

**FERC Order 890  
Draft Straw-Man  
(Company Name)**

**Introduction**

In the Fall of 2006, the transmission providers from Alabama Electric Cooperative, Dalton Utilities, Georgia Transmission Corporation, Municipal Electric Authority of Georgia, South Mississippi Electric Power Association and Southern Company Transmission (~~collectively called the Southeastern Sub-Region of SERC~~) hosted the first annual Southeastern ~~Sub-Region~~ Transmission Planning Summit which was held in Atlanta, Georgia. The transmission providers of the Southeastern ~~Sub-Region~~ presented their **long term** planning processes (**generally defined as eighteen months from the current year summer peak conditions**), criteria, assumptions and expansion plans as well as established a stakeholder interest group. Since the November 2006 Planning Summit, the FERC has issued its Final Rule on OATT Reform (Order 890) which mandates many of the activities that transmission providers of the Southeastern ~~Sub-Region~~ implemented in 2005/06. Therefore the intent of this straw man is to illustrate how these activities and processes (with slight modifications as needed) **in conjunction with existing regional planning activities** will satisfy the regional planning objectives established by FERC Order 890 (issued by Federal Register March 15<sup>th</sup>, 2007).

**I. Coordination**

(Company Name) will participate in the aforementioned, existing Southeastern ~~Sub-Region~~, Regional Planning Process. Additional coordination will be attained by ~~the~~ an early to mid-January meeting that will be added to the existing Regional Planning schedule, consisting of Spring, late Summer and Fall stakeholder meetings. This will facilitate additional stakeholder input into the development of the (Company Name) transmission expansion plan.

Outlined below is the proposed meeting schedule and purpose of each meeting **along with suggested topics. Each meeting will be conducted in an interactive fashion and seek stakeholder input in order to improve the planning process.** The meetings are open to all Southeastern ~~Sub-Region~~ stakeholders.

January

- **Consult with stakeholders on the Present** proposed modeling assumptions **and seek input from all stakeholders** for the upcoming year's planning processes. Assumptions will include load growth, resource assumptions, transmission expansion plan, external models, transmission service utilization and other related data.

- Present **and discuss** modifications that have occurred to the transmission expansion plan since the previous Fall Summit meeting.
- Present **and discuss** long term transfer study results from the prior year (performed in Fall) SERC Long Term Working Group (LTWG).
- **Address topics submitted by RPSG.**

### March

- Regional Planning Stakeholder Group (RPSG) meets to discuss and select **five** ~~(5)~~ **six (6)** economic studies to be performed by Southeastern ~~Sub-~~Region transmission providers (for further discussion see section VIII on Economic Planning Studies).
- **Address topics submitted by RPSG.**

### August

- RPSG meets to review initial results from the economic studies. RPSG may make slight changes to study scope if necessary.
- Results from the annual Florida/Southern Interface Capability Joint Study will be presented **and discussed**.
- **Address topics submitted by RPSG.**

### November

- Present results of the current ten (10) year expansion plan as well as planning processes, assumptions and planning criteria at the annual Southeastern ~~Sub-~~Region Transmission Summit. In addition, final results of RPSG's **five** ~~(5)~~ **six (6)** economic studies will be presented.

## **II. Openness**

(Company Name) will promote an open transmission planning process in the following manner:

1. Through stakeholder **consultation interaction** as defined in Principle I (Coordination).
2. Through a new Regional Planning web site. This site will provide links to the regional planning web sites of all Southeastern ~~Sub-~~Region, transmission providers.
3. Through posting data associated with the Southeastern ~~Sub-~~Region, Regional Planning Process.

4. Through posting on the Regional Planning site the planning methodology, criteria, project status, etc. as discussed in Principle III (Transparency).

### III. Transparency

Transmission planning methodology, criteria, data/assumptions will be made available to stakeholders including:

1. Guidelines for planning the transmission provider's electric transmission system. **These** will be posted on the Regional Planning web site.
2. Resource assumptions for the 10 year expansion plan **and the use of any demand side resources.**
3. Load ~~forecasts~~ **assumptions** for all load levels studied.
4. ~~Explain~~ **Discussion on** how native load **growth** is **modeled** ~~accounted for~~ in future years **base cases.**
5. ~~Annually~~ **posting of project status for the status of** projects that enhance inter-regional bulk power transfer capability on the Regional Planning web site.
6. ~~Describe~~ **Description and documentation and** posted on the Regional Planning web site **of** the generation used at each load level studied (i.e., how hydro is treated in various load levels, generator additions/deletions from year to year will be listed, generators will be listed by type). This should allow a third party user to compare cases at various load levels and simulate a dispatch comparable to one a transmission provider would conduct in its normal reliability planning.

### IV. Information Exchange

Currently, network transmission customers provide load and resource projections for the planning horizon. This process will continue with the following changes/additions:

1. Load and resource projections for network customers will be posted on the Regional Planning web site annually per the current timeline (early Fall).
2. Current owners of confirmed point to point transmission service will be requested to post usage projections for the term of their service commitment and beyond if rollover implications exist. In addition, customers will also be requested to post projected usage even though they may not be subject to a transmission reservation during that time period. This annual request would require the customer to post by the early Fall time frame.

## V. Comparability

~~Currently,~~ (Company Name) ~~engages will endeavor to provide in~~ fair, equitable and comparable treatment for their Point to Point, Network Integration Transmission Service and Generation Interconnection customers, as applicable, compared to the treatment of their ~~native load similarly situated~~ customers.

## VI. Dispute Resolution

Disputes that arise from procedural or substantive issues as related to Final Rule 890 will be resolved in ~~a comparable manner to Section 12 of Southern Company's existing OATT,~~ the following manner:

- Disputes shall be referred to a senior representative of (Company Name) and a senior representative of the stakeholder for resolution on an informal basis as promptly as practicable.
- Disputes that arise from issues related to the Southeastern ~~Sub~~-Region, Regional Planning Process shall be referred to a panel of designated senior representatives of the Southeastern ~~Sub~~-Region Transmission Providers and an appointed representative of the Regional Planning Stakeholder's Group (RPSG) for resolution on an informal basis as promptly as practicable.
- In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration.
- Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

## VII. Regional Participation

(Company Name) currently participates and has a long history of participation in the regional planning process. ~~Through various reliability agreements~~ (Company Name) ~~participates in joint and coordinated studies~~ will continue to engage in joint and coordinated regional planning efforts through various reliability agreements and studies (i.e. SERC Long Term Working Group Studies) that are focused both on reliability as well as the most economic transmission solution for all parties involved. This ensures solutions that are not just "piecemeal" solutions but ones that address reliability issues and facilitate additional growth.

In addition to the existing regional participation, a Regional Planning Stakeholder's Group (RPSG) has been recently formed for the Southeastern ~~Sub~~-Region, Regional Planning Process as previously stated in the Introduction (referred to as stakeholder interest group). The studies performed for this group will also address bulk power economic projects. Southeastern ~~Sub~~-Region transmission providers will work with neighboring utilities (members of FRCC and SERC) to produce the best product

possible for the stakeholders. When inter-regional solutions are identified, results will be coordinated with all impacted transmission owners.

## VIII. Economic Planning Studies

As described in the Introduction, the transmission providers of the Southeastern ~~Sub~~-Region, as part of their Regional Planning efforts, recently assisted in the formation of a Regional Planning Stakeholder's Group (RPSG) or also referred to as stakeholder interest group. The purpose and framework are defined below:

### Purpose

The RPSG will act as an additional mechanism for stakeholders to provide input into the yearly planning process and for up to ~~five (5)~~ **six (6)** additional study scenarios to be performed that address issues beyond the typical OATT type studies. The RPSG will provide greater transparency to the region's transmission planning process.

### Framework

- Representatives divided into seven (7) sectors

- Transmission Owners/Operators
- Transmission Service Customers
- Cooperatives
- Municipals
- Marketers
- Generation Owners/Developers
- ISO-RTO

- Two (2) members per sector

- Sector members are voted in by sector representatives

- Companies may be represented by only one (1) sector

### Functions of RPSG

- Determine the top ~~five (5)~~ **six (6)** economic sensitivities (on an annual basis) to enter into the transmission provider's yearly planning cycle. Similar sensitivities may be "clustered" to facilitate a more meaningful answer. ~~Five (5)~~ **Six (6)** economic sensitivities will be studied by the Regional Planning Working Group ("RPWG") composed of a transmission planning engineer from each of the transmission providers.

- RPSG will meet in mid August so the hosting transmission providers can present the RPSG a mid-study update on the ~~five (5)~~ **six (6)** economic sensitivities.

- RPSG can provide additional input into the economic sensitivity study process at that time.

- The ~~five (5)~~ **six (6)** economic sensitivities will be reported on during the annual Fall Southeastern ~~Sub~~-Region Transmission Planning Summit. The following will be included:

- Cost of identified projects
- Scope of solutions
- Timing requirements for projects identified

## **IX. Cost Allocation for New Projects**

The cost allocation for new transmission facilities or portions of facilities for transmission service or generation interconnection under the OATT of a specific transmission provider shall be in accordance with FERC policy, if applicable.

With regard to reliability upgrades, the costs of such transmission improvements shall be allocated to all users of the transmission system in accordance with State and FERC policies, if applicable.

With regard to economic upgrades, the costs for such transmission improvements shall be assigned/allocated to the requestor(s) of those improvements. For example, significant interregional/multiple control area transmission improvements that allow for access to generation in distant markets would be assigned/allocated to the requestor(s).