Attachment C

Deleted: Superseding

Deleted: Original

ATTACHMENT N - Transmission Planning Process

1. INTRODUCTION

Duke Energy Carolinas, LLC (Duke) and Progress Energy Carolinas, Inc. (Progress), Transmission Providers with transmission facilities located in the states of North Carolina and South Carolina, ensure that their entire Transmission Systems (i.e., both the portions located in North Carolina and the portions located in South Carolina) are planned in accordance with the requirements imposed by Order No. 890 through the process developed by the North Carolina Transmission Planning Collaborative Process (NCTPC Process). The NCTPC was formed by the following load serving entities (LSEs) in the State of North Carolina: Duke, Progress, ElectriCities of North Carolina (ElectriCities), and the North Carolina Electric Membership Corporation (NCEMC) (collectively, NCTPC Participants or Participants).

In addition to engaging in regional planning through the NCTPC Process, as discussed in Section 10, the Transmission Providers engage in "inter-regional" coordination activities with transmission providers located outside their Control Areas. Such activities include participation in SERC and the Southeast Inter-Regional Participation Process (Appendix 1), which focus on reliability assessments and economic studies respectively.

Deleted: study and planning

Deleted: planning

2. NCTPC PROCESS OVERVIEW INCLUDING THE PROCESS FOR CONSULTING WITH CUSTOMERS

The NCTPC will annually develop a single, coordinated transmission plan (Collaborative Transmission Plan) that appropriately balances costs, benefits, and risks associated with the use of transmission, generation, and demand-side resources to meet the needs of LSEs as well as Transmission Customers under this Tariff.

2.1 The *North Carolina Transmission Planning Collaborative Participation Agreement* (*Participation Agreement*) governs the NCTPC and the NCTPC Process. The *Participation Agreement* is located on the NCTPC Website (http://www.nctpc.org/nctpc/).

2.2 The NCTPC Process is summarized in a document entitled *North Carolina Transmission Planning Collaborative Process* that is located on the NCTPC Website.

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 6

Deleted: 7

Deleted: 18

Deleted: 119

2.3 Participation in the NCTPC

2.3.1 Pursuant to the *Participation Agreement*, the NCTPC has four components: the Oversight/Steering Committee (OSC), the Planning Working Group (PWG), the Transmission Advisory Group (TAG), and the Independent Third Party (ITP). 2.3.2 Eligibility for participation in the four NCTPC components is as follows:

2.3.2.1 The appointment of OSC members by the NCTPC Participants is governed by the *Participation Agreement*. The ITP is an *ex officio* member of the committee. The qualifications required to serve on the OSC are set forth in a document entitled *Scope - Oversight/Steering Committee* that is located on the NCTPC Website.

2.3.2.2 The appointment of PWG members by the NCTPC Participants is governed by the *Participation Agreement*. The ITP also has a representative on the PWG. The qualifications required to serve on the PWG are set forth in a document entitled *Scope - Planning Working Group* that is located on the NCTPC Website.

2.3.2.3 Anyone may participate in TAG meetings and sign-up to receive TAG communications. The TAG is comprised of TAG participants. An employee or agent of a NCTPC Participant who 1) performs or supervises transmission planning activities or 2) is a member of the OSC or PWG may not be a TAG participant, but employees or agents of NCTPC Participants that perform activities other than transmission planning activities may be TAG participants.

2.3.2.4 The Independent Third Party (ITP) is selected by the OSC. The ITP must have qualifications similar to OSC and PWG members.

2.4 Responsibilities and Decision-Making of NCTPC Components

The responsibilities of the components within the NCTPC are determined by the *Participation Agreement* and/or the OSC. Decision-making likewise is established in the *Participation Agreement*, or by policies established by the OSC.

Deleted: Anyone may participate in the TAG (TAG participants) and sign-up to receive TAG communications. Entities that are valid stakeholders may apply to become TAG Voting Members. A valid stakeholder includes any Eligible Customer, generation owner/generation development company, and any organization capable of providing Ancillary Services under the Duke Energy Carolinas or Progress Energy Carolinas OATTs. In addition, any Transmission Owner, Transmission Operator, or Transmission Planner as those terms or their successors are used under the NERC Functional Model, as may be amended from time to time, will be considered valid stakeholders and may become a TAG Voting Member. Persons who are not employed by, but are authorized agents of, one or more TAG Voting Members also will be permitted to represent TAG Voting Members in the NCTPC Process. The transmission function of a NCTPC Participant may not be a TAG Voting Member, but the merchant function of an NCTPC Participant may be a TAG Voting Member.

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 6

Deleted: 7

Deleted: 18

Deleted: 119

2.4.1 Oversight/Steering Committee

2.4.1.1 The OSC is responsible for overseeing and directing all the activities associated with this NCTPC Process. A list of the OSC's responsibilities is found in *Scope - Oversight/Steering Committee.*

2.4.1.2 OSC decision-making is governed by the *Participation Agreement.*

2.4.1.3 Officers of the OSC are selected in the manner set forth in the *Participation Agreement.*

2.4.2 Planning Working Group

2.4.2.1 The PWG is responsible for developing and performing the appropriate simulation studies to evaluate the transmission conditions in the Participants' service territories and recommend a coordinated solution for the various transmission limitations identified in the studies. A list of the PWG's responsibilities is found in *Scope - Planning Working Group.*

2.4.2.2 PWG decision-making is governed by the *Participation Agreement.*

2.4.2.3 Officers of the PWG are selected in the manner set forth in the *Participation Agreement.*

2.4.3 Transmission Advisory Group

2.4.3.1 The purpose of the TAG is to provide advice and recommendations to the NCTPC Participants to aid in the development of an annual Collaborative Transmission Plan. The TAG participants may propose enhanced transmission access projects for evaluation as described in Section 4.2.2 hereof. The TAG participants select which of those projects should be evaluated through the TAG Sector Voting Process. The TAG participants also provide input on the annual study scope elements of both the Reliability Planning Process as well as the Enhanced Transmission Access Planning Process, including input on the following: Study Assumptions; Study Criteria; Study Methodology; Case Development and

Deleted: Voting Members
Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 18
Deleted: 119

Technical Analysis; Problem Identification; Assessment and Development of Solutions (including proposing alternative solutions for evaluation); Comparison and Selection of the Preferred Transmission Plan; and the Transmission Plan Study Results Report. A full list of the TAG's responsibilities is found in *Scope - Transmission Advisory Group*, which is located on the NCTPC Website.

2.4.3.2 The ITP will chair the TAG meetings and serve as a facilitator for the group. TAG decision-making is by consensus among the TAG participants. However, in the event consensus cannot be reached, voting will be conducted through the TAG Sector Voting Process. The ITP will provide notice to the TAG participants in advance of the TAG meeting that specific votes will be taken during the TAG meeting.

Deleted: with each TAG Voting Member represented at the meeting (either physically present or participating via phone) receiving one vote. As to matters that must be resolved by vote, rather than by consensus, majority and minority positions will be forwarded to the OSC for their consideration on the issue. The independent third-party will provide notices

2.4.3.3 Only TAG participants attending the meeting (in person or by telephone) will be allowed to participate in the TAG Sector Voting Process. No voting by proxy is permitted.

2.4.4 TAG Sector Voting Process.

2.4.4.1 In order for a TAG participant to participate in the TAG Sector Voting Process, the TAG participant must have registered with the ITP at least two weeks prior to the first meeting at which the TAG participant intends to vote. Such web-based registration will require the TAG participant to provide the following information to the ITP: name, home or business address, place of employment (if any), email address (if any), and telephone number. The registration form will require the TAG participant to indicate whether the TAG participant is registering as an "Individual" or as an agent or employee of a "TAG Sector Entity." If the TAG participant registers as an agent, member, or employee of a TAG Sector Entity, s/he must identify such TAG Sector Entity. An individual TAG participant may register as an agent, member, or employee of more than one TAG Sector Entity.

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 6

Deleted: 7

Deleted: 18

Deleted: 119

2.4.4.2 A TAG Sector Entity may be any organized group (e.g., corporation, partnership, association, trust, agency, government body, etc.) but can not be an individual person. A TAG Sector Entity may be a member of only one TAG Sector. A TAG Sector Entity and its affiliates or member organizations all may register as separate TAG Sector Entities, as long as such affiliates or member organizations meet the definition of a TAG Sector Entity.

2.4.4.3 A TAG Sector Entity should elect to be a member of one of the following TAG Sectors: Cooperative LSEs (that serve load in the NCTPC footprint); Municipal LSEs (that serve load in the NCTPC footprint); Investor-Owned LSEs (that serve load in the NCTPC footprint); Transmission Providers/Transmission Owners (that are not LSEs in the NCTPC footprint); Transmission Customers (a customer taking Transmission Service from at least one Transmission Provider in the NCTPC); Generator Interconnection Customers (a customer taking FERC- or state-jurisdictional generator interconnection service from at least one of the Transmission Providers in the NCTPC); Eligible Customers and Ancillary Service Providers (includes developers; ancillary service providers; power marketers not currently taking transmission service); and General Public. An Individual is only eligible to join the General Public Sector.

2.4.4.4. Only one individual TAG participant that has registered as an agent or employee of a TAG Sector Entity may vote on behalf of a particular TAG Sector Entity with regard to any particular vote. An individual TAG participant may vote on behalf of more than one TAG Sector Entity, if authorized to do so. Questions to be voted on will be answerable with a Yes or No.

2.4.4.5 If a vote is to be taken, each TAG Sector that has at least one TAG Sector Entity representative, or at least one Individual or TAG Sector Entity representative in the case of the General Public Sector, present will receive a Sector Vote with a worth of 1.00. A Sector Vote is divisible. The vote of each

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 18
Deleted: 119

TAG participant eligible to vote in a Sector Vote is not divisible. The vote of each TAG participant in a TAG Sector will be multiplied by 1.00 divided by the total number or TAG participants voting in such Sector to determine how the Sector Vote with a total worth of 1.00 will be allocated between "Sector Yes Votes" and "Sector No Votes." That is, each Sector Vote will be allocated such that the Sector Yes Vote(s) and Sector No Vote(s) totals 1.00. The Sector Yes Vote and Sector No Vote for each TAG Sector will then each be weighted by multiplying each of them by 1.00 divided by the number of TAG Sectors participating in the relevant vote. The results will be called "Weighted Sector Yes Vote" and "Weighted Sector No Vote." The winning position will be the larger of the Weighted Sector Yes Vote and Weighted Sector No Vote. Appendix 3 contains an example of the voting process.

2.4.5 Independent Third Party

2.4.5.1 The ITP facilitates the overall NCTPC Process.

2.4.5.2 A list of the ITP's primary responsibilities is found in *Scope - Planning Working Group* and *Scope - Oversight/Steering Committee*.

2.4.5.3 The ITP also provides the leadership role in developing the Enhanced Transmission Access Planning (ETAP) Process, subject to the oversight of the OSC.

2.4.5.4 The ITP maintains the NCTPC Website.

2.4.5.5 The ITP's role in decision-making varies based on which group s/he is participating as documented in the NCTPC documents posted on the NCTPC Website.

2.5 Participation of State Regulators

State regulators, including state-sanctioned entities representing the public, like other members of the public, may choose to be TAG participants. State public utility regulatory commissions also may seek to receive periodic status updates and the progress reports on the NCTPC Process. State public utility regulatory commissions may be TAG Sector Entities in the General Public Sector.

Deleted: Only TAG Voting Members participating in the meeting will be allowed to participate in the voting. A single person may represent more than one TAG Voting Member.
Deleted: 4
Deleted: 4
Deleted: 4
Deleted: 4
Deleted: 4
Deleted: 4
Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 18
Deleted: 119

3. NOTICE PROCEDURES, MEETINGS, AND PLANNING-RELATED COMMUNICATIONS

All information regarding transmission planning meetings and communications are located on the NCTPC Website.

3.1 Notice

3.1.1 Notice of all meetings of a component (TAG, PWG, OSC) will be by email to such component. All TAG meeting notices and agendas will be posted on the NCTPC Website.

3.1.2 Information about signing up to be a TAG participant and to receive email communications is posted on the NCTPC Website.

Deleted: Information about applying to be a TAG Voting Member also is available.

3.1.3 The OSC will publish highlights of its meetings on the NCTPC Website.

3.2 Location

3.2.1 The location of an OSC or PWG meeting will be determined by the component.

3.2.2 The location of a TAG meeting will be determined by the OSC.

3.2.3 Conference call dial-in technology will be available for meetings upon request.

3.3 Meeting Protocols

3.3.1 OSC

3.3.1.1 The OSC chair schedules meetings, provides notice, ensures that meeting minutes are taken, develops the agenda, chairs the meetings.

3.3.1.2 The OSC generally will meet at least monthly, and more frequently as necessary.

3.3.1.3 OSC meetings are open to the OSC members (including the ITP), their alternates, PWG members, and, if approved, guests.

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 18
Deleted: 119

3.3.2 PWG

3.3.2.1 The PWG chair schedules meetings, provides notice, ensures that meeting minutes are taken, develops the agenda, and chairs the meetings.

3.3.2.2 The PWG generally meets at least monthly, and more frequently as necessary.

3.3.2.3 PWG meetings are open to the PWG members, the ITP, the OSC (and their alternates), and, if approved, guests.

3.3.3 TAG

3.3.3.1 TAG meetings are chaired and facilitated by the ITP.

3.3.3.2 The TAG generally meets four times a year.

3.3.3.3 Meetings of the TAG generally are open to the public, i.e., TAG participants. When necessary, TAG meetings may be restricted by the ITP to TAG participants that are qualified to receive Confidential Information.

Deleted: representatives of TAG Voting Members

3.3.3.4 A yearly meeting and activity schedule is proposed, discussed with, and provided to TAG participants annually.

4. DESCRIPTION OF THE METHODOLOGY, CRITERIA, AND PROCESSES USED TO DEVELOP TRANSMISSION PLANS

The NCTPC Process is a coordinated regional planning process that includes both a "Reliability Planning" and an "Enhanced Transmission Access Planning" (ETAP) process, both of which ultimately result in the development of a Collaborative Transmission Plan. The entire, iterative process ultimately results in a single Collaborative Transmission Plan that appropriately balances the costs, benefits and risks associated with the use of transmission, generation, and demand-side resources.

In order to ensure comparability, customers taking Network Transmission Service are expected to accurately reflect their demand response resources appropriately in their annual load forecast projections. Customers taking Point-to-Point Transmission Service are expected to accurately reflect their demand response resources in submitting their requests for Transmission Service and in submitting information about potential needs for Point-to-Point Transmission Service. Eligible Customers providing information about

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 18
Deleted: 119

potential needs for Point-to-Point Transmission Service are expected to accurately reflect their demand response resources in submitting information. To the extent a TAG participant has a demand response resource or a generation resource that the TAG participant desires the NCTPC to specifically consider as an alternative to transmission expansion, or otherwise in conjunction with the NCTPC Process, such TAG participant sponsoring such demand response resource or generation resource shall provide the necessary information (cost, performance, lead time to install, etc.) in order for the NCTPC to consider such demand response resource or generation resource alternatives comparably with other alternatives.

4.1 Overview of Reliability Planning Process

The Reliability Planning Process addresses transmission upgrades needed to maintain reliability and to integrate new generation resources and/or loads. The Reliability Planning Process includes a base reliability study (base case) that evaluates each Transmission System's ability to meet projected load with a defined set of resources as well as the needs of firm point-to-point customers, whose needs are reflected in their transmission contracts and reservations. A resource supply analysis also is conducted to evaluate transmission system impacts for other potential resource supply options to meet future load requirements. The final results of the Reliability Planning Process include summaries of the estimated costs and schedules to provide any transmission upgrades and/or additions needed to maintain a sufficient level of reliability necessary to serve customers. Throughout the Reliability Planning Process, TAG participants (including TAG participants representing transmission solutions, generation solutions, and solutions utilizing demand resources) may participate.

4.2 Overview of Enhanced Transmission Access Planning Process

4.2.1 The ETAP Process is the economic planning process that allows the TAG participants to propose economic upgrades to be studied as part of the transmission planning process. The ETAP Process evaluates the means to increase transmission access to potential supply resources inside and outside the Control Areas of the Transmission Providers. This economic analysis provides the opportunity to study what transmission upgrades would be required to reliably integrate new resources. In addition, this economic analysis would include, if requested, the evaluation of Regional Economic Transmission Paths (RETPs) that would facilitate potential regional point-to-point economic transactions. RETPs are described in more detail below and in the document entitled *NCTPC Transmission Cost Allocation* on the NCTPC Website.

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 18
Deleted: 119

4.2.2 The ETAP Process begins with the TAG participants proposing scenarios and interfaces to be studied. The information required and the form necessary to submit a request as well as the submittal deadline is reviewed and discussed with the TAG participants early in the annual planning cycle. The form is posted on the NCTPC Website. The PWG will determine if it would be efficient to combine and/or cluster any of the proposed scenarios and will also determine if any of the proposed scenarios are of an Inter-Regional nature. The OSC will direct the TAG participants to submit the Inter-Regional study requests to the Southeast Inter-Regional Participation Process since those studies would have to be evaluated within that forum. Throughout the ETAP Process, TAG participants (including TAG participants representing transmission solutions, generation solutions, and solutions utilizing demand resources) may participate.

4.2.3 The OSC will review the PWG analysis, approve the compiled study list, and provide the study list to the TAG. For the study scenarios that impact the NCTPC region, but are not Inter-Regional in nature, the TAG participants will select a maximum of five scenarios that will be studied within the current NCTPC planning cycle. If consensus cannot be reached as to which scenarios to study, the choice will be resolved through the TAG Sector Voting Process. The TAG participants may request that the five scenarios be combined or clustered.

4.2.4 There will be no charge to the TAG participants for the five studies selected by the TAG participants. However, if a particular TAG participant wants the NCTPC to evaluate a scenario that was not chosen by the TAG participants, then the TAG participant can request to have the NCTPC conduct the study. The NCTPC will evaluate this request and will conduct the study if the study can be reasonably accommodated, however the cost of conducting this additional study will be allocated to that specific TAG participant.

4.2.5 RETPs

4.2.5.1 As part of the ETAP, TAG participants may propose that a particular RETP be studied. The creation of an RETP would permit energy to be transferred on a Point-to Point basis from an interface or a Point of Receipt on one Transmission Provider's system to an interface or a Point of Delivery on

Deleted: Voting Members

Deleted: TAG Voting Members will be permitted to cast one vote in support of any particular scenario and may vote for up to a maximum of five study scenarios. There may be multiple representatives of TAG Voting Members within the TAG; however, for voting purposes, each TAG Voting Member can only submit one vote. The five study scenarios that receive the largest number of votes will be the study scenarios that are selected to be studied within the current NCPTC planning cycle. To be able to vote, the TAG Voting Member must participate in the meeting, either by having a representative physically present at the meeting or through participation by phone. No representative of a TAG Voting Member shall be permitted to cast a vote of another TAG Voting Member that has no participating representative.

Deleted: Voting Members

Deleted: Voting Members

Deleted: Voting Members

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 6

Deleted: 7

Deleted: 18

Deleted: 119

another Transmission Provider's system for a specific period of time. A subscriber to an RETP is under no obligation to use the complete RETP, it may resell its rights to portions of the RETP. An RETP ensures that Point-to-Point Transmission Service can be provided over the Duke and/or Progress systems. The costs of the projects necessary to create an RETP will be subject to the "requestor pays" cost allocation methodology described *infra*. A network customer may seek to use an RETP as the firm Point-to-Point Transmission Service necessary to support a designated network resource external to the Control Area in which its load is located.

4.2.5.2 The TAG participants will identify RETPs that they would like studied. There would be a need for an initial study of an RETP ("Initial RETP Study"). If a proposed RETP would be solely contained within the NCTPC, then the NCTPC Process would be used to address the RETP. However, if a proposed RETP would impact transmission providers outside the NCTPC, there will be a need to coordinate such an initial study with other transmission providers.

4.2.5.3 If an Initial RETP Study is performed, it would identify any transmission system problems/limitations related to the Transmission Providers impacted by the RETP and would identify the transmission solutions/upgrades that would be needed to accommodate the RETP. An RETP would be evaluated in the Initial RETP Study as if it was a request for Point-to Point Transmission Service from a source control area (Point of Receipt) to a sink control area (Point of Delivery) over a specific period of time (the TAG participants requesting the study would determine the time period), but it will not be considered to be a request that is in the transmission queue. The Point of Receipt and Point of Delivery can be interfaces.

4.2.5.4 The Initial RETP Study would only provide preliminary information on the projected cost and scope of the facilities that would be needed to create the RETP, and the time it would take to complete the RETP. In the Initial RETP Study, each Transmission Provider along the RETP would identify

Deleted: Voting Members

Deleted: Voting Members
Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

the estimated costs for any upgrades necessary to provide service over the RETP.

4.2.5.5 If the RETP was totally contained within the NCTPC, then the following process would be used to move the RETP through the study to potential project commitment phases. Once the Initial RETP Study is complete, a determination would be made as to whether there is sufficient interest in the project to move the RETP from the "initial study" mode to the establishment of an "Open Season" for the RETP. The Open Season will provide the structure whereby Duke and Progress will be able to process these RETP Point-to Point Transmission Service requests for the entire proposed MW of the RETP from the source control area to the sink control area for the relevant time period. During this Open Season all potential transmission customers would have a 60-day window to put in their request to subscribe to all or a portion of the MW of service being made available along the RETP.

4.2.5.6 When the Open Season process is initiated by Duke and Progress, the transmission queue positions for these RETP requests will be established.

4.2.5.7 Through the Open Season process, which will be iterative, if the RETP is fully subscribed, it would move forward to a Facilities Study stage. After such stage, if it remained fully subscribed, the RETP would be included in the Collaborative Transmission Plan (and/or a supplement to such Plan) and Service Agreements will be executed (or filed on an unexecuted basis).

4.2.5.8 If an RETP encompasses Transmission Providers outside the NCTPC, the impacted Transmission Providers will work individually and through applicable stakeholder forums to perform the necessary studies and develop the processes that would be used to move from a study of a RETP to actual transmission reservations that would be needed to support the RETP. The above study and Open Season concepts could be used by these larger inter-regional transmission provider groups.

4.2.6 The final results of the ETAP Process include the estimated costs and schedules to provide the increased transmission capabilities. The enhanced transmission access study results are reviewed and discussed with the TAG participants.

4.3 Overview of the Steps in the Planning Processes

4.3.1 Each year, the OSC will initiate the process to develop the annual Collaborative Transmission Plan.

4.3.2 The OSC will provide notice of the commencement of the process to develop the annual Collaborative Transmission Plan via e-mail to the TAG and posts a notice on the NCTPC Website.

4.3.3 The process will allow for flexibility to make modifications to the development of the plan throughout the year as needs change, new needs arise, or new solutions to problems are identified.

4.3.4 The schedule for all of the activities will be set by the PWG and OSC, but will vary from year to year. The basic order of events is as set forth in Section 5, although the planning process is an iterative one. A list of relevant dates established for the planning cycle will be posted on the NCTPC website.

4.4 Summary Flow Chart of Process

The following page contains a flow chart of the NCTPC Process.

5. CRITERIA, ASSUMPTIONS, AND DATA UNDERLYING THE PLAN AND METHOD OF DISCLOSURE OF TRANSMISSION PLANS AND STUDIES

5.1 Study Assumptions

5.1.1 The PWG will select the study assumptions for the analysis based on direction provided by the OSC.

5.1.2 Once the PWG identifies the study assumptions, they will be reviewed with the TAG participants before the set of final assumptions are approved by the OSC. The process for this dialogue is in-person meetings, written submissions, and/or other forms of communication selected by TAG participants. Input should be provided in the timeframes agreed upon.

5.1.3 The study assumptions shall be set forth in an annual *Study Scope Document.*

5.1.4 The Transmission Providers will prepare the base case models. These models will be reviewed with the PWG to ensure that they represent the study assumptions approved by the OSC. TAG participants also may, upon request, review the base case models and provide input to the PWG with regard to whether the models represent the study assumptions approved by the OSC.

5.1.5 The Transmission Providers will also develop the necessary change case models as required to evaluate different resource supply scenarios and enhanced transmission access scenarios as directed by the OSC. Such change case models will also be reviewed with the PWG to ensure that they represent the study assumptions approved by the OSC. TAG participants also may, upon request, request to review the change case models and provide input to the PWG with regard to whether the models represent the study assumptions approved by the OSC.

5.2 Study Criteria

5.2.1 The PWG establishes the planning criteria by which the study results will be measured, in accordance with NERC and SERC Reliability Standards and individual Transmission Provider criteria. TAG participants may review and comment on the planning criteria.

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

5.2.2 Transmission System planning documents of Duke and Progress will be posted on their respective OASIS sites. Some planning documents may not be posted due to CEII and confidentiality concerns, but will be identified such that they can be requested via the methodology posted on the relevant OASIS.

5.3 Data Collection and Case Development

5.3.1 The most current Multi-Regional Modeling Working Group (MMWG) or SERC Long-Term Study Group model will be used for the systems external to Duke and Progress as a starting point for the base case to be used by both Progress and Duke. The base case will include the detailed internal models for Progress and Duke and will include current transmission additions planned to be in-service for given years.

5.3.2 The following data are relevant to the development of internal models for Progress and Duke:

Load and resource projections provided by network customers (including the native load of the NCTPC Participants);

Confirmed, firm point-to-point transmission service reservations (including rollover rights);

Generation real and reactive capacity data;

Generation dispatch priority data;

Transmission facility impedance and rating data; and

Interchange data adjusted to correctly model transfers associated with designated network resources from outside the Transmission Providers' Control Areas.

5.3.3 The Transmission Providers collect the necessary planning data and information that are not already in their possession. One element of this data collection process will be the annual collection of data from Network Customers required by this Tariff. Any guidelines, data formats, and schedules for any data and information exchanges will be established by the PWG. Aside from the annual submission of data by Network Customers, the timing of this data collection process is established as part of the development of the annual study work plan that is prepared by the PWG, reviewed with the TAG participants, and approved by the OSC.

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 16

Deleted: 2007

Deleted: 118

Deleted: 119

5.3.4 TAG participants may provide additional input into the data collection process (i.e., the provision of data not required to be submitted under this Tariff), such as providing information on future point-to-point transmission service scenarios. Such non-required information may be used in the appropriate study process.

5.3.5 Transmission customers should provide the Transmission Providers with timely written notice of material changes in any information previously provided relating to load, resources, or other aspects of their facilities or operations affecting the Transmission Provider's ability to provide service. Network customers may provide revised versions of previously submitted annual data reporting forms.

Deleted: its

5.3.6 Additional cases will be developed as required for different scenarios to evaluate other options to meet load demand forecasts in the study, including where fictitious or as yet undesignated network resources are deemed to be designated. Other cases may be developed and approved by the OSC to evaluate enhanced access scenarios, such as predicted future point-to-point transmission uses, as submitted by the TAG participants.

5.3.7 The Case Development details will be identified in the annual *Study Scope Document.*

5.3.8 Sufficient information will be made available, subject to CEII and confidentiality restrictions, to enable TAG participants to replicate the results of planning studies. A TAG participant seeking data and information that would allow it to replicate the NCTPC planning studies should provide such request to the ITP, who will verify that confidentiality requirements described in Section 9 have been met before providing such information.

Deleted: Voting Members

Deleted: Voting Member

5.4 Methodology

5.4.1 The PWG determines the methodologies that will be used to carry out the technical analysis required for the approved studies. The PWG also determines the specific software and models that will be utilized to perform the technical analysis. The study methodology will be identified in the annual *Study Scope Document.* TAG participants may review and comment on the study methodology.

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 16

Deleted: 2007

Deleted: 118

Deleted: 119

5.5 Technical Analysis and Study Results

5.5.1 The PWG performs the technical study analysis in accordance with the OSC approved study methodology and produces the study results.

5.5.2 Results from the technical analysis are reported to identify transmission elements approaching their limits such that all NCTPC Participants are made aware of potential issues and appropriate steps can be identified to correct these issues, including the potential of identifying previously undetected problems.

5.5.3 Study results are made available to the TAG participants for review and comment.

5.6 Assessment and Problem Identification

5.6.1 The Transmission Providers provide the summary data identifying the reliability problems and causes resulting from their assessments and comprehensively review the information with the PWG. The PWG evaluates the technical results provided by the Transmission Providers to identify problems and issues and reports to the OSC.

5.6.2 TAG participants are provided information relating to technical assessments and problem identification.

5.7 Solution Development

5.7.1 The PWG identifies potential solutions to the transmission problems identified and will test the effectiveness of the potential solutions through additional analysis as required and ensure that the solutions meet the study criteria previously developed.

5.7.2 TAG participants will have the opportunity to suggest alternative solutions.

5.7.3 All options that satisfactorily resolve an identified reliability problem would be given consideration.

5.7.4 The Transmission Providers estimate the costs for each of the proposed transmission solutions (e.g., cost, cash flow, present value) and develop a rough schedule estimate to complete the construction of the proposed facility. This information is reviewed and discussed by the PWG.

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

5.8 Selection of Preferred Transmission Plan

5.8.1 The PWG compares all of the alternatives and selects the preferred solution by balancing the project cost, benefit, and associated risks.

5.8.2 The PWG selects a preferred set of transmission improvements that provides the most reliable and cost effective transmission solution while prudently managing the associated risks.

5.8.3 The PWG provides the OSC and the TAG participants with their recommendations based on this selection process in order to obtain their input.

5.9 Collaborative Transmission Plan Report

5.9.1 The PWG prepares a draft "Collaborative Transmission Plan Report" based on the study results and the recommended transmission solutions and provides the draft to the OSC for review. The draft Report describes the plan in a manner that is understandable to the TAG participants (*e.g.*, describing any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the need), rather than simply reporting engineering results. The report includes a comprehensive summary of all the study activities as well as the recommended transmission improvements including estimates of costs and construction schedules.

5.9.2 The OSC forwards the draft report to the TAG participants for their review and discussion. The PWG members are the technical points of contact that can respond to questions regarding modeling criteria, assumptions, and data underlying the Report. The TAG participants may discuss, question, or propose alternatives for any upgrades identified by the draft Report.

5.9.3 The OSC evaluates the results and the PWG recommendations and the TAG participants' input. The OSC approves the final Collaborative Transmission Plan for posting on the NCTPC Website. The Plan also is posted on the Transmission Providers' OASIS and distributed to the TAG participants.

5.9.4 The Collaborative Transmission Plan Report allows the NCTPC Participants to identify alternative, least-cost resources to include with their respective Integrated Resource Plans. Others can

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

similarly use this information for their own resource planning purposes.

5.9.5 The Collaborative Transmission Plan, and the associated models, serve as the basis for the models that the Transmission Providers provide as input to the development of the SERC-wide model as described in Section 10.

5.10 Status Reports

5.10.1 As part of the NCTPC Process, the Transmission Providers periodically provide the TAG participants a report on the status of the transmission upgrades presented in the previous Collaborative Transmission Plans. The update is posted on the NCPTC Website and includes the following information: the name of the project, the issue it resolves, the name of the relevant Transmission Provider(s), the original planned in-service date and the current expected in-service date.

6. DISPUTE RESOLUTION MECHANISM

6.1 NCTPC Process Disputes

6.1.1 The OSC voting structure allows the ITP to cast a tie breaking vote if necessary to decide on a particular issue.

6.1.2 A Transmission Provider has the right to reject an OSC decision if it believes that it would harm reliability.

6.1.3 Any NCTPC Participant or TAG participant has the right to seek assistance from the North Carolina Utilities Commission (NCUC) Public Staff to mediate an issue and render a non-binding opinion on any disputed decision.

6.1.4 If the Participants cannot resolve a disputed decision by NCUC Public Staff facilitation, they may seek review from a judicial or regulatory body that has jurisdiction.

6.2 Transmission Siting Disputes

6.2.1 The South Carolina Code of Laws Section 58, Chapter 33 addresses disputes involving utilities' transmission projects that require South Carolina authorization through the certificates of public convenience and necessity process.

Deleted: Voting Member
Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

6.2.2 NCUC Rule R8-62 addresses disputes involving utilities' transmission projects that require North Carolina authorization through the certificates of public convenience and necessity process.

6.3 Integrated Resource Planning Disputes

6.3.1 The NCUC allows public participation in and may hold hearings regarding matters related to integrated resource planning.

6.3.2 The South Carolina Public Service Commission allows public participation in and may hold hearings regarding matters related to integrated resource planning.

Deleted: SC PSC

6.4 Tariff Disputes

6.4.1 The dispute resolution process provisions included in this Tariff apply to disputes involving compliance with the Commission's transmission planning obligations set forth in Order No. 890. Any TAG participant, not just a TAG participant that is a Transmission Customer, may avail itself of the dispute resolution provision of the Tariff, as that process is modified below.

6.4.2 If a TAG participant has completed the negotiation step set forth in Section 12.1 of this Tariff, a TAG participant may ask to have the issue mediated on a non-binding basis before the next step (i.e., arbitration) commences. A request for mediation must be made within thirty days of the agreed-upon conclusion of the negotiation step. If the mediation step is concluded without resolution, the disputing party has thirty days to inform the Transmission Provider that it seeks to commence the arbitration step set forth in Section 12.2. If this mediation option is selected, the parties to the dispute will use the Commission's Dispute Resolution Service as the forum for mediation.

6.4.3 Matters over which the Commission does not have jurisdiction, including planning to meet retail native load of the Transmission Providers shall not be within the scope of the dispute resolution process of this Tariff.

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

6.5 Regional Reliability Project Planning Disputes

6.5.1 The Commission's Dispute Resolution Service would be used to settle any issues arising from the cost allocation related to Regional Reliability Projects, discussed *infra,* that involve transmission providers outside the NCTPC.

7. TRANSMISSION COST ALLOCATION

7.1 OATT Cost Allocation

With the exception of "Regional Reliability Projects" and "RETPs," nothing in this Attachment is intended to alter the cost allocation policies of the Tariff.

7.2 Regional Reliability Project Cost Allocation

7.2.1 An "avoided cost" cost allocation methodology will apply to reliability projects where there is a demonstration that a regional transmission solution and regional approach to cost allocation results in cost savings.

7.2.2 The NCTPC Planning Process results in a set of projects that satisfy the reliability criteria of the Transmission Providers who are parties to the Participation Agreement (i.e., Reliability Projects). Through this process, a project may be identified that meets a reliability need in a more cost-effective manner than if each Transmission Provider were only considering projects on its system to meet its reliability criteria. A Regional Reliability Project can be defined as any reliability project that requires an upgrade to a Transmission Provider's system that would not have otherwise been made based upon the reliability needs of the Transmission Provider. A Regional Reliability Project must have a cost of at least $1 million to be subject to the avoided-cost cost allocation methodology. The costs of a Regional Reliability Project with a cost of less than $1 million would be borne by each Transmission Provider based on the costs incurred on its system.

7.2.3 Unless a Regional Reliability Project is determined by the NCTPC to be the most cost-effective solution to a reliability need, it will not be selected to be included in the Collaborative Transmission Plan. But, if a Regional Reliability Project is cost effective, it will have its costs allocated based on an avoided cost approach, whereby each Transmission Provider looks at the stand-alone approach to

Deleted: 7.1.1 The costs of Reliability Projects included in the Collaborative Transmission Plan are allocated in accordance with this Tariff. "Regional Reliability Projects," as discussed below, are an exception to this rule.¶
7.1.2 While the Transmission Providers study economic upgrades through ETAP, they do not have an obligation to build or fund such projects and thus the projects studied are not included in the Collaborative Transmission Plan, unless and until either: 1) a transmission service request is submitted to the appropriate Transmission Provider(s) or 2) an RETP is fully subscribed. ¶
7.1.3 If a transmission service request is submitted under this Tariff for an economic project, its costs will be allocated in accordance with this Tariff. ¶

Deleted: a party

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 16

Deleted: 2007

Deleted: 118

Deleted: 119

maintaining reliable service and shares the savings of not implementing the stand-alone approach on a pro-rata basis. The avoided cost approach formula can be expressed as follow:

(Transmission Provider$_x$'s Avoided Cost/Total Avoided Cost) * cost of Regional Reliability Project = Transmission Provider$_x$'s Cost Allocation

(Transmission Provider$_y$'s Avoided Cost/Total Avoided Cost) * cost of Regional Reliability Project = Transmission Provider$_y$'s Cost Allocation

These cost responsibility determinations will then be reflected in transmission rates. The avoided cost approach also will take into account in determining avoided costs, the acceleration or delay of Reliability Projects. Examples of the application of the avoided-cost approach may be found in *NCTPC Transmission Cost Allocation*.

7.2.4 If a Regional Reliability Project that is suitable for this alternate cost allocation approach involves a Transmission System(s) outside the NCTPC, the costs should be fairly allocated among the affected Transmission Providers based on good-faith negotiation among the parties involved using the "avoided cost" approach outlined above as a starting point in the negotiations. The resulting transmission costs and the associated revenue requirements of each Transmission Provider will be recovered through their respective existing rate structures at the time.

7.3 RETP Cost Allocation

7.3.1 The costs of upgrades or facilities that result from RETPs are allocated on a "requestor pays" basis.

7.3.2 Transmission customer(s) that are subscribing to the RETP would provide the up-front funding of any transmission construction that was required to ensure that the path was available for the relevant time period. These "requestor(s)" would be the transmission customers that were awarded the MW as a result of the successful subscription during the Open Season process. On the Duke and/or Progress systems, the transmission customer would receive a levelized repayment of this initial funding amount from Duke and/or

Deleted: used

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

Progress in the form of monthly transmission credits over a maximum 20-year period. The Transmission Providers will be permitted to work with the transmission customers to provide shorter or different crediting. As credits are paid, Duke and Progress would have the opportunity to include the costs of upgrades that were needed for the RETP in transmission rates, similar to the Generator Interconnection pricing/rate approach.

7.3.3 As part of the RETP process, a network customer may ensure that power can be delivered from an interface on an RETP to network load. Such network transmission service would not be subject to the requestor pays approach. This transmission cost allocation would be in accordance with OATT provisions for network service.

7.3.4 No compensation is provided to the "requestors" of the RETPs for any "head-room" that would be created on the Transmission Systems. The total project cost for the transmission expansion required due to an RETP will be adjusted to provide compensation for the positive transmission impacts that the RETP would provide, given the existing Collaborative Transmission Plan.

7.3.5 This RETP concept and cost allocation methodology applies to the NCTPC footprint, which consists of the Duke and Progress Control Areas. Pursuant to Order No. 890, other regions will adopt cost methodologies that apply to the costs of facilities located in their region.

7.4 SIRPP Cost Allocation

The cost allocation for Inter-Regional Economic Upgrade projects described in Appendix 1 will be determined in accordance with the cost allocation principles adopted by each Regional Planning Process in which each portion of the construction of such upgrades (in whole or in part) would occur. Thus, for the portion of an Inter-Regional Economic Upgrade project that is located in the NCTPC footprint, the cost allocation principles set forth in this Tariff and Section 7 would apply.

8. COST ALLOCATION FOR PLANNING COSTS

8.1 NCTPC-Related Planning Costs

8.1.1 Each NCTPC Participant bears its own expenses.

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

8.1.2 TAG participants bear their own expenses.

8.1.3 The costs of the NCTPC base reliability studies are born by Duke and Progress.

8.1.4 Costs associated with incremental reliability studies, the ITP's costs, and the costs of the ETAP are all allocated to NCTPC Participants in the manner set forth in the *Participation Agreement.*

8.1.5 Pursuant to Section 4, costs associated with economic studies that are outside the scope of the ETAP, will be borne by the study requestor.

8.1.6 NCTPC Participants may challenge the correctness of NCTPC cost allocations.

8.1.7 For the Transmission Providers, transmission planning costs are a routine cost-of-service item that would be reflected in both wholesale and retail transmission rates. There is no plan to allocate planning costs to customers, other than as described above, or as contemplated by this Tariff when a customer makes a specific request that must be studied.

8.2 Non-NCTPC-Related Planning Costs

Each Transmission Provider will bear its own costs of planning-related activities that are not occurring through the rubric of the NCTPC Process, which costs may be recovered in rates, pursuant to the then-applicable ratemaking policies.

9. CONFIDENTIALITY

9.1 The Transmission Providers will take appropriate steps to protect CEII information, which is one form of Confidential Information.

9.2 Identification of Confidential Information

The confidentiality of information is determined in the first instance by a NCTPC Participant or TAG participant providing the information. Examples of Confidential Information, other than CEII, include commercially sensitive information and customer-related information that is proprietary to a particular wholesale or retail customer. The NCTPC Participant or TAG participant providing Confidential Information must indicate whether the Confidential Information is permitted to be released to

Deleted: and TAG Voting Members

Deleted: , TAG Voting Member,

Deleted: , TAG Voting Member,

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 16

Deleted: 2007

Deleted: 118

Deleted: 119

the representatives of TAG participants that have abided by the procedures in Section 9.4.3. If the information is Confidential Information only because it is CEII, the NCTPC Participant or TAG participant should indicate that such information may be released to TAG participants eligible to receive CEII.

9.3 Availability of Confidential Information

9.3.1 The NCTPC Participants will mask all Confidential Information in documents that are released to the public.

9.3.2 Confidential Information will be made available, to the extent not prohibited by law or government policy, to the NCTPC Participants, as limited by the *Participation Agreement*. Each NCTPC Participant is restricted from sharing or giving access to Confidential Information with any employee, representative, and/or organization directly involved in the sale and/or resale of electricity in the wholesale electricity such that they do not receive preferential treatment or a competitive advantage.

9.3.3 TAG participants may be provided Confidential Information, in accordance with Section 9.4.3/9.4.4, if the providing NCTPC Participant or TAG participant has consented to its release. In cases where the information is Confidential Information only because it is CEII, the TAG participants may be provided such information in accordance with Section 9.4.4.

9.4 Obtaining Confidential Information

9.4.1 The ITP is tasked with ensuring that no marketing/brokering organizations receive preferential treatment or achieve competitive advantage through the distribution of any transmission-related information in the TAG.

9.4.2 The ITP ensures that the confidentiality of information principles reflected in Order No. 890 as well as any Standards of Conduct or Code of Conduct requirements are being adhered to within the TAG process, to the extent applicable and/or necessary.

9.4.3 If a TAG participant seeks non-CEII Confidential Information, s/he must formally request the data from the ITP and demonstrate that s/he:

Deleted: Voting Members
Deleted: Representatives of the TAG Voting Members
Deleted: , TAG Voting Member,
Deleted: CEII or non-CEII
Deleted: Only persons representing TAG Voting Members may have access to Confidential Information.
Deleted: and
Deleted: /
Deleted: representative of a TAG Voting Member
Deleted: has
Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

9.4.3.1 Is a representative of a TAG Sector Entity that has signed the SERC Confidentiality Agreement or is an Individual that has signed the SERC Confidentiality Agreement.

9.4.3.2 Is listed on Attachment A to a TAG Sector Entity's TAG Confidentiality Agreement as a representative of a TAG Sector Entity or is an Individual that has signed the TAG Confidentiality Agreement.

9.4.4 If a TAG participant seeks CEII, s/he must formally request the data from the ITP and demonstrate that s/he has:

9.4.4.1 Been authorized by FERC to receive the CEII-protected version of Form 715 for both Duke and Progress.

9.4.4.2 Is a representative of a TAG Sector Entity that has signed the SERC Confidentiality Agreement or is an Individual that has signed the SERC Confidentiality Agreement.

9.4.4.3 Is listed on Attachment A of a TAG Sector Entity's TAG Confidentiality Agreement as a representative of a TAG Sector Entity or is an Individual that has signed the TAG Confidentiality Agreement.

9.4.5 The NCTPC ITP will process the above requests, approve/deny the request, and if approved, provide the data to a TAG participant.

10. INTER-REGIONAL COORDINATION

The NCTPC will coordinate with other transmission systems primarily through Duke and Progress participating in SERC (as Transmission Planners), other inter-regional study groups, and bilateral agreements between Duke and/or Progress and transmission systems to which they are interconnected.

10.1 Coordination Activities Within SERC

Duke and Progress are members of the SERC Reliability Corporation (SERC) and coordinate with other SERC members registered as Transmission Planners. SERC is the entity responsible for promoting and improving the reliability, adequacy, and critical infrastructure of the bulk power supply systems in the area served by its member systems. SERC membership is open to any entity that is a user, owner, or operator of the Bulk-Power System and is subject to the jurisdiction of FERC for the purpose of complying with Reliability Standards. SERC membership is

Deleted: Been authorized by FERC to receive the CEII-protected version of Form 715 for both Duke and Progress.¶ 9.4.3.2

Deleted: Voting Member

Deleted: 3

Deleted: Signed

Deleted: Voting Member

Deleted: the representative of the TAG Voting Member

Deleted: Transmission Providers

Deleted: participation

Deleted: Description of SERC

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 2007

Deleted: s

Deleted: RM05-17-000 and RM05-25-000

Deleted: February

Deleted: 16

Deleted: 2007

Deleted: 118

Deleted: 119

comprised of investor-owned, municipal, cooperative, state and federal systems, RTOs/ISOs, merchant electricity generators, and power marketers. SERC has in place various committees and subcommittees that perform the identified SERC functions, including the promotion of the reliability and adequacy of the bulk power system as related to the planning and engineering of the electric systems. The SERC committees are identified on SERC's website. The particular activities that are coordinated among the Transmission Planners include the creation of a SERC-wide model and the preparation of a simultaneous feasibility assessment, which are discussed in further detail below.

10.1.1 Regional Reliability Planning by Transmission Planners Located in SERC: A Transmission Planner's 10-year transmission expansion plan is the basis for models used for its own regional reliability planning process, such as the NCTPC, as well as serving as a Transmission Planner's input into the development of the SERC-wide model.

Substantive transmission planning occurs as Transmission Planners develop regional reliability transmission expansions plans through their regional planning process, such as the NCTPC. In this regard, the reliability plan for each region is generally developed by determining the required 10-year transmission expansion plan to satisfy load, resources, and transmission service commitments throughout the 10-year reliability planning horizon. The development of each regional reliability plan is facilitated through the creation of transmission models (base cases) that incorporate the current 10-year transmission expansion plan, load projections, resource assumptions (generation, demand response, and imports), and transmission service commitments within the region. The transmission models also incorporate external regional models (at a minimum the current SERC models) that are developed using similar assumptions.

The transmission models created for use in developing the regional reliability 10-year transmission expansion plan are analyzed to determine if any planning criteria concerns are projected. In the event one or more planning criteria concerns are identified at the regional level, the relevant Transmission Planners will develop solutions for these projected limitations in accordance with the regional process to which they belong. As a part of this study process, the Transmission Planners, in accordance with the regional process to which they belong, will reexamine the current regional

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

reliability 10-year transmission expansion plan (determined through the previous year's regional reliability planning process) to

determine if the current plan can be optimized based on the updated assumptions and any new planning criteria concerns identified in the analysis. The optimization process may include the deletion and/or modification of any of the existing reliability transmission enhancements identified in the previous year's reliability planning process.

10.1.2 Coordination by Transmission Planners with Affected Regions: Once a planning criteria concern is identified and the optimization process identifies the potential solution (at the regional level), the Transmission Planner(s), here Duke and Progress, determine if any transmission system in another region is potentially impacted by the projected solution. Potentially impacted regions are then contacted to determine if there is a need for an inter-regional *ad hoc* coordinated study. In the event one or more neighboring regions agrees that they would be impacted by the projected limitation or identifies the potential for a superior inter-regional reliability solution, based on transmission enhancements in their current regional reliability plan, an inter-regional *ad hoc* coordinated study is initiated. In the event that no inter-regional impacts are identified, or if once contacted the potentially impacted regions(s) determine that they will not actually be impacted, the initiating Transmission Planner will move forward to conduct a reliability study to determine the solution for the projected planning criteria concern. In either case, once the study has been completed, the identified reliability transmission enhancements will then be incorporated into the region's(s') 10-year transmission expansion plan as a reliability project.

10.1.3 SERC-Wide Reliability Assessment by Transmission Planners: After the transmission models are developed through the regional planning processes, the Transmission Planners within SERC create a SERC-wide transmission model and conduct a long-term reliability assessment. The intent of the SERC-wide reliability assessment is to determine if the different regional reliability transmission expansion plans are simultaneously feasible and to otherwise ensure that these regional processes are using consistent models and data. Additionally, the reliability assessment measures and reports the transfer capabilities between regions within SERC. The SERC-wide

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 2007
Deleted: s
Deleted: RM05-17-000 and RM05-25-000
Deleted: February
Deleted: 16
Deleted: 2007
Deleted: 118
Deleted: 119

assessment serves as a valuable tool for each of the regions to reassess the need for additional inter-regional reliability joint studies.

10.1.4 Other Coordination Activities Within SERC

10.1.4.1 Transmission Model Development: SERC transmission models are developed by the Transmission Planners in SERC through an annual model development process. Each Transmission Planner in SERC, incorporating input from their regional planning process, develops and submits their 10-year transmission models to a model development databank. The databank then joins the models to create SERC-wide models for use in reliability assessment. Additionally, the SERC-wide models are then used in each regional planning process as an update (if needed) to the current transmission models and as a foundation (along with the MMWG models) for the development of next year's transmission models.

10.1.4.2 Additional Inter-Regional Reliability Joint Studies: As mentioned above, the SERC-wide reliability assessment serves as a valuable tool for the Transmission Planners, in accordance with their regional planning process, to reassess the need for additional inter-regional reliability joint studies. If the SERC-wide reliability model projects additional planning criteria concerns that were not identified in the regional reliability studies, then the impacted Transmission Planners may initiate one or more *ad hoc* inter-regional coordinated study(ies) (in accordance with existing Reliability Coordination Agreements) to better identify the planning criteria concerns and determine the optimal inter-regional reliability transmission enhancements to resolve the limitations. Once the study(ies) is completed, required reliability transmission enhancements will be incorporated into the region's 10-year expansion plan as a reliability project. Accordingly, planning criteria concerns identified at the SERC-wide level are "pushed down" to the regional level for detailed resolution.

10.1.5 Stakeholder Participation in Planning and Coordination Activities:

Since the bulk of the reliability transmission planning occurs at the regional level as a "bottom up" process in the development of the various regions' 10-year transmission expansion plans, stakeholders in the NCTPC footprint may provide input into the coordination activities by participating in the NCTPC process and any other regional planning processes that they choose to participate in. Specifically, the 10-year transmission expansion plan developed in the NCTPC process described in this Attachment is the basis for Duke's and Progress' input into the SERC model development. As discussed in Sections 4 and 5, the TAG participants are provided a number of opportunities to review and comment on and allowed to propose alternatives concerning the development of this transmission expansion plan. The results of inter-regional coordination activities will be shared and discussed with TAG participants. If the results of coordination activities are to be shared at a TAG participant meeting, the meeting notice will indicate that such results will be shared and discussed and will either provide the results or indicate how the results can be obtained if the results include Confidential Information.

10.2 ERAG & SERC-RFC East Coordination Activities

10.2.1 SERC is a Member of the Eastern Interconnection Reliability Assessment Group (ERAG) along with the Florida Reliability Coordinating Council, Inc., the Midwest Reliability Organization, the Northeast Power Coordinating Council, Inc., ReliabilityFirst Corporation, and the Southwest Power Pool. ERAG augments the reliability of the bulk-power system through periodic reviews of generation and transmission expansion programs and forecasted system conditions within the regions served by ERAG members.

10.2.2 The Eastern Interconnection Reliability Assessment Group (ERAG) Multi-Regional Modeling Working Group (MMWG) administers the development of a library of power-flow base case models for the benefit of members. 10.2.3The SERC-RFC East study group was established in 2006 and is a sub-group within the ERAG structure. Through the SERC-RFC East study group, coordination of plans, data and assumptions is achieved between Tennessee Valley Authority, VACAR, and the transmission systems of the eastern portion of PJM.

Deleted: 10.1.1 All transmission providers within SERC coordinate with other interconnected systems in SERC by sharing their modeling data, assumptions, and transmission expansion plans that results from their own regional planning processes. The results of such coordinated efforts will be addressed with the TAG participants. ¶
10.1.2 The Transmission Providers will participate in SERC studies conducted to assess the performance of the interconnected system under both normal and contingency conditions and to assess the ability of the interconnected system to support large power transfers across subregions. ¶
10.1.3 Duke and Progress must abide by SERC's own confidentiality requirements.

Deleted: Description of

10.3 VACAR Coordination Activities

Deleted: Description of

10.3.1 The Transmission Providers both participate with Fayetteville, NCEMC, North Carolina Municipal Power Agency #1, North Carolina Eastern Municipal Power Agency, South Carolina Electric & Gas Company, South Carolina Public Service Authority, Southeastern Power Administration, Dominion Virginia Power, and Alcoa Power Generating, Inc. in the VACAR Planning Task Force.

10.3.2 A VACAR contract agreement provides for coordination between the various entities within the VACAR region.

10.3.3 Duke and Progress will engage in studies of the bulk power supply system. VACAR typically analyzes the performance of their proposed future transmission systems based on five- or ten-year projections. VACAR studies are similar to those conducted for SERC, but are focused on the VACAR region, although VACAR coordinates with Southern and TVA under existing agreements.

Deleted: As members of the VACAR Planning Task Force, the Transmission Providers

Deleted: subregion

10.4 Bilateral Coordination Activities

Through bilateral interconnection agreements or joint operating agreements with the interconnected transmission systems of American Electric Power, TVA, Southern Companies, PJM, Dominion, SCE&G, Santee Cooper, and Yadkin, Duke and Progress perform coordinated studies on an as-needed basis.

10.5 Southeast Inter-Regional Participation Process Activities

Deleted: Description of

Duke and Progress have joined with a group of southeast utilities to develop the Southeast Inter-Regional Participation Process. This process provides valid stakeholders the ability to request economic studies that would be evaluated on an inter-regional basis. The framework for this process is provided in a document entitled “Southeast Inter-Regional Participation Process” which is attached as Appendix 1. The purpose of the Southeast Inter-Regional Participation Process is to facilitate the development of inter-regional economic planning studies.

Deleted: 10.5.1

10.5.1 Stakeholder Participation Through the SIRPP: As shown on the Southeast Inter-Regional Participation Process Diagram contained in Appendix 1, the particular activity that the SIRPP sponsors coordinate is the preparation of the inter-regional Economic Planning Studies addressed in Appendix 1. In addition, the SIRPP sponsors will review with stakeholders the data, assumptions, and assessment that are then being conducted on a

Formatted: Indent: First line: 0 pt

SERC-wide basis at the following SIRPP meetings: the 1st Inter-Regional Stakeholder Meeting; the 2nd Inter-Regional Stakeholder Meeting; and the 3rd Inter-Regional Stakeholder Meeting.

Deleted: .....

10.6 Timelines and Milestones

The general timelines and milestones for the performance of both the reliability planning and coordination activities are provided in Appendix 2.

11. INTEGRATED RESOURCE PLANNING

In addition to the NCTPC Process, the Transmission Providers must abide by state laws regarding Integrated Resource Planning (IRP). The information provided below is intended to assist persons who may want to participate in state IRP and siting proceedings.

11.1 North Carolina

The NCUC analyzes the probable growth in the use of electricity and the long-range need for future generating capacity in North Carolina. Duke and Progress annually furnish the NCUC a report of their respective resource plans, which contain a 15-year forecast of loads and generating capacity. The report describes all generating facilities and known transmission facilities with operating voltage of 161 kV or more which, in the judgment of the utility, will be required to supply system demands during the 15-year forecast period. Such filings must include a section containing a comprehensive analysis of their Demand-Side Management (DSM) plans and activities.

Deleted: North Carolina Utilities Commission (

Deleted:)

Deleted: ten

Deleted: 10

11.2 South Carolina

Section 58-37-40 of the South Carolina Code of Laws requires that all electrical utilities prepare integrated resource plans and submit them to the State Energy Office. The plans must be submitted every three years and must be updated on an annual basis. For electrical utilities subject to the jurisdiction of the SC PSC, submission of the IRP plans required by the SC PSC (which similarly are submitted triennially and updated at

least annually) constitutes compliance with the state law. The SC PSC requires that the plans submitted cover 15 years and evaluate the cost effectiveness of supply-side and demand-side options in an economic and reliable manner that considers relevant costs and benefits.

12. LOCAL PLANNING

The Transmission Providers coordinate with their network and native load customers to ensure adequate and reliable electric service to all points of delivery within their control areas. The focus of the NCTPC is planning higher-voltage facilities and transfers of bulk power and thus "local planning" focuses on lower-voltage facilities and the delivery of energy to customer locations. Customer meetings may be held, when necessary, to discuss the respective plans of the customer and the provider and how such plans impact local areas. Any local area plans developed by a Transmission Provider are rolled into the power system models of the transmission providers and these models subsequently roll up to the NCTPC transmission models. The same data and assumptions would be used in local planning as are used in the NCTPC Process.

Appendix 1
Southeast Inter-Regional Participation Process

Deleted: *November 30, 2007*

Introduction:

In an effort to more fully address the regional participation principle outlined in the Order 890 Attachment K Tariff requirements and the related guidance contained in the FERC Transmission Planning Process Staff White Paper (dated August 2, 2007), this Southeast Inter-Regional Participation Process expands upon the existing processes for regional planning in the Southeast. This document outlines an inter-regional process among various Southeastern interconnected transmission owners. The inter-regional process described herein is incorporated into each Participating Transmission Owner's[1] planning process and OATT Attachment K (for those transmission owners that have a regulatory requirement to file an Attachment K).

Purpose:

This inter-regional process complements the regional planning processes developed by the Participating Transmission Owners in the Southeast. For the purpose of this document, the term "Southeast Inter-Regional Participation Process" ("SIRPP") is defined as a new process to more fully address the regional participation principle of Order 890 for multiple transmission systems in the Southeast. The term "Regional Planning Processes" refers to the regional transmission planning processes a Transmission Owner has established within its particular region for Attachment K purposes. Importantly, the Economic Planning Studies discussed herein are hypothetical studies that do not affect the transmission queue for purposes of System Impact Studies, Facilities Studies, or interconnection studies performed under other portions of the OATT.

Current Inter-Regional Planning Process:

Each Southeastern transmission owner currently develops a transmission plan to account for service to its native load and other firm transmission service commitments on its transmission system. This plan development is the responsibility of each transmission

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 7
Deleted: s
Deleted: RM05-17-000
Deleted: and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 118
Deleted: 119

[1] The sponsors of the Southeast Inter-Regional Participation Process are referred to as transmission owners, rather than transmission providers, because not all of the sponsors are "Transmission Providers" for purposes of the *pro forma* OATT.

Deleted:

planner individually and does not directly involve the Regional Reliability Organization (e.g. SERC). Once developed, the Participating Transmission Owners collectively conduct inter-regional reliability transmission assessments, which include the sharing of the individual transmission system plans, providing information on the assumptions and data inputs used in the development of those plans and assessing whether the plans are simultaneously feasible.

Participating Transmission Owners:

Due to the additional regional planning coordination principles that have been announced in Order 890 and the associated Transmission Planning White Paper, several transmission owners have agreed to provide additional transmission planning coordination, as further described in this document. The "Participating Transmission Owners" are listed on the SIRPP website (http://www.southeastirpp.com).

Deleted: principals

Deleted:):

Southeast Inter-Regional Participation Process:

The Southeast Inter-Regional Participation Process is outlined in the attached diagram. As shown in that diagram, this process will provide a means for conducting stakeholder requested Economic Planning Studies across multiple interconnected systems. In addition, this process will build on the current inter-regional, reliability planning processes required by existing multi-party reliability agreements to allow for additional participation by stakeholders.

The established Regional Planning Processes outlined in the Participating Transmission Owners' Attachment Ks will be utilized for collecting data, coordinating planning assumptions, and addressing stakeholder requested Economic Planning Studies internal to their respective regions. The data and assumptions developed at the regional level will then be consolidated and used in the development of models for use in the Inter-Regional Participation Process. This will ensure consistency in the planning data and assumptions used in local, regional, and inter-regional planning processes.

These established Attachment K processes may also serve as a mechanism to collect requests for inter-regional Economic Planning Studies by a participant's stakeholders group. The Economic Planning Studies requested through each participant's Attachment K process that involve impacts on multiple systems between Regional Planning Processes will be consolidated and evaluated as part of the Southeast Inter-Regional Participation Process. Stakeholders will also be provided the opportunity to submit their requests for inter-regional Economic Planning Studies directly to the Inter-Regional process.

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 7
Deleted: s
Deleted: RM05-17-000
Deleted: and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 118
Deleted: 119

Deleted:

The Participating Transmission Owners recognize the importance of coordination with neighboring (external) planning processes. Therefore, seams coordination will take place at the regional level where external regional planning processes adjoin the Southeast Inter-Regional Participation Process (e.g. Southeastern Regional Planning Process coordinating with FRCC Regional Planning Process, Entergy coordinating with SPP, TVA coordinating with MISO and PJM, and the North Carolina Transmission Planning Collaborative coordinating with PJM). External coordination is intended to include planning assumptions from neighboring processes and the coordination of transmission enhancements and stakeholder requested Economic Planning Studies to support the development of simultaneously feasible transmission plans both internal and external to the Southeast Inter-Regional Participation Process.

With regard to the development of the stakeholder requested inter-regional Economic Planning Studies, the Participating Transmission Owners will each provide staff (transmission planners) to serve on the study coordination team. The study coordination team will lead the development of study assumptions (and coordinate with stakeholders, as discussed further below), perform model development, and perform any other coordination efforts with stakeholders and impacted external planning processes. During the study process, the study coordination team will also be responsible for performing analysis, developing solution options, evaluating stakeholder suggested solution options, and developing a report(s) once the study(ies) is completed. Once the study(ies) is completed, the study coordination team will distribute the report(s) to all Participating Transmission Owners and the stakeholders.

With regard to coordinating with stakeholders in the development of the inter-regional Economic Planning Study(ies), in each cycle of the Southeast Inter-Regional Participation Process, the Participating Transmission Owners will conduct three inter-regional stakeholder meetings. The information to be discussed at such meetings will be made available in final draft form for stakeholder review prior to any such meeting by posting on the SIRPP website and/or e-mails to SIRPP Stakeholder Group ("SIRPPSG") members. The Participating Transmission Owners will use reasonable efforts to make such information available at least 10 calendar days prior to the particular meeting. The Participating Transmission Owners will conduct the "1st Inter-Regional Stakeholder Meeting", as shown in the attached diagram. At this meeting, a review of all of the Economic Planning Study(ies) submitted through the participants' Regional Planning Processes or directly to the Inter-Regional process, along with any additional Economic Planning Study requests that are submitted at this 1st meeting, will be conducted. During this meeting, the stakeholders will select up to five studies that will be evaluated within the planning cycle. The study coordination team will coordinate with the stakeholders

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 7
Deleted: s
Deleted: RM05-17-000
Deleted: and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 118
Deleted: 119

regarding the study assumptions underlying the identified stakeholder requested inter-regional Economic Planning Study(ies). Through this process, stakeholders will be provided an opportunity to comment and provide input regarding those assumptions. Following that meeting, and once the study coordination team has an opportunity to perform its initial analyses of the inter-regional Economic Planning Study(ies), the Participating Transmission Owners will then conduct the "2nd Inter-Regional Stakeholder Meeting." At this meeting, the study coordination team will review the results of such initial analysis, and stakeholders will be provided an opportunity to comment and provide input regarding that initial analysis. The study coordination team will then finalize its analysis of the inter-regional study(ies) and draft the Economic Planning Study(ies) report(s), which will be presented to the stakeholders at the "3rd Inter-Regional Stakeholder Meeting." Stakeholders will be provided an opportunity to comment and provide input regarding the draft report(s). Subsequent to that meeting, the study coordination team will then finalize the report(s), which will be issued to the Participating Transmission Owners and stakeholders.

In addition to performing inter-regional Economic Planning Studies, the Southeast Inter-Regional Participation Process will also provide a means for the Participating Transmission Owners to review, at the Southeast Inter-Regional Participation Process stakeholder meetings, the regional data, assumptions, and assessments that are then being performed on an inter-regional basis.

Southeast Inter-Regional Participation Process Cycle:

The Southeast Inter-Regional Participation Process will be performed annually. Due to the expected scope of the requested studies and size of the geographical region encompassed, the Participating Transmission Owners will perform up to five (5) inter-regional Economic Planning Studies annually, which could encompass both Step 1 and Step 2 evaluations. A Step 1 evaluation will consist of a high level screen of the requested transfer and will be performed during a single year's planning cycle. The high level screen will identify transfer constraints and likely transmission enhancements to resolve the identified constraints. The Participating Transmission Owners will also provide approximate costs and timelines associated with the identified transmission enhancements to facilitate the stakeholders' determination of whether they have sufficient interest to pursue a Step 2 evaluation. Once a Step 1 evaluation has been completed for a particular transfer, the stakeholders have the option to request a Step 2 evaluation for that transfer to be performed during the subsequent year's Inter-Regional Participation Process Cycle. If the stakeholders opt to not pursue Step 2 evaluation for the requested transfer during the subsequent year's Inter-Regional Participation Process Cycle, an

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 7
Deleted: s
Deleted: RM05-17-000
Deleted: and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 118
Deleted: 119

Economic Planning Study of that request may be re-evaluated in the future by being submitted for a new Step 1 evaluation. In the event that the stakeholders request a Step 2 evaluation, the Participating Transmission Owners will then perform additional analysis, which may include additional coordination with external processes. The Participating Transmission Owners will then develop detailed cost estimates and timelines associated with the final transmission enhancements. The Step 2 evaluation will ensure that sufficient coordination can occur with stakeholders and among the impacted Participating Transmission Owners. In addition, the Step 2 evaluation will provide sufficient time to ensure that the inter-regional study results are meaningful and meet the needs of the stakeholders.

It is important to note that the Participating Transmission Owners expect that a Step 2 evaluation will be completed prior to interested parties requesting to sponsor transmission enhancements identified in an Economic Planning Study. However, the Participating Transmission Owners will work with stakeholders if a situation develops where interested parties attempt to sponsor projects identified in a Step 1 evaluation and there is a compelling reason (*e.g.* where time is of the essence).

Inter-Regional Cost Allocation:

The cost allocation for Inter-Regional Economic Upgrade projects will be determined in accordance with the cost allocation principle adopted by each Participating Transmission Owner's Regional Planning Process in which each portion of the construction of such upgrades would occur. The cost allocation principle for each SIRPP Regional Planning Process is posted on the SIRPP website. Typically, since Inter-Regional Economic Upgrade projects will likely consist of improvements that will be physically located in the footprints of multiple Regional Planning Processes, this approach means the cost allocation for each part of the Inter-Regional Economic Upgrade project or each project within a set of projects will be governed by the cost allocation principle adopted by the Regional Planning Process in which that part of the project or set is physically located. For example, should an Inter-Regional Economic Upgrade project consist of a single, 100 mile 500 kV transmission line, with 30 miles physically located in Regional Planning Process "A" and the remaining 70 miles located in Regional Planning Process "B," then the cost allocation for the 30 miles of 500 kV transmission line located in Regional Planning Process "A" would be governed by that Regional Planning Process' cost allocation principle, and the cost allocation for the other 70 miles of 500 kV transmission line would be governed by the cost allocation principle of Regional Planning Process "B."

Deleted: Theopolis Holeman
Deleted: Group
Deleted: 7
Deleted: s
Deleted: RM05-17-000
Deleted: and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 118
Deleted: 119

Deleted:

Should an Inter-Regional Economic Upgrade project be physically located entirely within one Regional Transmission Planning process, the costs of the project would be governed by that region's cost allocation principle.

Inter-Regional Coordination of Economic Transmission Project Development:

Once an Economic Planning Study report has been finalized, multiple stakeholders may be interested in jointly participating in the project development. An Inter-Regional process addressing each such economic upgrade request will be developed that will formalize the process of determining if there is sufficient stakeholder interest to pursue economic project development and the coordination that will be required of the impacted Transmission Owners to support this process. The Participating Transmission Owners and the stakeholders will support this process development activity beginning in 2008.

Stakeholder Participation in the Southeast Inter-Regional Participation Process:

Purpose

The purpose of the Southeast SIRPPSG is to provide a structure to facilitate the stakeholders' participation in the Southeast Inter-Regional Participation Process. Importantly, the SIRPPSG shall have the flexibility to change the "Meeting Procedures" section discussed below but cannot change the Purpose, Responsibilities, Membership, or Data and Information Release Protocol sections absent an appropriate filing with (and order by) FERC to amend the OATT.

Deleted: Inter-Regional Participation Process Stakeholder Group (

Deleted:)

Responsibilities

In general, the SIRPPSG is responsible for working with the Participating Transmission Owners on Inter-Regional Economic Planning Study requests so as to facilitate the development of such studies that meet the goals of the stakeholders. The specific responsibilities of this group include:

Deleted: ═══════

1. Adherence to the intent of the FERC Standards of Conduct requirements in all discussions.
2. Develop the SIRPPSG annual work plan and activity schedule.
3. Propose and select the Economic Planning Study(ies) to be evaluated (five annually).
    a. Step 1 evaluations
    b. Step 2 evaluations
4. The SIRPPSG should consider clustering similar Economic Planning Study requests. In this regard, if two or more of the Economic Planning Study requests are similar in nature and the Participating Transmission Owners conclude that clustering of such requests and studies is appropriate, the Participating

Deleted: Theopolis Holeman

Deleted: Group

Deleted: 7

Deleted: s

Deleted: RM05-17-000

Deleted: and RM05-25-000

Deleted: February

Deleted: 6

Deleted: 7

Deleted: 118

Deleted: 119

Transmission Owners may, following communications with the SIRPPSG, cluster those studies for purposes of the transmission evaluation.

5. Provide timely input on the annual Economic Planning Study(ies) scope elements, including the following:

a. Study Assumptions, Criteria and Methodology
b. Case Development and Technical Analysis
c. Problem Identification, Assessment and Development of Solutions (including proposing alternative solutions for evaluation)
d. Comparison and Selection of the Preferred Solution Options
e. Economic Planning Study Results Report.

6. Providing advice and recommendations to the Participating Transmission Owners on the Southeast Inter-Regional Participation Process.

Membership

The SIRPPSG membership is open to any interested party.

Meeting Procedures

The SIRPPSG may change the Meeting Procedures criteria provided below pursuant to the voting structure in place for the SIRPPSG at that time. The currently effective Meeting Procedures for the SIRPPSG shall be provided to the Participating Transmission Owners to be posted on the SIRPP website and shall become effective once posted on that website (http://www.southeastirpp.com), which postings shall be made within a reasonable amount of time upon receipt by the Transmission Owners. Accordingly, the following provisions contained under this Meeting Procedures heading provide a starting-point structure for the SIRPPSG, which the SIRPPSG shall be allowed to change.

Meeting Chair

A stakeholder-elected member of the SIRPPSG will chair the SIRPPSG meetings and serve as a facilitator for the group by working to bring consensus within the group. In addition, the duties of the SIRPPSG chair will include:

1. Developing mechanisms to solicit and obtain the input of all interested stakeholders related to inter-regional Economic Planning Studies.
2. Ensuring that SIRPPSG meeting notes are taken and meeting highlights are posted on the SIRPP website (http://www.southeastirpp.com) for the information of the participants after all SIRPPSG meetings.

Deleted:
Deleted: 5
Deleted: ¶
Deleted: The SIRPPSG membership is open to any valid stakeholder in the SIRPP. For the SIRPP a valid stakeholder is defined as any Eligible Customer, generation owner/development company, state or federal agency, and any organization capable of providing Ancillary Services under one of the Participating Transmission Owners' OATTs. In addition, any Transmission Owner, Transmission Operator, or Transmission Planner as those terms or their successors are used under the NERC Functional Model, as may be amended from time to time, are eligible to be stakeholders under this SIRPP. Authorized agents of the above identified stakeholder organizations will also be permitted to represent those organizations in the SIRPP. Any individual wishing to become an SIRPPSG member can make an application for membership on the SIRPP website (http://www.southeastirpp.com). On the application for SIRPPSG membership, the applicant must provide their name, their organization affiliation, and an explanation of how they meet at least one of the categories listed in the above valid stakeholder definition.
Deleted: Theopolis Holeman
Deleted: Group
Deleted: 7
Deleted: s
Deleted: RM05-17-000
Deleted: and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 118
Deleted: 119

Meetings
Meetings of the SIRPPSG shall be open to all SIRPPSG members interested in inter-regional Economic Planning Studies across the respective service territories of the Participating Transmission Owners. There are no restrictions on the number of people attending SIRPPSG meetings from any interested party.

Quorum
Since SIRPPSG membership is open to all interested parties, there are no quorum requirements for SIRPPSG meetings.

Voting
In attempting to resolve any issue, the goal is for the SIRPPSG to develop consensus solutions. However, in the event consensus cannot be reached, voting will be conducted with each SIRPPSG member's organization represented at the meeting (either physically present or participating via phone) receiving one vote. The SIRPPSG chair will provide notices to the SIRPPSG members in advance of the SIRPPSG meeting that specific votes will be taken during the SIRPPSG meeting. Only SIRPPSG members participating in the meeting will be allowed to participate in the voting (either physically present or participating via phone). No proxy votes will be allowed. During each SIRPP cycle, the SIRPPSG members will propose and select the inter-regional Economic Planning Studies that will be performed during that particular SIRPP cycle. The SIRPPSG will annually select up to five (5) inter-regional Economic Planning Studies, including both Step 1 evaluation(s) and any Step 2 evaluations, with any such Step 2 evaluations being performed for the previous years Step 1 studies for the pertinent transfers. Each organization represented by their SIRPPSG members will be able to cast a single vote for up to five Economic Planning Studies that their organization would like to be studied within the SIRPP cycle. If needed, repeat voting will be conducted until there are clear selections for the five Economic Planning Studies to be conducted.

Meeting Protocol
In the absence of specific provisions in this document, the SIRPPSG shall conduct its meetings guided by the most recent edition of *Robert's Rules of Order, Newly Revised.*

Data and Information Release Protocol
SIRPPSG members can request data and information that would facilitate their ability to replicate the SIRPP inter-regional Economic Planning studies while ensuring that CEII and other confidential data is protected.

Deleted: <sp>
Deleted: organization
Deleted: valid stakeholders
Deleted: Theopolis Holeman
Deleted: Group
Deleted: 7
Deleted: s
Deleted: RM05-17-000
Deleted: and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 118
Deleted: 119

Deleted: <sp>

CEII Data and Information

The following outlines the process the SIRPPSG members would use to obtain CEII data and information used in the SIRPP.

Deleted: the

1. Request and obtain from FERC the FERC Form No. 715 data (that includes CEII data) for the Participating Transmission Owners, where applicable.
2. Have a current SERC Confidentiality Agreement in place.
3. Have a current SIRPP Confidentiality Agreement in place.
4. Formally request the data on the SIRPP website (http://www.southeastirpp.com) with attestations that they have fulfilled the above 3 steps.

The SIRPP Participating Transmission Owners will process the above requests, approve/deny the request, and if approved, provide the data to the SIRPPSG member.

Non-CEII Confidential Information

The Participating Transmission Owners will make reasonable efforts to preserve the confidentiality of information that is confidential but not CEII in accordance with the provisions of the Tariff and the requirements of, and/or agreements with, SERC and/or agreements with the other Participating Transmission Owners. Such confidential information supplied by an entity that is not a "public utility" for purposes of Section 201(e) of the Federal Power Act will not be disclosed to third parties, or posted on the SIRPP website, or otherwise made publicly available absent written consent from that nonjurisdictional entity or an order from a Court or governmental agency having requisite jurisdiction over the Participating Transmission Owner that is in possession of such confidential information ("governmental body"). In this regard, it is incumbent upon the nonjurisdictional entity to provide prior notice to such Participating Transmission Owner of the entity's not being such a "public utility," and the Participating Transmission Owner shall bear no responsibility for such entity's claim of nonjurisdictional status or failure to claim such status.

1. Confidential information supplied by an entity that is a "public utility" for purposes of Section 201(e) of the Federal Power Act shall be made available upon request, subject to the provisions below, to those SIRPPSG members who have executed an appropriate confidentiality agreement. Importantly, if information should prove to be both competitively sensitive/otherwise confidential and CEII, then the requirements of both this section (including the following two requirements) and the previous section would apply. The form of the appropriate confidentiality agreement shall be posted on the SIRPP website.

Deleted: ¶
¶
Deleted: Theopolis Holeman
Deleted: Group
Deleted: 7
Deleted: s
Deleted: RM05-17-000
Deleted: and RM05-25-000
Deleted: February
Deleted: 6
Deleted: 7
Deleted: 118
Deleted: 119

Deleted: <sp>

2. Resource-specific data shall not be made available by the Participating Transmission Owners if the data has been designated confidential by the data provider or if the data can be used to: (a) Determine security constrained unit commitment or economic dispatch of resources; or (b) Perform an economic evaluation of costs and benefits.

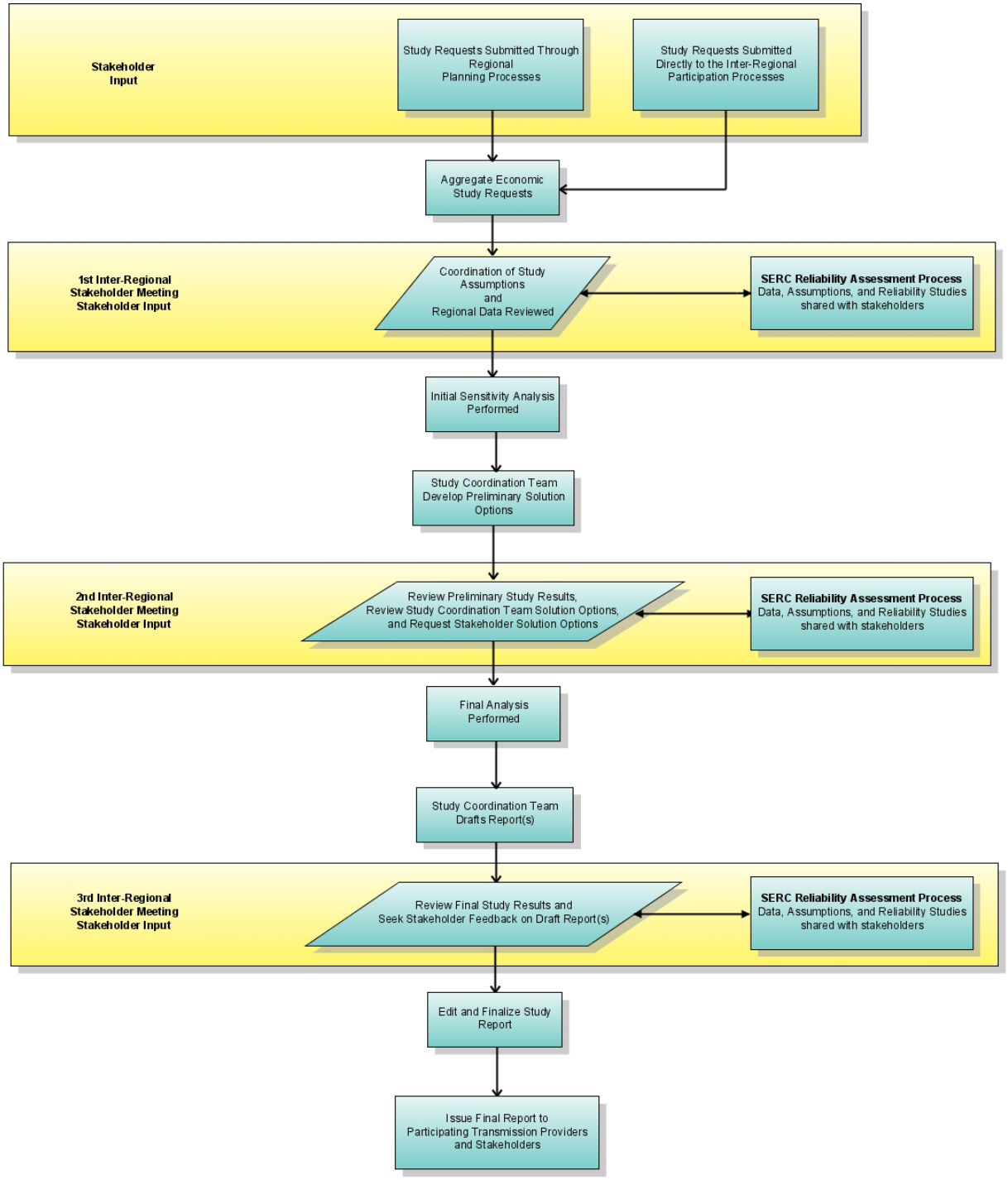
Dispute Resolution

Any procedural or substantive dispute between a stakeholder and a Participating Transmission Owner that arises from the SIRPP will be addressed by the Participating Transmission Owner's dispute resolution procedures in its respective Regional Planning Process. In addition, should the dispute only be between stakeholders with no Participating Transmission Owner involved (other than its ownership and/or control of the underlying facilities), the stakeholders will be encouraged to utilize the Commission's alternative means of dispute resolution.

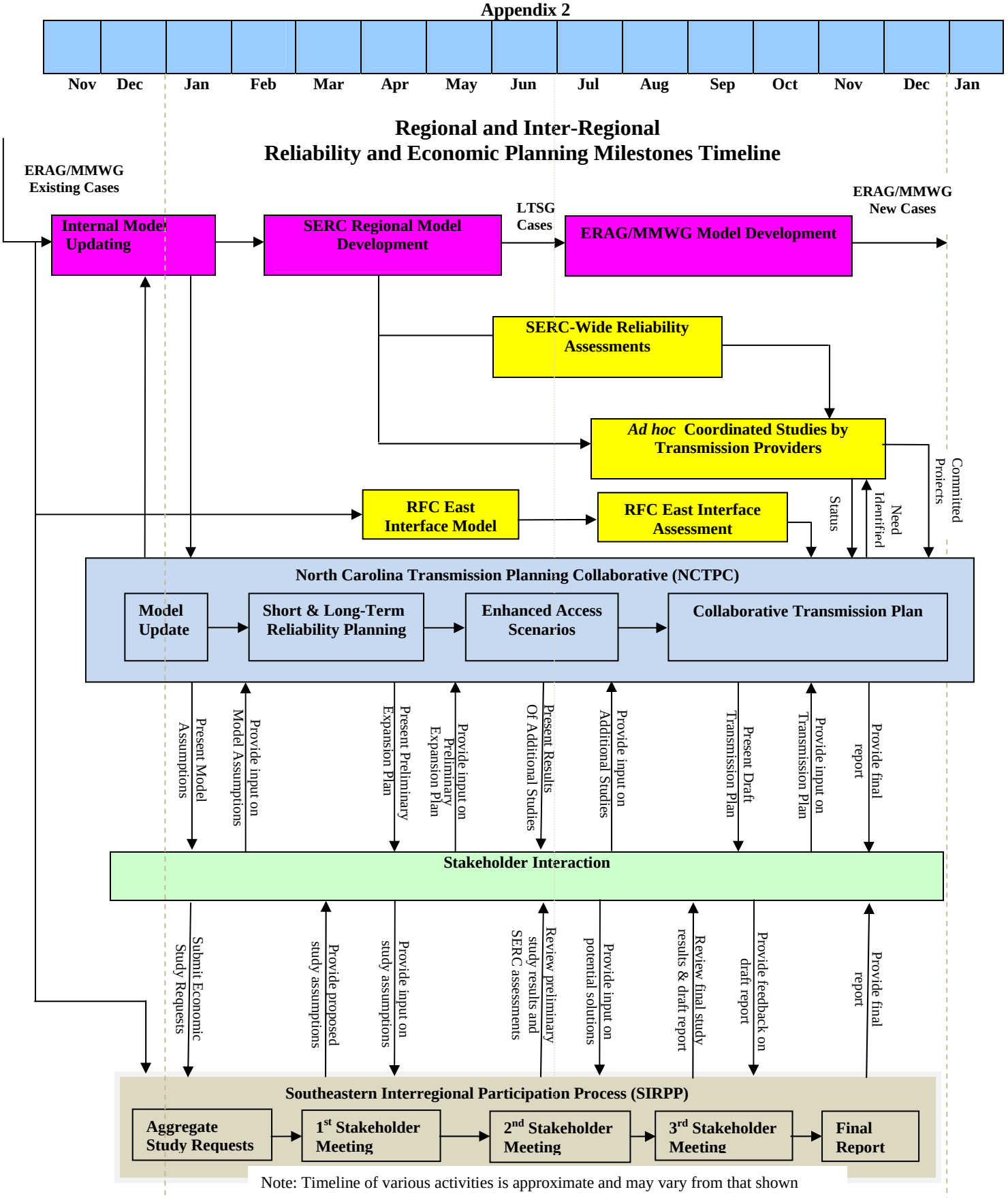
Should dispute resolution proceedings be commenced in multiple Regional Planning Processes involving a single dispute among multiple Participating Transmission Owners, the affected Participating Transmission Owners, in consultation with the affected stakeholders, agree to use reasonable efforts to consolidate the resolution of the dispute such that it will be resolved by the dispute resolution procedures of a single Regional Planning Process in a single proceeding. If such a consensus is reached, the Participating Transmission Owners agree that the dispute will be addressed by the dispute resolution procedures of the selected Regional Transmission Planning Process. Nothing herein shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Deleted: <sp>

Southeast Inter-Regional Participation Process Diagram:



Appendix 2



Note: Timeline of various activities is approximate and may vary from that shown

Appendix 3

Sector Voting Example

The example below illustrates the TAG Sector Voting Process. For purposes of explaining the example, we assume that the General Public (GP) Sector has 10 Individuals present. In addition to the 10 Individuals, there are 17 other TAG Sector Entities present, spread across four TAG Sectors (Cooperative LSEs (Coop LSE); Municipal LSEs (Muni LSE); Investor-Owned LSEs (IOU LSE); and Transmission Customers (TC)). These 17 TAG Sector Entities may each have several TAG participants present but only one may vote in one sector. Each Individual and TAG Sector Entity casts their vote, which vote is then weighted based on the number of persons/entities voting in the TAG Sector of which they are a member. E.g., since there are six Coop LSEs is present, each Coop LSE's vote is worth 1.00/6 or .166 (*see* Columns 4 and 5 for weighted vote). As the final step, the votes are weighted again, based on the number of TAG Sectors present. With five TAG Sectors present, each Sector Yes Vote and Sector No Vote is multiplied by 1.00/5 = .20. The weighted total is reported in columns 6 and 7. In the example, the No votes have won .53 to .47.

Column	1	2	3	4	5	6	7
Sector	No. of Voters	Yes Votes	No Votes	Sector Yes Vote	Sector No Vote	Weighted Sector Yes	Weighted Sector No Vote
Coop LSE	6	6	0	1.00	0	.20	0
Muni LSE	8	2	6	.25	.75	.05	.15
IOU LSE	2	1	1	.50	.50	.10	.10
TP/TO	0	0	0	0	0	0	0
TCs	1	0	1	0	1.00	0	.20
GICs	0	0	0	0	0	0	0
ECs	0	0	0	0	0	0	0
GP	10	6	4	.60	.40	.12	.08
Total Vote						0.47	0.53