Southern Company Transmission
General Business Practices

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General Guidelines and Requirements

Transmission services are provided by Southern Companies (collectively, Southern Company Services, Inc., for itself and as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company and Mississippi Power Company) in accordance with the *Open Access Transmission Tariff of Southern Companies* ("Tariff") and with applicable FERC Orders, including, but not limited to, Order Nos. 638, 888, 889, 890, 2003, and 2006. NERC and NAESB Reliability Standards also contain guidance and requirements for providing transmission services. These Business Practices explain Southern Companies implementation of various aspects of those orders and Reliability Standards. The practices are subject to change at the discretion of Southern Company Transmission.

Applying for Transmission Service

Provisions for Point-to-Point Transmission Service are set forth in Part II of the Tariff, provisions for Network Integration Transmission Service are set forth in Part III of the Tariff and provisions for generator Interconnection Service are set forth in Attachments J, J-1 and J-2 of the Tariff.

Firm Point-to-Point Transmission Service

Application requirements for firm Point-to-Point Transmission Service are outlined in Section 17 of the Tariff. A service agreement in the form of Attachment A (without the specification sheet) to the Tariff must be executed by an Eligible Customer to procure Short-Term Firm Point-to-Point Transmission Service. The executed agreement serves as an umbrella agreement governing all Short-Term Firm Point-to-Point transactions for the Eligible Customer with the Transmission Provider. A service agreement in the form of Attachment A will be required for each long-term firm, Point-to-Point Transmission Service contract.

Non-Firm Point-to-Point Transmission Service

Application requirements for non-firm Point-to-Point Transmission Service are outlined in Section 18 of the Tariff. A service agreement in the form of Attachment B to the Tariff must be executed by an Eligible Customer to procure Non-Firm Point-to-Point Transmission Service from the Transmission Provider. The executed agreement serves as an umbrella agreement governing all Non-Firm Point-to-Point Transmission Service transactions for the Eligible Customer with the Transmission Provider.

Network Integration Transmission Service

A Network Integration Transmission Service Agreement (Attachment F) and Network Operating Agreement (Attachment G) are used in the procurement of Network Integration Transmission Service. Application requirements are outlined in Section 29 of the Tariff.

Generator Interconnection Service

Procedures for interconnecting large generators (>20 MW) to Southern Companies' Transmission System are described in Attachment J to the Tariff. Study procedures for the NRIS product are described in Attachment J-1. Small Generator Interconnection procedures (≤20 MW) are described in Attachment J-2.

Creditworthiness

Attachment Q to the Tariff outlines creditworthiness requirements for conducting business under the Tariff. Additional implementing details are provided in the *Credit Manual* that is posted on Southern Companies' OASIS. For any Public Power Entity Customer who is a municipal or electric cooperative, ratings from General Obligation and Revenue bonds are acceptable to submit for review. However, the associated ratings agency will be contacted by Southern Companies to determine whether this bond(s) is considered a secured or unsecured rating.

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Rates and Charges

Bulk and Sub-transmission charges are determined in accordance with the formula rate manual in **Attachment M** to the Tariff. **Ancillary services** and related charges are noted in **Schedules 1 through 6 and 10 of the Tariff.**

Other Fees and Charges

Annual Credit Review Fee	$750.00
Transmission Planning Base Case and/or other model files	$250.00
Study ~~Request~~Invoice Processing Fee (per request)	~~$250~~ $300.00
Extensions to Commencement of Service (Tariff Section 17.7)	One Month Tariff Charges for every year or portion thereof not to exceed 5 years.
Service Application Deposit (Long -Term Service)	One Month estimated Tariff Charges including ancillaries for maximum single year capacity requested.
NITS/PTP Deposit Request Processing Fee (per request)	$300.00 when request is Declined, Displaced, Invalid, Refused, Retracted, or Withdrawn. No fee when request is Confirmed and Executed.
NITS/PTP System Impact Study ~~Fee~~Prepayment	$10,000 ~~up front payment~~prepayment trued-up to actual charges.
NITS/PTP Facilities Study ~~Fee~~Prepayment	$10,000 ~~up front payment~~prepayment trued-up to actual charges.
NITS/PTP Cluster Study ~~Fee~~Prepayment	$10,000 ~~up front payment~~prepayment trued-up to actual charges (allocated on an equal basis among participants).
Generator Interconnection Pre-Application Report Fee	$300.00 (non-refundable)

Large Generator Interconnection ~~(costs trued-up to actual or carried forward to next phase of process)~~Deposit Schedule[1]

Application Review Deposit	$10,000
Interconnection Feasibility Study ~~Fee~~Deposit	$10,000
Interconnection System Impact Study ~~Fee~~ Deposit	$50,000
Interconnection Facilities Study ~~Fee~~Deposit	$100,000

Small Generator Interconnection Deposit Schedule[1]

Application Review Deposit	$1,000
Interconnection Feasibility Study Deposit	up to $1,000 (See Attachment ~~J-2 of Tariff)~~ 6 to SGIP for details)

~~***Ancillary Services***~~

[1] Customer is responsible for actual study costs; excess amount of any deposit will be carried forward to next phase of process.

~~Effective March 1, 2014, a transmission customer will be automatically invoiced for Schedule 1 (Scheduling, System Control and Dispatch Service) and Schedule 2 (Reactive Supply and Voltage Control from Generation Sources Service) charges based on such transmission customer's reserved transmission service capacity, unless otherwise set forth in the transmission customer's service agreement. Therefore, the transmission customer does not need to make reservations for these two ancillary services on OASIS. The current rates for Schedule 1 and Schedule 2 are specified on the Tariff Rate Summary page. With respect to reassigned transmission capacity, Southern Company Transmission will invoice the Reseller, but not the Assignee, for Schedule 1 and Schedule 2 charges.~~

Interconnection System Impact Study Deposit	$12,500 (See Attachment 7 to SGIP for details)
Interconnection Facilities Study Deposit	$25,000 (See Attachment 8 to SGIP for details)

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Billing Practices

Transmission service (*e.g.*, Point-to-Point or Network Integration) is billed one month in arrears, typically within the first five (5) business days of the month following the provision of service. Payments are delinquent if not made within twenty (20) days of issuance of the invoice. Per Attachment M of the Tariff, customers are billed the projected annual rates for Bulk and Sub-transmission as specified in an annual informational filing on November 1st of each year (projecting the following year's rates). Yearly and monthly transmission service, if not offered at a discounted rate, will be billed monthly using the current projected transmission rate for the billing month. In May of each calendar year, the previous calendar year transmission rate is calculated with actual cost and load data and trued-up with the charges billed for all long-term transmission service during that previous year.

Interconnection O&M charges are billed on an estimated basis during each calendar year and trued-up annually. Interconnection administration fees are contract specific and billed on a monthly basis.

Southern Company Transmission performs certain transmission and interconnection studies for customers. Actual study costs are accumulated by the Transmission Financial and Accounting Services department and billed separately from the normal settlement activity. Prepayment of study costs is typically requested from the transmission customer before any work is initiated. At the completion of the study, and when actual costs have been accumulated, the customer will be invoiced or refunded the difference between the prepayment and actual study costs.

Invoice Details

The invoice contains the following information:

1. The Southern Company corporate logo.
2. The Southern Company Transmission invoice number. This number will be used as an external and internal tracking identification tool.
3. The customer billing address as provided to Southern Company Transmission through the customer registration process. This information, in addition to the invoice number and the contact person, will also be used for invoice identification purposes.
4. The invoice date is the date the payment terms commence. For example, an invoice dated August 2, ~~2008~~2016 would be due for remittance within 20 calendar days from August 2, ~~2008~~2016 (i.e., August 22, ~~2008~~2016). If the due date falls on a Saturday, Sunday or Federal holiday, the actual due date would fall to the next official business day.
5. Amount due for services under the Southern Companies' Tariff.

Remittance Information

1. *Wire or ACH Transfers* – As required by Section 7.1 of the Tariff, "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." The electronic funds information is Southern Company Transmission's bank account number where electronic funds and/or wires can be deposited (*see*, "Invoice Payment Methods" section below).
2. *Billing customer service* – Southern Company Transmission is dedicated to providing excellent customer service. If you have any questions regarding your invoice and/or billing information, please contact our customer service representative shown on the invoice.
3. *Federal Tax ID* – Southern Company Transmission's tax identification number is provided to our Network Integration Transmission Service customers for informational purposes in case it is needed by a customer's accounts payable department.

Invoice Payment Methods

All customers are expected to pay the full invoiced amount each month, per the Tariff. Customers may wire payment funds directly to Southern Company Transmission using the following wire instructions:

Financial Institution: Bank of America, Dallas, TX
ABA Number: ACH: 111000012
Wire: 026009593
For Credit to: TPO - Transmission
Account ~~Number:~~ No.: 3751237776

The Tariff requires that all invoice payments are to be received in immediately available funds. However, customers have the option to pay their transmission invoices via check even though a check is not considered to be immediately available funds. To effectuate such payments by check customers are requested to present their checks ten (10) days before the invoice due date. This ten (10) day period provides time to deposit the check and for it to clear the customer's bank account, thus permitting the payment to be considered immediately available funds as of the invoice due date. If a customer presents payment via check within the ten (10) day period, it will be deposited according to Southern Company Transmission procedures, but may not be immediately available funds as of the invoice due date.

Late Payments and Customer Defaults

In accordance with Section 7.3 of the Tariff, transmission customers are considered to be in default if all or part of a non-disputed invoice amount has not been paid on or before the invoice due date. Southern Company Transmission will send failure to pay notices to customers that have not paid their invoices on time. Southern Company Transmission grants a cure period of five (5) days after the invoice due date to allow for curing late payments. If it is determined that the customer will not make the appropriate funds available, the customer's eligible collateral (*e.g.*, letter of credit or parent guaranty) will be drawn to complete the required payment after the cure period. Upon receiving payment for a late account, an interest calculation will be used to determine interest that will appear on the following month's invoice.

In accordance with Section 7.2 of the Tariff, 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 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the invoice to the date of payment.

Dispute Resolution

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.

Any dispute between a transmission customer and Southern Company Transmission must be initiated prior to the invoice due date. This process begins by completing the *Southern Billing Dispute Identification Questionnaire* posted on OASIS and emailing it to the Southern Companies' contact identified on the form.

Ancillary Services Settlement

Effective March 1, 2014, a transmission customer will be automatically invoiced for Schedule 1 (Scheduling, System Control and Dispatch Service) and Schedule 2 (Reactive Supply and Voltage Control from Generation Sources Service) charges based on such transmission customer's reserved transmission service capacity, unless otherwise set forth in the transmission customer's service agreement. Therefore, the transmission customer does not need to make reservations for these two ancillary services on OASIS. The current rates for Schedule 1 and Schedule 2 are specified on the Tariff Rate Summary page. With respect to reassigned transmission capacity, Southern Company Transmission will invoice the Reseller, but not the Assignee, for Schedule 1 and Schedule 2 charges.

Transmission Service Application Deposits

As documented in Section 17.3 of the Tariff, a completed 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. Section 29.2 of the Tariff provides that an application for Network Integration Transmission Service shall include a deposit approximating the charge for one month of service.

Penalties for Unreserved Use of the Transmission System

Consistent with FERC's direction in Order No. 890 and effective as of July 13, 2007, the penalty rate for all unreserved usage of the Transmission System **including both Network Integration Service and Point-to-Point Transmission Service** is **200%** unless otherwise specified in the customer's transmission service agreement.[2] Additionally, in accordance with Order No. 890, penalties for unreserved use are based on the Firm Point-to-Point Transmission Service rate as follows:

> ***Daily Rate*** *(applicable On-Peak or Off-Peak) - for unreserved use on one or more hours in a calendar day.*
>
> ***Weekly Rate*** *- for unreserved use on more than one day in a calendar week.*
>
> ***Monthly Rate*** *- for unreserved use on more than one day in two calendar weeks during a calendar month (i.e., the 2nd instance of a weekly penalty during the calendar month).*

Additionally, the capacity value used in the penalty charge calculation will be the maximum amount of the unreserved usage during the assessment period[3]. For example, the capacity multiplied by the weekly rate will be the maximum hourly unreserved use during the calendar week.

Partial calendar weeks at the first and last of a calendar month will be considered to be a calendar week in the determination of the number of unreserved use occurrences.

For **Ancillary Services**, a 200% penalty for unreserved use will be applied at the posted hourly rates for all hours not appropriately reserved and scheduled.

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[2] The 200% penalty applies to both Network Integration and Point-to-Point Transmission Service. *See, Southern Company Services, Inc*., 123 FERC ¶ 61,030 (April 14, 2008) ("Order Accepting Compliance Filing, As Modified") at PP 15, 16.

[3] The assessment period includes 15-minute scheduling intervals.

Examples

1. OVER-SCHEDULE

Schedule = 100 MW (as shown on E-Tag)
Reservation = 90 MW (Confirmed on OASIS)

Unreserved Use = Schedule – Reservation
Unreserved Use = 100 – 90
Unreserved Use = 10 MW

2. OVER-REDIRECT

Original Reservation = 100 MW (Confirmed on OASIS)
Redirect $\text{Reservation}_{(1)}$ = 90 MW (Confirmed on OASIS)
Redirect $\text{Reservation}_{(2)}$ = 50 MW

Unreserved Use = $\sum$ (Redirect Reservations) - Original – Reservation
Unreserved Use = 140 – 100
Unreserved Use = 40 MW

As a result of manual processing, Southern Company Transmission may inadvertently approve an E-Tag that contains inaccuracies submitted by the transmission customer. This inadvertent approval in no way relieves the customer of the requirement to supply accurate scheduling information. The transmission customer is still subject to the imposition of an unreserved use penalty, where warranted, regardless of E-Tag approval by Southern Company Transmission. Ultimately, it is the responsibility of the transmission customer to ensure the appropriate transmission capacity is reserved and correctly scheduled.

If the transmission customer believes that a penalty has been applied in error, the customer should complete the *Southern Billing Dispute Identification Questionnaire* posted on OASIS and email it to the Southern Companies' contact identified on the form.

Practices for Responding to Short-Term Transmission Requests

Both Transmission Provider and customer reservation response times are defined in FERC Order No. 638. Southern Company Transmission processes **weekly and monthly** OASIS service requests manually.

Service Request Timing Tables

To review the timing table configurations for the various service request types and increments, please see the *OATI Service Timing Configuration* posted on OASIS.

Priority for Short-Term, Pre-Confirmed Service Requests

Pursuant to Order No. 890, pre-confirmed requests for short-term firm and non-firm service will be given priority over non pre-confirmed competing requests of the same class, type, and duration. This pre-confirmed priority includes preemption rights over non pre-confirmed competing requests which are in a pending state such as ACCEPTED.

Short-Term Requests Extending beyond OASIS Postings

Any requests for short-term Firm transmission service extending beyond service periods that are posted on OASIS will be invalidated. Only requests for long-term Firm Point-to-Point Transmission Service or Network Integration Transmission Service will be evaluated for service periods beyond what is posted on OASIS at the time the requests are submitted.

Duplicate Request Policy

Duplicate requests by the same customer exceeding posted Available Transfer Capability for an interface will be invalidated. Duplicate requests are defined as requests for the same product having the same POR and POD, over a common service period. This policy is intended to promote fair and timely access to available offerings for all market participants.

Requirements for Designating/Undesignating Network Resources

Please refer to the *"Procedures for Reserving Transmission Capacity for Future Load Growth, Designating/Undesignating Network Resources, and Arranging for Other Related Services"* business practice posted on OASIS.

Redirect Options and Processing

Redirects are only allowed from unconditional parent reservations. Any redirect request from a conditional parent reservation (i.e., it has not passed the conditional reservation deadline, as defined in Section 13.2 of the Tariff) will have its status set to INVALID.

Discounted Transmission Service

Southern Companies, from time to time, may post discounted Point-to-Point Transmission Service offerings consistent with the Tariff. In addition, a Transmission Customer may submit a **pre-confirmed** request for discounted Point-to-Point Transmission Service via OASIS in accordance with NAESB WEQ-001 standards. Southern Companies reserve the right to counteroffer or decline the Transmission Customer's request to negotiate for discounted Point-to-Point Transmission Service.

Practices for Preemption and Competition on OATI OASIS

Per NAESB ~~Business Practice~~ standards, the priorities for negotiation of service are defined by Service Request Tiers. Listed below are the Service Request Tiers relative to these practices:

- *Service Request Tier 1 – Native load, Network, or Long-term Firm Point-To-Point*
- *Service Request Tier 2 – Short-term Firm Point-To-Point*
- *Service Request Tier 3 – Secondary Network Service*
- *Service Request Tier 4 – Non-firm*

Priority for Service within Service Request Tiers

Requests will be handled on a first-come-first-serve basis according to queue date/time. In the situation where there are competing requests for a constrained resource/interface within a Service Request Tier (with the exception of Service Request Tier 1), the following priority will be used for granting service:

1. *Service Increment*
2. *Duration*
3. *Pre-confirmation Status*
4. *Price*
5. *Queue date/time*

Short-term Competition Configuration Process

~~All competitions concerning **daily and hourly** reservations will be automatically processed. Competitions involving **weekly and monthly** reservations will be conducted manually.~~

The process for handling competing requests for a constrained path/interface is outlined below:

1. ~~A~~A pre-confirmed challenger reservation enters the queue on a ~~path that is~~ constrained path.
2. Valid defender reservations are identified and ranked according to the priority of their service.
3. ~~The system then determines if~~A determination is made on whether enough capacity from the defender(s) can be made available ~~if the challenger wins.~~ to fulfill the challenger's entire requested capacity amount.
   a. If ~~there is not enough~~insufficient capacity is identified, then ~~there will be~~ no valid competition will take place and the defender(s) ~~will retain their~~retains the capacity.
   b. If ~~there is~~ enough capacity~~, the system will RECALL the capacity~~ is available from the defender(s~~) while also creating~~), then a ~~"placeholder" reservation in the webOASIS queue so the capacity is not jeopardized during the~~ competition will ensue.
4. If the defender has Right of First Refusal~~, the system will propose~~ ("ROFR"), then a valid matching offer will be proposed to the defender or the defender may choose to propose its own valid matching reservation terms.
   ~~4.~~ The defender wins the competition by ~~modifying the defender's terms to reflect the required matching terms.~~
5. ~~The defender may also change the~~confirming a valid matching reservation ~~at their discretion~~offer.
   ~~6.~~ If the defender ~~retains the capacity by accepting the~~does not confirm a valid matching ~~offer.~~
   ~~7.~~6. ~~However, if the defender refuses the matching offer~~request, then the challenger will be granted the service~~. As a result,~~ and the defender reservation will have its capacity recalled.

8.7. Based onIf the defender(s) actions,choose to only match a portion of its capacity, then the challenger may be granted partial service in which case a final counteroffer will be proposedgranted to the challenger.

9. Once this process is settled, the "placeholder" reservation is removed from the queue.

~~Valid Defenders and Rights of First Refusal~~

~~Challenger~~	~~Valid Defenders~~	~~Right of First Refusal?~~
~~Monthly/Firm/Network~~	~~Daily/Firm/PTP~~	~~No~~
	~~Weekly/Firm/PTP~~	~~No~~
	~~Monthly/Firm/PTP~~	~~No~~
~~Weekly/Firm/Network~~	~~Daily/Firm/PTP~~	~~No~~
	~~Weekly/Firm/PTP~~	~~No~~
	~~Monthly/Firm/PTP~~	~~No~~
~~Daily/Firm/Network~~	~~Daily/Firm/PTP~~	~~No~~
	~~Weekly/Firm/PTP~~	~~No~~
	~~Monthly/Firm/PTP~~	~~No~~
~~Monthly/Firm/PTP~~	~~Daily/Firm/PTP~~	~~Yes~~
	~~Weekly/Firm/PTP~~	~~Yes~~
	~~Monthly/Firm/PTP~~	~~Yes~~
~~Weekly/Firm/PTP~~	~~Daily/Firm/PTP~~	~~Yes~~
	~~Weekly/Firm/PTP~~	~~Yes~~
~~Daily/Firm/PTP~~	~~Daily/Firm/PTP~~	~~Yes~~
~~Daily/Secondary/Network~~	~~Hourly/Secondary/PTP~~	~~No~~
	~~Hourly/Non-Firm/PTP~~	~~No~~
	~~Daily/Non-Firm/PTP~~	~~No~~
	~~Weekly/Non-Firm/PTP~~	~~No~~
	~~Monthly/Non-Firm/PTP~~	~~No~~
	~~Hourly/Secondary/Network~~	~~No~~
	~~Daily/Secondary/Network~~	~~Yes~~
~~Hourly/Secondary/Network~~	~~Hourly/Secondary/PTP~~	~~No~~
	~~Hourly/Non-Firm/PTP~~	~~No~~
	~~Daily/Non-Firm/PTP~~	~~No~~
	~~Weekly/Non-Firm/PTP~~	~~No~~
	~~Monthly/Non-Firm/PTP~~	~~No~~
	~~Hourly/Secondary/Network~~	~~Yes~~
~~Monthly/Non-Firm/PTP~~	~~Hourly/Secondary/PTP~~	~~Yes~~
	~~Hourly/Non-Firm/PTP~~	~~Yes~~
	~~Daily/Non-Firm/PTP~~	~~Yes~~
	~~Weekly/Non-Firm/PTP~~	~~Yes~~
	~~Monthly/Non-Firm/PTP~~	~~Yes~~
~~Weekly/Non-Firm/PTP~~	~~Hourly/Secondary/PTP~~	~~Yes~~
	~~Hourly/Non-Firm/PTP~~	~~Yes~~
	~~Daily/Non-Firm/PTP~~	~~Yes~~
	~~Weekly/Non-Firm/PTP~~	~~Yes~~
~~Daily/Non-Firm/PTP~~	~~Hourly/Secondary/PTP~~	~~Yes~~
	~~Hourly/Non-Firm/PTP~~	~~Yes~~
	~~Daily/Non-Firm/PTP~~	~~Yes~~

Short-term Competition Lead times, Competition Deadlines, and Match Deadlines

For purposes of this practice, "competition lead time" is defined as the time the system stops accepting new challengers for a particular path/service. No new challengers will be accepted for competition after the competition lead time has passed. Likewise, "competition deadline" is when all competitions for a path/service must be completed. If all challengers/defenders have not acted on their matching offers upon reaching the competition deadline, the competition will be terminated by the system.

Challenger Service Increment	Competition Lead Time	Competition Deadline
Monthly	12:00 AM CPT, 1 month prior	8:00 AM CPT, 7 days prior
Weekly	8:00 AM CPT, 3 days prior	8:00 AM CPT, 2 days prior
Daily	8:00 AM CPT, 1 day prior	9:00 AM CPT, 1 day prior
Hourly	8:00 AM CPT, 1 day prior	9:00 AM CPT, 1 day prior

Options for Customer with Firm PTP Redirect reservation identified as defender in a competition

If a Firm PTP Redirect reservation is identified as a defender in a competition, then the defender has three (3) options in which it can proceed:

1. Allow the MATCHING reservation response time limit to expire, per the timing requirements defined in Table 4-2 of WEQ-001-4.13 (NAESB Business Practice Standards), which ends the competition.
   - The defending Redirect reservation will be displaced or recalled (in the case of a partial displacement). In the cases of a recall, the TC will receive an invoice credit based on the recalled reservation's capacity, duration, and its billable parent's increment-adjusted rate[4].
2. Confirm a valid MATCHING reservation request which ends the competition.
   - The MATCHING reservation is billable to TC but TC would receive an invoice credit for any related amount of recalled reservation capacity in the same manner as in #1 above to offset a portion of the incremental charge.
3. Request that the Interchange Desk annul the Firm PTP Redirect reservation by submitting a Southern Company Annulment Request Form located on OASIS and then, only after the annulment request has been processed, the defender should WITHDRAW the MATCHING reservation.
   - This will ensure the Redirect reservation's capacity is posted back to its Parent reservation path[5].

[4] For Daily Redirect reservation from Yearly Original reservation, the rate would be the Yearly rate divided by 52 and further divided by 7. For example: $33,174.72 / 52 / 7 = $91.14/MW-Day rate for invoice credit.
[5] Consistent with the Dynegy-Entergy FERC Order and FERC Order 676-H, a Parent reservation's capacity should be preserved if its child, a Confirmed Redirect reservation, loses its capacity on the redirected path as a result of a

Additional Notes on Competition

- Challenger service requests must be pre-confirmed and have a non-varying (flat) capacity profile for the entire requested service period.
- In certain cases, a defender's matching offer may require that the ~~challenger~~defender modify its service increment to a higher increment (e.g. hourly to daily).
- A competition is only valid if the challenger's entire amount of requested capacity is able to be granted.
- A Point-To-Point defender service request will not be charged for any such amount of recalled capacity as a result of competition.
- If a defender is preempted or chooses not to compete by withdrawing their TSR, the tag associated with their TSR is **NOT AUTOMATICALLY ADJUSTED**. Therefore, the defender is wholly responsible for appropriately adjusting the tag to avoid an unreserved usage penalty.
- Defenders with ~~Right of First Refusal ("~~ROFR~~")~~ must exercise their rights within the match deadlines shown in the following table:

Defender Service Increment	Match Deadline
Monthly	24 hours
Weekly	24 hours
Daily	24 hours
~~**Hourly**~~	~~10 minutes~~

competition. Our current OASIS software implementation does not yet support this functionality, therefore, this method of annulling the Redirect is required to comply.

Reservation & Scheduling Information

Source/Sink Requirements for Reservations

In accordance with Attachment L to the Tariff, all transmission customers taking Point-to-Point Transmission Service under the Tariff must submit OASIS reservations and schedules that designate specific and valid sources and sinks.

Southern Companies Redirect Procedures

Requirements for redirecting Firm Point-to-Point Transmission Service are summarized below.

1. In accordance with Commission policy set forth in Order No. 890 (P 1285), **any request** to redirect a Point-to-Point reservation (in whole or in part) on a firm or secondary basis shall **be treated as a new request** for service in accordance with Tariff Section 17 and should be submitted on OASIS with a Request Type of "REDIRECT."
2. Any redirect request on a firm or ~~secondary~~non-firm basis must indicate the AREF of the original or previously redirected reservation in the RELATED_REF field and must be **Pre-confirmed**.
3. An original or previously redirected firm request must be confirmed and have passed its conditional ~~acceptance~~reservation deadline (as referenced in Section 13.2 of the Tariff) to be redirected on a firm or ~~secondary~~non-firm basis.
4. The confirmed price for the ORIGINAL reservation applies to all subsequent redirected service. For example, redirects from a reservation with a discounted rate will assume this discounted rate, prorated to the appropriate increment.
5. A redirect request on a firm or ~~secondary~~non-firm basis must match an existing type of Point-to-Point Transmission Service (*e.g.*, Daily, Weekly, Monthly) with **the same or lesser service increment** than the original or previously redirected request. The start and stop times must fall within the boundaries of the original or previously redirected reservation. For example, a 4-month Monthly Firm Point-to-Point Transmission Service reservation may be redirected to a Monthly Firm, Weekly Firm, Daily Firm, or Hourly Secondary Point-to-Point reservation with a request type of "REDIRECT."
6. Once a redirect ~~request is confirmed,~~reservation passes its conditional reservation deadline (as referenced in Section 13.2 of the Tariff), capacity redirected from the parent path will be offered to the market at transmission service levels with a priority equal to or less than the redirect request.
7. No rollover rights shall attach to redirected service increments not extending to the end of the service period. In cases where the rollover notice period has expired and a request to redirect service extends to the end of the term of the original reservation, ~~the customer will only have a temporary short-term re-direct and~~then the rollover rights (if any) shall remain on the previous path.
8. If the rollover notice period has not expired, ~~as part of a request to redirect transmission service~~ then the customer may request to have rollover capability evaluated as part of a request to redirect transmission service on the new path by noting in the customer comment field "Long-Term Redirect."
9. For all requests for long-term redirects to the end of the term of the original service agreement submitted prior to expiration of the rollover notice period, a System Impact Study/Facilities Study will be required at the customer's expense and a new service agreement must be executed

for the redirected service. The new service agreement will address any applicable rollover rights and associated limitations on the proposed path identified in the studies.

Southern Relinquish Procedures[6]

Requirements for releasing secondary Point-to-Point Transmission Service are summarized below. If you have any questions, please contact Southern Companies' *OASIS Administrator*.

1. A relinquish request is only valid for secondary Point-to-Point Transmission Service.
2. Secondary Point-to-Point must have a request type of REDIRECT to be relinquished.
3. A relinquish request will be processed as an original request.

~~4.~~ A relinquish request ~~must~~can be ~~submitted as follows:~~

~~5.~~4. ~~A relinquish should be submitted~~initiated on OASIS ~~with a REQUEST_TYPE of "RELINQUISH."~~by selecting the "Relinquish" feature from the secondary Point-to-Point reservation detail screen. Note the following:

   a. A relinquish request must indicate the AREF of the reservation being relinquished in the RELATED_REF element.
   b. A relinquish request must be Pre-Confirmed.
   c. A relinquish request's capacity requested profile must be a subset of future increments of the reservation being relinquished.
      i. For example, an hourly secondary Point-to-Point may have a 24 hour profile which may be relinquished for any number of hours within the 24 hour time frame before the start time. ~~If the reservation has already started for the day then only the future increments may be relinquished.~~
      ii. ~~IMPORTANT NOTE: A relinquish request's capacity profile must be the profile that the customer wants~~If the reservation ~~to look like after the relinquish request and not the capacity profile the customer wants to~~has already started for the day, then only the future hourly increments may be relinquished.

   ~~d. A relinquish request's remaining elements must match those of the reservation being relinquished.~~

~~6.~~5. Once a relinquish request is confirmed, capacity on the reservation being relinquished will be altered and the relinquished capacity will no longer be available on the relinquished reservation.

~~7.~~6. Once a relinquish request is confirmed, capacity relinquished from that path will be offered to the market at the transmission service levels with a priority equal to or less than the relinquish reservation.

~~8.~~7. Once a relinquish request is confirmed, capacity of the related request will be updated for the amount of the relinquish request and then can subsequently be scheduled, redirected or resold.

~~9.~~8. Once a relinquish request is confirmed that status cannot be changed.

Tagging Requirements

All E-Tags submitted for approval by Southern Company Transmission must follow NERC INT Standards and E-Tag Specifications (latest specifications can be found through the NERC website). Southern Company Transmission approves E-Tags manually with some automated validation processes. E-Tags must include, among other things, valid OASIS reservations, source/sink pairs, ramp start/stop

[6] The requirements are summarized from the NAESB standard 001-10.5.3.

time, duration, MW profile and appropriate energy losses. A valid E-Tag transaction must be scheduled to start at the beginning of one of four intervals (i.e. xx:00, xx:15, xx:30, and xx:45). To ensure adequate time for approval, all valid E-Tags submitted with a transaction start time* of less than 20 minutes in the future (PSE Submit Deadline) will be considered "late" and denied; provided, however, Southern Company Transmission may, in its discretion, approve an otherwise "late" transaction if circumstances warrant (including whether it can be done in accordance with applicable reliability standards) such action. Other adjustments (including a loss of source) may only take place at the beginning of the next valid quarter hour scheduling period as long as the scheduled transaction start time* is at least 20 minutes in the future. Finally, any E-Tag submitted with OASIS reservation priorities of 7-FN and 6-NN on the same transmission link will not be allowed.

*Start time references are for start of the Transaction not the start of the ramp.

Energy Loss Rounding Practices

All E-Tags submitted with valid Point-To-Point reservations are required to supply energy losses, unless the customer is self-supplying losses. For E-Tags with transaction type of "Normal", losses are based on the total MWhrs scheduled and are rounded up for a remainder of 0.1 MW or higher.

Transmission Resale

Sale or Assignment of Transmission Service is governed by Section 23 of the Tariff. The resale of Transmission Service is facilitated through OASIS whereby Transmission Customers may post offerings to re-sell their Transmission Capacity and eligible Assignees may reserve transmission against the posted offerings. In accordance with Order No. 890, there is no price cap on resale offerings.

To be eligible to purchase transmission from a third party, an Assignee must be a registered user (*i.e.*, Eligible Customer) of Southern Company Transmission, have a valid umbrella resale service agreement with Southern Company Transmission for the products being purchased and meet the Creditworthiness requirements of the Tariff. An umbrella Attachment A-1 (without the specification sheet) between Assignee and Southern Company Transmission must be in place for short-term, interim resales or assignments of service. In accordance with FERC policy, Section 23.1 of the ~~OATT~~Tariff provides:

The Assignee must execute a service agreement with the ~~Transmission Provider~~Southern Companies governing reassignments of transmission service prior to the date on which the reassigned service commences.

Invoice/Settlement Process - To further facilitate the secondary transmission market Southern Companies will invoice the Assignee based on the final Bid price of the re-purchased transmission and Southern Company Transmission assumes the final Bid price includes all associated ancillary services. Any dispute concerning the final Bid price must be resolved between the Reseller and the Assignee. The Reseller will be invoiced for its Transmission Service in accordance with the terms and conditions of its service agreement with Southern Company Transmission. Once the Assignee pays its Southern Company Transmission invoice a credit will be posted to the Reseller's account with Southern Company Transmission. *See*, *Southern Company Services*, 123 FERC ¶ 61,030, P 32 (2008).

Permanent Assignment/Transfer

For Permanent Assignment/Transfer of long-term Point-to-Point Transmission Service, the Assignee must submit a transmission request of FULL_TRANSFER or PART_TRANSFER on OASIS and designate the Reseller as Seller at least two days before the date the reassigned service commences. Also, the Assignee

and Reseller must work with the Southern Companies to make sure (1) the Assignee is an Eligible Customer under Southern Companies' Tariff, (2) the Assignee executes a new long-term Point-to-Point Transmission Service Agreement to replace the Reseller's Transmission Service Agreement, (3) the Assignee and Reseller execute and submit a "Consent to Assign" agreement, and (4) the Reseller amends its original Point-to-Point Transmission Service agreement accordingly. Once the Reseller approves the request of selling its capacity on OASIS by changing the status to accept, Southern Companies will approve the transaction in OASIS, and as the final step of the transfer, the Assignee must confirm the transaction.

Schedule Termination

If the scheduling entity desires to expedite a schedule termination, the scheduling entity shall contact the sink control area to request the schedule termination. Southern Company Transmission shall cooperate with the sink control area and the sink security coordinator to implement a schedule termination as quickly as practicable consistent with NERC interchange and inadvertent energy accounting policies. A telephone call to the Southern Company Transmission Interchange ~~Coordinator~~Desk (205-~~257-6302~~769-7322) should be made to inform the Interchange ~~Coordinator~~Desk that an expedited schedule termination has been requested and to also provide ~~the Interchange Coordinator with~~ a listing of the E-Tags affected by the expedited schedule termination.