

**ORLANDO UTILITIES COMMISSION**  
**OPEN ACCESS TRANSMISSION TARIFF**

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## I DEFINITIONS AND COMMON SERVICE PROVISIONS

### 1 Definitions

- 1.1 Affiliate:** With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.
- 1.2 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.3 Annual Transmission Costs:** The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider.
- 1.4 Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.5 Commission:** The Federal Energy Regulatory Commission.
- 1.6 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 1.7 Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
  - (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
  - (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
  - (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

- 1.8 Curtailment:** A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.
- 1.9 Delivering Party:** The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.
- 1.10 Designated Agent:** Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.
- 1.11 Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer.
- 1.12 Eligible Customer:** Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However with respect to transmission service that the Commission is prohibited from ordering by Section 212 (h) (2) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.
- 1.13 Facilities Study:** An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.
- 1.14 Firm Point-To-Point Transmission Service:** Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

- 1.15 Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 1.16 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 15.7.
- 1.17 Load Ratio Share:** Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 35.2 and 35.3 of the Network Integration Transmission Service under Part III of this Tariff and calculated on a rolling twelve month basis.
- 1.18 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of this Tariff.
- 1.19 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of this Tariff with a term of one year or more.
- 1.20 Native Load Customers:** The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.
- 1.21 Network Customer:** An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of this Tariff.

- 1.22 Network Integration Transmission Service:** The transmission service provided under Part III of this Tariff.
- 1.23 Network Load:** The load that a Network Customer designates for Network Integration Transmission Service under Part III of this Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of this Tariff for any Point To-Point Transmission Service that may be necessary for such non-designated load.
- 1.24 Network Operating Agreement:** An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of this Tariff.
- 1.25 Network Operating Committee:** A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.
- 1.26 Network Resource:** Any designated generating resource owned or purchased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.
- 1.27 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

- 1.28 Non-Firm Sale:** An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.
- 1.29 Non-Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 15.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.
- 1.30 Open Access Same-Time Information System (OASIS):** The information system and standards of conduct consistent with the non-discriminatory intent of Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS, to the extent permitted by law.
- 1.31 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 13.
- 1.32 Part II:** Tariff Sections 14 through 28 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.33 Part III:** Tariff Sections 29 through 36 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.34 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.35 Point(s) of Delivery:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and/or energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of this Tariff. The Point(s) of Delivery shall be specified in the Service Agreement.
- 1.36 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and/or energy will be made available to the Transmission Provider by the Delivering Party under Part II of this Tariff. The Points(s) of Receipt shall be specified in the Service Agreement.

- 1.37 Point-To-Point Transmission Service:** The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of this Tariff.
- 1.38 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.39 Pre-Confirmed Application:** An Application that commits the Transmission Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.
- 1.40 Receiving Party:** The entity receiving the capacity and/or energy transmitted by the Transmission Provider to Point(s) of Delivery.
- 1.41 Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.
- 1.42 Reserved Capacity:** The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of this Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.43 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.44 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 16.3 or Section 30.1 under the Tariff.
- 1.45 Short-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of this Tariff with a term of less than one year.

- 1.46 System Condition:** A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 14.6. Such conditions must be identified in the Transmission Customer's Service Agreement.
- 1.47 System Impact Study:** An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-to-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.48 Third-Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
- 1.49 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that executes a Service Agreement, and/or receives Transmission Service under Part II of this Tariff. This term is used in the Part I Common Service Provision to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.50 Transmission Provider:** Orlando Utilities Commission.
- 1.51 Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.
- 1.52 Transmission Service:** Point-To-Point Transmission Service provided under Part II of this Tariff on a firm and non-firm basis.
- 1.53 Transmission System:** The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of this Tariff.

## **2 Initial Allocation and Renewal Procedures**

- 2.1 Initial Allocation of Available Transfer Capability:** For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed



Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 14.2.

- 2.2 Reservation Priority For Existing Firm Service Customers:** Existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer.

### **3 Ancillary Services**

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider shall provide, and the Transmission Customer shall purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider will offer to provide the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning,

(iv) Operating Reserve – Supplemental, and (v) Generator Imbalance. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source or can self-supply. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Service. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of this Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's

wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the seven Ancillary Services.

- 3.1 Scheduling, System Control and Dispatch Service:** The rates and/or methodology are described in Schedule 1.
- 3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:** The rates and/or methodology are described in Schedule 2.
- 3.3 Regulation and Frequency Response Service:** Where applicable the rates and/or methodology are described in Schedule 3.
- 3.4 Energy Imbalance Service:** Where applicable the rates and/or methodology are described in Schedule 4.
- 3.5 Operating Reserve - Spinning Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 5.
- 3.6 Operating Reserve - Supplemental Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 6.
- 3.7 Generator Imbalance Service:**  
Where applicable the rates and/or methodology are described in Schedule 9.

#### **4 Open Access Same-Time Information System (OASIS)**

Terms and conditions regarding the non-discriminatory open access of transmission using the Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR §37 of the Commission's regulations to the extent permitted by law (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communications Protocols for Public Utilities). In the event available transfer capability is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 20 and 33.

The Transmission Provider shall post on its public website all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS an electronic link to these rules, standards and practices, and shall post on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also make available on its public website a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are posted on its website. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

## **5 Tax-Exempt Debt**

**5.1 Facilities Financed by Tax Exempt Debt:** Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide Transmission Service to any Eligible Customer pursuant to this Tariff if the provision of such Transmission Service would jeopardize the tax-exempt status of any tax-exempt debt used to finance the Transmission Provider's facilities that would be used in providing such Transmission Service.

If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any tax-exempt debt used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

## **6 Reciprocity**

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric

energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

## **7 Billing and Payment**

**7.1 Billing Procedure:** Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within ten (10) day of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

- 7.2 Interest on Unpaid Balances:** Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 CFR §35.19 a (a) (2) (iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.
- 7.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate procedures under Section 12 of this Tariff to terminate service but shall not terminate service until it obtains approval for any such request pursuant to Section 12. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to terminate service pursuant to this Section 7.3.

**8 Accounting for the Transmission Provider's Use of the Tariff:** The Transmission Provider shall record the following amounts as outlined below:

- 8.1 Transmission Revenues:** Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of this Tariff.

**8.2 Study Costs and Revenues:** Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including Third-Party Sales under this Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

## **9 Force Majeure and Indemnification**

**9.1 Force Majeure:** An event of Force Majeure means any act of God, labor disturbance, act of public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

**9.2 Indemnification:** The Transmission Customer shall at all times indemnify, defend, and hold the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

**10 Creditworthiness**

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

**11 Dispute Resolution Procedures Other than those Related to Termination Under Section 12**

**11.1 Applicability of Section 11:** The provisions of Section 11 shall be the exclusive basis by which to resolve all disputes arising under this Tariff except as otherwise provided in this Section and except for those disputes resulting from the Transmission Provider's proposed termination of service under Section 12.

**11.2 Internal Dispute Resolution Procedures:** Any dispute between a Transmission Customer and the Transmission Provider involving Transmission Service under the Tariff (excluding disputes involving the Transmission Provider's proposed termination of service under Section 12 and disputes regarding changes to the rates, rate methodologies, or non-rate terms and conditions in this Service Agreement entered into under the Tariff , but including disputes regarding the Transmission Provider's proposed charges for Direct Assignment Facilities, Network Upgrades, standard costs and redispach cost) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon by mutual agreement), such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

**11.3 External Arbitration Procedures:** Any arbitration initiated under this Section 11 shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty



(20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

**11.4 Decision Making Standards:** The arbitrator(s) shall resolve disputes regarding the Transmission Provider's proposed charges for Direct Assignment Facilities, Network Upgrades, redispatch costs and stranded costs in accordance with the Commission's policy for recovery of such costs by public utilities. All disputes shall be resolved consistent with Commission Order Nos. 888 and 888A, as may be amended.

**11.5 Arbitration Decisions:** Unless otherwise agreed, the arbitrator(s) shall render a decision to disputes under this Section 11 within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court governed by the rules of the State of Florida.

**11.6 Costs:** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (A) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
- (B) one half the cost of the single arbitrator jointly chosen by the Parties.

## **12 Termination of Service By the Transmission Provider**

- 12.1 Notice and Request for Dispute Resolution Procedures** - Prior to terminating service pursuant to the provisions of Section 7.3, the Transmission Provider shall provide written notice to the Transmission Customer of its intent to terminate service at least sixty (60) days but no more than one-hundred twenty (120) days prior to the date such termination is proposed to take effect. If the Transmission Customer does not request in writing to the Transmission Provider, within seven (7) calendar days of the Transmission Customer's receipt of notice, that the Transmission Provider initiate the arbitration provisions of this Section 12, the Transmission Provider shall terminate service on the date contained in its notice to the Customer. If the Transmission Customer requests in writing that the Transmission Provider initiate arbitration proceedings, the provisions, of Sections 12.2 through 12.5 shall apply.
- 12.2 External Arbitration Procedures** - Any arbitration initiated under Section 12 shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator with five (5) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within (10) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission bulk power issues, and shall not have any current or past substantial business or financial relationships with any Party to the arbitration (except prior arbitration). The arbitrator (s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Regional Transmission Group rules.
- 12.3 Decision Making Standards:** The arbitrator(s) shall resolve disputes under Section 12 in accordance with good utility practice and such decision shall not be inconsistent with the Commission's policy for termination of transmission service under 18 C.F.R. § 35.15 or Commission Order Nos. 888 and 888A, as may be amended.

**12.4 Arbitration Decisions** - Unless otherwise agreed, the arbitrator (s) shall render a decision to disputes under Section 12 at least five (5) business days prior to the date provided by the Transmission Provider in its notice to the Transmission Customer pursuant to Section 12 and shall notify the Parties in writing of such decision and the reasons therefor. A failure to render a decision within said time shall be considered approval of the Transmission Provider's request to terminate, unless the arbitrator (s) issue a written statement finding that the Transmission Provider took actions intending to delay a decision beyond said time limit and that such actions resulted in the failure to render an opinion within said time. The arbitrator (s) shall be authorized only to interpret and apply the provisions of this Tariff and any Service Agreement entered into under this Tariff and shall have no power to modify or change any of the above in any manner. The Transmission Provider may terminate service immediately upon the issuance by the arbitrator (s) of a decision approving the request to terminate. The decision of the arbitrator (s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court governed by the rules of the State of Florida.

**12.5 Costs** - Each party shall be responsible for its own cost incurred during the arbitration Process and the following costs, if applicable:

- (A) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or
- (B) one half of the cost of the single arbitrator jointly chosen by the Parties.

### **13 Changes to this Tariff by the Transmission Provider and Tariff Availability**

**13.1 Unilateral Right to Change:** Notwithstanding any other provision in this Tariff or a Service Agreement, the Transmission Provider shall have the right unilaterally to make a change in rates, charges, classification of service, or any rule, regulation, or Service Agreement related thereto. The Transmission Provider will notify current Transmission Customers thirty (30) days before a change becomes effective.

**13.2 Tariff Availability:** Notwithstanding any other provision of this Tariff, the Transmission Provider may terminate this Tariff and all Service Agreements hereunder, effective immediately and without satisfying the requirements of any other provisions of this Tariff, if the Commission issues an order that modifies the Transmission Provider's satisfaction of public utilities' reciprocity provisions, a court of competent jurisdiction vacates any order affecting said satisfaction, or after petition for review, the Commission modifies said satisfaction in a manner determined by the Transmission Provider to or unacceptable to the Transmission Provider, in its sole discretion.

Further, nothing contained in this Tariff shall restrict the Transmission Provider's right, unilaterally, to withdraw the Tariff at any time. Except as otherwise provided in this Section 13.2, such withdrawal shall not affect existing Service Agreements for Firm Point-to-Point Transmission Service or Network Integration Service entered into under the Tariff. Upon such withdrawal of this Tariff, all Service Agreements for Non-Firm Point-to-Point Transmission Service shall terminate immediately, provided that the Transmission Provider shall complete Non-Firm Point-to-Point Transmission Service for specific scheduled Non-Firm Point-to-Point Transmission Service transactions prior to the date of termination of the Tariff (not to exceed service for three months). The Transmission Provider shall provide at least 30 days notice of its intent to terminate this Tariff to Transmission Customers that have entered into Service Agreements for Non-Firm Point-to-Point Transmission Service.

**13.3 Termination of Service Agreement:** The Transmission Provider may terminate any Service Agreement which it determines may jeopardize the tax-exempt status of its debt.

## II. POINT-TO-POINT TRANSMISSION SERVICE

### 14 Nature of Firm Point-To-Point Transmission Service

**14.0 Preamble:** The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this

Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point (s) of Receipt and the transfer of such capacity and energy to designated Point (s) of Delivery.

**14.1 Term:** The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

**14.2 Reservation Priority:**

(i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved service.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests with the same duration and pre-confirmation status (Pre-Confirmed or not confirmed), priority will be give to an Eligible Customer's request that offers the highest price, followed by the date and time of the request.

(iii) If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.8) from being notified by the

Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration requests, the shorter duration requests shall have simultaneous opportunities to exercise the right of first refusal. Duration, pre-confirmation status, price and time of response will be used to determine the order by which the multiple shorter duration requests will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of this Tariff.

(iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customer and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

**14.3 Use of Firm Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of this Tariff when making Third-Party Sales under agreements executed on or after the effective date of this Tariff. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

**14.4 Service Agreements:** The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service pursuant to this Tariff. The Transmission Provider shall offer a Standard form firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The

Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 16.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

- 14.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:** In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customer taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 16.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 28. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 28 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 16.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis

under the Tariff will be specified in the Service Agreement prior to initiating service.

**14.6 Curtailment of Firm Transmission Service:** In the event that a Curtailment on the Transmission Provider's Transmission System, or portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 16.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

**14.7 Classification of Firm Transmission Service:**

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 23.1 or (2) request a modification of



the Point of Receipt or Delivery on a firm basis pursuant to the terms of Section 23.2.

- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Transmission Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 23. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer

(including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

**14.8 Scheduling of Firm Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. EPT (Eastern Prevailing Time) of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. In addition, Transmission Provider will accept schedule changes at other times, if practicable, to accommodate the curtailment or interruption request of another Transmission Provider or for other reasons, consistent with good utility practice. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

## **15 Nature of Non-Firm Point-To-Point Transmission Service**

- 15.1 Term:** Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 19.3
- 15.2 Reservation Priority:** Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests the same Pre-Confirmation status and of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines in Section 15.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

- 15.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of this Tariff when making Third-Party Sales under agreements executed on or after the effective date of this Tariff. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.
- 15.4 Service Agreements:** The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. .
- 15.5 Classification of Non-Firm Point-To-Point Transmission Service:** Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of this Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of this Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis , but not to exceed one month's reservation for any one Application, under Schedule 8.
- 15.6 Scheduling of Non-Firm Point-To-Point Transmission Service:** Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. EPT of the day prior to commencement of such service.

Schedules submitted after 2:00 p.m. EPT will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. In addition, Transmission Provider will accept schedule changes at other times, if practicable, to accommodate the curtailment or interruption request of another Transmission Provider or for other reasons, consistent with good utility practice. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

**15.7 Curtailment or Interruption of Service:** The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm

Point-to-Point Transmission Service during conditional curtailment periods as described in Section 16.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) or Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e. g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission Service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under this Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower Priority than any Non-Firm Point-To-Point Transmission Service under this Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

## **16 Service Availability**

- 16.1 General Conditions:** The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 17.
- 16.2 Determination of Available Transfer Capability:** A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist

to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

**16.3 Initiating Service in the Event of Disputed Terms and Conditions:** If the Transmission Provider and Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, upon written request from the Transmission Customer, the Transmission Provider and the Transmission Customer shall submit the disputed terms and conditions to dispute resolution procedures pursuant to Section 11. The written request from the Transmission Customer shall specify which terms of the Service Agreement are acceptable and which terms are not acceptable. The Transmission Provider shall commence providing Transmission Service under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service, subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider under the rates and terms ultimately determined to be just and reasonable by the outcome of Section 11, and (ii) comply with the terms and conditions of this Tariff including posting appropriate security deposits in accordance with the terms of Section 18.3.

**16.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:**

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider, except to the extent limited by Section 5, will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 28. The Transmission Provider will conform to Good Utility Practice and its planning

obligation in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

**16.5 Deferral of Service:** The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to



provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

**16.6 Other Transmission Service Schedule:** Eligible Customers receiving transmission service under agreements may continue to receive transmission service under those agreements until such time as those agreements may be modified.

**16.7 Real Power Losses:** Real Power Losses are associated with all transmission services. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: .73% as of the effective date May 2001 and updated each year on May 1 and posted on the Transmission Provider's OASIS.

## **17 Transmission Customer Responsibilities**

**17.1 Conditions Required of Transmission Customers:** Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- a. The Transmission Customer has pending a Completed Application for service;
- b. The Transmission Customer meets the creditworthiness criteria set forth in Section 10;
- c. The Transmission Customer will have arrangements in place for any other Transmission Service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of this Tariff commences;
- d. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of this Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;
- e. The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and

f. The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 16.3.

**17.2 Transmission Customer Responsibility for Third-Party Arrangements:** Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of this Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

**18 Procedures for Arranging Firm Point-To-Point Transmission Service:**

**18.1 Application:** A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: Orlando Utilities Commission, Vice President, Energy Delivery Business Unit, P. O. Box 3193, Orlando, FL 32802, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 18.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS a Completed Application may be submitted by transmitting the required information to the Transmission Provider by telefax. This method will provide a time-stamped record for establishing the priority of the Application.

**18.2 Completed Application:** A Completed Application shall provide all of the information included in 18 CFR §2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility (ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to the Florida Reliability Coordinating Council ("FRCC") transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations to the extent permitted by law;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of

notification that the Transmission Provider can provide the requested Transmission Service; and

- (x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations to the extent permitted by law.

- 18.3 Deposit:** A Complete Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 20. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be

computed in accordance with the Commission's regulations at 18 CFR §35.19a (a) (2) (iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

**18.4 Notice of Deficient Application:** If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of this Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

**18.5 Response to a Completed Application:** Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 16.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 20.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant functions) and the timing of such responses must be made on a non-discriminatory basis.

**18.6 Execution of Service Agreement:** Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 20 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the

Service Agreement or request resolution of disputed terms of the Service Agreement pursuant to Section 16.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

- 18.7 Extensions for Commencement of Service:** The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If the Eligible Customer does not pay this non-refundable reservation fee within 15 days of notifying the Transmission Provider it intends to extend the commencement of service, then the Eligible Customer's application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

**19 Procedures for Arranging Non-Firm Point-To-Point Transmission Service**

- 19.1 Application:** Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the

required information to the Transmission Provider by telefax. This method will provide a time-stamped record for establishing the service priority of the Application.

**19.2 Completed Application:** a Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements and to the extent permitted by law. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations to the extent permitted by law.

- (viii) A statement indicating whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of

notification that the Transmission Provider can provide the requested Transmission Service.

**19.3 Reservation of Non-Firm Point-To-Point Transmission Service:** Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon (EPT) the day before service is to commence. Requests for service received later than 2:00 p.m. (EPT) prior to the day service is scheduled to commence will be accommodated if practicable.

**19.4 Determination of Available Transfer Capability:** Following receipt of a tendered schedule the Transmission Provider will make determination on a non-discriminatory basis of available transfer capability pursuant to Section 16.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

**20 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests**

**20.1 Notice of Need for System Impact Study:** After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects not to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options.



The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest.

**20.2 System Impact Study Agreement and Cost Reimbursement:**

- (i) The System Impact Study Agreement will clearly specify the maximum charge, based on the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

**20.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the

required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints ~~and~~, identified with specificity by transmission element or flowgate, (2) redispatch options, (when requested by a Transmission Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by a Transmission Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study, the Eligible Customer must execute a Service Agreement or submit a modified Service Agreement pursuant to Section 16.3, or the Application shall be deemed terminated and withdrawn.

**20.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of this Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request resolution of disputed terms of the Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

- 20.5 Facilities Study Modifications:** Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of this Tariff.
- 20.6 Due Diligence in Completing New Facilities:** The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service or would jeopardize the tax-exempt status of any tax-exempt debt used to finance the Transmission Provider's facilities that would be used to provide Transmission Service.
- 20.7 Partial Interim Service:** If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.
- 20.8 Expedited Procedures for New Facilities:** In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all

costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provision of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

**20.9 Notice of Failure to Meet Study Deadlines:**

Sections 20.3 and 20.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

(i) The Transmission Provider shall post a notice on its OASIS in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice shall be posted within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider shall provide an explanation on its OASIS

explaining any extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

**21 Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service**

**21.1 Delays in Construction of New Facilities:** If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

**21.2 Alternatives to the Original Facility Additions:** When the review process of Section 21.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 11.

**21.3 Refund Obligation for Unfinished Facility Additions:** If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing

capability under the conditions of Part II of this Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19 a(a) (2) (iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

**22. Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities.**

**22.1 Responsibility for Third-Party System Additions:** The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

**22.2 Coordination of Third-Party System Additions:** In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of this Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant

to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 11.

## **23 Changes in Service Specifications**

**23.1 Modifications On a Non-Firm Basis:** The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement (“Secondary Receipt and Delivery Points”), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
- (b) 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 under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of this Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

**23.2 Modification On a Firm Basis:** Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request



for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement.

While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

## **24 Sale or Assignment of Transmission Service**

**24.1 Procedures for Assignment or Transfer of Service:** A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall be at rates established by agreement with the Assignee. The Assignee must execute a service agreement with the Transmission Provider prior to the date on which the reassigned service commences that will govern the provision of reassigned service. The Transmission Provider shall credit or charge the Reseller, as appropriate, for any differences between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 14.2.

**24.2 Limitations on Assignment or Transfer of Service:** If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff,

provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate to proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

**24.3 Information on Assignment or Transfer of Service:** In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 24.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

**25 Metering and Power Factor Correction at Receipt and Delivery Points (s)**

**25.1 Transmission Customer Obligations:** Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of this Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

**25.2 Transmission Provider Access to Metering Data:** The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

**25.3 Power Factor:** Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

**26 Compensation for Transmission Service**

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of this Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

**27 Stranded Cost Recovery**

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff consistent with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider's proposed stranded cost recovery shall be subject to dispute resolution procedures of this Tariff.

**28 Compensation for New Facilities and Redispatch Costs**

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs.

**III NETWORK INTEGRATION TRANSMISSION SERVICE****29 Nature of Network Integration Transmission Service**

**29.0 Preamble:** The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission

Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission Service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of this Tariff.

- 29.1 Scope of Service:** Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 32.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.
- 29.2 Transmission Provider Responsibilities:** The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.
- 29.3 Network Integration Transmission Service:** The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network

Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

- 29.4 Secondary Service:** The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of this Tariff.
- 29.5 Real Power Losses:** Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: .73% as of the effective date May 2001 and updated each year on May 1 and posted on the Transmission Provider's OASIS.
- 29.6 Restrictions on Use of Service:** The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of this Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 29.4 to facilitate a wholesale sale that does not serve a Network Load.

**30 Initiating Service**

**30.1 Condition Precedent for Receiving Service:** Subject to the terms and conditions of Part III of this Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of this Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 30.3 and 30.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of this Tariff or request initiation of service under a disputed Service Agreement pursuant to Section 30.5 (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G or requests initiation of service under a disputed Network Operating Agreement pursuant to Section 30.5 and (v) offering such Network Integration Transmission Service would not jeopardize the tax-exempt status of any tax-exempt bond(s) used to finance the Transmission Provider's facilities that would be used in providing such Transmission Service.

**30.2 Application Procedures:** An Eligible Customer requesting Network Integration Transmission Service under Part III of this Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by telefax. This method will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall

provide all of the information included in 18 CFR §2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under this Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource:, such description shall include :
  - Unit size and amount of capacity from that unit to be designated as Network Resource
  - VAR capability (both leading and lagging) of all generators
  - Operating restrictions
    - Any periods of restricted operations throughout the year
    - Maintenance schedules
    - Minimum loading level of unit

- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area(s) from which the power will originate
- Delivery point(s) to the Transmission Provider's Transmission System;
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

(vi) Description of Eligible Customer's Transmission System:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability



- Operating guides employed by system operators
  - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Load and Resources
  - Location of Network Resources described in subsection (v) above
  - 10 year projection of system expansions or upgrades
  - Transmission System maps that include any proposed expansions or upgrades
  - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; and
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year.
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 30.2(v) satisfy the following conditions: (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 Tariff; 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 noninterruptible basis; and
- (ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of the

section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations to the extent permitted by law.

**30.3 Technical Arrangements to be Completed Prior to Commencement of Service:**

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

**30.4 Network Customer Facilities:** The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

**30.5 Initiating Service in the Event of Disputed Terms and Conditions:** If the Transmission Provider and the Transmission Customer requesting Transmission

Service pursuant to this Tariff cannot agree on all the terms and conditions of the Service Agreement or Network Operating Agreement, upon written request from the Transmission Customer, the Transmission Provider and Transmission Customer shall submit the disputed terms and conditions to the dispute resolution procedures pursuant to Section 11. The written request from the Transmission Customer shall specify which terms of the Service Agreement or Network Operating Agreement are acceptable and which terms are not acceptable. The Transmission Provider shall commence providing Transmission Service under an unexecuted Network Service Agreement or Network Operating Agreement containing terms and conditions deemed appropriate by the Transmission Provider for the requested Transmission Service subject to the Transmission Customer agreeing to: (i) compensate the Transmission Provider under rates and terms ultimately determined to be just and reasonable by the outcome of Section 11 and (ii) comply with the terms of this Tariff.

### **31 Network Resources**

**31.1 Designation of Network Resources:** Network Resources shall include all generation owned or purchased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include 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. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

**31.2 Designation of New Network Resources:** The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 30. This request must include a

statement that the new network resource satisfies the following conditions: (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 Tariff; 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 noninterruptible basis. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 30.2 of the Tariff.

**31.3 Termination of Network Resources:** The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 31.2; and

(v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 30.2 of Tariff.

**31.4 Operation of Network Resources:** The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load plus Non-Firm Sales delivered pursuant to Part II of the Tariff plus losses. This limitation shall not only apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 30, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 29.4. The Transmission Provider shall specify the rate treatment and all related terms and

conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

- 31.5 Network Customer Redispatch Obligation:** As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 34.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.
- 31.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:** The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing information or data required by such other entity pursuant to Good Utility Practice.
- 31.7 Limitation on Designation of Network Resources:** The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of this Tariff.
- 31.8 Use of Interface Capacity by the Network Customer:** There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with

other transmission systems may not exceed the Network Customer's Load Ratio Share.

**31.9 Network Customer Owned Transmission Facilities:** The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the planning and operations of the Transmission Provider to serve all of its power and transmission customers. For facilities added by the Network Customer subsequent to May 14, 2007, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided, however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

## **32 Designation of Network Load**

**32.1 Network Load:** The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

**32.2 New Network Loads Connected With the Transmission Provider:** The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to

interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 33.4 and shall be charged to the Network Customer as appropriate.

**32.3 Network Load Not Physically Interconnected with the Transmission Provider:**

This section applies to both initial designation pursuant to Section 32.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission's Provider's Transmission System, the Network Customer shall have the option of (i) electing to include the entire load as Network Load for all purposes under Part III of this Tariff and designating Network Resources in connection with such additional Network Load, or (ii) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of this Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

**32.4 New Interconnection Points:** To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

**32.5 Changes in Service Requests:** Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.



- 32.6 Annual Load and Resource Information Updates:** The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of this Tariff including, but not limited to, any information provided under section 30.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.
- 33 Additional Study Procedures For Network Integration Transmission Service Requests**
- 33.1 Notice of Need for System Impact Study:** After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.
- 33.2 System Impact Study Agreement and Cost Reimbursement:**

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such exiting studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

**33.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies

for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request that the provisions of Section 30.5 apply, or the Application shall be deemed terminated and withdrawn.

**33.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of

security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request that the provision of Section 30.5 apply and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

**33.5 Notice for Failure to Meet Study Deadlines:**

Section 20.9 defines Notice requirements that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements apply to service under Part III of the Tariff.

**34 Load Shedding and Curtailments**

**34.1 Procedures:** Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

**34.2 Transmission Constraints:** During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant

to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

- 34.3 Cost Responsibility for Relieving Transmission Constraints:** Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.
- 34.4 Curtailments of Scheduled Deliveries:** If a transmission constraint on the Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.
- 34.5 Allocation of Curtailments:** The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.
- 34.6 Load Shedding:** To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

**34.7 System Reliability:** Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its line, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

### **35 Rates and Charges**

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, along with the following:

**35.1 Monthly Demand Charge:** The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H, which shall be updated each year by the Transmission Provider.

- 35.2 Determination of Network Customer's Monthly Network Load:** The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 32.3) coincident with the Transmission Provider's Monthly Transmission System Peak.
- 35.3 Determination of Transmission Provider's Monthly Transmission System Load:** The Transmission Provider's Monthly Transmission System Load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.
- 35.4 Redispatch Charge:** The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 34. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 34, such amounts shall be credited against the Network Customer's bill for the applicable month.
- 35.5 Stranded Cost Recovery:** The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888.

## **36 Operating Arrangements**

- 36.1 Operation under The Network Operating Agreement:** The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.
- 36.2 Network Operating Agreement:** The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of this Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for

integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedule, unit outputs for redispatch required under Section 34, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of this Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization ("ERO") as defined in 18 C.F.R. § 39.1 (*See* North American Electric Reliability Council (NERC) and the FRCC), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable ERO guidelines (*See* NERC and the FRCC requirements). The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

- 36.3 Network Operating Committee:** A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.



**37 Jurisdiction Not Conferred**

By this filing, OUC does not accede to the imposition of Federal Power Act jurisdiction over the transmission rates of OUC, and by accepting tariff, the Commission does not intend that OUC is thereby subject to public utility regulations.

**SCHEDULE 1****Scheduling, System Control and Dispatch Service**

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The charges for Scheduling, System Control and Dispatch Service are included in the charges set forth in Schedule 7 and Schedule 8.

**SCHEDULE 2****Reactive Supply and Voltage Control from Generation or Other Sources Service**

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under control of the Control Area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from the Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The rates for Reactive Supply and Voltage control from Generation Sources Service under this Schedule 2 shall not exceed the rates set forth below:

Point-to-Point Rates  
\$74.50/MW/month  
\$17.20/MW/week

Network Rates  
\$81.50/MW/month

\$2.45/MW/day

\$0.10/MW/hour

Except as reduced to adjust for customer-supplied reactive supply and voltage control, the billing determinant shall be the Transmission Customer's Network Load or Reserved Capacity, as applicable.

**SCHEDULE 3****Regulation and Frequency Response Service**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The rates for Regulation and Frequency Response Service under this Schedule 3 shall not exceed the rates set forth below:

Point-To-Point Rates

\$368/MW/month

\$85/MW/week

\$12.08/MW/day

\$0.50/MW/hour

Network Rates

\$402/MW/month

The billing determinant shall be the Transmission Customer's Network Load or Reserved Capacity, as applicable.

A Transmission Customer located in the Transmission Provider's Control Area shall purchase Regulation and Frequency Response Service from the Transmission Provider unless it provides the service itself or purchases it from a third party through automatic generation control or dynamic scheduling.

#### **SCHEDULE 4**

##### **Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase his service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under Schedule 9 or hourly energy imbalances under this Schedule for the same imbalance, but not both.

The Transmission Provider shall establish charge for energy imbalance based on the deviation bands as follows: (i) deviation within +/- 1.5 percent (with a minimum of 1 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of

the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental costs. For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched to supply the Transmission Provider's Native Load Customers, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and dispatch costs) incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

**SCHEDULE 5****Operating Reserve - Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The demand rates for Operating Reserve - Spinning Reserve Service under this Schedule 5 shall not exceed the rates set forth below:

\$5380/MW/month

\$1240/MW/week

\$180/MW/day

\$7.40/MW/hour

For a Network Integration Transmission Customer, the demand charge will be calculated using the above rates times the Transmission Customer's Load Ratio Share of the Transmission Provider's spinning reserves requirement. For a Point-to-Point Transmission Customer, the demand charge will be calculated using the above rates times the Transmission Provider's spinning reserve requirement by the ratio of the Transmission Customer's Reserved Capacity divided by the Transmission Provider's annual peak.

The energy charge shall be 110% of the Transmission Provider's System Incremental Cost, if the energy is not returned in accordance with Florida Reliability Coordinating Council Procedure. Energy shall be available only in emergencies and for up to 30 minutes.



A Transmission Customer that is located in the Transmission Provider's Control Area shall purchase Spinning Reserve Service from the Transmission Provider unless it provides comparable service from its own generators or purchases from a third party Spinning Reserve Service that is available from on-line generation located within peninsular Florida in an amount equal to the reserve capability required by the FRCC Operating Committee, as modified from time to time.

**SCHEDULE 6****Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The demand rates for Operating Reserve - Supplemental Reserve Service under this Schedule 6 shall not exceed the rates set forth below:

\$3430/MW/month

\$790/MW/week

\$110/MW/day

\$4.70/MW/hour

For a Network Integration Transmission Customer, the demand charge will be calculated using the above rates times the Transmission Customer's Load Ratio Share of the Transmission Provider's non-spinning reserves requirement. For a Point-to-Point Transmission Customer, the demand charge will be calculated using the above rates times the Transmission Provider's non-spinning reserve requirement by the ratio of the Transmission Customer's Reserved Capacity divided by the Transmission Provider's annual peak.

The energy charge shall be 110% of the Transmission Provider's System Incremental Cost, if the energy is not returned in accordance with Florida Reliability Coordinating Council procedure. Energy shall be available only in emergencies and for up to 30 minutes.

A Transmission Customer that is located within the Transmission Provider's Control Area shall purchase Supplemental Reserve Service from the Transmission Provider unless it provides comparable service from its own generation or purchases from a third party Supplemental Reserve Service that is available from on-line, unloaded generation, quick-start generation or interruptible load equal to the reserve capability required by the FRCC Operating Committee, as modified from time to time.

**SCHEDULE 7****Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) Yearly delivery: one-twelfth of the demand charge of \$15,094/MW of Reserved Capacity per year.
- 2) Monthly delivery: \$1,258/MW of Reserved Capacity per month.
- 3) Weekly delivery: \$290/MW of Reserved Capacity per week.
- 4) Daily delivery: \$41.35/MW of Reserved Capacity per day.
- 5) Discounts: Three principal requirements apply to discounts for Transmission Service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

**SCHEDULE 8****Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) Monthly delivery: \$1,128/MW of Reserved Capacity per month.
- 2) Weekly delivery: \$260/MW of Reserved Capacity per week.
- 3) Daily delivery: \$37.10/MW of Reserved Capacity per day.
- 4) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$1.55/MWH.
- 5) Discounts: Three principal requirements apply to discounts for Transmission Service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

**SCHEDULE 9****Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or hourly energy imbalances under Schedule 4 for the same imbalance, but not both. The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of incremental or decremental cost, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW)

of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched to supply the Transmission Provider's Native Load Customers, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

## ATTACHMENT A

## Form of Service Agreement For Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Orlando Utilities Commission ("Transmission Provider"), and \_\_\_\_\_ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under Part II of the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an application deposit in accordance with the provisions of Section 18.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as mutually agreed upon by the parties. Service under this agreement shall terminate on such date as mutually agreed upon by the Parties.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement, as they may be amended from time to time.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.



Transmission Provider:

Orlando Utilities Commission  
V.P., Energy Delivery Business Unit  
P. O. Box 3193  
Orlando, FL 32802

Transmission Customer:

7.0 The Tariff is incorporated herein and make a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_

4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_

5.0 Maximum amount capacity and energy to be transmitted (Reserved Capacity):

6.0 Designation of party(ies) subject to reciprocal service obligation:

7.0 Name(s) of any Intervening Systems providing transmission service: \_\_\_\_\_

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: \_\_\_\_\_

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: \_\_\_\_\_

8.4 Ancillary Services Charges: \_\_\_\_\_

**ATTACHMENT A-1****Form Of Service Agreement For  
The Resale, Reassignment Or Transfer Of  
Long-Term Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between \_\_\_\_\_ (the Transmission Provider), and \_\_\_\_\_ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller, as identified below, of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee and appropriately specified in this Service Agreement. Such negotiated terms and conditions include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit or charge the Reseller, as appropriate, for any difference between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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Assignee:

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6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: \_\_\_\_\_  
Name Title Date

Assignee:

By: \_\_\_\_\_  
Name Title Date

Specifications For The Resale, Reassignment Or Transfer of  
Long-Term Firm Point-To-Point Transmission Service

- 1.0 Term of Transaction: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
  
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.  
\_\_\_\_\_
  
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_
  
- 4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_
  
- 5.0 Maximum amount of reassigned capacity: \_\_\_\_\_
  
- 6.0 Designation of party(ies) subject to reciprocal service obligation: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- 7.0 Name(s) of any Intervening Systems providing transmission service: \_\_\_\_\_  
\_\_\_\_\_



8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: \_\_\_\_\_  
\_\_\_\_\_

8.2 System Impact and/or Facilities Study Charge(s):  
\_\_\_\_\_  
\_\_\_\_\_

8.3 Direct Assignment Facilities Charge: \_\_\_\_\_  
\_\_\_\_\_

8.4 Ancillary Services Charges: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9.0 Name of Reseller of the reassigned transmission capacity:  
\_\_\_\_\_



**ATTACHMENT B****Form of Service Agreement for Non-Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Orlando Utilities Commission (“Transmission Provider”), and \_\_\_\_\_ (“Transmission Customer”).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 19.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and The Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Orlando Utilities Commission  
V. P., Energy Delivery Business Unit

P. O. Box 3193

Orlando, FL 32802

Transmission Customer:

7.0 The Tariff is incorporated herein and make a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: \_\_\_\_\_  
Name Title Date

Transmission Customer:

By: \_\_\_\_\_  
Name Title Date

**ATTACHMENT C****Methodology To Assess Available Transfer Capability**

The Florida Reliability Coordinating Council (FRCC) Available Transmission Capability Working Group (ATCWG) as well as NERC and NAESB are in the process of revising the ATC definitions and procedures. The policy below will be used by OUC until the FRCC ATCWG finishes their work, publishes an updated regional procedure, and OUC adopts the revised FRCC procedures.

**OUC FIRM and NONFIRM ATC METHODOLOGY**

OUC calculates Firm and Non-Firm Available Transfer Capability (ATC) information for use by our transmission customers. OUC follows the FRCC method of using system network response to determine the ATC. Using those network simulation cases, values for Total Transfer Capability (TTC), Existing Commitments (ETC), and TRM (Transmission Reliability Margin) are determined. Capacity Benefit Margin (CBM) is not used by OUC.

Attached is a flow diagram outlining the process that is followed to develop the TTC, ATC, TRM and ETC information.

**SIMULATION DATA**

For ATC calculations the current FRCC ATCWG load flow cases are used. These cases take into account the best available information on

- Line Outages
- Generation
- Load Forecasts
- Firm transactions

These cases use the same topology, line ratings, transactions, forecasts, dispatch and assumptions that the operational and planning cases do.

EXISTING TRANSMISSION COMMITMENTS (ETC): OUC and the FRCC use a network model representing expected system conditions, including transactions that are forecasted to be utilized. This results in three components to the ETC value that OUC uses:

ETC\_base: ETC\_base is the native load usage and firm contracts that are currently being used. These values are built into the network model used to determine ATC and are represented by the “actual interchange” value for the OUC system in the network model. These are the same interchange values used for operational and planning studies.

ETC\_reserved: ETC\_reserved is the firm contracts that are not forecasted for regular use in the time period being studied and therefore are not modeled in the case. These are reservations that OUC is obligated to serve and must be considered when posting Firm ATC. These reservations are also considered in operational and planning studies.

ETC\_partial: Partial Path reservations are only considered for constraints on the OUC system, not for constraints on other systems, when these are not forecasted for use they are not represented in the network model. ETC\_partial is zero except on paths that have partial path reservations and have a constraint on the OUC system that after considering the partial path would be a factor in the ATC available. These reservations are also considered in operational and planning studies.

INCREMENTAL TRANSFER CAPABILITY (ITC): ITC is the amount of additional pre-contingency transfer before a system constraint is reached. ITC is generally far higher than FCITC and therefore is not usually the factor that limits the TTC or ATC values.

FIRST CONTINGENCY INCREMENTAL TRANSFER CAPABILITY (FCITC): FCITC is the result of a linear or non-linear test of a load flow case to determine the amount of transfer that can occur in the case without exceeding any thermal, stability or voltage limits. FCITC may be run against the base case (FCITC\_base) or against generation-out-critical-to-interface cases

(FCITC\_G-1). FCITC\_ouc will be determined on paths that have partial path reservations since the partial path reservations only affect constraints on the OUC system.

TRANSMISSION RESERVE MARGIN (TRM): TRM is the amount of capacity on a path that OUC reserves to insure the ability to operate the transmission system reliably and safely under unexpected circumstances that exceed standard N-1 conditions. Based on FRCC requirements, OUC applies TRM only to FIRM ATC and determines TRM by taking the difference in FCITC\_base and FCITC\_G-1

$$TRM_{Firm} = FCITC_{Base} - FCITC_{G-1}$$

TOTAL TRANSFER CAPABILITY (TTC): OUC's TTC refers to the total transfer capability of the system under the conditions expected in the time period under study. The TTC is determined by looking at both pre-contingency and post-contingency scenarios. TTC will vary between time periods based on forecasted load and generation, scheduled outages and parallel firm transactions. If the forecasted ATC value for a month or year changes primarily due to a change in TTC of greater than ten percent (10%) from the previously posted value, OUC will also post a brief but specific narrative explaining the change.

$$TTC = Lesser\_of \{ FCITC_{Base} + ETC_{Base} \mid ITC_{BASE} + ETC_{Base} \}$$

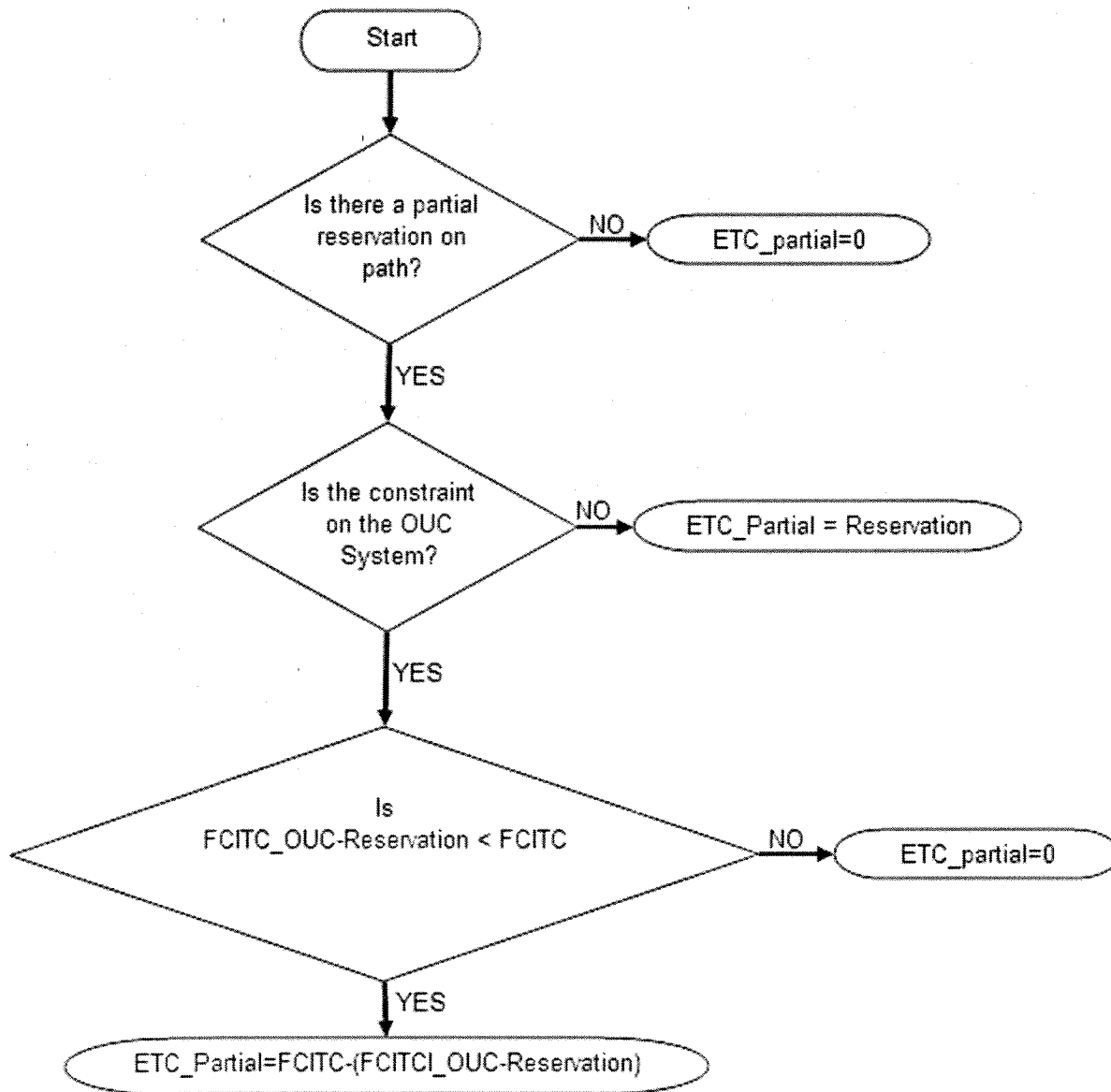
NON-FIRM ATC: Non-Firm ATC represents that capacity on the OUC system available for sale as recallable transmission without risking the reliability of the transmission system.

$$ATC_{Non-Firm} = TTC - ETC_{base} - TRM_{Non-Firm}(0) - CBM(0)$$

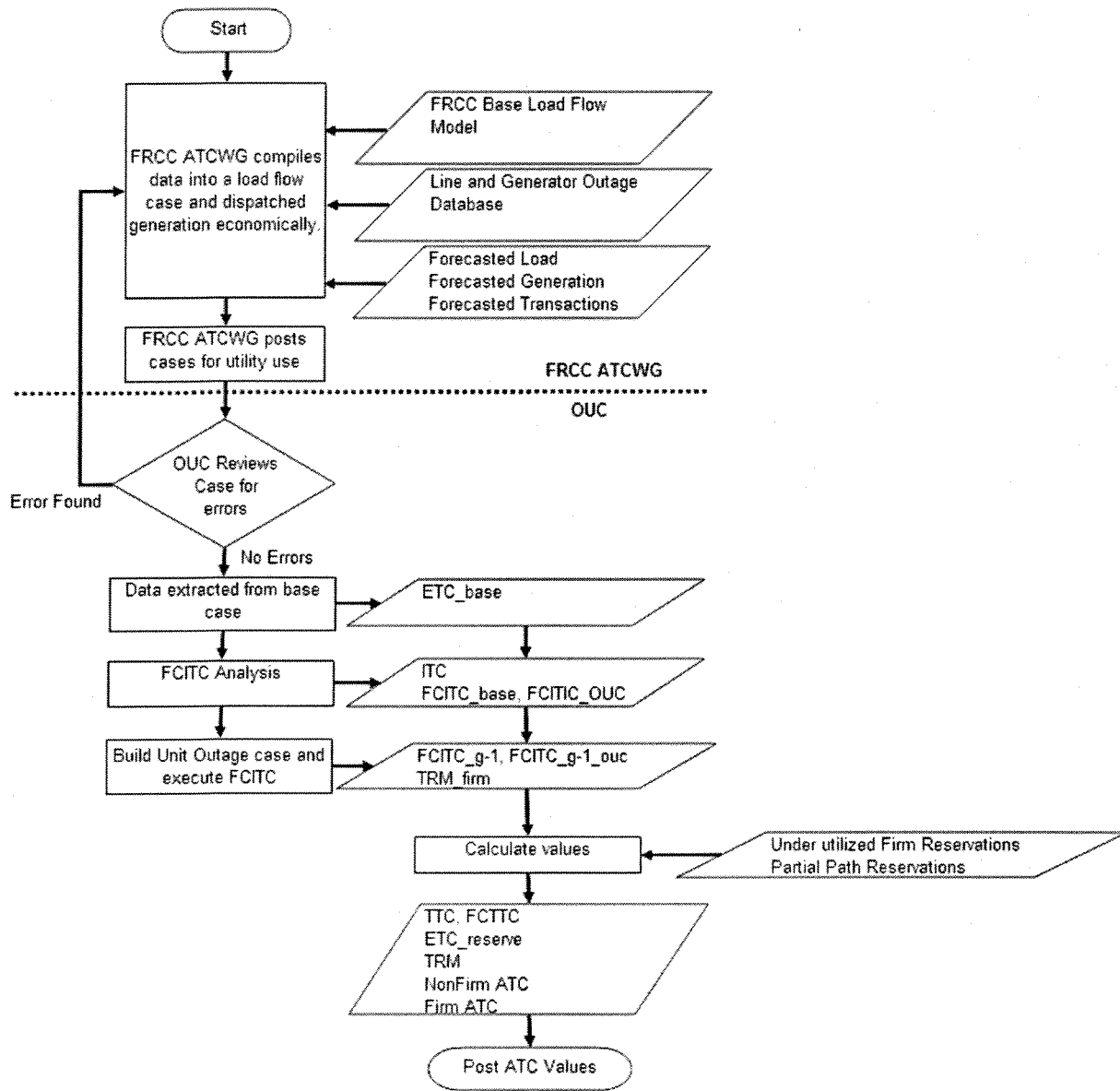
FIRM ATC: Firm ATC represents that capacity on the OUC system available for sale as non-recallable transmission without risking the reliability of the transmission system.

$$ATC_{Firm} = TTC - ETC_{base} - ETC_{reserved} - ETC_{partial} - TRM_{Firm} - CBM(0)$$

Determination of ETC\_Partial Value



PROCESS FLOW FOR ATC DETERMINATION



**ATTACHMENT D****Methodology for Completing a System Impact Study**

Upon receipt of a firm transmission service request, the Transmission Provider will perform an evaluation to determine the effect of the requested firm transmission transaction on the system.

This evaluation will utilize the following:

- The reliability criteria of Orlando Utilities Commission (OUC), Florida Reliability Coordinating Council (FRCC), Florida Public Service Commission (FPSC) and North American Electric Reliability Council (NERC) as applicable.
- The latest statewide transmission system models including connectivity, planned system upgrades, and load forecasts.
- Existing and pending firm transmission transactions that coincide with the time requested for the prospective transaction, modeled on a simultaneous basis.

The analysis will involve using power flow, short circuit and transient stability programs to model the proposed transaction under normal and various contingency situations to determine the response of the transmission system. The focus of the study will be on system performance before and after the proposed transaction to measure the impact of the transaction. The performance of the OUC transmission system will be evaluated using the same criteria that OUC uses for developing its transmission plans.

The Transmission Provider will also evaluate the effect of a prospective firm transaction on the neighboring transmission system based on the transmission owner's, FRCC, FPSC, and NERC reliability criteria. Depending on the type and length of the requested transaction, OUC may be required under FRCC agreements to share the request information and perform a study in partnership with the FRCC and/or neighboring utilities.



The Transmission Provider will perform an initial assessment of pending Interconnection Requests to determine, either at the Transmission Customer's request or upon Transmission Provider's own initiative, whether clustering is appropriate. If there are common system elements associated with the requests, the Transmission Provider may cluster the request for the purpose of the System Impact Study. If existing Interconnection Requests have been determined to be studied in clusters it will be implemented on the basis of the Queue Position.

The System Impact Study shall identify (1) any system constraints, (2) redispatch options (when requested by a Transmission Customer), (3) conditional curtailment options (when requested by a Transmission Customer) including the number of hours per year or the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service.

## ATTACHMENT E

## Index of Point-To-Point Transmission Service Customers

<u>Customer</u>	<u>Date of Service Agreement</u>
FMPA	Pre Order 888
Homestead	Pre Order 888
OUC (Marketing)	Pre Order 888
OUC (Marketing)	8/10/2004
Reliant (Indian River)	12/16/2004

**ATTACHMENT F**

**Standard form of Service Agreement  
for Network Integration Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into by and between the Orlando Utilities Commission (“Transmission Provider”) and \_\_\_\_\_ (“Transmission Customer”).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a valid Request for Network Integration Service under the Transmission Provider's Network Integration Service Transmission Tariff (“Tariff”).
- 3.0 Service under this Service Agreement shall commence on the latter of: (1) \_\_\_\_\_ or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this Service Agreement shall terminate on \_\_\_\_\_.
- 4.0 The Transmission Provide agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Service in accordance with the provisions of the Tariff and this Service Agreement, as they may be amended from time to time.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

**Transmission Provider:**

Orlando Utilities Commission  
V.P., Energy Delivery Business Unit  
P. O. Box 3193  
Orlando, FL 32802

**Transmission Customer:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6.0 The Tariff, Specifications for Network Integration Transmission Service, and the Network Operating Agreement, all as may be amended from time to time, are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by the respective authorized officials.

**Transmission Provider:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Transmission Customer:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE**

1. Term of Network Service: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_

2. Description of capacity and/or energy to be transmitted by the Transmission Provider across the Transmission Provider's Transmission System (including electric control area in \_\_\_\_\_ which \_\_\_\_\_ transaction \_\_\_\_\_ originates).  
\_\_\_\_\_

3. Network Resources

- (1) Transmission Customer Generation Owned:  
Resource Capacity Designated as Network Resource
- (2) Transmission Customer Generation Purchased:  
Source                      Capacity

Total Network Resources: (1) + (2) = \_\_\_\_\_

4. Network Load

- (1) Transmission Customer Loads  
Network Load              Transmission Voltage Level
- (2) Member System Loads:  
Member System Load Transmission Voltage Level

Total Network Load (Estimated): (1) + (2) = \_\_\_\_\_

5. Designation of Party subject to reciprocal service obligation:

- 
6. Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff).
- 6.1 Load Ratio Share of Annual Transmission Revenue Requirement.
  - 6.2 Facilities Study Charge.
  - 6.3 Direct Assignment Facilities Charge.
  - 6.4 Ancillary Service Charge.
  - 6.5 Redispatch Charges.

**ATTACHMENT G**  
**Network Operating Agreement**

Summary of Operating Principles: The Network Operating Agreement is intended to coordinate with existing interconnection and transmission agreements to ensure operation that accords with Good Utility Practice and applicable standards of the North American Electric Reliability Council and the Florida Reliability Coordinating Council.

## List of Issues to be Addressed:

1. Control Area Requirements
2. Redispatch Procedures
3. Metering
4. Control Area Data and Equipment
5. Operating Requirements
6. Operational Information
7. Network Planning
8. Character of Service
9. Transfer of Power and Energy Through Other Systems
10. Notices
11. Relationship to Tariff and Service Agreement

**ATTACHMENT H**

**Annual Transmission Revenue Requirement  
For Network Integration Transmission Service**

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$34,976,898.
2. The amount in (1) shall be effective until amended by the Transmission Provider.



**ATTACHMENT I**  
**Index of Customers Under**  
**Network Integration Transmission Service Tariff**

Customer	Date of Service Agreement
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**ATTACHMENT J**

**Procedures for Addressing Parallel Flows**

The North American Electric Reliability Council's ("NERC") Transmission Loading Relief ("TLR") Procedures, originally filed March 18, 1998, and any amendments thereto are hereby incorporated and made part of this Tariff. See [www.nerc.com](http://www.nerc.com) for the current version of the NERC's TLR Procedures.

**ATTACHMENT K**  
**Transmission Planning Process**

Transmission Provider plans for the existing and future requirements of all customers of Transmission Provider's transmission system in a coordinated, open, comparable, non-discriminatory and transparent manner both at the local and regional level. The Transmission Planning Process described herein includes Transmission Service for Transmission Provider's Native Load Customers, Network Customers, Firm Point-to-Point Transmission Customers, and Generator Interconnection Service for Interconnection Customers. The Transmission Planning Process is intended to provide transmission customers the opportunity to interact with the transmission planning personnel of the Transmission Provider in order for transmission customers to provide timely and meaningful input into the development of the transmission plan.

Transmission Provider's Transmission Planning Process works in conjunction with and is an integral part of the *Florida Reliability Coordinating Council's ("FRCC") Regional Transmission Planning Process* (reference the FRCC website for this document<sup>1</sup>) which facilitates coordinated planning by all transmission providers, owners and stakeholders within the FRCC Region. The FRCC is one of the North American Electric Reliability

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<sup>1</sup> The FRCC provides a page on its website where all of the FRCC documents referenced in this Attachment K are listed along with their URL addresses. The URL address for this FRCC webpage is: [https://www.frcc.com/Planning/Shared%20Documents/FRCC\\_Reference\\_Documents.pdf](https://www.frcc.com/Planning/Shared%20Documents/FRCC_Reference_Documents.pdf). This provides flexibility for the FRCC to change the URL addresses for these individual FRCC documents without requiring the modification of tariff language.

Corporation (“NERC”) Regional Reliability Organizations, with responsibility for maintaining grid reliability in Peninsular Florida, east of the Apalachicola River. This region is electrically unique because it is a peninsula and is tied to the Eastern Interconnection only on one side. FRCC’s members include investor owned utilities, cooperative utilities, municipal utilities, a federal power agency, power marketers, and independent power producers. The FRCC Board of Directors has the responsibility to ensure that the FRCC Regional Transmission Planning Process is fully implemented. The FRCC Planning Committee, which includes representation by all FRCC members, directs the FRCC Transmission Working Group, in conjunction with the FRCC Staff, to conduct the necessary studies to fully implement the FRCC Regional Transmission Planning Process. The descriptions of the FRCC Regional Transmission Planning Process set forth herein summarize the elements of that process as they relate to Transmission Provider and the principles of the Final Rule in Docket No. RM05-25-000. The Florida Public Service Commission (“FPSC”) is an integral part of the planning process by providing input, guidance, regulatory oversight and decision-making under this process. Additionally, the FPSC conducts workshops on an annual basis to review the transmission and generation expansion plans for Florida. The FPSC, under Florida law, has the authority to ensure an adequate and reliable electric system for Florida. As set forth below, Transmission Provider’s Transmission Planning Process is a seamless process that fully integrates both the local and regional transmission planning and is designed to satisfy the following principles, as defined in the FERC Final Rule in

Docket No. RM05-25-000: (1) coordination, (2) openness, (3) transparency, (4) information exchange, (5) comparability, (6) dispute resolution, (7) regional coordination, (8) economic planning studies, and (9) cost allocation for new projects. Descriptions of the FRCC Regional Transmission Planning Process are contained herein as they relate to Transmission Provider's Transmission Planning Process.

## **Section I. Coordination**

1.1 Transmission Provider consults and interacts directly with its customers in providing transmission service and generator interconnection service as well as with its neighboring transmission providers, on a regular basis. A transmission customer may request and/or schedule a meeting with Transmission Provider to discuss any issue related to the provision of transmission service at any time. Transmission Provider consults and interacts with its customers any time during the study process that either the transmission customer or the Transmission Provider deem necessary and/or at various stages of the planning process (e.g., Scoping Meeting, Feasibility, System Impact and Facilities Studies). An open dialogue between the transmission customer and the Transmission Provider takes place regarding customer needs. This interaction and dialogue between the customer and Transmission Provider are further described under the Local Transmission Network Planning Process as set forth in Appendix 1 to this Attachment K. Topics such as load growth projections, planned generation

resource additions/deletions, new delivery points and possible transmission alternatives are discussed. This dialogue is intended to provide timely and meaningful input and participation of customers during the early stages of development of the transmission plan. Additionally, the transmission customer shall have an opportunity to comment at any time during the evaluation process and/or when study findings (Feasibility, System Impact and Facilities Studies) are communicated by the Transmission Provider to the customer. Transmission Provider communicates with its neighboring transmission providers on a regular basis, and Transmission Provider facilitates communication and consultation between its customers and its neighboring transmission service providers/owners, specifically, if during the transmission service study process, a neighboring system's facilities are identified as being affected. This coordination process continues in a seamless manner at the local as well as the regional level, leading to each Transmission Provider providing an initial transmission plan which, when consolidated, becomes the initial regional transmission plan. The initial transmission plan submitted to the FRCC by the Transmission Provider, which results from the Local Transmission Network Planning Process as set forth in Appendix 1 to this Attachment K, will be posted by the FRCC in accordance with FRCC Regional Transmission Planning Process (reference link to *Initial Plans* on the FRCC website). This initial transmission plan is reviewed by the FRCC as well as all interested transmission customers/users. The Transmission

Provider relies on the FRCC Committee process to finalize its initial transmission plan as submitted to the FRCC. In addition to transmission customers/users being provided timely and meaningful input and participation during the planning process with the Transmission Provider, the transmission customers/users are also given an additional opportunity to raise any issues, concerns or minority opinions that they believe have not been adequately addressed by any Transmission Providers' initial transmission plan submittal during the FRCC review process. This FRCC review process normally commences shortly after the submittal of the Ten Year Site Plans to the FPSC on April 1 of each year. Once issues raised by interested stakeholders are addressed, the Planning Committee approves the proposed regional transmission plan and presents it to the FRCC Board for approval. Upon approval by the Board, which is expected in December of each year, the FRCC sends the final regional transmission plan to the FPSC. Unresolved issues may be referred to the FRCC Dispute Resolution Process as described below.

1.2 The FRCC Regional Transmission Planning Process is intended to ensure the long-term reliability and economic needs of the bulk power system in the FRCC Region.<sup>2</sup> An objective of the FRCC Regional Transmission Planning

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<sup>2</sup> Nothing in the FRCC Regional Transmission Planning Process is intended to limit or override rights or obligations of transmission providers, owners and/or transmission customers/users contained in any rate schedules, tariffs or binding regulatory orders issued by applicable federal, state or local agencies. In the event that a conflict arises between the FRCC process and the rights and obligations included in those rate schedules, tariffs or regulatory orders, and the conflict cannot be mutually resolved among the appropriate transmission providers, owners, or customers/users, any

Process is to ensure coordination of the transmission planning activities within the FRCC Region in order to provide for the development of a reliable and economically robust transmission network in the FRCC Region. The process is intended to develop a regional transmission plan to meet the existing and future requirements of all customers/users, providers, owners, and operators of the transmission system in a coordinated, open and transparent manner.

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

1.2.1 This coordinated FRCC Regional Transmission Planning Process offers many opportunities for transmission providers to interact with customers and neighboring systems during the development of the transmission plan. The schedule of committee and working group meetings related to transmission planning is posted on the FRCC website [under](#) FRCC Calendar. FRCC meeting notices, meeting minutes and documents of FRCC Planning Committee and/or FRCC Board meetings in which transmission plans or related study results are exchanged,

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affected party may seek a resolution from the appropriate regulatory agencies or judicial bodies having jurisdiction.



discussed or presented, are distributed by the FRCC. Detailed evaluation and analysis of the transmission providers/owners plans are conducted by the FRCC Transmission Working Group (“TWG”) and Stability Working Group (“SWG”) in concert with the FRCC Staff. The TWG and SWG are further described below.

1.3 A general scope of the Planning Committee and the respective working groups related to transmission planning is described below. The scope of these committees is subject to change in the future in order to address evolving needs. The members of the Planning Committee and the working groups related to transmission planning are posted on the FRCC website under FRCC Committees. Contact with the Planning Committee and transmission working groups can be made through FRCC staff or through the chair of the respective committee or working group.

1.3.1 The Planning Committee promotes the reliability of the Bulk Power System in the FRCC, and assesses and encourages generation and transmission adequacy. The Planning Committee reports to the Board of Directors. Rules and procedures governing the Planning Committee are posted on the FRCC website under Rules of Procedure for FRCC Standing Committees. Working Groups related to transmission planning reporting to the Planning Committee are described below.

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

1.3.3 The Stability Working Group engages in the active coordination of transmission planning in the FRCC Region, assesses stability of the FRCC bulk electric system under various conditions, and provides support to the other FRCC working groups as needed. Some of the responsibilities and objectives of the Stability Working Group are: 1) Maintain and update a dynamic data base for the FRCC Region, this data base is coordinated with selected FRCC planning horizon power flow cases as required by NERC Multi-regional Modeling Working Group and other FRCC study needs; 2) Assess dynamic performance of the FRCC bulk power system in response to Category B, C and D contingencies

which includes special protection systems, under frequency load shedding programs, oscillatory stability, disturbances involving separation, etc.

## **Section 2 Openness**

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

Transmission Provider provides a status update to its customers on a regular basis or at any time, if requested by a customer. Additionally, Appendix 1 to this Attachment K describes the customer and Transmission Provider interaction in the flow diagram and outlines the steps of the Local Transmission Network Planning Process.

2.2 This openness principle is also incorporated in the FRCC Regional Transmission Planning Process by which the Transmission Provider participates in along with other parties in the committee and working processes at the FRCC as described below. The participants in the planning process at the FRCC are

the sector representative of the Planning Committee. A list of representatives may be found on the FRCC website under the FRCC Planning Committee Member List. The rules governing Planning Committee structure and processes as they relate to Organization Structure, Standing Committee Representation, Standing Committee Quorum and Voting, Duties of Officers and Representatives, General Procedures for Standing Committees, FRCC Representation on NERC Committees, Procedures of Minutes of Meetings and Conduct of the Meeting. Interested entities or persons may participate in the committees via participation within one of the identified sectors (Supplier Sector, Non-Investor Owned Utility Wholesale Sector, Load Serving Entity Sector (including municipals and cooperatives), Generating Load Serving Entity Sector, Investor Owned Utility Sector, and General Sector (this sector provides for any entity or individual's participation)). Moreover, at the FRCC regional level interested entities have an opportunity to raise any special requirements that they have and believe have not been addressed at the local level. For ease of reference, the FRCC quorum and voting provisions are shown in Appendix 2 of Attachment K.

2.2.1 The FRCC meeting dates are provided in the FRCC Calendar document on the FRCC website and the chairs, and member representatives for the various committees are posted on the FRCC website under the FRCC Committees. The meeting agenda for the Planning Committee is normally provided two weeks prior to the meeting

to the committee members.

FRCC meeting notices, meeting minutes and documents of FRCC Planning Committee and/or FRCC Board meetings in which transmission plans or related study results will be exchanged, discussed or presented, are distributed by the FRCC.

2.2.2 The FRCC developed the FERC Standards of Conduct Protocols for the FRCC document for the purpose of ensuring proper disclosure of transmission information in accordance with FERC requirements. The primary rule is that a transmission provider must treat all transmission customers, affiliated and non-affiliated on a non-discriminatory basis, and it cannot operate its transmission system to give a preference to any transmission customer or to share non-public transmission or customer information with any transmission customer. The rules also prevent transmission function employees from sharing with their merchant employees and certain affiliates non-public transmission information about the transmission provider's transmission system or any other transmission system, which is information that the affiliated merchant employee receiving the information could use to commercial advantage. Reference the FERC Standards of Conduct Protocols for the FRCC posted on the FRCC website.

2.3 Customer input is included in the early stages of the development of the

transmission plans, as well as during and after plan evaluation processes.

Detailed evaluation and analysis of the transmission providers/owners plans are conducted by the FRCC Transmission Working Group and Stability Working Groups under the direction of the Planning Committee. Such evaluation and analysis provides the basis for possible changes to the transmission providers/owners plans that could result in a more reliable and more robust transmission system for the FRCC Region. The FRCC Planning Committee meets on a regular basis, usually monthly, with two weeks' prior notice.

2.4 The FRCC conducts the FRCC planning process in an open manner in such a way that it ensures fair treatment for all customers/users, owners and operators of the transmission system. Stakeholders have access to and participate in the FRCC planning process. The committees and working groups described in this document are stakeholder groups. The Planning Committee consists of six stakeholder sectors: Suppliers, Non-Investor Owned Utility Wholesalers, Load Serving Entities, Generating Load Serving Entities, Investor Owned Utilities and General. The rules of procedure governing the Planning Committee in conducting the FRCC Regional Transmission Planning Process are posted under the Rules of Procedure for FRCC Standing Committees on the FRCC website. The FPSC is encouraged to and does participate in the FRCC Regional Transmission Planning Process.

2.5 The FRCC Regional Transmission Planning Process provides for the

overall protection of all confidential and proprietary information that is used to support the planning process. A customer/user may enter into a confidentiality agreement with the FRCC and/or applicable transmission provider/owner, as appropriate, to be eligible to receive transmission information that is restricted due to Critical Energy Infrastructure Information (“CEII”), security, business rules and standards and/or other limitations. The procedure for requesting this type of information is delineated at the FRCC website under the Request of CEII Data.

### **Section 3 Transparency**

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

3.2 During the Transmission Provider’s local area planning process the Transmission Provider utilizes the FRCC databanks which contain information provided by the Transmission Provider and customers of projected loads as well as all planned and committed transmission and generation projects, including

upgrades, new facilities and changes to planned-in-service dates over the planning horizon, as the base case for Transmission Provider's studies.

Transmission Provider makes available to a transmission service customer the underlying data, assumptions, criteria and underlying transmission plans utilized in the study process. Transmission Provider provides written descriptions of the basic methodology, criteria and processes used to develop plans. In order to get a better understanding, a transmission customer may inquire about the assumptions, data and/or underlying methods, criteria, etc. and the customer will be provided a response by the Transmission Provider's qualified technical representative. Dialogue during the study process is encouraged. The dialogue during the Transmission Providers local area planning process between the Transmission Provider and customers involves discussions of the initial findings that affect customers, potential alternatives including feasibility of mitigating any adverse findings and third party impacts. Discussion of initial findings in areas of the system that affect customers is intended to communicate and validate with the customer issues or concerns identified by the Transmission Provider or conversely, issues not specifically identified by the Transmission Provider that may be of concern to the customers. As part of the process of identifying potential alternatives to mitigate any adverse issue or concern, the dialogue with the customer should facilitate the identification of the most effective solution.

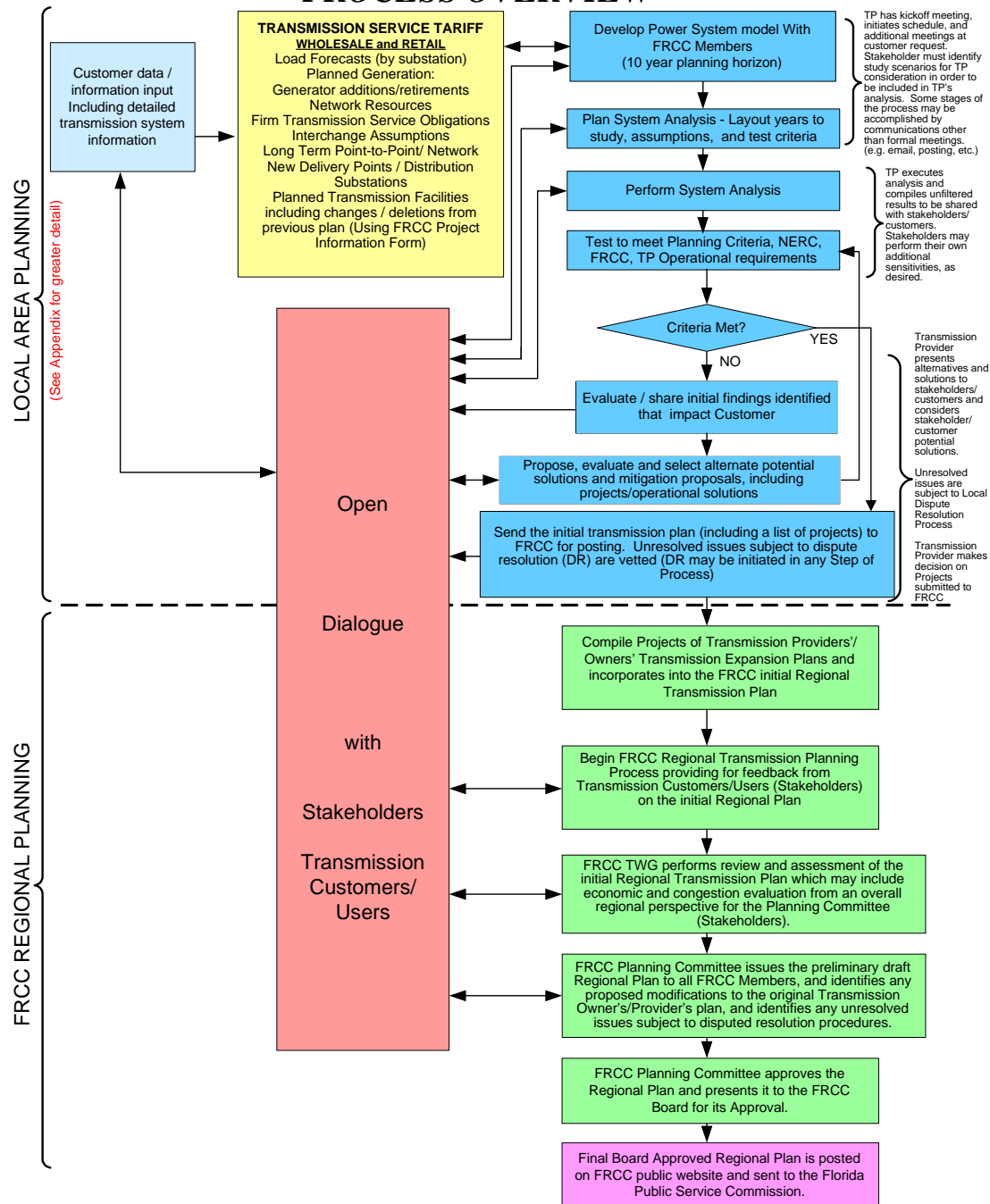
This dialogue during the different stages of the planning process provides for



meaningful input and participation of transmission customers in the development of the transmission plan. The goal of this interaction between the Transmission Provider and customers is to develop a transmission expansion plan that meets the needs of the Transmission Provider and customer in a reliable cost effective manner. This planning process between the Transmission Provider and customers is described in the process flow diagram below and in the more detailed description of the Local Transmission Network Planning Process as set forth in Appendix 1 to this Attachment K.

3.3 An overview of the Transmission Provider's local area planning process and how it relates to the FRCC Regional Transmission Planning Process is shown in the flow chart below:

## **TRANSMISSION PROVIDER's (TP) LOCAL / REGIONAL COORDINATED TRANSMISSION NETWORK PLANNING PROCESS OVERVIEW**



Issued: October 31, 2008

Effective Date: January 1, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.

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

3.5 Studies conducted pursuant to the FRCC Regional Transmission Planning Process utilize the applicable reliability standards and criteria of the FRCC and NERC that apply to the Bulk Power System as defined by NERC. Such studies also utilize the specific design, operating and planning criteria used by FRCC transmission providers/owners. The transmission planning criteria are available to all customers and stakeholders. Transmission planning assumptions,

transmission projects/upgrades and project descriptions, scheduled in-service dates for transmission projects and the project status of upgrades will be available to all customers through the FRCC periodic project update process.

The FRCC updates and distributes transmission projects/upgrades project descriptions, schedule in-service dates, and project status on a regular basis, no less than quarterly. The FRCC also updates and distributes on a periodic basis the load flow data base. The FRCC publishes the individual transmission providers' system impact study schedules so that other potentially impacted transmission owners can assess whether they are affected and elect to participate in the study analysis. The FRCC planning studies are also distributed by the FRCC and updated as needed.

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

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

**Section 4 Information Exchange**

4.1 Transmission Provider participates in information exchange on a regular and ongoing basis with the FRCC, neighboring utilities, and customers.

Transmission customers are required to submit data for the planning process described in this Attachment K to the Transmission Provider in order for the Transmission Provider to plan for the needs of network and point-to-point customers. This data/information shall be provided by the transmission customer by no later than January 1 of each year. Such data/information includes load growth projections, planned generation resource additions/upgrades (including network resources), any demand response resources, new delivery points, new or continuation of long-term firm point-to-point transactions with specific receipt (i.e., source or electrical location of generation resources) and delivery points, (i.e., the electrical location of load or sink where the power will be delivered to), and planned transmission facilities. This data/information shall be provided over the 10 year planning horizon to the extent such information is known.

Additionally, the transmission customer shall provide timely written notice of any material changes to this data/information as soon as practicable due to the possible effect on the transmission plan or the ability of the Transmission Provider to provide service.

4.2 The Transmission Provider utilizes the information provided in modeling and assessing the performance of its system in order to develop a transmission

plan that meets the needs of all customers of the transmission system. The Transmission Provider exchanges information with a transmission customer to provide an opportunity for the transmission customer to evaluate the initial study findings or to propose potential alternative transmission solutions for consideration by the Transmission Provider. If the Transmission Provider and transmission customer agree that the transmission customer's recommended solution is the best over-all transmission solution then such solution will be incorporated in the Transmission Provider's plan. Through this information exchange process the transmission customer has an integral role in the development of the transmission plan. This process is described in greater detail in Appendix 1 to this Attachment K. Consistent with the Transmission Provider's obligation under federal and state law, and under NERC and FRCC reliability standards, the Transmission Provider is ultimately responsible for the transmission plan.

4.3 The FRCC TWG sets the schedule for data submittal and frequency of information exchange which starts at the beginning of each calendar year. Updates and revisions are discussed at the FRCC Planning Committee meetings by the members. This process requires extensive coordination and information exchange over a period of several months as the FRCC develops electric power system load-flow databank models for the FRCC Region. The models include data for every utility in peninsular Florida and are developed and maintained by

the FRCC. The TWG is responsible for developing and maintaining power flow base cases. The FRCC power flow base case models contain the data used by the FRCC and transmission providers for intra- and inter-regional assessment studies, and other system studies. The models created also are the basis for the FRCC submittal to the NERC Multi-regional Modeling Working Group (“MMWG”). TWG members support the data collection requirements and guidelines related to the accurate modeling of generation, transmission and load in the power flow cases. The data collected includes:

For power flow models:

- Bus data; (name, base voltage, type, area assignment, zone assignment, owner)
- Load data; (bus, MW, MVAR, area assignment, zone assignment, owner)
- Generator data; (bus, machine number, MW, MVAR, status, PMAX, PMIN, QMAX, QMIN, MVA base, voltage set-point, regulating bus)
- Branch data; (from bus, to bus, circuit number, impedances, ratings, status, length, owner)
- Transformer data; (from bus, to bus, to bus, circuit number, status, winding impedances, ratings, taps, voltage control bus, voltage limits, owner)
- Area interchange data; (area, slack bus, desired interchange, tolerance)
- Switched shunt data
- Facts device data

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

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

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

- Zero and negative sequence impedances;

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

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



**Section 5 Comparability**

5.1 This comparability principle is applied in all aspects of the transmission planning process including each of the respective principles in this Attachment K. Transmission Provider incorporates into its transmission plans on a comparable basis all firm transmission obligations, both retail and wholesale. The retail obligations consist of load growth, interconnection and integration of new network resources, firm power purchases and new distribution substations. Transmission Provider wholesale obligations are existing firm wholesale power sales, existing long-term firm transmission service including firm point-to-point and network (interconnection and integration of network resources), projected network load, generator interconnections, and new delivery points.

5.2 Transmission Provider plans for forecasted load, generation additions/upgrades which include network resources and new distribution substations associated with retail service obligations. A network transmission customer provides corresponding data as part of the provision of service, such as load forecast data, generation additions/upgrades including network resource forecast, new delivery points, and other information needed by the Transmission Provider to plan for the needs of the customer. Both Transmission Provider and the transmission customers reflect their demand resources within the information that is input within this planning process. The data required for planning the transmission system for both retail and wholesale customers is comparable.

Transmission customers/users (retail and wholesale) accurately reflect their demand response resources appropriately in their load forecast projections. To the extent a customer/stakeholder has a demand response resource or a generation resource that is not incorporated into its submitted plans and such customer/stakeholder desires the Transmission Provider to specifically consider on a comparable basis such demand response resource or generation resource as an alternative to transmission expansion, or in conjunction with the Transmission Provider's transmission expansion plan, such customer/stakeholder sponsoring such demand response resource or generation resource shall provide the necessary information (cost, performance, lead time to install, etc.) in order for the Transmission Provider to consider such demand response resource or generation resource alternatives comparably with other alternatives. Any customer/stakeholder sponsoring a demand response resource or generation alternative should participate in the planning process. The Transmission Provider shall treat customer/stakeholder resources and its own resources on a comparable basis for transmission planning purposes. This comparability principle is also further described under the Local Transmission Planning Process as set forth in Appendix 1 to this Attachment K. The data/information is also provided to the FRCC for their use in databank development and analysis under the FRCC Regional Transmission Planning Process. These data requirements are generally communicated by OASIS,

email, letter or combination thereof.

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

## **Section 6 Dispute Resolution**

6.1 If a dispute arises between a transmission customer and the Transmission Provider under the local transmission planning process set forth in Appendix 1 to this Attachment K or involving Transmission Service under the Tariff, the senior representatives of the Transmission Provider and the customer shall attempt to resolve the dispute and may mutually agree to utilize a mediation service for that purpose. However, if such dispute is not resolved, then the Dispute Resolution Procedures set forth in Article 11 of the Tariff shall govern.

If a dispute arises among or between Transmission Provider and another

transmission owner(s) involving a cost allocation issue regarding the Cost Allocation Methodology and Principles, then the dispute resolution process set forth below under the cost allocation principle of this Attachment K shall govern. If a dispute arises among or between Transmission Provider and another transmission provider/owner(s), regarding the FRCC Regional Transmission Planning Process, then the dispute resolution procedures that are contained in the FRCC Regional Transmission Planning Process as set forth below in this Attachment K shall govern.

6.2 The FRCC Regional Transmission Planning Process has two alternative dispute resolution processes. Any party raising an unresolved issue may request the Mediator Dispute Resolution Process, which involves a mediator being selected jointly by the disputing parties. If the Mediator Dispute Resolution Process is completed, and the issue is still unresolved, by mutual agreement between the parties, the Independent Evaluator Dispute Resolution Process may be utilized. The Independent Evaluator is selected by the FRCC Board of Directors. If the issue is unresolved by either of the dispute resolution processes, the transmission owners, affected parties, or the FRCC may request that the FPSC address such unresolved dispute. Notwithstanding the foregoing, any unresolved issue(s) may be submitted to any regulatory or judicial body having jurisdiction.

Described below are the two alternative dispute resolution processes:

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

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

A mediator shall be selected jointly by the disputing parties. The mediator shall: (1) be knowledgeable in the subject matter of the dispute, and (2) have no official, financial, or personal conflict of interest with respect to the issues in controversy, unless the interest is fully disclosed in writing to all participants and all participants waive in writing any objection to the interest.

The disputing parties shall attempt in good faith to resolve the dispute in accordance with the procedures and timetable established by the mediator. In furtherance of the mediation efforts, the mediator may:

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

If a resolution of the dispute is not reached by the 30th day after the appointment of the mediator or such later date as may be agreed to by the parties, the mediator shall promptly provide the disputing parties with a written, confidential, non-binding recommendation on resolution of the

dispute, including the mediator's assessment of the merits of the principal positions being advanced by each of the disputing parties. At a time and place specified by the mediator after delivery of the foregoing recommendation, but no later than 15 days after issuance of the mediator's recommendation, the disputing parties shall meet in a good faith attempt to resolve the dispute in light of the mediator's recommendation. Each disputing party shall be represented at the meeting by a person with authority to settle the dispute, along with such other persons as each disputing party shall deem appropriate. If the disputing parties are unable to resolve the dispute at or in connection with this meeting, then: (1) any disputing party may commence such arbitral, judicial, regulatory or other proceedings as may be appropriate; and (2) the recommendation of the mediator shall have no further force or effect, and shall not be admissible for any purpose, in any subsequent arbitral, administrative, judicial, or other proceeding.

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

#### **6.2.2 Alternative 2 - Independent Evaluator Dispute Resolution**

**Process (Non-Binding)**

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

An assessment of the unresolved issue(s) shall be performed by an Independent Evaluator that will be selected by the FRCC Board. The Independent Evaluator shall evaluate the disputed issue(s) utilizing the same criteria that the Planning Committee is held to, that is, “the applicable reliability criteria of FRCC and NERC, and the individual transmission owner’s/provider’s specific design, operating and planning criteria.”

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

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

The Independent Evaluator shall prepare a report of its findings, with recommendations on the unresolved issue(s), to the Board and the Planning Committee within 45 days from the date the Board selected the Independent Evaluator. The Independent Evaluator’s findings and recommendations shall not be binding. The Board, with the assistance of

the Planning Committee and the Independent Evaluator's report, shall attempt to resolve the unresolved issue(s) within 30 days from receipt of the Independent Evaluator's report. If the Board fails to resolve the issue(s) to the satisfaction of all parties, any disputing party may commence such arbitral, judicial, regulatory or other proceedings as may be appropriate.

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

## **Section 7 Regional Participation**

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



transmission system.

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

7.3 FRCC has a reliability coordination arrangement with Southern Company Services, Inc. ("Southern"), which is located in the Southeastern Subregion of SERC Reliability Corporation ("SERC"). The purpose of the reliability coordination arrangement is to safeguard and augment reliability of an inter-regional basis for Southern and the FRCC bulk power supply systems. This arrangement provides for exchanges of information and system data between Southern and the FRCC for the coordination of planning and operations in the interest of reliability. The arrangement also provides the mechanism for inter-regional joint studies and recommendations designed to improve the reliability of the interconnected bulk power system. The arrangement contributes to the safeguarding and augmenting of reliability through: (1) coordination of generation and transmission system planning, construction, operating, and protection to maintain maximum reliability; (2) coordination of interconnection lines and facilities for full implementation of mutual assistance in emergencies;

(3) initiation of joint studies and investigations pertaining to the reliability of bulk power supply facilities; (4) coordination of maintenance schedules of generating units and transmission lines; (5) determination of requirements for necessary communication between the parties; (6) coordination of load relief measures and restoration procedures; (7) coordination of spinning reserve requirements; (8) coordination of voltage levels and reactive power supply; (9) other matters relating to the reliability of bulk power supply required to meet customer service requirements; and (10) exchange of necessary information, such as magnitude and characteristics of actual and forecasted loads, capability of generating facilities, programs of capacity additions, capability of bulk power interchange facilities, plant and system emergencies, unit outages, and line outages.

7.4 Southern, PowerSouth Energy Cooperative (formally known as Alabama Electric Cooperative), Dalton Utilities, Georgia Transmission, MEAG Power, and South Mississippi Electric Power Association also sponsor the Southeastern Regional Transmission Planning (“SERTP”) forum. These SERTP sponsors are located within the Southeastern Subregion of SERC. The FRCC and the SERTP have established their respective links to transmission providers and FRCC/SERTP websites as applicable that contain study methodologies, joint transmission studies, inter-regional transmission service and generator interconnection service related studies, and the FRCC/SERTP process for requesting inter-regional economic studies. The FRCC website link that contains

this type of information can be found under the *Florida-SERC Inter-Regional Transmission Information* folder. In this folder please refer to a document entitled *FRCC Inter-regional Coordination Process* that describes how information, modeling data and expansion plans are shared. The SERTP website link is <http://www.southeasternrtp.com>. Transmission providers within the FRCC and SERTP coordinate with each other as necessary in the performance of economic studies. The FRCC SE Region Economic Study Request document posted under the Florida-SERC Inter-Regional Transmission Information folder on the FRCC website describes the process and procedures for requesting inter-regional economic studies. FERC and SERTP transmission providers plan to attend transmission planning forums when study findings are presented to stakeholders that impact their respective transmission systems.

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

**Section 8 Economic Planning Studies**

8.1 In the performance of an economic sensitivity study that is identified as part of the FRCC Regional Transmission Planning Process, Transmission Provider plans to participate in such study utilizing the procedures that are contained in the FRCC Regional Transmission Planning Process. If Transmission Provider receives a specific request to perform economic studies for a transmission customer, Transmission Provider plans to utilize the OASIS for such requests. To the extent an economic study would involve other transmission providers/owners, Transmission Provider will coordinate with these providers/owners in performing the study. Stakeholders will collectively be allowed to request the performance of up to five (5) economic planning studies annually, at no charge to the individual requesting customer(s). The cost of the sixth and subsequent economic planning studies requested in a calendar year shall be assessed to the individual customer(s) requesting such studies. If there are similar interests for certain economic studies, stakeholders can coordinate with each other and the Transmission Provider during the transmission planning process to collectively select the five no-charge economic studies. If more than five economic planning studies are requested and the stakeholders are unable to agree on the selection of the five no-charge economic planning studies, then the Transmission Provider will select the five no-charge economic planning studies by selecting one study per stakeholder based on the time the economic planning

study was submitted on OASIS (up to a maximum of five stakeholders) and continuing this iterative process until the five no-cost economic planning studies have been selected. In the event the Transmission Provider receives more than one request for an economic planning study which the Transmission Provider determines: (i) will have overlapping time periods of study; (ii) may involve the same facilities; and (iii) can be reasonably performed on a clustered basis, then the Transmission Provider will, either at the request of transmission customer(s) requesting the studies or if the Transmission Provider deems it to be appropriate, offer to cluster two or more qualifying study requests which meet the aforementioned criteria for an economic planning study. Transmission customers agreeing to the clustering must also agree: (i) to remain in the cluster throughout the performance of the study; and (ii) to share equally in the cost of the study, to the extent that there are such costs (i.e., for economic planning study requests beyond the first five in any calendar year). The Transmission Provider will consider an economic planning cluster study under this section as a single study in the context of the number of studies done at no cost each year.

8.2 The FRCC Regional Transmission Planning Process includes both economic and congestion studies. One of the sensitivities may include evaluating the FRCC Region with various generation dispatches that test or stress the transmission system, including economic dispatch from all generation (firm and non-firm) in the region. Other sensitivities may include specific areas

where a combination/cluster of generation and load serving capability involving various transmission providers/owners in the FRCC experiences or may experience significant and recurring transmission congestion on their transmission facilities. Members of the FRCC Planning Committee may also request specific economic analyses that would examine potential generation resource options, or other types of regional economic studies, and to the extent information is available, may request a study of the cost of congestion. The FRCC Planning Committee may consider clustering studies as appropriate. Economic analyses should reflect the upgrades to integrate necessary new generation resources and/or loads on an aggregate or regional (cluster) basis.

## **Section 9 Cost Allocation**

Subsections 9.1 through 9.3 refers to third party impacts resulting from the FRCC Regional Planning Process; 9.4 refers to economic transmission improvements. The Cost Allocation provisions contained in the Section relate to cost allocation procedures for specific circumstances as described herein. All other transmission cost allocation not specifically described below is provided in accordance with OATT provisions for generation interconnection, network and point-to-point service.

9.1 If a transmission expansion is identified as needed under the FRCC Regional Transmission Planning Process and such transmission expansion results in a material adverse system impact upon a third party transmission owner, the third party transmission owner may choose to utilize the FRCC

Principles for Sharing of Certain Transmission Expansion Costs as outlined below in this Attachment K. The FPSC is involved in this process and provides oversight, guidance and may exercise its statutory authority as appropriate. A more detailed description of the FRCC Principles for Sharing of Certain Transmission Expansion Costs can be found on the FRCC website.

9.2 The FRCC Principles for Sharing of Certain Transmission Expansion Costs: (i) sets forth certain principles regarding the provision of financial funding to Transmission Owners<sup>3</sup> that undertake remedial upgrades to, or expansions of, their systems resulting from upgrades, expansions, or provisions of services on the systems of *other* Transmission Owners, and (ii) procedures for attempting to resolve disputes among Transmission Owners and other parties regarding the application of such principles. These principles shall not apply to transmission upgrades or expansions if, and to the extent that, the costs thereof are subject to recovery by a Transmission Owner pursuant to FERC Order 2003 or Order 2006.

### 9.3 Principles

9.3.1 Each Transmission Owner in the FRCC Region shall be responsible for upgrading or expanding its transmission system in accordance with the FRCC Regional Transmission Planning Process consistent with applicable NERC and FRCC Reliability Standards and shall participate, directly or indirectly (as the member of a participating

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<sup>3</sup> For this purpose, "Transmission Owner" means an electric utility owning transmission facilities in the FRCC Region.

Transmission Owner, e.g., Seminole Electric Cooperative, Inc. and Florida Municipal Power Agency), in the FRCC Regional Transmission Planning Process in planning all upgrades and expansions to its system.

9.3.2 If, and to the extent that, the need for a 230 kV or above upgrade to, or expansion of, the transmission system of one Transmission Owner (the “Affected Transmission Owner”) is reasonably expected to result from, upgrade(s) or expansion(s) to, or new provisions of service on, the system(s) of another Transmission Owner or Transmission Owners (hereinafter “Precipitating Events”), and if such need is reasonably expected to arise within the FRCC planning horizon, the Affected Transmission Owner shall be entitled to receive Financial Assistance (as defined herein) from each other such Transmission Owner and other parties, to the extent consistent with the other provisions hereof.

Such upgrade or expansion to the Affected Transmission Owner’s system shall hereinafter be referred to as the “Remedial Upgrade.” Upgrade(s), expansion(s), or provisions of service on another Transmission Owner’s system that may result in the need for a Remedial Upgrade on the Affected Transmission Owner’s system for which Financial Assistance is to be provided hereunder include the following Precipitating Events:

- A new generating unit(s) to serve incremental load



- A new or increased long-term sale(s)/purchase(s) to or by others (different uses)
- A new or modified long-term designation of Network Resource(s)
- A new or increased long-term, firm reservation for point-to-point transmission service

Specific non-Precipitating Events are as follows: 1) Transmission requests that have already been confirmed prior to adoption of these principles; 2) Qualifying rollover agreements that are subsequently rolled over; 3) Redirected transmission service for sources to the extent the redirected service does not meet the Threshold Criteria described in paragraph 9.3.5.1. Existing flows would not be considered “incremental.”; and 4) Repowered generation if the MW output of the facility is not increased, regardless of whether the repowered unit is used more/less hours of the year.

9.3.3 Except to the extent that an Affected Transmission Owner is entitled to Financial Assistance from other parties as provided herein, each Transmission Owner shall be responsible for all costs of upgrades to, and expansions of, its transmission system; provided, however, that nothing herein is intended to affect the right of any Transmission Owner or another party from obtaining remuneration from other parties to the extent allowed by contract or otherwise pursuant to applicable law or regulation

(including, for example, through rates to a Transmission Owner's customers).

9.3.4 Each Transmission Owner shall be solely responsible for the execution, or acquisition, of all engineering, permitting, rights-of-way, materials, and equipment, and for the construction of facilities comprising upgrades or expansions, including Remedial Upgrades, of its transmission system; provided, however, that nothing herein is intended to preclude a Transmission Owner from seeking to require another party to undertake some or all of such responsibilities to the extent allowed by contract or otherwise pursuant to applicable law.

9.3.5 Threshold Criteria: The following criteria ("Threshold Criteria") must be satisfied in order for an Affected Transmission Owner to be entitled to receive Financial Assistance from another party or parties in connection with a Remedial Upgrade:

9.3.5.1 A change in power flow of at least a 5% or 25 MW, whichever is greater, on the Affected Transmission Owner's facilities which results in a NERC or FRCC Reliability Standards violation;

9.3.5.2 The Transmission Expansion must be 230 kV or higher voltage; and

9.3.5.3 The costs associated with the Transmission Expansion must exceed \$3.5 million.

9.3.6 In order for a Transmission Owner to be entitled to receive Financial Assistance from another party or parties hereunder in connection with a particular Remedial Upgrade, that Transmission Owner must: (i) participate, directly or indirectly, in the FRCC Regional Transmission Planning Process, and (ii) identify itself as an Affected Transmission Owner and identify the subject Remedial Upgrade in a timely manner once it learns of the need for that Remedial Upgrade.

9.3.7 The following principles govern the nature and amount of Financial Assistance that an Affected Transmission Owner is entitled to receive from one or more other parties with respect to a Remedial Upgrade:

9.3.7.1 A recognition of the reasonably determined benefits that result from the Remedial Upgrades due to the elimination or deferral of otherwise planned transmission upgrades or expansions.

9.3.7.2 Remedial Upgrade costs, net of recognized benefits, shall be allocated fifty-fifty, respectively, based on:

- The sources or cluster of sources which are causing the need for the transmission expansion; and
- The load in the area or zone associated with the need for the Transmission Expansion. (For these purposes, network customer loads embedded within a transmission provider's service area in the Transmission Zone would not be separately allocated any costs as such loads would be paying their load ratio share of the affected transmission provider's costs.)

9.3.7.3 Initially, there are six zones in the FRCC region. A request by a party to modify one or more zones should be substantiated on its merits (e.g., technical analysis, area of limited transmission capability). Below are principles that will guide how the boundaries of zones are determined:

- Electrically, a substantial amount of the generation within a zone is used to serve load also within that zone.
- Transmission facilities in a zone are substantially electrically independent of other zones.
- Zones represent electrical demarcation areas in the FRCC transmission grid that can be supported from a technical perspective.

9.3.7.4 The Financial Assistance provided to an Affected Transmission Owner related to one or more transmission service requests keyed to new

sources of power is subject to repayment without interest over a ten year period through credits for transmission service charges by the funding party and at the end of ten years through payment of any outstanding balance.

#### 9.3.8 Implementation and Dispute Resolution Process:

9.3.8.1 As soon as practical after a Transmission Owner shall have identified itself as an Affected Transmission Owner because of the need for a Remedial Upgrade, that Transmission Owner and parties whose actions shall have contributed, or are reasonably expected to contribute, to the need for that Remedial Upgrade which may be responsible for providing Financial Assistance in connection therewith in accordance herewith shall enter into good faith negotiations to: (i) confirm the need and cause for the Remedial Upgrade and their respective responsibilities for providing Financial Assistance to the Affected Transmission Owner, and (ii) establish a fair and reasonable schedule and means by which such Financial Assistance is to be provided to the Affected Transmission Owner.

9.3.8.2 In the event the parties identified in the foregoing paragraph are unable to reach agreement on the determination and or assignment of cost responsibility within a sixty (60) day period,

the dispute shall be referred to the parties' designated senior representatives, who have been previously identified, for resolution as promptly as practicable and written notice shall be provided to the Florida Public Service Commission.

9.3.8.3 In the event the senior designated representatives are unable to resolve the dispute within sixty (60) days by mutual agreement, such dispute may be submitted to any bodies having jurisdiction over the matter.

9.3.8.4 Nothing in this document is intended to abrogate or mitigate any rights a party may have before any regulatory or other body having jurisdiction.

9.3.8.5 During those circumstances in which this Section 9.3.8 pertaining to Dispute Resolution Process is being utilized due to parties being unable to reach agreement on the determination or assignment of cost responsibility associated with a Remedial Upgrade(s), the parties shall continue in parallel with the Dispute Resolution Process with the engineering, permitting and siting associated with the Remedial Upgrade(s). The fact that a matter is subject to Dispute Resolution hereunder shall not be a basis for any party being relieved of its obligations under this document.

9.4 Costs of economic transmission facility improvements that are specifically related to economic projects that were evaluated in the economic planning study process (versus transmission facility improvements undertaken, for example, pursuant to a transmission service request or to resolve reliability issues) will be subject to the following cost allocation methodology. The costs of the economic transmission projects will be allocated proportionally to the project participant(s) (based on the MW requested by a participant(s)) which elect to proceed with the installation of such transmission improvements. The project participant(s) which commit to the transmission improvements will receive firm transmission service. The project participant(s) which take firm transmission service will be entitled to a monthly credit against its transmission service bill. If after twenty years of taking transmission service the project participant(s) has not fully offset the initial investment with transmission service credits, such participant(s) shall receive the balance of the outstanding credits for the initial transmission investment. The Transmission Provider may seek approval from appropriate state and federal regulatory bodies to incorporate, at the appropriate times, the credits that are provided to the project participant(s) in taking transmission service into retail and wholesale rates respectively.

## **Section 10 Recovery of Planning Costs**

10.1 Planning study costs incurred by the Transmission Provider in the performance of studies requested by a customer/stakeholder associated with

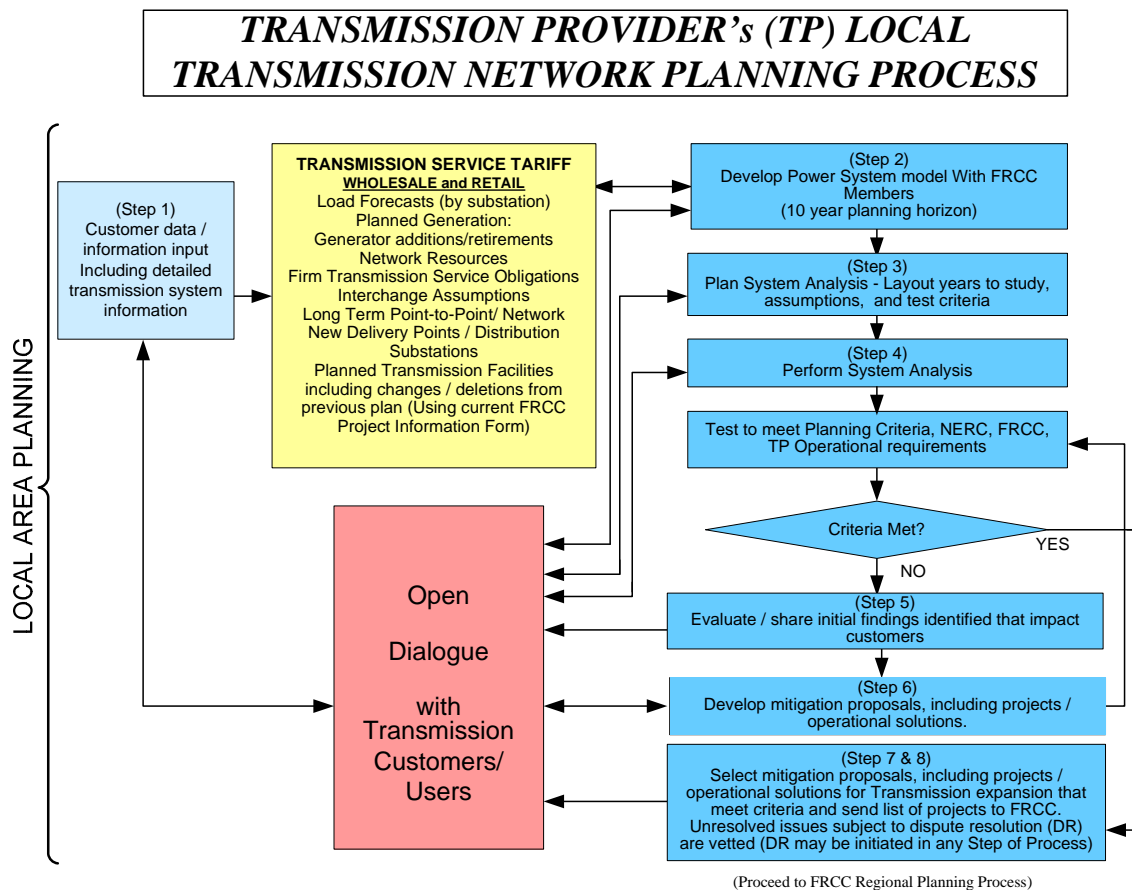
transmission service or generator interconnection service are separately addressed in this tariff under provisions that require the customer/stakeholder to pay the cost of such studies. Planning study costs incurred by the Transmission Provider in the performance of the first five economic planning studies will be absorbed by the Transmission Provider in its normal course of business of performing its obligations under this Attachment K. The cost of the sixth and additional economic planning studies in a calendar year will be assessed to the requesting entity as set forth in Section 8.1. Other general transmission planning costs not associated with the above studies are routine cost-of-service items that would be reflected in both wholesale and retail transmission rates as appropriate.



**Appendix 1 to Attachment K**

**Local Transmission Network Planning Process – Process Description**

The Local Transmission Network Planning Process (“Local Process”) is performed annually with the Transmission Provider’s plan being finalized on or about April 1st of each calendar year. The times shown (in months) for each of the steps contained in the Local Process are target dates that recognize some potential overlapping of the various activities. The Transmission Provider may develop a different timeline where warranted with the concurrence of the Transmission Provider’s Customers/Stakeholders. The timelines and dates in this Appendix 1 to Attachment K are to be used as guidelines subject to modification (modified or expedited) as warranted. It is also recognized and understood that under the Transmission Provider’s OATT, there are certain FERC mandated timelines that are applied to Transmission Service Requests (“TSRs”) and Generator Interconnection Service Requests (“GISRs”) that may conflict and be of higher priority than the Local Process. Therefore, Transmission Provider’s receipt of TSRs and/or GISRs may require the modification, from time to time, of the timelines described below.



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## Local Transmission Network Planning Process – Process Description

### Overview:

- The Transmission Provider, which is ultimately responsible for the development of the Transmission Provider's annual 10 Year Expansion Plan, will lead the Local Process on a coordinated basis with the Customers/Stakeholders. This Local Transmission Planning Process will be implemented in such a manner as to ensure the development of the Local Transmission Plan in a timely manner. The Transmission Provider will facilitate each meeting throughout the process. The Transmission Provider will encourage an open dialogue and the sharing of information with Customers/Stakeholders (subject to confidentiality requirements and FERC Standards of Conduct<sup>4</sup>) in the development of the Local Transmission Plan.
- Customers/Stakeholders are invited to participate in the Transmission Provider's Local Process.
- The Local Process will comply with the FERC nine principles as well as the provisions below.
- All annual initial kick-off meetings will be open to all Customers/Stakeholders and noticed by the Transmission Provider to all Customers/Stakeholders with sufficient time to arrange for travel planning and attendance (two week minimum). The annual initial kick-off meeting will be a face-to-face meeting; otherwise, with the consent of the Customers/Stakeholders, meetings may be organized as face-to-face meetings, conference calls, web-ex events, etc., wherein the dialogue and communications will be open, direct, detailed, and consistent with the FERC Standards of Conduct and confidentiality requirements.
- The Customers/Stakeholders may initiate the dispute resolution process at any point in the Local Process where agreement between the Transmission Provider and Customer(s)/Stakeholder(s) cannot be reached.
- The entities generally responsible for undertaking the tasks described below are designated as the TP (Transmission Provider) and/or the S (Customers/Stakeholders).

The study process will include the following steps:

### A. Data Submission Requirements (STEP 1 – 3 months)

In order for The Transmission Provider to carry out its responsibility of developing the Transmission Provider's annual 10 Year Expansion Plan and leading the Local Process on a coordinated basis with the Customers/Stakeholders, data submission by the Customer/Stakeholder on a timely manner (on or before January 1<sup>st</sup> of each

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<sup>4</sup> The provision for handling of information also applies to all steps of the Local Process.

year) is essential. As such, the following data submission requirements from Customers/Stakeholders to the Transmission Provider are established. The Customers/Stakeholders will submit data to the Transmission Provider in a format that is compatible with the transmission planning tools in common use by the Transmission Provider. The Transmission Provider will identify the data format to be used by the Customers/Stakeholders for all data submissions, or absent a Transmission Provider identified data format, the Customers/Stakeholders will use their discretion in selection of data format. Examples of data that may be required are:

- Load forecasts, if appropriate:
  - Coincident and non-coincident Peak load forecasts will be provided for the subsequent 11 years, for each summer and winter peak season, with real power and reactive power values for each load serving substation (reflected to the transformer high-side) or delivery Point, as applicable.
- Transmission Delivery Points, if appropriate:
  - Delivery Point additions and/or Delivery Point modifications that have not previously been noticed to the Transmission Provider will be communicated by the Customer/Stakeholder to the Transmission Provider via the standard Delivery Point Request letter process.
  - Delivery Point additions and/or Delivery Point modifications that have not previously been included in the FRCC Databank Transmission Planning models will be provided by the Customers/Stakeholders to the Transmission Provider via the standard FRCC Project Information Sheet ("PIF") per the attached Transmission Provider provided form and by the Siemens PTI PSS/E IDEV file format, compatible with the Siemens PTI PSS/E version in common use throughout the FRCC Region at that time.
- Network Resource Forecast, if appropriate:
  - Network Resource forecasts will be provided for the subsequent 11 years, for each summer and winter peak season. At a minimum, the following data will be provided: 1. the name of each network resource; 2. the total capacity of each network resource; 3. the net capacity of each resource; 4. the designated network capacity of each resource; 5. the Balancing Authority Area wherein each network resource is interconnected to the transmission grid; 5. the transmission path utilized to deliver the capacity and energy of each network resource to the Transmission Provider's transmission system; 6. the Transmission Provider's point of receipt of each network resource; 7. the contract term of each network resource, if not an owned network resource; and 8. the dispatch order of the entire portfolio of network resources (subject to confidentiality requirements and Standards of Conduct).
- How, where, and to whom, the data will be submitted to:
  - If hardcopy, the Transmission Provider will provide the mailing address;

- If faxed, the Transmission Provider will provide the fax number;
- If e-mailed, the Transmission Provider will provide the e-mail address;
- If delivered to a password protected FTP site or e-vault, the Transmission Provider will provide the folder for the data, the contact person to be notified of the data delivery, etc. consistent with confidentiality requirements and FERC Standards of Conduct.

The Transmission Provider will provide the name and contact details for the Transmission Provider point of contact for data submittal questions.

**B. Stakeholder Data Submissions (S) (STEP 1 – con’t)**

- On or before January 1<sup>st</sup> of each calendar year, the Customers/Stakeholders will submit the required data (as directed by the Transmission Provider procedures communicated in A. above), plus any additional data that they believe is relevant to the process.
- On or before January 1<sup>st</sup> of each calendar year, the Customers/Stakeholders will submit to the Transmission Provider the name(s) and contact details for those individuals that will represent them as the point(s) of contact for resolution of any data submittal or study questions/conflicts.
- On or before January 1<sup>st</sup> of each calendar year, the Customers/Stakeholders will submit the name(s) of those individuals that will represent them during the FRCC Data Bank Transmission Planning Model development process and throughout the Local Process. Name(s), contact details, and their FERC Standards of Conduct status (i.e., Reliability Only, Merchant function, etc.) will be provided. The contact individuals can be changed by the Customers/Stakeholders with notice to Transmission Provider.

**C. FRCC Data Bank Transmission Planning Model Development Process (TP/S) (STEP 2 – 2 months)**

- The FRCC Regional Data Bank Development Process will control the model development schedule and work product as established by the applicable FRCC Working Group.

**D. Kick-off for Transmission Provider's Local Transmission Network Planning Process (STEP 2 – con't - 1 month)**

- The Transmission Provider will, approximately two (2) weeks prior to the second quarter initial kick-off meeting (or other date, if Transmission Provider and Customers/Stakeholders agree), communicate via e-mail with all Customers/Stakeholders the schedule/coordination details of the Transmission Provider's Local Process kick-off meeting(s). Customer/Stakeholder shall provide to Transmission Provider a confirmation of their intent to participate in the initial kick-off meeting at least three (3) days prior to such meeting. (TP)

- The Transmission Provider will, in advance of the Kick-off meeting(s), with sufficient time for Customer/Stakeholder review, provide to the Customers/Stakeholders a proposed study schedule, the NERC and FRCC Reliability Standards that will apply to the study, and/or guidelines that will apply to the study and Transmission Provider developed criteria that will apply to the study. (TP)
- The initial Kick-off meeting in the second quarter of the calendar year will begin the Transmission Provider's Local Process. The Transmission Provider will review and validate the input data assumptions received from each Customer/Stakeholder, discuss the proposed study schedule, and discuss the study requirements, which will include, but not be limited to, the following:
  - The methodologies that will be used to carry out the study (TP/S)
  - The specific software programs that will be utilized to perform the analysis (TP)
  - The Years to study (TP/S)
  - The load levels to be studied (e.g., peak, shoulder and light loads) (TP/S)
  - The criteria for determining transmission contingencies for the analysis (i.e. methods, areas, zones, voltages, generators, etc.) (TP/S)
  - The Individual company criteria (i.e., thermal, voltage, stability and short circuit) by which the study results will be measured (TP/S)
  - The NERC reliability standards by which the study results will be measured (TP/S)
  - The FRCC reliability standards and requirements by which the study results will be measured (TP/S)
  - Customer/Stakeholder proposed study scenarios for Transmission Provider consideration in the analysis (TP/S)
- The kick-off process will be complete when the schedule, standards, criteria, rules, tools, methods and Customer/Stakeholder participation are finalized for the study process to (described below) begin. (TP/S)

#### **E. Case Development (TP) (STEP 3 – 1 month)**

- Utilizing all of the data received from the Customers/Stakeholders during the data submission stage and the standards, criteria, rules, tools, and methods determined in the kick-off meeting(s), the Transmission Provider will develop the base case models to be used for the study. These models will be developed in the Siemens PTI PSS/E file format, compatible with the Siemens PTI PSS/E version in use by the Transmission Provider.
- Utilizing all of the data received from the Customers/Stakeholders during the data submission stage and the standards, criteria, rules, tools, and methods determine in the kick-off meeting, the Transmission Provider will develop the

change case models to be used for the study. These models will be developed in the Siemens PTI PSS/E file format, compatible with the Siemens PTI PSS/E version in use by the Transmission Provider.

- The Transmission Provider will electronically post and provide notice to the Customers/Stakeholders of the posting of the base case models, the change case models and/or the IDEV files.

#### **F. Perform System Analysis (STEP 4 - 1 to 2 months)**

- The Transmission Provider will perform the study analyses (verification that thermal, voltage, stability and short circuit values meet all planning criteria) and produce the initial unfiltered, un-processed input data, output data and files. (TP).
- The Transmission Provider will electronically post and provide notice to the Customers/Stakeholders of the posting of the initial unfiltered, un-processed input data, output data and files. (TP/S)

#### **G. Assessment and Problem Identification (STEP 5 - 1 month)**

- The Transmission Provider will evaluate the initial unfiltered, un-processed output data to identify any problems / issues for further investigation. The Transmission Provider will document, electronically post, and provide notice to the Customers/Stakeholders if there is an impact to them of the posting of the evaluation results documentation associated with the impact to the Customer/Stakeholder. (TP/S)
- The Customers/Stakeholders may perform their own additional sensitivities. (S)

#### **H. Mitigation / Alternative Development (STEP 6 - 1 to 2 months)**

- The Transmission Provider will identify potential solutions / mitigation proposals to address problems / issues. (TP)
- The Transmission Provider will document, electronically post, and provide notice to the Customers/Stakeholders of the posting of the identified potential solutions / mitigation proposals to address problems / issues related to the impacted Customer(s)/Stakeholder(s).
- The Customers/Stakeholders may provide alternative potential solutions / mitigation proposals for the Transmission Provider to consider. Such information shall be provided in IDEV format and posted. (TP/S)
- The Transmission Provider will determine the effectiveness of the potential solutions through additional studies (thermal, voltage, stability and short circuit). The Transmission Provider may modify the potential solutions, as necessary, such that required study criteria are met. (TP)
- The Transmission Provider will identify feasibility, timing and cost-effectiveness of proposed solutions that meet the study criteria. (TP/S)

**I. Selection of Preferred Transmission Plan (STEP 6 con't - 1 to 2 months)**

- The Transmission Provider, in consultation with the Customers/Stakeholders, will compare the alternatives and select the preferred solution / mitigation alternatives based on feasibility, timing and cost effectiveness that provide a reliable and cost-effective transmission solution, taking into account neighboring transmission providers' transmission plans. (TP/S)
- In case of Transmission Provider and Customer/Stakeholder dispute, the dispute resolution process described in Section 6.1 will be utilized. (TP/S)

**J. Send Selected Local Transmission Network Plan Results (Transmission Provider's Ten Year Expansion Plan) to the FRCC (STEPS 7 & 8 - 1 to 2 months)**

- The Transmission Provider will submit the Transmission Provider's proposed local transmission network plan results (the Transmission Provider's 10 Year Expansion Plan) to the FRCC for posting with other transmission plans as the FRCC's initial regional transmission expansion plan (reference the Initial Plans on the FRCC website), along with an indication whether there are any pending disagreements regarding the Plan (and if there are, will elicit from the dissenting entity(ies), and provide, a minority report regarding such differences of opinion). The Transmission Provider's 10 Year Expansion Plan will include all transmission system projects without differentiation between bulk transmission system projects and lower voltage transmission system projects (i.e. all projects 69 kV and above). This Transmission Provider submittal to the FRCC will be made on or about April 1 and will become part of the Initial FRCC Regional Plan. (TP)
- The FRCC Regional Planning Process will now start and the FRCC Regional Planning Process rules and guidelines will now control the transmission planning process. (TP/S)
- Following completion of the Transmission Provider's submission of the local transmission network plan results (the Transmission Provider's 10 Year Expansion Plan) to the FRCC, the Transmission Provider will, either directly or through the FRCC project status reporting process, make available to the Customers/Stakeholders project descriptions, project scheduled in-service dates, project status, etc. for all projects. This information should be updated no less often than quarterly. (TP)

**Appendix 2 to Attachment K****FRCC Quorum and Voting Sectors**

Note: The below descriptions of the FRCC's Quorum and Voting provisions were extracted from the FRCC Rules of Procedure for FRCC Standing Committees. The Planning Committee is one of the Standing Committees within the FRCC.

**A. Quorum**

Representation at any meeting of the standing committees of 60% or more of the total voting strength of the Standing Committee, shall constitute a quorum for the transaction of business at such meeting; provided, however, that action on matters dealing with the scope or funding of Member Services shall require sixty percent (60%) or more of the total voting strength of members of the Standing Committee representing Voting Members that are Services Members; and provided further that a quorum shall require that at least three (3) Sectors are represented, all three of which shall be Sectors, a majority of the members of which are Services Members in the case of a quorum for action on matters governing Member Services.

If a quorum is not present at any meeting of the standing committees, then no actions may be taken for the purpose of voting. The representatives present may decide to have discussions concerning agenda items as long as voting is not called.

**B. Voting**

Voting is by Sector. Each voting representative present at a meeting is assigned a vote equal to the voting strength of their Sector, as provided in this section, divided by the number of voting representatives present in that Sector, except that no voting representative present at a meeting shall have more than one (1) vote, except an Investor Owned Utility Sector voting representative who may have up to 1.167 votes. Action by the Standing Committee shall require an affirmative vote equal to or greater than sixty percent (60%) of the total voting strength of the Standing Committee.

**Sector Votes**

(1) Suppliers Sector	2.5 Votes
(2) Non-Investor Owned Utility Wholesale Sector	2 Votes
(3) Load Serving Entity Sector	
Municipal	0.5 Vote
Cooperative	0.5 Vote
(4) Generating Load Serving Entity Sector	3.0 Votes



ORLANDO UTILITIES COMMISSION

Open Access Transmission Tariff  
Original Sheet 176

(5) Investor Owned Utility Sector  
(6) General

3.5 Votes  
1 Vote

Total 13 Votes

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**ATTACHMENT L**

**Creditworthiness Procedures**

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider will require the Transmission Customer to complete credit review procedures. The Transmission Provider's credit review procedures are posted on its OASIS.