

**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 planning processes, 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) will satisfy the regional planning objectives established by FERC Order 890 (issued by Federal Register March 15th, 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. The meetings are open to all Southeastern Sub-Region stakeholders.

January

- 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 modifications that have occurred to the transmission expansion plan since the previous Fall Summit meeting.

- Present long term transfer study results from the prior year (performed in Fall) SERC Long Term Working Group (LTWG).

March

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

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.

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) economic studies will be presented.

II. Openness

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

1. Through stakeholder 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 will be posted on the Regional Planning web site.
2. Resource assumptions for the 10 year expansion plan.
3. Load forecasts for all load levels studied.
4. Explain how native load is accounted for in future years.

5. Annually post the status of projects that enhance inter-regional bulk power transfer capability on the Regional Planning web site.
6. Describe, document and post on the Regional Planning web site 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 in fair, equitable and comparable treatment of their Point to Point, Network Integration Transmission Service and Generation Interconnection customers, as applicable, compared to the treatment of their native load 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.

- 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 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) 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) 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) 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) economic sensitivities.
- RPSG can provide additional input into the economic sensitivity study process at that time.
- The five (5) 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

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).