

Duke Energy Carolinas Duke Energy Progress Quarterly Stakeholder Meeting

1st Quarter 2014

Thursday, February 27, 2014

2:00 to 3:30 p.m. EST

Agenda

- Duke Energy Carolina's and Duke Energy Progress alignment
 - Business Practices changes
- Joint OATT update
- Pro Forma NITSA update
- Duke Energy Progress Tariff Administrator Contact
- NAESB Update - Wholesale Electric Quadrant
- Wrap-up

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

- The ultimate goal is for the customer to have the same experience on both systems
- Align practices in DEC, DEP and DEF for consistency
 - Reduce or eliminate differences in business practice language
 - Reorganization of business practices to make it easier to find specific business practices
 - Starting with DEC practices as a starting point and modifying to meet alignment needs
 - Some differences cannot be eliminated
- Three levels of alignment
 - Organizational – easily implemented
 - Functional – issues that require back-office changes
 - Regulatory – cannot be changed without filing with FERC
- Targeting release of Organizational changes and easily implemented Functional changes prior to next Stakeholder meeting
- Release additional Functional and Regulatory changes upon resolution of hold-ups.
- Next phase will seek alignment in implementation of NAESB WEQ-003 Business Practice Standards

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

- Examples of business practice alignment changes
 - Organizational
 - Changes to layout of the business practices
 - List of PTP products offered
 - All three zones will use the same forms for Designation of Network Resource , Undesignation of Network Resource and Annulment Request
 - All three zones will offer Supplemental OASIS Notification
 - Functional
 - PTP Request Submittal Timing
 - NITS Request Submittal Timing
 - Billing of Firm Redirects
 - Conditional Firm Service processing
 - Regulatory
 - Treatment of Simultaneous Submission Window (tied to request submittal timing – where a “no earlier than” requirement has been established)

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

Primary Sections of the OASIS Business Practices

1. DEC/DEF Contacts
 2. Customer Information
 3. General Transmission Service Requirements
 4. Point-to-Point Transmission Service (PTP)
 5. Network Integration Transmission Service (NITS)
 6. Tags and Scheduling
 7. Billing
- Appendix A – Business Practice Revision History

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

1. DEC Contacts
2. Customer Information
 - A. Planned Changes in Business Practices
 - i. Process
 - ii. Pending Changes
 - B. OASIS Supplemental E-Mail Notification
 - C. OASIS Help Desk
 - D. Forms
 - i. Generator Interconnection
 - ii. Designated Network Resources
 - iii. Annulment Request Form
 - iv. Resale Transmission Service Agreement (TSA)

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

3. General Transmission Service Requirements
 - A. General Transmission Service Request (TSR) business practices
 - i. OASIS System and Transmission Provider Acronym
 - ii. Reservation Accuracy
 - iii. Time Zone
 - iv. Bid Price
 - v. Reservation Profile
 - vi. ATC Calculation
 - vii. DUK as POD
 - viii. Restrictions on Withdrawal of Pending Preconfirmed TSRs
 - ix. Customer Request for Nullification Table

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

3. General Transmission Service Requirements (cont)
 - B. TSR Submittal Timing
 - C. Request Response Timing Requirements
 - D. Reservation Preemption Priorities
 - E. Preempting Requests
 - F. Rollover Rights (Reservation Priority)
 - G. Ancillary Services

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

4. Point-to-Point Transmission Service (PTP)
 - A. PTP Transmission Service Products Offered
 - B. PTP TSR Submittal Timing
 - C. PTP TSR Response Timing Requirements
 - D. Resales
 - E. Redirects of Firm Reservation
 - i. Modification on a Firm Basis (Firm Redirect)
 - ii. Redirects on a Non-Firm Basis (Non- Firm Secondary requests)
 - F. Conditional Firm Service (CFS)

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

5. Network Integration Transmission Service (NITS)
 - A. Requesting Initial NITS
 - B. Requesting DNR on OASIS
 - i. Requesting Service
 - C. Criteria for DNR
 - D. DNR Approval Process
 - E. Requesting Secondary Network Transmission Service
 - F. NITS TSR Submittal Timing
 - G. NITS TSR Response Timing Requirements
 - H. Termination of Network Service Reservations
 - i. DNR (Firm)
 - ii. Secondary Network Transmission Service (Non-firm)

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

6. Tags and Scheduling

- A. Tag Accuracy and Timing
- B. Schedule Changes
- C. Designated Network Resource (7-FN) Tags
- D. Loss Compensation

Duke Energy Carolinas-Progress Alignment

OASIS Business Practices

7. Billing

A. Creditworthiness Procedures

B. Unreserved Use

i. Defining Unreserved Use

ii. Calculating Total Unscheduled

iii. Ancillary Services

iv. Unreserved Use Penalty

v. Unreserved Use Penalty Allocation and Disbursements

C. Billing Credits for Interrupted Non-Firm Service

D. Calculation of Energy Imbalance (Ancillary Service -- Schedule 4)

E. Late Study Penalty Allocation and Disbursements

F. Non-Pancaked Transmission Rates

Joint OATT Updates

- Modifications to Reflect Corporate Name Changes
- Modifications to Correct Typographical and/or Grammar Errors
- Point-to-Point Transmission Service Products Offered
- DEP Treatment of Radials
- Update of DEP Formula Rate for FERC Form 1 and USoA References
- Modification to Description of Software Platform to Determine Incremental and Decremental Cost

Pro Forma NITSA Update

- DEC NITSA updates for all Network Customers

Duke Energy Progress Tariff Administrator

- Jim Eckelkamp – March 3, 2014
- Chip Webb - interim

NAESB Update

Review work planned for the Wholesale Electric Quadrant subcommittees

- **Business Practices Subcommittee (BPS)**
 - **Time and Inadvertent Management Task Force (TIMTF)**
- **Joint electric Scheduling Subcommittee (JESS)**
- **Cybersecurity Subcommittee (CSS)**
- **Standards Review Subcommittee (SRS)**
- **Demand Side Management and Energy Efficiency Subcommittee (DSM/EE)**
- **OASIS Subcommittee (OASIS)**

NAESB Update

Wholesale Electric Quadrant Work Assignments

BPS

- Parallel Flow Visualization and review of WEQ-008 Transmission Loading Relief Business Practice Standards
- Develop complimentary standards for NERC Project 2013-04 Voltage and Reactive Planning Control
- Coordinate with NERC on NERC Project 2012-09 IRO Review

BPS and TIMTF

- Disturbance Control Standard (DCA) (BAL-002) Coordinate with NERC Project 2010-14.1 Phase 1 of Balancing Authority Reliability-base Controls: Reserves

NAESB Update

Wholesale Electric Quadrant Work Assignments

JESS

- Review and correct WEQ-004 Coordinate Interchange Business Practice Standards as needed based on activities in NERC Project 2008-12, Coordinate Interchange Standards Revisions and supporting EOP-002-2 R4 and R6

Cybersecurity

- Review and develop standards as needed to support adequate session encryption

Cybersecurity and JESS

- Review WEQ standards for impact of XML vulnerability exploits and make modifications as needed to standards and functional specification

NAESB Update

Wholesale Electric Quadrant Work Assignments

SRS

- Coordinate with NERC on NERC Project 2012-08 Glossary Updates

DSM/EE

- Develop complementary standards that align with NERC Project 2010-4 Demand Data.
- Develop a specification for demand response products and services to support a certification program

NAESB Update

Wholesale Electric Quadrant Work Assignments

OASIS

- Preemption and Competition
- Posting of additional information on OASIS regarding firm transmission curtailments
- Allow for posting of 3rd party offers of planning redispatch services
- Eliminate Masking of TSR tag source and sink when request status is final state
- Eliminate disparity of posting “sensitive” information. Include procedures of user certification that allows access to this class of information
- Enhance TSR result posting to allow showing (1) limiting transmission elements and (2) generation dispatch options that would allow acceptance of TSR

NAESB Update

Wholesale Electric Quadrant Work Assignments

OASIS

- Requirements for OASIS to use data in the EIR
- Add AFC and TFC values to the “System_Attribute” data element in the Data Dictionary
- Correct WEQ 013-2.6.7.2 – Resale off OASIS
- Create new OASIS mechanism that allows for merger of like reservations without use of the resale mechanism
- Posting of additional information when service is denied (refused or declined) when associated with SAMTS for customers serving NITS load
- Develop standards to support the Transmission Provider right to reassess the availability of conditional firm

NAESB Update

Wholesale Electric Quadrant Work Assignments

Not Assigned

- Coordinate with NERC on NERC Project 2012-05 ATC Revisions
- Provisional Item: Develop and/or modify existing standards as needed in response to FERC Final Order in Docket RM05-5-022 concerning rights to transmission service on an original path when redirect is conditional (Entergy Order)

NAESB Update

Wholesale Electric Quadrant Work Assignments

Provisional Items

- Gas/Electric Coordination
- Future path for TLR
- DUNs numbers
- FERC Action Plan for Smart Grid Technology
- Cap & Trade programs for Greenhouse Gasses
- FERC Order 1000
- Variable Energy Resources (VERs)

Wrap-up

Next Quarterly Stakeholder Meeting

- *Thursday, May 8– 2 p.m. to 3:30 p.m. ET*

Customer Suggested Topics?

- *This is the forum for discussing emergent topics
(Upcoming changes, stakeholder input)*

Questions and Comments