for non-pre-confirmed request. Requests not in compliance will be annulled. To facilitate the TSR Customer comment field length restrictions, the following language must be used, "Customer attests that (1) Customer owns or has committed to purchase generation pursuant to an executed contract, or has committed to purchase the DNR identified on the Application and (2) the DNR comports with the requirement for a DNR", can be used.

A network Customer may properly designate resources from system purchases not linked to a specific unit, provided the purchases cannot be interrupted for economic reasons.

### 3.4.3.2 Power Purchase Agreements

Power purchase agreements designated as Network Resources that include Liquidated Damages (LD) provisions may only contain LD provisions that are of the “make whole” type. The “make whole” LD clauses must require the seller to pay the full cost of replacement power. Power purchase agreements containing LD provisions that provide penalties of a fixed amount, that are capped at a fixed amount, or that otherwise do not require the seller to pay an aggrieved buyer the full cost of replacing interrupted power, are not acceptable as DNRs.

### 3.4.3.3 Civil Penalties

In the event that the Transmission Provider or any other Network Customer designates a Network Resource that it does not own or that does not comport with the requirements for designated Network Resources, the Network Customer will be in violation of the OATT, and the Commission may consider assessing civil penalties.

### 3.4.3.4 Data Required for Designation of Off-System Network Resource

To designate an off-system resource, Network Customers must include the following information with its request to be posted on OASIS:

- Identification of the Network Resource as an off-system resource
- Amount of capacity to which the Customer has rights
- Identification of the control area(s) from which the capacity and energy will originate
- Delivery points to the Transmission Provider’s Transmission System
- Transmission arrangements on the external Transmission System(s). (Firm PTP transmission service provided on a Conditional Firm basis is deemed sufficiently firm to be used to import an off-system designated Network Resource.)

Network Customers must also ~~provide~~include a Network Application eExcel spreadsheet with the following information: ~~with a request to designate off-system resources. This information will be masked on OASIS to prevent the release of commercially sensitive information, including:~~

- Seasonal forecast of the Network Resource for a minimum of 10 years after the start of service the current 12-year Transmission expansion plan period
- Any operating restrictions (such as any periods of restricted operations throughout the year, maintenance schedules, minimum loading level of unit, normal operating level of unit).
- Approximate variable generating cost (\$/MWH) for redispatch communications.

Version 45.0

#### 3.4.3.5 Undesignation of Network Resource

To undesignate a Network Resource, a representative of the [Network Customer](#) identified on the existing reservation for Firm Network Service must submit information as described in 3.4.3 via electronic notification to the ITO. The request must be electronically submitted by a representative of the Customer. When the request to undesignate a Network Resource is approved, the associated capacity will be released for posting on OASIS. Incomplete requests will not be accepted.

#### 3.4.3.6 Undesignation for Firm Third Party Sales

Network Customers (including the Transmission Provider's merchant function) may only enter into a third party power sale from a designated Network Resource if the third party power purchase agreement allows the seller to interrupt power sales to the third party in order to serve the seller's designated Network Load. Such interruption must be permitted without penalty, to avoid imposing financial incentives that compete with the Network Resource's obligation to serve its [Network Load](#).

Network Customers (including the Transmission Provider's merchant function) must undesignate Network Resources, or portions thereof, in order to make certain firm, third party sales from those resources. Network Customers are not permitted to make firm third party sales from any DNR without (1) undesignating that resource for the period of the third party sale pursuant to the LG&E/KU OATT Section 30.3 and (2) providing notice of such undesignation before the firm scheduling deadline (10:00 AM EST the day before service commences).

To undesignate a Network Resource, a representative of the network Customer identified on the existing reservation for Firm Network Service must submit information described in 3.4.3 via electronic notification to the ITO.

Firm third party sales may be made from an undesignated portion of a [Network Customer's](#) Network Resources (i.e., a "slice-of-system" sale), as long as all of the applicable requirements are met. In particular, the [Network Customer](#) must submit undesignations for each portion of each resource supporting the third party sale. The [Network Customer](#) does not need to undesignate portions of each resource and may simply undesignate an equivalent amount of resources if the buyer will designate the purchase as a Network Resource. *Note: FERC Order*

Version 4.5.0

*No. 890-A provided that portions of a seller's individual Network Resources supporting a sale of system power need not be undesignated as long as the system sale itself is designated as a Network Resource by the buyer. Rather, the seller should undesignate a portion of its system equal to the amount of the system sale, but which is not attributed to any specific generators. However, if the system sale is not designated as a Network Resource by the buyer, then the seller must submit undesignations for each portion of each resource supporting the third party sale.*

Upon approval, the Customer must submit an OASIS request for transmission service to accommodate the third party sale.

### **3.4.3.7 Temporary and Indefinite Undesignations**

Requests to undesignate Network Resources that are submitted concurrently with a request to redesignate those Network Resources at a specific point in time shall be considered temporary terminations. Conversely, requests to undesignate Network Resources submitted without any concurrent request to redesignate those Network Resources shall be considered a request for indefinite termination of those Network Resources.

The request for temporary termination of the resource and the requests for the related transmission service, if any, shall be evaluated as a single request, and approved or disapproved as such. When processing requests for temporary termination of network resource designation with a concomitant TSR, the evaluation of the TSR shall take into account the undesignation of the network resource identified in the request for termination. However, the evaluation of the related request for Firm Point-To-Point Transmission Service shall be processed simultaneously taking proper account of all competing TSRs of higher priority.

A request for termination of a network resource that is concurrently paired with a request to redesignate that resource at a specific point in time will not result in the network Customer permanently forfeiting rights to use that resource as a DNR. Any change in ATC that resulted from the temporary termination shall be posted on OASIS during this temporary period.

All Customer notifications of retirement of a generating resource associated with an individual DNR must include a notification of indefinite termination of the resource and include information as described in 3.4.3. After an indefinite termination of a resource has been confirmed, the Network Customer has no continuing rights to the use of such resource and future requests to designate that resource would be processed as a designation of new Network Resource.

Version [45.0](#)

#### **3.4.3.8 Secondary NITS**

A request for NITS from non-designated Network Resources must be submitted on the LG&E/KU OASIS for each resource not designated to serve the Customer's Network Load. NITS from non-designated Network Resources may be used on an hourly, daily, weekly, or monthly basis. Only the Customer with the confirmed network service for the load, or a designated agent acting on its behalf, can request network service from non-designated Network Resources for that load. The capacity reserved should be the maximum energy to be utilized to serve the DNL in the specified service increment from the non-designated Network Resource. Reciprocal NITS is provided for transactions with sinks and sources in the MISO and PJM areas on a reciprocal basis, as provided in Schedules 7 and 8 of the OATT. Secondary service for [N](#)etwork Customers must be requested in accordance with Section 18, Procedures for Arranging Non-Firm Point-To-Point Transmission Service, including the timing restrictions set forth in Section 18.3, of the LG&KU OATT. Secondary service is on an as-available basis, and [n](#)etwork Customers should not be permitted to lock in such service in advance of other Non-Firm uses of available transmission. Network Customers may not redirect network service in a manner comparable to the way Customers redirect Point-To-Point Service.

#### **3.4.4 OASIS Posting of Network Resources Information**

The ITO will post on OASIS information provided by the Network Customer for long-term DNRs as described in 3.4.3. This information shall include the following three capacity values, as well as the other information that is already included in the postings.

Version 4.5.0

#### 3.4.4.1 Generator Installed Capacity

The Generator Installed Capacity (GIC) represents the generating resource's interconnection capacity as established in either: (1) a generator interconnection agreement or; (2) for resources without such generator interconnection agreement, based on historical modeling in NERC MMWG models, prior to the establishment of the generator interconnection process in FERC Order No. 2003. The GIC will be used to determine when a new generator interconnection request is required based on the net MW injection at the point of interconnection to the transmission system. The GIC values (net and gross) will be capped at the generator nameplate rating. The revised GIC values ~~have been posted on OASIS will be posted and used upon completion of a stability study by the TO and approval of the ITO. The GIC stability study will be repeated at least annually, but may not be part outside of the TEP process. If this study is not part of the TEP then the ITO must review and approve the GIC study and TO will integrate resulting projects to the current TEP projects.~~

#### 3.4.4.2 DNR Capacity

The capacity designated as Network Resources (DNR Capacity) represents the capacity of a resource that has been designated to serve the ~~N~~network ~~L~~load of a specific ~~N~~network ~~C~~customer. As defined by FERC<sup>3</sup>, the capacity of the resource should be based on the "maximum generator nameplate, contracted output amounts, or output identified in generator interconnection agreements." The DNR Capacity is capped at the GIC value.

#### 3.4.4.3 NITS Capacity

The NITS Capacity represents the maximum MWs that can be transferred from a specific DNR to the specific Network Customer's load. It is a single (maximum) value for all four seasons and is based on Confirmed NITS TSR's on OASIS and on capacities listed in the Network Customer's current NITS agreement (as of the effective date of Version 3.3 of the BP). The Network Customer may only exceed the NITS Capacity by submitting a TSR (long term or short term) on OASIS or under emergency conditions. The NITS Capacity is capped at the DNR Capacity value for a specific resource and specific Network Customer and remains constant in future years. A confirmed long-term TSR will increase the NITS Capacity as well as the DNR Capacity, but cannot exceed the GIC.

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<sup>3</sup> FERC APS Audit Report Docket No. PA11-1-000



Version [45.0](#)

The customer's annual 10 year seasonal resource forecast will continue to be used in all future seasonal transmission planning models, with the exception that a sensitivity study based on the NITS Capacity will be completed as part of the annual TEP process to identify projects to ensure deliverability of the NITS Capacity. The specific resource seasonal values in the annual 10 year resource forecast cannot exceed the NITS capacity for that resource unless accompanied by an OASIS request.

### 3.4.5 Additional Information for Annual 10 year Load and Resource Forecast

Beginning with the 10 year Load and Resource forecast due in the Fall of 2015 (and per the OATT), additional information and data will be required in order for the Transmission Planner to comply with the revised NERC TPL standards and new NERC MOD-032 standard. Please refer to the MOD-032 document posted on OASIS for additional details [after July 01, 2015](#).

## 3.5 Service Request Preconditions and Validation

### 3.5.1 Service Agreement Application and Credit Requirement

Prior to requesting Point-To-Point Transmission Service on OASIS, the Customer must have submitted a completed application pursuant to Section 17.2 of the OATT for Firm service or Section 18.2 of the OATT for Non-Firm service. The Customer must also adhere to the Creditworthiness Procedures in Attachment L of the OATT.

### 3.5.2 Service Request Validation Criteria

The following criteria are validated by the OATI webTrans software:

Criteria Name	Definition
Network Limit MW	Validate request is a Network Customer, sink is valid as a network sink, track capacity as Non-Firm Network Service and compare reserved capacity limit.
POR/POD	Checks TSR POR/POD to ensure POR/POD have been defined on webTrans.
Source/Sink	Checks TSR Source/Sink to ensure Source/Sink have been defined on webTrans.
Timing	Checks TSR timing requirement have been met.
Customer/Service	Checks TSR Customer to ensure valid Customer eligibility to purchase type of service.

Criteria Name	Definition
Redirect	Checks to ensure parent reservation can support the REDIRECT request.
Resale	Checks to ensure parent reservation can support the RESALE request.
Unposted POR/POD	Checks for TSRs with a POR/POD that has not been posted as a path.
Matching	Checks to ensure parent reservation can support the MATCHING request.
Deferral	Checks to ensure parent reservation can support the DEFERRAL request.
AFC/ATC/ASTFC	Checks to ensure AFC/ATC/ASTFC is available.
Relinquish	Checks to ensure the capacity on the request does not release capacity that has already been scheduled on the parent REDIRECT request.
TS Type POR/POD	Checks TSR to ensure POR/POD is appropriately mapped to Source/Sink on webTrans.
Master NITS Check	Checks if Customer is an existing Network Customer.

### 3.5.3 Source/Sink Specifications

The ITO uses a flow-based approach to determine ATC. It is, therefore, important to system reliability that sources and sinks represent the intended use of system capacity, reflecting the 2 ends of the flow path.

## 3.6 Service Request ATC/AFC Evaluation

### 3.6.1 For requests ending within the 18 month ATC/AFC Window

All requests for transmission service that end within the window of the ATC/AFC process, will be evaluated based on the most current posting of the effective ATC value, or values, for the path and service requested. The posted LG&E/KU ATCID describes the process for the development of the posted effective ATC values.

### 3.6.2 For requests ending outside the 18 month ATC/AFC Window

All Firm requests for transmission service ending outside the window of the ATC/AFC process will be evaluated during a separate study process using the posted TSR Study Criteria, after the Customer executes a SIS agreement. The portion of requested service within the 18 month ATC/AFC window will be evaluated based on the posted ATC.

### 3.7 Partial Service

If a request for transmission service cannot be accepted in its entirety, either in capacity or duration, the ITO will offer the portion(s) of the transmission service that it can provide for the term or service increment of the service requested. ~~If the portion(s) of service that can be provided is/are of the same service increment as originally requested,~~ the ITO will counteroffer to the Customer on OASIS the portion or portions of service that can be accepted.

### 3.8 Annulment of Pre-Confirmed Reservation

In cases of inadvertent error on the part of the Transmission Customer, the Transmission Customer may in the very near term request that the Transmission Provider void (status of ANNULLED) a pre-confirmed request/reservation for short-term Firm or Non-Firm Point-To-Point Service. Honoring such a request is at the discretion of the ITO. The ITO is allowed to invalidate a pre-confirmed request at the request of the Transmission Customer in the very near term following submittal of the request, in the event the Transmission Customer makes an inadvertent error in submitting the request. Requests will be granted only in cases where the service has not started and must be made within 3 days of the Queue date. To make a request the Customer must submit the Annulment request, along with an explanation of the error, to [Support@Transervinternational.net](mailto:Support@Transervinternational.net).

### 3.9 Service Request Renewal

The following practices apply to the exercise of the reservation priority of long-term transmission service pursuant to Section 2.2 of the OATT for the renewal of service.

The conditions for granting the original service will also apply to renewal service, unless conditions are no longer warranted. Long-Term Firm Transmission Service can be renewed for less than the originally confirmed amount of capacity. If service is renewed for less than 5 years, no rollover rights will remain at the end of the service.

The status of a competing request will not be changed to “accepted” prior to the earlier of: 1) the submittal of the renewal request, or 2) at least 1 year prior to the expiration of the existing service.

Customers renewing service must accept a contract term for the renewal that is, at least, as long as the longest-term confirmed competing request if, at the end of the contract term, the transmission system cannot accommodate all of the requests for transmission service. A confirmed competing request is defined as a request for yearly transmission service queued prior

Version [45.0](#)

to the renewal request, of a greater term than the renewal request, and sharing the same POR and POD.

To match the term of a confirmed competing request, the renewal Customer must submit a matching term request within 15 days of the competing request being confirmed. (The ITO will notify the renewal Customer as soon as possible that the competing request has been confirmed. Notice will be provided on the OASIS via a comment posted in the provider comments section of the renewal request.)

If the matching renewal request is confirmed, the competing request will be annulled. Otherwise, the renewal Customer loses its reservation priority, and its renewal request will be treated as an original service request.

### **3.10 Reassigning a Service Request**

In accordance with Section 23 of the OATT and NAESB Standards, a Transmission Customer may sell or transfer all or a portion of its rights under its Service Agreement, but only to another eligible Transmission Customer (the "Assignee") of LG&E/KU. When purchasing resold or transferred transmission, the Buyer will receive the same services and priority as did the original Customer Reseller. A Reseller may only sell or transfer confirmed transmission reservations (not Accepted, Counteroffer, Received, or Study).

#### **3.11 Resale on OASIS**

A Resale is a request to convey rights associated with a reservation from a Reseller to an Assignee. The Assignee must have a valid resale service agreement prior to scheduling the purchased transmission rights. If a valid service agreement is not executed, LG&E/KU will nullify the sale.

Resales do not carry forward any renewal rights, but they can be redirected in accordance with these Business Practices. If the Assignee requests a change in service, the transmission request will be processed as per Section 4.6, Redirecting Service.

Upon confirmation of a Resale on OASIS, the Reseller loses those conveyed rights for the time frame and in the amount of the Resale. A Resale must have MWs equal to or less than the Granted Capacity of the parent reservation(s), less any reductions (e.g. confirmed Redirects, previous Resales, curtailments, or implemented Schedules) to the capacity available for scheduling of that parent reservation.

Resale transactions do not convey to the Assignee, the Reseller's financial obligation to LG&E/KU. LG&E/KU will act as a billing agent between the Reseller and the Assignee. However, ultimate payment for the original transmission service to LG&E/KU remains with the Reseller. All Resales must include the price of the Resale and price units shall always be \$/MW – Hour reserved. This will allow LG&E/KU to calculate the amount to be billed to the Assignee and credited on the Reseller's invoice. If the Assignee fails to pay for the invoiced service within 20 days of the invoice date, LG&E/KU will issue an invoice the Reseller for the amount that was previously credited on the Reseller's invoice. LG&E/KU will not act as a collection agent between the Reseller and the Assignee for any past due amounts.

### **3.12 Transfers on OASIS**

Resellers have the right to transfer all of their rights and obligations under existing confirmed Firm and Non-Firm Monthly or Yearly Point-To-Point Transmission Service reservations to other Customers. These transfers may be for the Full Transfer or Partial Transfer of the capacity of the reservation.

A Transfer of transmission rights shall convey all rights and obligations under the LG&E/KU's OATT from the Reseller to the Assignee, including the financial obligation to LG&E/KU. Prior to the confirmation of a Transfer, the prospective Assignee and LG&E/KU shall have an executed Transmission Service Agreement. Upon confirmation of the Transfer by all 3 parties on OASIS, the Reseller shall lose those conveyed rights for the time frame and in the amount of the Transfer. The stop time of the Transfer must coincide with the stop time of the parent reservation.

### **3.13 Full Transfers**

Full Transfers for the entire capacity granted on the parent reservation shall result in the Transfer of all capacity of the parent reservation and the Transfer of all encumbrances associated with that capacity in the form of confirmed Redirects, Resales, or any other reductions in reserved capacity. A Full Transfer of a parent reservation which has been redirected or resold through Resale, in whole or in part, will automatically result in the Transfer of the child(ren) redirect(s).

### **3.14 Partial Transfers**

A Partial Transfer consists of capacity less than the granted capacity of the parent reservation less any reductions (Redirects, Resales). Only the capacity available for scheduling may be included in Partial Transfer.

### **3.15 Evaluation Response Time**

Requests for Firm Point-to-Point Transmission Service on LG&E/KU's OASIS shall be acknowledged within the time frames specified in Section 3.2. If there is adequate ATC, the ITO will promptly accept the service requests, even if the request is in the System Impact Study Process. It is the Customer's responsibility to comply with the confirmation requirements found in Section 3.2. At such time the ITO grants the service, the Customer may receive notice of the request's approval via email if they select that option in the OASIS. Additionally, the ITO will close out the study and accept the request. Evaluation of the applicable ATC is to be made as soon as reasonably practicable after the receipt of a tendered service request, as outlined in Section 3.2.

### **3.16 Service Request Retraction**

The OATT contains timing requirements that specify when a Customer must respond to an accepted request for transmission service. If a Customer fails to confirm a request by the specified time limit, the ITO will retract acceptance of the request.

### **3.17 Service Request Annulment**

Once a service request is confirmed, the ITO will only annul the request to preserve system reliability or to reverse an evaluation or validation error made by the ITO that violates the OATT or an established business practice. The ITO may annul a confirmed NITS reservation if the Network Customer requests that it be annulled and the Transmission Owner and ITO are in agreement.

### **3.18 Denial of Service Request Statistics**

The ITO will post 3 types of statistics on denial of service requests: (1) Transmission Service Metrics Reports located on the OASIS reservation page under the TS Metrics icon, (2) Request Evaluation Reports posted under the AFC/Flowgates Reports on OASIS, and (3) The individual study reports under the Transmission Service Studies folder on OASIS.

### **3.19 Redirecting Service**

Firm and Non-Firm Point-To-Point Transmission Service may be redirected as described in this section. The sum of all Firm and Non-Firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement and/or the Transmission Service Reservation under which such services are provided.

### **3.19.1 Redirect on a Non-Firm Basis**

A Customer may redirect Firm Point-To-Point Service to a Non-Firm secondary POR and/or POD without additional charges on an as-available basis. Redirected Non-Firm transmission will have the lowest scheduling priority. If a Customer elects to redirect service on a Non-Firm basis, the Customer retains the right to schedule Firm service over the original path, but the total Firm and Non-Firm service cannot exceed the original reservation capacity. Redirect requests must contain the OASIS number of the original request in the Related Reference field. Requests to redirect an existing Firm service request on a Non-Firm basis will be approved subject to the following conditions:

1. The redirect request is submitted with an OASIS Request Type of "Redirect," and the original Firm request is listed in the Related Reference field.
2. Meets the other validation requirements of Section 3.5.1.2 above.

### **3.19.2 Redirect on a Firm-Basis**

A Transmission Customer may also redirect Firm Point-To-Point service on a Firm basis. Requests to redirect Point-To-Point Service on a Firm basis are treated as new requests. The Customer's rights on the original path are revoked upon approval of the redirect service request. To redirect service on a Firm basis, the Transmission Customer must submit the Redirect request over OASIS prior to 10:00 AM EST on the day prior to the start of the redirected service.

To redirect Firm Point-To-Point Service on a Firm basis, a Customer must submit a new Firm Point-To-Point request via OASIS with a Request Type of "Redirect." The Redirect request must list the original request being redirected in the Related Reference field. The new request must be submitted and processed in accordance with the OATT timing requirements for the appropriate class and service increment desired. The start and stop times of the new reservation must be contained within the start and stop times of the original reservation. Partial redirects of the previous reservation quantity or period are allowed.

Sufficient ATC must exist to accommodate the new request. For purposes of evaluation, the impacts of the redirected service will be replaced by the impacts of the new request during the overlapping period.

Version [45.0](#)

Once the new request is confirmed, the capacity of the original reservation becomes available to the Market, subject to any limitations created by flow impacts of the changed POR and/or POD. The portion of a Firm reservation not replaced by redirected service will remain in effect.

### **3.19.3 Redirect and Rollover Rights**

Any Original Yearly service that is redirected on a shorter duration Service Increment will maintain any rollover rights that it may have under Section 2.2 of the OATT, at the POR/POD of the original service reservation. Any Yearly service that is redirected in Yearly increments but is not redirected through the end of the remaining term of the original request will retain its reservation priority and rollover rights on the original path. Any Yearly service that is redirected in Yearly increments through the end of the remaining term of the original request will receive reservation priority and rollover rights on the new path of the redirected service. The Renewal of a Yearly service Redirect is prohibited unless the Redirect being renewed extended to the end of the Original Yearly service term.

### **3.20 Forgiveness of Transmission Service Charges**

Forgiveness is the term commonly used to describe the billing credit for transmission service charges in situations where transmission service reserved by a Customer cannot be scheduled due to congestion occurring on the Transmission Provider's System and the ITO, LG&E/KU BA and/or LG&E/KU Reliability Coordinator (RC) deny the schedule, or curtail the schedule, due to congestion occurring on the LG&E/KU Transmission System.

All charges associated with the provision of confirmed Point-To-Point Transmission Service for the portion of time, prorated amount, which the Customer was unable to use, or requested not to use by the LG&E/KU BA or RC. The Customer will not be charged if:

1. The Point-To-Point Transmission Service Customer submitted a valid schedule to the Interchange Distribution Calculator (IDC), and
2. The service is curtailed or prevented from being implemented due to a Transmission Loading Relief (TLR) issued for a transmission constraint occurring on the LG&E/KU's Transmission System



## 4. Scheduling

The ITO and BA validate all schedules. The ITO or BA will deny schedules that do not meet the validation requirements stated in Section 4.2.3 below. Further, the ITO or BA will provide the reason for denial of service, as described in Section 3.17. The ITO and BA will maintain records detailing the reasons for denying a schedule for five years and will keep an ongoing record of scheduling requests and responses.

### 4.1 Schedule Requirements

All transmission service transactions must have a preapproved schedule, except for 1) those in which load within a BA is being served by DNR generation that is located within the same BA, and 2) including those transactions that stay within LG&E/KU's BA, must have a preapproved schedule, except for TEE-CRSG or emergency load support schedules. TEE-CRSG and emergency load support schedules that are not entered before, must be entered after the fact by BA.

### 4.2 Schedule Submittal Requirements

The ITO requirements for submission and processing of schedules are listed in Sections 13.8 and 14.6 of the LG&E/KU OATT and are repeated below.

#### 4.2.1 Firm Service

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the ITO no later than 10:00 AM EST of the day prior to commencement of such service. Schedules submitted after 10:00 AM EST will be accommodated, if practicable. Scheduling changes will be permitted up to twenty 20 minutes before the start of the ~~schedule~~next ~~clock hour~~ provided that the Delivering Party and Receiving Party also agree to the schedule modification.

#### 4.2.2 Non-Firm Service

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the ITO no later than 2:00 PM EST of the day prior to commencement of such service. Schedules submitted after 2:00 PM EST will be accommodated, if practicable. Scheduling changes will be permitted up to 20 minutes before the start of the ~~schedule~~next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification.

### 4.2.3 Electronic Scheduling Validation Checks

The responsibility of approving schedules will be separated between the ITO and BA. The ITO will only validate portion of the schedules under the TP's responsibility.

#### 4.2.3.1 ITO Tag Validation Criteria

Criteria Name	Definition
Tag Path	Checks to ensure the physical path of the tag is valid.
Status	Checks to ensure the TSR on the tag has a status of "CONFIRMED".
MW	Checks to ensure the TSR on the tag has enough scheduling rights remaining to cover the energy MW profile.
NERC Priority	Checks to ensure the product number specified on the tag is the same number as the NERC priority on the TSR.
POR/POD	Checks to ensure the POR and POD on the tag match the POR and POD's of the TSR.
Customer/Tag Owner	Checks to ensure the Transmission Owner specified on the tag matches the Customer code on the TSR.
Allow Secondary NF	Checks to ensure the transaction type is allowed to be redirected to a new path.
TP Required	Checks to ensure the entity has been specified as a TP on the tag.
Schedule Entity (SE)	Checks to ensure the Schedule Entity is provided and valid.
Invalid AREF	Checks to ensure the TSR listed on the tag exists in the webTrans database.
TP-SE Association	Checks to ensure the TP listed in the physical path of the tag is a valid TP in association with the SE.
Network Reservation Path	Checks to ensure additional elements on the tag are valid when Network transmission arrangements are being used.
Network Contract Path	Checks to ensure additional elements on the tag are valid when Network transmission arrangements are being used.
Network Resource Capacity	Checks to ensure additional elements on the tag are valid when Network transmission arrangements are being used.
Energy Profile	Checks to ensure the transmission allocation on the tag is sufficient to support the energy profile on the tag.

#### 4.2.3.2 Balancing Authority Tag Validation

Criteria Name	Definition
Ramp Duration	Checks to ensure the ramp duration start and stop values on the tag (in minutes) are equal to the default duration.
Ramp Start/Stop	Checks to ensure the duration of the start and stop time on the tag is less than the duration of the energy segment.
Late Tag	Checks to ensure the tag does not have the assigned status of late.

Criteria Name	Definition
Tag Loss	Checks to ensure the tag loss specified on the tag is equal or greater than 32% (base loss).
GCA/LCA Association	Checks to ensure the company listed as the GCA is also listed as the first TP on the tag, and the company listed as the LCA is also listed as the last TP on the tag.

### 4.3 Late Schedules

The ITO will approve late schedules for Firm service received after 10:00 AM EST even though the unscheduled Firm transfer capability has already been sold on a Non-Firm basis if the Late Firm Schedule is received at least 1 hour prior to start.

If displacement of Non-Firm service is required, the BA will notify the RC who will implement the curtailment according to NERC TLR procedures.

### 4.4 Loss Provisions

Network Customers scheduling energy to load located within LG&E/KU's BA should deliver sufficient energy to meet their load and loss obligations ("Base Schedule"); so that after the loss energy amounts (determined in accordance with Section 28.5 and Schedule 11 of the OATT) are subtracted from the Base Schedule, the resultant scheduled energy amount ("Post-Losses Schedule") is sufficient to balance with that Customer's actual Network Load for the hour. Network Customer's with Pseudo-Tied load, out of LG&E/KU's BA, should not submit a separate electronic tag for the loss amount for delivery to LG&E/KU's BA if the coordinated interchange also includes losses.

The Transmission Owner will determine hourly loss amounts by taking the sum of hourly energy scheduled to be delivered (i.e., the sum of the Base Schedules for the hour) and multiplying by the loss factor agreed upon at FERC the amount scheduled to be delivered (i.e., the sum of the Base Schedules for the hour).

The Schedule 4 imbalance calculation determines the imbalance between scheduled delivery and actual delivery of energy to load. For purposes of this Schedule 4 calculation, "scheduled delivery" shall mean the Post-Losses Schedule. For accounting purposes for Schedule 4 imbalance charges, the Post-Losses Schedule for each hour will be kept to at least 3 decimal places.

Version 45.0

#### 4.5 Source/Sink Tag Validations

LG&E/KU's AFC/ATC process post ATC by POR/POD (or pseudo POR/POD), therefore Sources and Sinks will not be validated.

#### 4.6 Use of CBM

The Transmission Service Provider will create unique Transmission Service Numbers (TSN) to be used by an LSE when scheduling the use of CBM. These TSNs will be created on at least annual basis when new CBM set-asides have been requested and implemented. The TSP will communicate the TSNs to the LSE that requested the CBM set-aside. The TSP reserves the right to deny any CBM schedule request if the appropriate TSN is not specified.

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## 5. Feasibility Analysis Service

Any Eligible Customer (as defined in the LG&E/KU OATT) may request that the ITO perform, or cause to be performed, a Feasibility Analysis. Such analysis may be performed by the ITO or its delegate at the ITO's sole discretion.

The Feasibility Analysis Service Study ("FAS" or "Feasibility Analysis") is limited to an informal assessment of the nature of, costs of, and timeline for the direct assignment facilities or network upgrades necessary to provide Network Integration Transmission Service or Point-To-Point Transmission Service. Such cost and time estimates are a high-level estimate only and are expressly Non-binding on any of the parties. The ITO is not bound to the FAS results when performing System Impact Studies ("SIS") and the ITO will not perform any reconciliation of SIS results with any associated FAS results. The ITO retains its full and sole authority to conduct a formal SIS and to evaluate requests for service.

The FAS will be performed according to the TSR Study Criteria.

To make an FAS request, an Eligible Customer must complete a FAS Request Form and must provide all information specified in the FAS Request Form. Within 7 days of the receipt of (1) A completed FAS Request Form and (2) Submission of all required (as determined by the ITO or its delegate) information, the ITO will send to the requesting Customer a FAS Agreement; a FAS Agreement will NOT be sent prior to receipt by the ITO of both of the items mentioned.

The fee for the FAS service is \$5,000 (USD). The FAS Agreement and \$5,000 (USD) fee must be signed and returned by the requestor via fax within 15 days of tender of the FAS Agreement in order for the FAS request to remain valid. If either the executed Agreement or the fee is not received by the ITO within 15 days, the ITO will notify the requestor that the request has been invalidated, and a new, complete request must be submitted. [The ITO will send copy of the executed FAS Agreement to the TO.](#)

The FAS will be completed within 30 days of the latter of the receipt of the executed FAS Agreement or receipt of the fee. If the FAS is not completed within 30 days, the requestor will be notified of the estimated completion date and provided with an explanation of the delay.

## **6. System Impact Study**

### **6.1 Approval of TSR Sourced From a Unit in the GI Queue**

If a TSR SIS is completed before the GI SIS, then the TSR will be approved contingent upon the completion of GI SIS. All Network Upgrade costs that are common to the GI SIS and the TSR SIS will be the responsibility of the Generator Interconnection Customer unless the Transmission Owner elects to fund the capital for the Network Upgrades (as described in Article 11 of the LGIA), the responsibility for the remaining Network Upgrade identified in the TSR SIS will be based on TSR cost allocation methodology. No Network Upgrades identified as required mitigation in the TSR SIS will be included in the GI SIS model.

### **6.2 Customer Requested Deferred SIS**

The Customer and ITO may mutually agree to a deferred start-date for the SIS. In such a case, the Customer will be given an option to defer the start of the SIS in the SIS Agreement. However, ITO reserves the right to perform early work on the study prior to a mutual agreement start-date with Customer, if it is determined that an early study is required for clearing the queue, or any study delay could adversely impact the processing of other TSRs in the study queue, or for the customary management of workload.

### **6.3 Updates to NITS Agreement for Service to TO's Bundled Native Load**

The LG&E/KU LSE on behalf of its TO will request and will receive NITS service to serve its Bundled Native Load under the terms and conditions of the OATT. However, an amended NITS Agreement will not be tendered concurrently with each SIS completion; but rather, the NITS Agreement between the TO and its LSE on behalf of Native Load will be updated on a periodic basis. The LG&E/KU LSE will not be required to execute or request the filing of an unexecuted Service Agreement; however, the LSE must comply with the requirement above (Section 3.2.3) regarding timely confirmation of each new service request.

### **6.4 Material Modification of Network Customer Load Forecast Changes**

Material modifications of an existing delivery point due to a new load forecast provided by Network Customers annually in December will be studied to determine whether load changes can be accommodated for the near-term operations. A sensitivity study will be performed by LG&E/KU using the most up-to-date or under ITO review LG&E/KU Transmission Expansion Plan (TEP) model to determine the impact of the load forecast changes. New load forecast data

## Version 4.5.0

submitted by Network Customers will be compared with loads studied in the most up to date or under ITO review TEP model to determine whether load changes can be accommodated for the near-term operation, as defined in the Planning Guidelines. LG&E/KU will commence this study upon receipt of all customer load forecasts (from the ITO) and will use due diligence to complete the study within a 60 day period. The ITO will review and approve the study performed by LG&E/KU as part of the TEP process and notify Customer whether requested load changes can be accommodated for the near-term operations. The ITO will use due diligence to review and post the study report on OASIS within 15 business days.

Network Customer must submit a TSR on OASIS under any of the following conditions:

- New Delivery Point
- Increases above the level submitted in the most recent 10 year load forecast at a Delivery Point for any year in the next 5-years by:
  - 5 MW or more at a Delivery Point below 100 kV
  - 10 MW or more at a Delivery Point 100 kV and above
- If simultaneous modifications to load forecast changes to more than one Delivery Point are deemed electrically equivalent or interrelated, a single TSR for a combined study may be accepted.

Any change by the Customer in the delivery point configuration, reported in the Network Operating Agreement, must be provided to the ITO and the Transmission Owner and may require a TSR as determined by the ITO.

### 6.5 Restudy Scenarios

After the completion of a SIS and prior to the execution of the service agreement or if no service agreement is required, confirmation of the OASIS TSR by the Transmission Customer, LG&E/KU may initiate a SIS restudy if it is determined that the modeling assumptions are different for higher queued TSRs or future Network Upgrades in the study which could have significant impact to the new facility requirements or service commencement. A Customer may also request a restudy under these conditions. The restudy will be completed within 60 days from execution of study start and Customer will be responsible for study costs. A restudy will be reported as a new study for the study metrics posting requirements under FERC Order 890. The original queue position of the request will be maintained for the restudy.

## Version 45.0

A restudy may be performed after the Customer executes the service agreement only if the service agreement is contingent upon a restudy requirement.

### 6.6 TSR Approvals after a Study

If there are no constraints (LG&E/KU and non-LG&E/KU) identified in the SIS, the ITO shall approve the TSR and request that the Customer execute the appropriate service agreement ([if required](#)) and confirm the TSR (~~if required~~) on OASIS within the OATT timing requirements. If there are non-LG&E/KU constraints identified in the SIS, the Customer must provide a plan for resolving third party constraints to the ITO within 30 days of receipt of the report. Once a mitigation plan is received, the ITO will verify the mitigation plan with the [identified](#) Transmission Owner.

The Customer may request 60 days for resolving third party constraints by providing evidence, such as a facilities study agreement or a letter, and a mitigation plan schedule from all third party Transmission Owners to demonstrate that the Customer is working to mitigate constraints on the third party system.

If a non-LG&E/KU Transmission Owner requires additional time to resolve constraints or complete the facilities study, the Customer may request additional time by providing a written request to the ITO for additional time along with a revised schedule for the mitigation plan.

After the Customer and identified affected system(s) have provided the ITO written confirmation that the identified constraints have been mitigated and/or not a concern of the affected system(s); the ITO will, subject to addressing constraints on the LG&E/KU system, if any, approve the TSR.

The ITO will issue a [Facilities Study](#) agreement within 30 days after completion of SIS if there are LG&E/KU constraints identified or interconnection costs associated in the study. [The Facility Study Agreement will include a study cost estimate and study schedule.](#) The Customer may execute the [Facilities Study](#) agreement or elect to proceed with Planning Redispatch (PRD) or a Conditional Curtailment Option (CCO), if applicable.

If the Customer elects to proceed with PRD or a CCO, the ITO is to approve the TSR and request that the Customer execute a service agreement with LG&E/KU within OATT deadlines. If the Customer does not return a properly signed service agreement, including provisions of PRD or a CCO, within the required timing under the OATT, then the ITO will refuse the TSR.



**Version 45.0**

After the completion of the [Facilities Study](#) and resolution of non- LG&E/KU constraints by the Customer, the ITO will approve the TSR contingent on [Facilities Study](#) mitigation requirements for LG&E/KU facilities and request that the Customer execute a service agreement, [or request the filing of unexecuted agreement with LG&E/KU](#) within the OATT deadlines.

[The Customer shall also provide the required letter of credit or other reasonable form of security acceptable to the Transmission Owner equivalent to the cost of new facilities or upgrades in accordance with Section 32.4 of the OATT.](#)

### **6.7 Process for Conditional Curtailment Option (CCO) and Planning Redispatch (PRD)**

If the ITO determines that an Eligible Customer requesting long-term Point-To-Point Service (i.e., over a year) requires a SIS to evaluate the service request, and that the service request cannot be satisfied with existing capacity, the Customer may request that the ITO include a study of CCO and PRD options as well. If the start date for the service request will occur more than 1 year after the date the Customer submitted its service request, then the Customer is ineligible for CCO and PRD evaluation.

The SIS agreement will include an option for the CCO/PRD study requests. If the Customer wishes CCO/PRD to be studied, the Customer should indicate such request on the System Impact Study agreement. The requesting Customer must indicate whether it wants the ITO to study CCO, PRD, or both. The Customer shall be responsible for paying for any additional studies indicated on the SIS agreement.

The ITO will perform the SIS, and, if requested by the Customer, will include an analysis of CCO/PRD options. The ITO will not offer CCO/PRD to the Customer to the extent such service would harm reliability of service to Firm service Customers (including reserves). The CCO analysis will identify the conditions under which curtailment may apply and the annual hours under which curtailment may apply (annual hours subject to a cap). The PRD analysis identifies available redispatch options, the flowgates for which redispatch will be applied, and a non-binding estimate of the incremental redispatch costs.

Version 45.0

The Transmission Owner will obtain information from its affiliated generators identified in the ITO's System Impact Study as having impact on flowgate regarding their cost of redispatch from the identified generators. The Transmission Owner will provide this information to ITO. ITO will also identify third party generators in the control area if they are able to impact the flowgate, and may identify any third party generators outside the control area if aware of any that could provide redispatch to resolve the constrained flowgate. However, ITO is only required to facilitate the Customer and the third party generator entering into a bilateral agreement for redispatch, but is not obligated to purchase redispatch from the third party on behalf of the Transmission Customer.

The ITO will review the results of the SIS, including the CCO/PRD analysis, with the Transmission Owner. The ITO will modify the SIS report as appropriate to address operational viability. The ITO will then transmit the SIS, together with the CCO/PRD analysis to the Customer, and will concurrently post the results on OASIS. The estimated costs provided for PRD are non-binding on either the Customer or the ITO.

If the SIS indicates that upgrades or direct assignment facilities are necessary to provide the requested service (without CCO or PRD), the Customer will be presented with a Facilities Study Agreement (FSA). If the Customer executes the FSA, the Transmission Owner will perform the Facilities Study (FS) and identify any upgrades or direct assignment facilities required to provide the requested service on a Firm basis. If the Customer agrees to the upgrades or the direct assignment facilities, the Transmission Owner will commence construction of the facilities, and will bill the Customer for such facilities in accordance with the OATT.

The Customer may select either CCO or PRD service while the construction of the facilities is pending. If the Customer does not choose to move forward with construction of the facilities, it may elect to take service subject to CCO or PRD. CCO/PRD service is subject to bi-annual reassessments.

If the Customer elects to take CCO, the Customer then executes a service agreement specifying CCO service and indicating CCO periods in terms of conditions or hours. If the Customer elects to take PRD, the Customer then executes a service agreement indicating PRD service, and indicating whether PRD will be priced at: (1) The higher of (a) actual incremental costs of redispatch or (b) the applicable embedded cost transmission rate on file with the Commission, or (2) A fixed rate for redispatch to be negotiated by the Transmission Owner and Customer and subject to a cap representing the total fixed and variable costs of the resources expected to provide the service. If the Customer elects the higher of incremental cost or the embedded-cost

Version 45.0

rate, the transmission provider shall calculate the costs of redispatch each month and charge the Customer the higher of redispatch or the embedded cost rate each month. The agreement is filed with FERC as a non-conforming contract and rates, terms and conditions of service must be approved by the Commission. If the Transmission Owner intends to recover opportunity costs through its redispatch charges, it will indicate such in the Service agreement, and will provide to the Customer all information necessary to calculate and verify opportunity costs.

### 6.8 Posting Requirements for Redispatch

LG&E/KU will provide and the ITO will post on OASIS the monthly average cost of redispatch for each internal congested transmission facility or interface over which it provides redispatch service using planning redispatch or reliability redispatch.

LG&E/KU will provide and the ITO will post a high and low redispatch cost for the month for each of these same transmission constraints. The LG&E/KU will calculate the monthly average cost in \$/MWh for each congested transmission facility by dividing monthly total redispatch costs (at the facility) by total MWhs that would otherwise be curtailed (at the facility) in the month absent the redispatch.

The ITO shall post internal constraint data for the month if any planning redispatch or reliability redispatch is provided during the month, regardless of whether the Transmission Customer is required to reimburse the Transmission Owner for those exact costs. The ITO shall post this data on OASIS as soon as practical after the end of each month, but no later than when it sends invoices to Transmission Customers for redispatch-related services.

Additionally, the ITO will post third party offers to supply planning redispatch. The ITO is not obligated to incorporate bids from third parties into redispatch; rather, posting of third party offers to provide redispatch may be used by transmission Customers to secure planning redispatch provided the appropriate agreements are reached between the Customer, third party redispatch provider, Transmission Owner, ITO, and RC.

### 6.9 TSRs for Generating Station Auxiliary Loads

The Transmission Customer must submit a new TSR for changes in the auxiliary loads at an existing generating station that meet any of the following criteria:

Version 4.5.0

1. New TSR required for auxiliary load increases at an existing transmission level delivery point greater than threshold (5MW at 100kV and below; and 10MW at 100kV and above) based on normal start-up operation
2. New TSR required for auxiliary load increases at each transmission level delivery point with respect to worst case contingency configuration (customer's generator facilities) and threshold
3. New TSR required for any new auxiliary load delivery point, with the following conditions;
  - o If a request is deemed electrically equivalent, by the ITO and TO, to an existing primary delivery point, a System Impact Study and/or Facilities Study, may not be necessary
  - o Customer must indicate whether new auxiliary load request is for a primary delivery point or for an alternate delivery point
  - o Customer must also identify start-up loads if applicable

The following are evaluation criteria for customer to consider:

- A. Auxiliary load delivery points are defined based on transmission voltage levels that feed the generating station auxiliary loads.
- B. Multiple delivery points from same voltage level that are "electrical equivalent" may be considered a single delivery point
- C. Delivery point from tertiary winding of transmission level transformer may be considered a distinct delivery point
- D. No TSR needed for auxiliary load increases that are served off of the generator bus during normal running operation of the unit. Network Customer is responsible for updating the DNR levels and notifying the ITO if there is a reduction of [Network Resource](#) capability that falls below current DNR levels, as a result of an increase in auxiliary load served off the generator bus.
- E. Study thresholds would be the same as specified in Section 6.4 above for Network Loads (i.e. 5MW at 100kV and below; and 10MW at 100kV and above for existing delivery points).
- F. Use of alternate auxiliary load delivery point will be limited to switching the auxiliary load to the alternate delivery point as part of the n-1 analysis. TSR study will not include additional transmission contingencies. The alternative delivery points are not to be considered guaranteed (firm) delivery points.

**Version 45.0**

In the event that any one or a combination of the three TSR required criteria's apply, only a single TSR on OASIS and Study is required. The highest projected load increase would be requested for the TSR on OASIS. However, in the TSR Study, all scenarios/combinations that meet one of the three criteria will be studied.

## 7. Performance Metrics Posting Requirements

The ITO will track and post statistics for SIS and FSA as required by the OATT, in addition statistics for Feasibility Analysis Service study, or FAS, will also be posted as described below.

### 7.1 FAS Metrics

- Number of Feasibility Analyses completed.
- Number of Feasibility Analyses completed more than 30 days after receipt of executed FAS Agreement.
- Average time (days) from receipt of executed FAS Agreement to date when completed Feasibility Analysis made available to the transmission Customer.
- Average cost of Feasibility Analyses completed during the period.

## 8. System Failures

There may be times when either the Internet or OASIS is unavailable. During these times, the ITO Tariff Coordinator will receive TSRs by electronic notification. The Tariff Coordinator will respond to requests received by electronic notification as soon as possible.

If OASIS is unavailable to one or more Transmission Customers, and the ITO still has access, the ITO will enter the request, for service for the next operating hour only, into OASIS and notify the Transmission Customer(s) of status changes, if practicable.

If the ITO does not have access to OASIS, the Tariff Coordinator will either: (1) Act on the request (if time for responding is less than the time when OASIS is expected to be available) or (2) Hold the request (if the time limit for responding is greater than the time when OASIS is expected to be available). Upon the occurrence of such an event, the Tariff Coordinator will notify the Transmission Customer(s) by telephone.

~~The ITO will follow NERC Appendix 3A3—[Electronic Tagging Service Failure Procedures when the e-Tag system is not functioning properly](#).~~ If a Purchasing Selling Entity (PSE) is experiencing technical problems with its e-Tagging system such that it cannot enter tags via the electronic process, the PSE should first attempt to find another PSE to submit the tag on its behalf before calling the LG&E/KU BA at 502-~~333~~722-6704 for assistance.

The ITO E-Tag Backup Form can be found under the scheduling folder that can be located at: <http://www.oasis.oatiaoasis.com/LGEE/index.html> and it should be emailed to the ITO at [Support@transervinternational.net](mailto:Support@transervinternational.net) and the LG&E/KU BA at [ESOC@lge-ku.com](mailto:ESOC@lge-ku.com)

### 8.1 Tag Authority Failure

If the e-tag Authority is not functional, tags will be accepted by electronic mail to the ITO at [Support@transervinternational.net](mailto:Support@transervinternational.net) and the LG&E/KU BA at [ESOC@lge-ku.com](mailto:ESOC@lge-ku.com).

The LG&E/KU BA will then send the tag to all involved parties by electronic notification. Receipt of the transaction tag by each party will then be confirmed by voice communication.