

March 24, 2015

BY ELECTRONIC FILING

Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: The Southeastern Regional Transmission Planning Process
Compliance Filing to *Duke Energy Carolinas, LLC, et al.*, 150 FERC ¶ 61,044
Interregional Compliance Filing for the SERTP-FRCC and SERTP-SCRTP Seams

Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.,
Docket No. ER13-1922

Kentucky Utilities Company and Louisville Gas and Electric Company,
Docket No. ER13-1930

**Ohio Valley Electric Corporation, including its wholly owned subsidiary Indiana-
Kentucky Electric Corporation,**
Docket No. ER13-1940

Southern Company Services, Inc.,
Docket No. ER13-1941

Dear Ms. Bose:

Pursuant to Section 206 of the Federal Power Act¹ (“FPA”) and the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) order issued in *Duke Energy Carolinas, LLC, et al.*, 150 FERC ¶ 61,044 (2015) (the “Order”), Duke Energy Carolinas, LLC and Duke Energy Progress, Inc. (collectively, “Duke”); Louisville Gas and Electric Company and Kentucky Utilities Company (“LG&E/KU”); Ohio Valley Electric Corporation, including its wholly owned subsidiary Indiana-Kentucky Electric Corporation (“OVEC”); and Southern Company Services, Inc., acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company (collectively “Southern Companies”), hereby provide their compliance filings to the Order.

I. INTRODUCTION

A. Background

Duke, LG&E/KU, OVEC, and Southern Companies (collectively, the “SERTP Filing Parties” or “Jurisdictional SERTP Sponsors”) are all public utility transmission providers that sponsor the

¹ 16 U.S.C. § 824e.

Southeastern Regional Transmission Planning process (“SERTP”). In addition to the Jurisdictional SERTP Sponsors, the SERTP also is supported by the following nonjurisdictional transmission owners and service providers: Associated Electric Cooperative Inc. (“AECI”), Dalton Utilities (“Dalton”), Georgia Transmission Corporation (“GTC”), the Municipal Electric Authority of Georgia (“MEAG”), PowerSouth Energy Cooperative (“PowerSouth”), and the Tennessee Valley Authority (“TVA”) (collectively, the “Nonjurisdictional SERTP Sponsors”) (the Jurisdictional SERTP Sponsors and Nonjurisdictional SERTP Sponsors are collectively referred to herein as the “SERTP Sponsors”).

This filing involves the SERTP Sponsors’ proposals to comply with Order No. 1000’s² interregional transmission planning and cost allocation requirements with the transmission providers in two of the SERTP Sponsors’ neighboring transmission planning regions -- those in the Florida Reliability Coordination Council (“FRCC”) and those in the South Carolina Regional Transmission Planning Process (“SCRTP”), respectively. By way of background, on July 10, 2013, the Jurisdictional SERTP Sponsors submitted their initial, joint proposals in the above-referenced dockets to comply with Order No. 1000’s interregional transmission coordination and cost allocation requirements with the five transmission planning regions neighboring the SERTP. In addition to the FRCC and SCRTP, the other transmission planning regions that are adjacent to the SERTP are the Midcontinent Independent System Operator (“MISO”), PJM Interconnection, LLC (“PJM”), and the Southwest Power Pool (“SPP”). While there are many similarities between the compliance proposals between the SERTP and each of the neighboring regions, each compliance proposal was specific to each neighboring region and reflected extensive negotiations between the SERTP Sponsors and the relevant transmission providers in each of those regions, respectively. Accordingly, the initial proposals with the FRCC and SCRTP were, respectively, joint proposals, with the SERTP Filing Parties and the relevant transmission providers in each of those two neighboring transmission planning regions having filed common tariff language for each interregional seam.

On January 23, 2015, the Commission issued the Order, which addresses the initial compliance proposals submitted by the SERTP Filing Parties and by the “filing transmission providers”³ in, respectively, the FRCC and the SCRTP.⁴ While accepting important aspects of those compliance

² *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 (2011), *order on reh’g and clarification*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh’g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012) (“Order No. 1000”).

³ Just as in the SERTP, not all transmission providers that participate in discussions have an “Attachment K” in an OATT on file with the Commission. Some non-public utility transmission providers do file an OATT with FERC, while others do not. “Filing transmission providers” refers to those entities that submit filings to the Commission. Other non-public transmission providers may have participated in the development of the filed tariff changes.

⁴ On that same date, the Commission also issued separate orders addressing the compliance filings by the SERTP Filing Parties and MISO and PJM for the SERTP-MISO and SERTP-PJM seams. See *Midcontinent Independent System Operator, Inc., et al.*, 150 FERC ¶ 61,045 (2015) (“MISO-SERTP Order”); see also *PJM Interconnection, L.L.C.*, 150 FERC ¶ 61,046 (2015) (“PJM-SERTP Order”). The Commission recently granted extensions of time for the submission of compliance filings to the PJM-SERTP Order and the MISO-SERTP Order, with the compliance filings to the former being due on May 26, 2015, and those to the latter on June 22, 2015. See *Notice Granting Extension of Time*, Docket Nos. ER13-1930, *et al.* (March 6, 2015) (SERTP-PJM seam); and *Notice Granting Extension of Time*, Docket Nos. ER13-1923, *et al.* (March 6, 2015) (SERTP-MISO seam). The Jurisdictional SERTP Sponsors will submit compliance filings to the MISO-SERTP Order and PJM-SERTP Order in accordance with those extensions of time. The Commission recently issued the order addressing the Jurisdictional SERTP Sponsors’ initial compliance proposals for the SERTP-SPP interregional seam on March 19, 2015. *Southwest Power Pool, Inc., et al.*, 150 FERC ¶ 61,210 (2015) (“SPP-SERTP Order”).

proposals, the Order requires some changes. The instant filing provides the Jurisdictional SERTP Sponsors' compliance filing to the Order.

As with their initial compliance filings submitted in these dockets on July 10, 2013, the SERTP Sponsors have engaged in extensive outreach and coordination with the relevant transmission providers in the FRCC and SCRTP, respectively. Also as with their initial compliance filings, the SERTP Sponsors have reached full agreement on all points with the relevant transmission providers in both of those regions. Accordingly, the Jurisdictional SERTP Sponsors and such transmission providers in the FRCC and SCRTP are hereby submitting (by separate filings being made contemporaneously) parallel tariff language to comply with the Order.

B. The Jurisdictional SERTP Sponsors' Filing of Their Respective Tariff Records

While the SERTP Filing Parties are submitting this common transmittal letter, each such Jurisdictional SERTP Sponsor is individually submitting the relevant revised provisions to its respective open access transmission tariff ("OATT") through eTariff to comply with the Commission's filing requirements. In these compliance filings, each Jurisdictional SERTP Sponsor will include in its filing its specific tariff records and corresponding clean and marked tariff attachments, but not the tariff records to be filed by the other Jurisdictional Sponsors. Additionally, it is important to note that the tariff records and clean and marked tariff attachments are not absolutely identical across all four filings of the Jurisdictional SERTP Sponsors as they reflect differing local planning processes and slight variations in terminology used in the corresponding tariffs.

II. OATT REVISIONS TO COMPLY WITH THE ORDER

The following first describes the compliance proposals that the transmission providers in the FRCC and the Jurisdictional SERTP Sponsors (collectively, the "Florida Filing Parties-SERTP Filing Parties") have jointly developed, and then describes the compliance proposals that the relevant transmission providers in the SCRTP and the Jurisdictional SERTP Sponsors (collectively, the "South Carolina-SERTP Filing Parties") have jointly developed, to comply with the Order. Importantly, while the Florida Filing Parties-SERTP Filing Parties' and the South Carolina-SERTP Filing Parties' respective initial compliance proposals were similar, and while the Order's directives addressing those proposals are also similar, there are some differences, and separate negotiations occurred to develop the compliance proposals being filed herein. Therefore, in an effort to prevent possible confusion and inadvertent errors, this transmittal letter first discusses the Florida Filing Parties-SERTP Filing Parties' compliance proposals for the FRCC-SERTP seam and then separately discusses the (very similar) South Carolina-SERTP Filing Parties' compliance proposals for the SCRTP-SERTP seam.⁵

⁵ Before turning to the proposals being filed herein to comply with the Order, Southern Companies bring to the Commission's attention what Southern Companies understand to be an inadvertent, harmless error found in the Order. In particular, Appendix A to the Order identifies and provides abbreviations for the parties that intervened in one or more of the underlying FERC dockets. In a few instances, the Order identifies "Southern Companies" as including Southern Power Company. Southern Companies note that, as demonstrated by a review of their interventions and other filings made in these dockets, Southern Power Company (while an affiliate of Southern Companies) has not participated in these proceedings (among other things, Southern Power Company is not a public utility transmission provider subject to Order No. 1000). Southern Companies understand that the foregoing are inadvertent, harmless errors but bring this matter to the Commission's attention should these matters need to be rectified.

A. The FRCC-SERTP Seam: The Florida Filing Parties-SERTP Filing Parties' Agreed-Upon OATT Language to Address Order No. 1000's Interregional Requirements for Their Respective Seam

The Florida Filing Parties-SERTP Filing Parties have agreed to a common approach and parallel tariff language in their respective OATTs to satisfy Order No. 1000's interregional coordination and cost allocation requirements for their collective seam ("FRCC-SERTP Joint Proposal"). For the Florida Filing Parties, this tariff language effectuating the FRCC-SERTP Joint Proposal is found in their respective OATTs as follows:

- For Tampa Electric Company ("TECo"), the implementing tariff language is found at Attachment K, Appendix 5 of TECO's OATT.
- For Duke Energy Florida, Inc., the implementing tariff language is found at Attachment N-2 - SERTP of the Duke Joint OATT.
- For Florida Power & Light Company ("FP&L"), the implementing tariff language is found at Attachment K-1 of FP&L's OATT.
- For the Orlando Utilities Commission ("OUC"), the implementing tariff language is found at Attachment K, Appendix 5 of OUC's OATT.

For the Jurisdictional SERTP Sponsors, this parallel tariff language effectuating the FRCC-SERTP Joint Proposal is included in their respective OATTs as follows:

- For Duke, the implementing tariff language is found at Attachment N-1 - FRCC of the Duke Joint OATT.
- For LG&E/KU, the implementing tariff language is found at Appendix 6 to Attachment K of LG&E/KU's OATT.
- For OVEC, the implementing tariff language is found at Attachment M-1 of OVEC's OATT.
- For Southern Companies, the implementing tariff language is found at Attachment K-4, "Interregional Transmission Coordination Between the SERTP and FRCC Regions" of Southern Companies' OATT.⁶

In an effort to facilitate the Commission's review of these filings being made contemporaneously by the Florida Filing Parties-SERTP Filing Parties, they have coordinated in drafting their transmittal letters.

⁶ Southern Companies OATT is identified as the following in FERC's eTariff data base: "Alabama Power Company, OATT and Associated Service Agreements, Tariff Volume No. 5, Southern Companies OATT."

To facilitate the Commission's review of the proposals made herein, the headings under this Section II.A of the transmittal letter generally follow the topic headings in the Order.

1. Interregional Transmission Coordination Requirements

a. General Requirements

In the Order, the Commission found that the Florida Filing Parties-SERTP Filing Parties' proposed criteria for defining a transmission project as interregional in nature for purposes of interregional cost allocation partially complies with Order No. 1000. Specifically, the Commission found that:

[T]he requirement that the transmission project must interconnect to the transmission facilities of one or more SERTP Filing Parties and the transmission facilities of one or more FRCC ... members enrolled in the regional transmission planning process is overly limiting and inconsistent with Order No. 1000. While the Florida Filing Parties-SERTP Filing Parties' ... proposal to allow interconnecting interregional transmission facilities to be eligible for interregional cost allocation is consistent with the requirements of Order No. 1000, limiting this interconnection to only those transmission projects that will interconnect to an enrolled member of the SERTP and FRCC transmission planning regions ... is unduly limiting.... The proposed language would preclude interregional transmission facilities from interconnecting with transmission facilities that are selected in the regional plan for purposes of cost allocation but that are *currently under development* by a transmission developer who has not yet become a sponsor in SERTP or an enrolled member of the FRCC ... transmission planning regions. Thus, we find that this proposed definition does not comply with Order No. 1000. Accordingly, we direct ... SERTP Filing Parties, Tampa Electric, FP&L, and Duke Florida to submit further compliance filings to include a definition of an interregional transmission facility that is consistent with Order No. 1000....⁷

To comply with these directives, the Florida Filing Parties-SERTP Filing Parties have jointly developed the following proposal that would make corresponding changes to Section 4.1.A and B. Specifically, the Florida Filing Parties-SERTP Filing Parties propose to revise their definition of a transmission project that is eligible to seek interregional cost allocation as a project that connects to "either existing transmission facilities or transmission projects included in the regional transmission

⁷ Order, P 39 (internal citations omitted) (emphasis added). The Commission later reiterates this requirement to revise the definition of interregional transmission project in discussing the Florida Filing Parties-SERTP Filing Parties' interregional cost allocation proposals. *See id.*, PP 186, 188.

plan that are currently under development.” Section 4.1.A and B are proposed to be revised as shown in the redline comparison provided below:⁸

- A. The transmission project must be interregional in nature:
- Be located in both the SERTP and the FRCC regions;
 - Interconnect to ~~the~~ transmission facilities in both the SERTP and FRCC regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development of one or more SERTP Sponsors and the transmission facilities of one or more members enrolled in the FRCC regional planning process; and
 - Meet the threshold criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and the FRCC, pursuant to their respective regional transmission planning processes.
- B. On a case-by-case basis, the Transmission Provider and the FRCC will consider a transmission project that does not satisfy all of the criteria specified in Section 4.1.A but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in at least one of the two regions; (ii) would be located in both regions; and (iii) would be interconnected to ~~the~~ transmission facilities in both the SERTP and FRCC regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development. of one or more SERTP Sponsors and the transmission facilities of one or more of the FRCC members enrolled in the FRCC regional planning process....”

Effective Date

The Order provides an effective date of January 1, 2016 for the FRCC-SERTP interregional seam.⁹ In this regard, all of the relevant tariff records for the interregional coordination processes were filed by the SERTP Sponsors with an “undetermined” (12/31/9998) effective date. The SERTP Sponsors proposed that their interregional coordination processes should become effective in the

⁸ The redline shows the changes being hereby proposed to the original tariff language that the Florida Filing - SERTP Filing Parties initially proposed in their July 10, 2013 interregional compliance filings. For ease of reference, the actual OATT language shown in this transmittal letter is typically that from Southern Companies’ OATT. While parallel OATT language is being filed by the filing transmission providers, there are some slight terminology and related differences between the OATT language that is being filed.

⁹ Order, P 40.

transmission planning cycle subsequent to their regional planning processes becoming effective. The transmission providers in the FRCC also used the “to be determined” effective date, explaining to FERC that “if the Florida Sponsors and the Jurisdictional SERTP Sponsors’ regional planning proposals both are effective in 2014, then these interregional proposals would become effective in 2015.”¹⁰ However, over the course of the regional compliance filings, the Florida Sponsors had requested that the effective date of their biennial regional and interregional processes begin on January 1, 2015.¹¹ In the four orders accepting the interregional filings of the SERTP Sponsors, the Commission ruled that January 1, 2015 would be the effective date for the interregional coordination process with each seam *other than* the FRCC-SERTP seam,¹² for which the Commission adopted a January 1, 2016 effective date.¹³ The SERTP Sponsors understand that the Florida Sponsors prefer a January 1, 2015 date be adopted for the SERTP-FRCC seam. This would accomplish two objectives: enable a consistent January 1, 2015 implementation date for all of the five SERTP interregional seams; and enable both the regional and interregional FRCC Order No. 1000 processes to be implemented within consistent cycles. The SERTP and the FRCC are moving forward at this time assuming the January 1, 2015 SERTP-FRCC interregional seam implementation date.¹⁴

b. Implementation of the Interregional Transmission Coordination Requirements

i. Data Exchange and Identifying Interregional Transmission Facilities

With regard to the identification of interregional transmission facilities, the Commission accepted the Florida Filing Parties-SERTP Filings Parties’ tariff provisions that “provide the ability for stakeholders and transmission developers to propose interregional transmission facilities and for the public utility transmission providers to use those proposals, along with their own professional judgment, to identify possible interregional transmission facilities that could address transmission

¹⁰ *E.g.*, Transmittal Letter at 20, Docket No. ER13-1922 (July 10, 2013).

¹¹ Transmittal Letter at 8, Docket No. ER13-86 (December 17, 2013) (“Upon consideration of how the FRCC regional and interregional processes should align, the Florida Sponsors believe that both processes should align with the same biennial planning cycle, which would start on 2015”).

¹² *See* Order, P 31 (accepting January 1, 2015 as the effective date for the SCRTS-SERTP compliance filings); MISO-SERTP Order, P 29 (accepting January 1, 2015 as the effective date for the MISO-SERTP filings); PJM-SERTP Order, P 31 (accepting January 1, 2015 as the effective date for the PJM-SERTP filings); SPP-SERTP Order, P 28 (accepting January 1, 2015 as the effective date for the SPP-SERTP filings).

¹³ Order, P 40. It appears that the effective dates of tariff records for the SERTP-FRCC seam for each SERTP Sponsor and filing FRCC transmission provider has been set to 1/1/2016 on the eTariff Viewer, but the tariff records for the other seams remain set at 12/31/9998, despite the orders cited above adopting the 1/1/2015 effective date. That is, Staff “updated” the effective date for the tariff records for the SERTP-FRCC seam only (but not the tariff records for the other seams). Also, if the January 1, 2015 effective date is acceptable for the SERTP-FRCC seam, the tariff records with the 1/1/2016 effective date should be set by Staff to “overtaken by events”; absent such action, the originally filed tariff records will appear as though they will be effective on 1/1/2016.

¹⁴ To the extent the requested change in effective date is considered a change that must be filed pursuant to Section 205 of the Federal Power Act, the SERTP Sponsors ask that the Commission permit this filing to be treated as a Section 205 filing for this limited purpose and waiver of the application of the 60-day notice period.

needs more efficiently or cost-effectively than separate regional transmission facilities.”¹⁵ The Commission also accepted the Florida Filing Parties-SERTP Filing Parties’ tariff provisions that utilize “the regional transmission planning processes as the forum for stakeholders and transmission developers to propose interregional transmission projects for joint evaluation.”¹⁶ While accepting those provisions, the Commission held that in Order No. 1000,

[T]he Commission required the developer of an interregional transmission facility to first propose its interregional transmission facility in the regional transmission planning processes of each of the neighboring regions in which the transmission facility is proposed to be located, which will trigger the procedure under which the public utility transmission providers, acting through their regional transmission planning process, will jointly evaluate the proposed interregional transmission project. While we accept the proposals to rely on the regional transmission planning processes as the forum for stakeholders and transmission developers to propose interregional transmission facilities for joint evaluation, Florida Filing Parties-SERTP Filing Parties ... have not explained how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated by Florida Filing Parties-SERTP Filing Parties ... by submitting the interregional transmission facility into the respective regional transmission planning processes. Accordingly, we direct Florida Filing Parties-SERTP Filing Parties ... further compliance filings that include proposed revisions to their respective tariffs to satisfy these requirements.¹⁷

To address this requirement and make clear how a developer of an interregional transmission project may seek to have the project jointly evaluated, the Florida Filing Parties-SERTP Filing Parties propose to add a new Section 3.3. As shown below, the new Section 3.3 articulates the steps by which such a proponent may identify an interregional transmission project in order to trigger the Florida Filing Parties-SERTP Filing Parties’ joint evaluation procedures. As proposed, the new Section 3.3 provides:

3.3 Identification of Interregional Projects by Developers: Interregional transmission projects proposed for potential Interregional CAP must be submitted in both the SERTP and FRCC regional transmission planning processes. The project submittal must satisfy the requirements of Section 4.1. The submittal must identify the potential transmission project as interregional in scope and identify the SERTP and FRCC as regions in which the project is proposed to interconnect. The Transmission Provider will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding

¹⁵ Order, P 73.

¹⁶ *Id.*

¹⁷ *Id.*

that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Provider will notify the FRCC. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Provider and the FRCC will jointly evaluate the proposed interregional projects pursuant to Sections 3 and 4.

ii. Procedures For Joint Evaluation

While largely finding the Florida Filing Parties-SERTP Filing Parties' procedures for joint evaluation satisfy the requirements of Order No. 1000, the Commission held that the

Florida Filing Parties-SERTP Filing Parties ... do not indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities ... We, therefore, direct ... SERTP Filing Parties, Tampa Electric, FP&L, and Duke Florida to submit further compliance filings ... listing either the type of transmission studies that will be conducted or cross references to the specific provisions in the tariffs that reference such studies at the regional transmission planning level.¹⁸

In accordance with this directive, the Florida Filing Parties-SERTP Filing Parties propose to cross reference the specific provisions in their respective OATTs that reference such studies at the regional transmission planning level. The Florida Filing Parties-SERTP Filing Parties propose to add a sentence providing that potential transmission solutions will be evaluated consistent with the existing OATT provisions on regional participation and the provisions on regional analysis of potentially more efficient or cost-effective transmission solutions. Specifically, in what is now Section 3.4, after a discussion of how the joint evaluations will be performed consistent with accepted regional and local planning criteria and methods, the SERTP Filing Parties propose to add the following sentence: "The Transmission Provider will evaluate potential interregional transmission projects consistent with [Section(s) X and Y] of Attachment K," with the Section numbers varying depending on the tariff at issue.¹⁹ The Florida Filing Parties are adding a similar cross-reference to the comparable provisions in their respective OATTs.

Using Southern Companies' Attachment K as an example, the cross references are to Section 6 and Section 11 of Southern Companies' OATT. With regard to the referenced Section 6, that Section (among other things) describes in some detail the transmission planning coordination and reliability planning processes that are utilized, including the types of modeling and studies that are performed.

¹⁸ Order, P 100.

¹⁹ For Southern, the relevant sections are Sections 6 and 11; for Duke, Sections 4, 5, 20 (of Attachment N-1), for LG&E/KU, Sections 3 and 21 (of Attachment K); and for OVEC, Sections 6 and 11 (of Attachment M).

The referenced Section 11 describes the regional analysis that the SERTP Filing Parties' perform to determine whether there are potentially more efficient or cost-effective transmission solutions, with them committing (among other things) to "perform power flow, dynamic, and short circuit analysis, as necessary...."²⁰ The other SERTP Filing Parties' relevant tariff sections contained similar provisions.

This cross-referencing not only complies with the Order's directive to "cross reference" the appropriate OATT sections, but it is also consistent with the Commission having accepted the same cross reference in one of its earlier orders addressing the SERTP Filing Parties' proposals to comply with Order No. 1000's regional requirements. Specifically, in the Commission's first order addressing the SERTP Filing Parties' regional compliance filings, the Commission required the SERTP Filing Parties to explain "how potential transmission solutions to identified transmission needs driven by public policy requirements will be evaluated."²¹ In response, Southern Companies adopted the same cross reference to Section 6 and Section 11 of Attachment K, and the other SERTP Filing Parties used similar cross references, and this approach was accepted by the Commission upon review.²²

2. Cost Allocation

Posting Requirement

While largely accepting the Florida Filing Parties-SERTP Filing Parties' cost allocation proposals, the Order requires them to adopt additional posting requirements. Specifically, the Order holds that:

Florida Filing Parties-SERTP Filing Parties must allow stakeholders to propose, and must keep a record of, interregional transmission facilities that are found not to meet the minimum threshold criteria for transmission facilities potentially eligible for selection in a regional transmission plan for purposes of cost allocation in ... [the] SERTP and FRCC regions. In addition, as part of the information that public utility transmission providers must communicate on their website related to interregional transmission coordination procedures ... Florida Filing Parties-SERTP Filing Parties must post a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.²³

To satisfy this directive, the Florida Filing Parties-SERTP Filing Parties propose to adopt a new Section 5.E that would provide:

²⁰ Southern Companies' Attachment K, Section 11.1.2.

²¹ *Louisville Gas & Elec. Co., et al.*, 144 FERC ¶ 61,054, P 117 (2013).

²² *See Duke Energy Carolinas, LLC, et al.*, 147 FERC ¶ 61,241, P 197 (2014).

²³ *Id.*, P 187.

- E. The Transmission Provider will post, on the Regional Planning Website, a list of all interregional transmission projects that are proposed for potential selection in a regional transmission plan for purposes of cost allocation in both the SERTP and the FRCC that are found not to be eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions. The Transmission Provider will also post an explanation of the relevant thresholds the proposed interregional project(s) failed to satisfy.

The Significant Benefit Criterion for the Case-by-Case Exception

In their initial filings, the Florida Filing Parties-SERTP Filing Parties proposed that a transmission project would be eligible for consideration for interregional cost allocation even if it does not satisfy all of the regional cost allocation threshold requirements on a case-by-case basis, listing four factors the transmission providers would consider. The Commission accepted this case-by-case exception and the first three of the specified criteria.²⁴ However, the Commission held that with regard to the fourth, which required that the proposed transmission facility must provide “significant” benefits,²⁵ “it is unclear how and to what extent an interregional transmission project will be deemed to provide ‘significant’ benefits.”²⁶ The Order directed the parties to provide additional explanation in this regard.

Upon further review, the Florida Filing Parties-SERTP Filing Parties propose to simply delete this criterion. As shown in the redline comparisons and revised OATT language contained in these filings, that fourth (iv) criterion has been removed from Section 4.1.B. Accordingly, in order to receive a case-by-case exception to have its project considered for purposes of cost allocation, the transmission providers in the FRCC and SERTP would only weigh the first three factors that the Commission found to be acceptable.²⁷

Replace “And” with “Or”

On two occasions, the Commission notes that the Florida Filing Parties-SERTP Filing Parties used the phrase a potential transmission project that could be more efficient “and” cost effective while

²⁴ However, the definition of such an interregional transmission facility had to be revised, which was done in the revised section 4.1.B language shown above. *Id.*

²⁵ *See id.*, P 188.

²⁶ *Id.*

²⁷ In the Order, the Commission accepted the SERTP-SCRTP Section 4.1.B without the fourth criterion as just and reasonable, with the Commission likewise accepting similar language without the fourth criterion in the SERTP-PJM Order (P 164) and the SERTP-MISO Order (P 175). Given that the SERTP-SCRTP, SERTP-PJM, and SERTP-MISO wording were all found just reasonable, the deletion of the fourth criterion from the FRCC-SERTP provision would not render the provision unjust or unreasonable. The Florida Filing Parties-SERTP Filing Parties understand that this deletion is within the scope of this compliance filing under Section 206 in that the Commission has not accepted the fourth criteria for filing and, without providing additional explanation found satisfactory to the Commission, the fourth criteria is not considered just and reasonable. Nevertheless, to the extent necessary, the SERTP Sponsors request that the Commission permit this filing to be treated as a Section 205 filing for this limited purpose and waiver of the application of the 60-day notice period.

Order No. 1000 used the terminology of more efficient “or” cost effective.²⁸ The Order directs that the Florida Filing Parties-SERTP Filing Parties’ OATTs be corrected.²⁹ Accordingly, and as shown in the attached redline comparisons and revised OATT language, in compliance with that directive, the Sections 3.1 and 4.3 of the SERTP Filing Parties’ OATT have been so revised.

B. The SCRTP-SERTP Seam: The South Carolina-SERTP Filing Parties’ Agreed-Upon OATT Language to Address the Order’s Requirements

The South Carolina-SERTP Filing Parties have agreed to a common approach and parallel tariff language in their respective OATTs to satisfy Order No. 1000’s interregional coordination and cost allocation requirements for their collective seam (the “South Carolina-SERTP Joint Proposal”). For South Carolina Electric & Gas Company (“SCE&G”), the public utility transmission provider in the SCRTP, the tariff language effectuating the South Carolina-SERTP Joint Proposal is found at Appendix K-6 of SCE&G’s OATT.

For the Jurisdictional SERTP Sponsors, the parallel tariff language effectuating the South Carolina-SERTP Joint Proposal is included in their respective OATTs as follows:

- For Duke, the implementing tariff language is found at Attachment N-1 - SCRTP of Duke’s Joint OATT.
- For LG&E/KU, the implementing tariff language is found at Appendix 9 to Attachment K of LG&E/KU’s OATT.
- For OVEC, the implementing tariff language is found at Attachment M-4 of OVEC’s OATT.
- For Southern Companies, the implementing tariff language is found at Attachment K-7, “Interregional Transmission Coordination Between the SERTP and SCRTP Regions,” of Southern Companies’ OATT.³⁰

In addition to adopting parallel OATT language, in an effort to facilitate the Commission’s review of these filings being made contemporaneously by the South Carolina-SERTP Filing Parties, the Jurisdictional SERTP Sponsors and SCE&G have coordinated to develop this Section II.B of this transmittal letter so as to include parallel discussions in their respective transmittal letters.

To facilitate the Commission’s review of the proposals made herein, the headings under this Section II.B of the transmittal letter generally follow the topic headings in the Order.

²⁸ Order, PP 70, 199.

²⁹ *Id.*

³⁰ Southern Companies OATT is identified as the following in FERC’s eTariff data base: “Alabama Power Company, OATT and Associated Service Agreements, Tariff Volume No. 5, Southern Companies OATT.”

1. Interregional Transmission Coordination Requirements

a. General Requirements

In the Order, the Commission found that the South Carolina-SERTP Filing Parties' proposed criteria for defining a transmission project as interregional in nature for purposes of interregional cost allocation partially complies with Order No. 1000. Specifically, the Commission found that:

[T]he requirement that the transmission project must interconnect to the transmission facilities of one or more SERTP Filing Parties and the transmission facilities of one or more ... SCRTP members enrolled in the regional transmission planning process is overly limiting and inconsistent with Order No. 1000. While the ... South Carolina-SERTP Filing Parties' proposal to allow interconnecting interregional transmission facilities to be eligible for interregional cost allocation is consistent with the requirements of Order No. 1000, limiting this interconnection to only those transmission projects that will interconnect to an enrolled member of the ... SERTP and SCRTP transmission planning regions is unduly limiting.... The proposed language would preclude interregional transmission facilities from interconnecting with transmission facilities that are selected in the regional plan for purposes of cost allocation but that are *currently under development* by a transmission developer who has not yet become a sponsor in SERTP or an enrolled member of the ... SCRTP transmission planning region.... Accordingly, we direct South Carolina... [and] SERTP Filing Parties ... to submit further compliance filings to include a definition of an interregional transmission facility that is consistent with Order No. 1000....³¹

To comply with these directives, the South Carolina-SERTP Filing Parties have jointly developed the following proposal that would make corresponding changes to Section 4.1.A and B. Specifically, the South Carolina-SERTP Filing Parties propose to revise their definition of a transmission project that is eligible to seek interregional cost allocation as a project that connects to "either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development." Section 4.1.A and B are proposed to be revised as shown in the redline comparison provided below.³²

A. The transmission project must be interregional in nature:

³¹ Order, P 39 (internal citations omitted) (emphasis added). The Commission later reiterates this requirement to revise the definition of interregional transmission project in discussing the South Carolina-SERTP Filing Parties' interregional cost allocation proposals. *See id.*, PP 186, 188.

³² The redline shows the changes being hereby proposed to the original tariff language that the South Carolina-SERTP Filing Parties initially proposed in their July 10, 2013 interregional compliance filings. For ease of reference, the actual OATT language shown in this transmittal letter is typically that from Southern Companies' OATT. While parallel OATT language is being filed by the filing transmission providers, there are some slight terminology and related differences between the OATT language that is being filed

- Be located in both the SERTP and the SCRTP regions;
 - Interconnect to ~~the~~ transmission facilities in both the SERTP SCRTP regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development of one or more SERTP Sponsors and the transmission facilities of one or more transmission providers in the SCRTP; and
 - Meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and the SCRTP, pursuant to their respective regional transmission planning processes.
- B. On a case-by-case basis, the Transmission Provider and the public utility transmission providers in the SCRTP will consider a transmission project that does not satisfy all of the criteria specified in Section 4.1.A but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in only one of the two regions; (ii) would be located in both regions; and (iii) would be interconnected to ~~the~~ transmission facilities in both the SERTP and SCRTP regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development. of one or more of the SERTP Sponsors and the transmission facilities of one or more transmission providers enrolled in the SCRTP.
- b. Implementation of the Interregional Transmission Coordination Requirements**
 - i. Data Exchange and Identification of Interregional Transmission Facilities**

With regard to the identification of interregional transmission facilities, the Commission accepted the South Carolina-SERTP Filings Parties’ tariff provisions that “provide the ability for stakeholders and transmission developers to propose interregional transmission facilities and for the public utility transmission providers to use those proposals, along with their own professional judgment, to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than separate regional transmission facilities.”³³ The Commission also accepted the South Carolina-SERTP Filing Parties’ tariff provisions that utilize “the regional transmission planning processes as the forum for stakeholders and transmission developers to

³³ Order, P 73.

propose interregional transmission projects for joint evaluation.³⁴ While accepting those provisions, the Commission held that in Order No. 1000,

“[T]he Commission required the developer of an interregional transmission facility to first propose its interregional transmission facility in the regional transmission planning processes of each of the neighboring regions in which the transmission facility is proposed to be located, which will trigger their procedures under which the public utility transmission providers, acting through their regional transmission planning process, will jointly evaluate the proposed interregional transmission project.... South Carolina-SERTP Filing Parties have not explained how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated by ... [the] South Carolina-SERTP Filing Parties by submitting the interregional transmission facility into the respective regional transmission planning processes. Accordingly, we direct Florida Filing Parties-SERTP Filing Parties and South Carolina-SERTP Filing Parties to submit ... further compliance filings that include proposed revisions to their respective tariffs to satisfy these requirements.”³⁵

To address this requirement and make clear how a developer of an interregional transmission project may seek to have the project jointly evaluated, the South Carolina-SERTP Filing Parties propose to add a new Section 3.3. As shown below, the new Section 3.3 articulates the steps by which such a proponent may identify an interregional transmission project in order to trigger the South Carolina-SERTP Filing Parties’ joint evaluation procedures. As proposed, the new Section 3.3 provides:

3.3 Identification of Interregional Projects by Developers: Interregional transmission projects proposed for potential Interregional CAP must be submitted in both the SERTP and SCRTP regional transmission planning processes. The project submittal must satisfy the requirements of Section 4.1. The submittal must identify the potential transmission project as interregional in scope and identify the SERTP and SCRTP as regions in which the project is proposed to interconnect. The Transmission Provider will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Provider will notify the public utility transmission provider(s) in the SCRTP. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Provider and the

³⁴ *Id.*

³⁵ *Id.*

public utility transmission providers in the SCRTP will jointly evaluate the proposed interregional projects pursuant to Sections 3 and 4.³⁶

ii. Procedures For Joint Evaluation

While largely finding the South Carolina-SERTP Filing Parties' procedures for joint evaluation to satisfy the requirements of Order No. 1000, the Commission held that the

South Carolina-SERTP Filing Parties do not indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities.... We therefore, direct South Carolina [and] SERTP Filing Parties ... to submit further compliance filings ... listing either the type of transmission studies that will be conducted or cross references to the specific provisions in the tariffs that reference such studies at the regional transmission planning level.³⁷

In accordance with this directive, the South Carolina-SERTP Filing Parties propose to cross reference the specific provisions in their respective OATTs that reference such studies at the regional transmission planning level. The South Carolina-SERTP Filing Parties propose to add a sentence providing that potential transmission solutions will be evaluated consistent with the existing OATT provisions on regional participation and the provisions on regional analysis of potentially more efficient or cost-effective transmission solutions. Specifically, in what is now Section 3.4, after a discussion of how the joint evaluations will be performed consistent with accepted regional and local planning criteria and methods, the SERTP Filing Parties propose to add the following sentence: "The Transmission Provider will evaluate potential interregional transmission projects consistent with [Section(s) X and Y] of Attachment K," with the Section numbers varying depending on the tariff at issue.³⁸ SCE&G is adding a similar cross-reference to the comparable provisions in its Attachment K.

Using Southern Companies' Attachment K as an example, the cross references are to Section 6 and Section 11 of Southern Companies' OATT. With regard to the referenced Section 6, that Section (among other things) describes in some detail the transmission planning coordination and reliability planning processes that are utilized, including the types of modeling and studies that are performed. The referenced Section 11 describes the regional analysis that the SERTP Filing Parties perform to determine whether there are potential more efficient or cost-effective transmission solutions, with them committing (among other things) to "perform power flow, dynamic, and short circuit analysis, as necessary...."³⁹ The other SERTP Filing Parties' relevant tariff sections contained similar provisions.

³⁶ SCE&G has adopted a parallel provision providing for similar notification to, and joint evaluation with, the public utility transmission providers in the SERTP.

³⁷ Order, P 100.

³⁸ For Southern, the relevant sections are Sections 6 and 11; for Duke, Sections 4, 5, and 20 (of Attachment N-1), for LG&E/KU, Sections 3 and 21 (of Attachment K); and for OVEC, Sections 6 and 11 (of Attachment M).

³⁹ Southern Companies' Attachment K, Section 11.1.2.

This cross-referencing not only complies with the Order's directive to "cross reference" the appropriate OATT sections, but it is also consistent with the Commission having accepted the same cross reference in one of its earlier orders addressing the SERTP Filing Parties' proposals to comply with Order No. 1000's regional requirements. Specifically, in the Commission's first order addressing the SERTP Filing Parties' regional compliance filings, the Commission required the SERTP Filing Parties to explain "how potential transmission solutions to identified transmission needs driven by public policy requirements will be evaluated."⁴⁰ In response, Southern Companies adopted the same cross reference to Section 6 and Section 11 of Attachment K, and the other SERTP Filing Parties used similar cross references, and this approach was accepted by the Commission upon review.⁴¹

2. Cost Allocation

While largely accepting the South Carolina-SERTP Filing Parties' cost allocation proposals, the Order requires them to adopt additional posting requirements. Specifically, the Order holds that:

South Carolina-SERTP Filing Parties ... must allow stakeholders to propose, and must keep a record of, interregional transmission facilities that are found not to meet the minimum threshold criteria for transmission facilities potentially eligible for selection in a regional transmission plan for purposes of cost allocation in both the SERTP and SCRTP regions. In addition, as part of the information that public utility transmission providers must communicate on their website related to interregional transmission coordination procedures, South Carolina-SERTP Filing Parties ... must post a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.⁴²

To satisfy this directive, the South-Carolina-SERTP Filing Parties propose to adopt a new Section 5.E that would provide:

- E. The Transmission Provider will post, on the Regional Planning Website, a list of all interregional transmission projects that are proposed for potential selection in a regional transmission plan for purposes of cost allocation in both the SERTP and the SCRTP that are found not to be eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions. The Transmission Provider will also post an explanation of the relevant thresholds the proposed interregional project(s) failed to satisfy.

⁴⁰ *Louisville Gas & Elec. Co., et al.*, 144 FERC ¶ 61,054, P 117 (2013).

⁴¹ *See Duke Energy Carolinas, LLC, et al.*, 147 FERC ¶ 61,241, P 197 (2014).

⁴² Order, P 187.

III. REQUEST FOR WAIVER

The Jurisdictional SERTP Sponsors are making this filing in compliance with the Commission's directives in the Order. By making this filing in compliance with the Order, the Jurisdictional SERTP Sponsors understand that they have hereby satisfied any of the Commission's filing requirements that might apply. Should any of the Commission's regulations (including filing regulations) or requirements that we may not have addressed be found to apply, the Jurisdictional SERTP Sponsors respectfully request waiver of any such regulation or requirement.

IV. SERVICE

The Jurisdictional SERTP Sponsors are serving an electronic copy of this filing on the relevant Service Lists. In addition, this filing is being posted on the SERTP website, and the Jurisdictional SERTP Sponsors are posting an electronic copy of this filing on their OASIS or websites.

V. LIST OF DOCUMENTS

The following is a list of documents submitted with this filing:

- (a) This transmittal letter;
- (b) A Clean Tariff Attachment for posting in eLibrary; and
- (c) A Marked Tariff Attachment for posting in eLibrary.

VI. COMMUNICATIONS

Communications concerning this filing should be directed to the undersigned attorneys or following representatives of the Jurisdictional SERTP Sponsors:

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CERTIFICATE OF SERVICE

On this, the 24th day of March 2015, I hereby certify that a true and correct copy of the foregoing document was served by electronic transmission upon each person designated on the official service list compiled by the Secretary in Docket No. ER13-1930-000.

Respectfully submitted,

/s/Anne K. Dailey

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Appendix 6 to Attachment K

Interregional Transmission Coordination Between the SERTP and FRCC Regions

The Transmission Owner, through its regional transmission planning process, coordinates with the Florida Reliability Coordinating Council region (“FRCC”) to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures include a detailed description of the process for coordination between the public utility transmission providers in the SERTP and FRCC (i) with respect to an interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than transmission facilities included in the respective regional transmission plans. The interregional transmission coordination procedures are hereby provided in this Appendix 6 to Attachment K with additional materials provided on the Regional Planning website.

The Transmission Owner ensures that the following requirements are included in the interregional transmission coordination procedures:

- (1) A commitment to coordinate and share the results of the SERTP and FRCC regional transmission plans to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than separate regional transmission facilities, as well as a procedure for doing so;
- (2) A formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions;
- (3) A duty to exchange, at least annually, planning data and information; and

- (4) A commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.

The Transmission Owner has worked with transmission providers located in the FRCC to develop a mutually agreeable method for allocating between the two transmission planning regions the costs of new interregional transmission facilities that are located within both transmission planning regions. Such cost allocation method satisfies the six interregional cost allocation principles set forth in Order No. 1000 and is included in this Appendix 6.

For purposes of this Appendix 6, the SERTP regional transmission planning process is the process described in Attachment K of this Tariff; the FRCC regional transmission planning process is the process described in the relevant Attachment Ks (or analog tariff sections) of the public utility transmission providers in the FRCC. References to the respective regional transmission planning processes in this Appendix 6 are intended to identify the activities described in those tariff provisions. Unless noted otherwise, Section references in this Appendix 6 refer to Sections within this Appendix 6.

INTERREGIONAL TRANSMISSION PLANNING PRINCIPLES

Representatives of the SERTP and the FRCC will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and the FRCC may meet more frequently during the evaluation of project(s) proposed for purposes of interregional cost allocation between the SERTP and the FRCC.

1. Coordination

1.1 Review of Respective Regional Plans: Biennially, the Transmission Owner and the FRCC shall review each other's current regional plan(s) and engage in the data exchange and joint evaluation described in Sections 2 and 3.

1.2 Review of Proposed Interregional Projects: The Transmission Owner and the FRCC will coordinate with regard to the evaluation of interregional transmission projects identified by the Transmission Owner and the FRCC as well as interregional transmission projects proposed for Interregional Cost Allocation Purposes ("Interregional CAP"), pursuant to Sections 3 and 4, below. Initial coordination activities regarding new interregional proposals will typically begin during the third calendar quarter. The Transmission Owner and the FRCC will typically exchange status updates for new interregional transmission project proposals or proposals currently under consideration every six (6) months, or as needed. These status updates will generally include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the latest calculation of Regional Benefits (as defined in Section 4.2); (iii) the anticipated timeline for future assessments; and (iv) reevaluations related to the proposal.

1.3 Coordination of Assumptions Used in Joint Evaluation: The Transmission Owner and the FRCC will coordinate assumptions used in joint evaluations, as necessary, which includes items such as:

- Expected timelines/milestones associated with the joint evaluation;
- Study assumptions; and
- Regional benefit calculations.

2. Data Exchange

- 2.1** At least annually, the Transmission Owner and the FRCC shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional transmission plan(s). This exchange will typically occur by the beginning of each region's transmission planning cycle. Additional transmission-based models and data may be exchanged between the Transmission Owner and the FRCC as necessary and if requested. For purposes of the interregional coordination activities outlined in this Appendix 6, only data and models used in the development of the Transmission Owner's and FRCC's then-current regional transmission plans and used in their respective regional transmission planning processes will be exchanged. This data will be posted on the pertinent regional transmission planning process' website, consistent with the posting requirements of the respective regional transmission planning processes, and is considered CEII. The Transmission Owner shall notify the FRCC of such posting.
- 2.2** The SERTP regional transmission plans will be posted on the Regional Planning website pursuant to the Transmission Owner's regional transmission planning process. The Transmission Owner will also notify the FRCC of such posting so the FRCC may retrieve these transmission plans. The FRCC will exchange its then-current regional plan(s) in a similar manner according to its regional transmission planning process.

3. Joint Evaluation

3.1 Identification of Interregional Projects: The Transmission Owner and the FRCC shall exchange planning models and data and current regional transmission plans as described in Section 2. The Transmission Owner and the FRCC will review one another's then-current regional plan(s) in accordance with the coordination procedures described in Section 1 and their respective regional transmission planning processes. If through this review, the Transmission Owner or the FRCC identify a potential interregional project that could be more efficient ~~and/or~~ cost effective than projects included in the respective regional plans, the Transmission Owner and the FRCC will jointly evaluate the potential project pursuant to Section ~~3.3.3.4.~~ **3.4.**

3.2 Identification of Interregional Projects by Stakeholders: Stakeholders may also propose projects that may be more efficient or cost-effective than projects included in the SERTP's and the FRCC's regional transmission plans pursuant to the procedures in each region's regional transmission planning processes. The Transmission Owner and the FRCC will evaluate interregional projects proposed by stakeholders pursuant to Section ~~3.3.3.4.~~ **3.4.**

3.3 ~~Evaluation~~Identification of Interregional Projects:— by Developers:
Interregional transmission projects proposed for potential Interregional CAP must be submitted in both the SERTP and FRCC regional transmission planning processes. The project submittal must satisfy the requirements of Section 4.1. The submittal must identify the potential transmission project as interregional in scope and identify the SERTP and FRCC as regions in which

the project is proposed to interconnect. The Transmission Owner will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Owner will notify the FRCC. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Owner and the FRCC will jointly evaluate the proposed interregional projects pursuant to Sections 3 and 4.

3.4 Evaluation of Interregional Projects: The Transmission Owner and the FRCC shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than projects included in their respective then-current regional transmission plans. Such analysis shall be consistent with accepted planning practices of the respective regions and the transmission study methodologies utilized to produce each region's respective regional transmission plan(s). **The Transmission Owner will evaluate potential interregional transmission projects consistent with Section 3 and Section 21 of Attachment K.** To the extent possible and as needed, assumptions and models will be coordinated between the Transmission Owner and the FRCC as described in

Section 1. Data shall be exchanged to facilitate this evaluation using the procedures described in Section 2.

3.43.5 Initial Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: If an interregional project is proposed in the SERTP and the FRCC for Interregional CAP, the initial evaluation of the project will typically begin during the third calendar quarter, with analysis conducted in the same manner as analysis of interregional projects identified pursuant to Sections 3.1 and 3.2. Projects proposed for Interregional CAP shall also be subject to the requirements of Section 4.

4. **Cost Allocation:** If an interregional project is proposed for Interregional CAP in the SERTP and the FRCC, then the following methodology applies:

4.1 Interregional Projects Proposed for Interregional Cost Allocation Purposes:

For a transmission project to be considered for Interregional CAP within the SERTP and the FRCC, the following criteria must be met:

- A. The transmission project must be interregional in nature:
- o Be located in both the SERTP and the FRCC regions;
 - o Interconnect to ~~the transmission facilities of one or more~~ **in both the SERTP Sponsors and the and FRCC regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities of one or more FRCC members enrolled or transmission projects included** in the ~~FRCC regional planning process~~ **transmission plan that are currently under development;** and

- Meet the threshold criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and the FRCC, pursuant to their respective regional transmission planning processes.
- B. On a case-by-case basis, the Transmission Owner and the FRCC will consider a transmission project that does not satisfy all of the criteria specified in Section 4.1.A but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in at least one of the two regions; (ii) would be located in both regions; **and** (iii) would be interconnected to ~~the~~ transmission facilities of ~~one or more~~ **in both the** SERTP Sponsors and the **and FRCC regions.** **The facilities to which the project is proposed to interconnect may be either existing** transmission facilities of ~~one or more of the FRCC members enrolled~~ **or transmission projects included** in the FRCC regional planning process; and (iv) ~~provide significant interregional benefits (i.e., a major transmission project effectuating significant bulk electric transfers between the SERTP and the FRCC).~~ **transmission plan that are currently under development.**
- C. The transmission project must be proposed for purposes of cost allocation in both the SERTP and the FRCC.
- Except for the case-by-case exception for project threshold criteria identified in Section 4.1.B, the transmission developer and project

submittal must satisfy all criteria specified in the respective regional transmission processes.

- The proposal should be submitted in the timeframes outlined in the respective regional transmission planning processes.

4.2 Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: Interregional projects proposed for Interregional CAP in the SERTP and the FRCC shall be evaluated within the respective regions as follows:

- A. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed project(s) addresses transmission needs that are currently being addressed with projects in its regional transmission plan and, if so, which projects in the regional transmission plan could be displaced by the proposed project(s).
- B. Based upon its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission project(s) being displaced by the proposal.
 - For purposes of this Appendix 6, “Regional Benefit” means the total avoided costs of projects included in the then-current regional transmission plans that would be displaced if the proposed interregional transmission project was included. The Regional Benefit is not necessarily the same as the benefits used for purposes of *regional* cost allocation.

4.3. Calculation of Benefit to Cost Ratio: Each region will calculate a regional benefit to cost (“BTC”) ratio consistent with its regional process and

compare the BTC ratio to its respective threshold to determine if the interregional project appears to be more efficient ~~and~~or cost effective than those projects included in its current regional transmission plan. Each region shall utilize the cost calculation(s) as defined in such region's regional transmission planning process (e.g., the FRCC will compute the cost of the portion of the interregional project that resides within the FRCC region in accordance with their regional process and the SERTP will do the same). The regions shall also coordinate such cost calculation assumptions in accordance with Section 1.3. The anticipated percentage allocation of costs of the interregional project to each region shall be based upon the ratio of the region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the FRCC. The Regional Benefits shall be determined pursuant to the methodology described in Section 4.2. Regional BTC assessments shall be performed in accordance with each region's regional transmission planning process, including but not limited to subsequent calculations and reevaluations.

4.4 Inclusion in Regional Transmission Plans: An interregional project proposed for Interregional CAP in the SERTP and the FRCC will be included in the respective regional transmission plans for purposes of cost allocation after:

- A. Each region has performed all evaluations, as prescribed in its regional transmission planning process, necessary for a project to be included in its regional transmission plan for purposes of cost allocation;
 - o This includes any regional BTC ratio calculations performed pursuant to Section 4.3; and

- B. Each region has obtained all approvals, as prescribed in its regional process, necessary for a project to be included in the regional transmission plan for purposes of cost allocation.

4.5 Allocation of Costs Between the SERTP and the FRCC: The cost of an interregional project, selected for purposes of cost allocation in the regional transmission plans of both the SERTP and the FRCC, will be allocated as follows:

- A. Each region will be allocated a portion of the interregional project's costs in proportion to such region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the FRCC.
 - o The Regional Benefits used for this determination shall be based upon the last Regional Benefit calculation performed - pursuant to the method described in Section 4.2. - before each region included the project in its regional transmission plan for purposes of cost allocation and as approved by each region.
- B. Costs allocated to each region shall be further allocated within each region pursuant to the cost allocation methodology contained in its regional transmission planning process.
- C. Should one region be willing to bear more costs of the interregional transmission project than those costs identified pursuant to the methodology described in Section 4.5.A, the regions may voluntarily agree, subject to applicable regional approvals, to an alternative cost sharing arrangement.

4.6 Removal from Regional Plans: An interregional project may be removed from the SERTP's or the FRCC's regional transmission plan for purposes of cost allocation: (i) if the developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; or (iii) if the project is removed from one of the region's regional transmission plans pursuant to the requirements of its regional transmission planning process.

A. The Transmission Owner shall notify the FRCC if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

5. Transparency

A. The Transmission Owner shall post procedures for coordination and joint evaluation on the Regional Planning website.

B. Access to the data utilized will be made available through the Regional Planning website subject to the appropriate clearance, as applicable (such as CEII and confidential non-CEII). The Transmission Owner shall make available on the Regional Planning website links to where stakeholders can register (if applicable/available) for the stakeholder committee(s) or distribution list(s) of the FRCC.

C. At the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, the Transmission Owner will provide status updates of interregional activities including:

- Facilities to be evaluated;

- Analysis performed; and
- Determinations/results.

D. Stakeholders will have an opportunity to provide input and feedback within the respective regional transmission planning processes of the SERTP and the FRCC related to interregional facilities identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions' regional transmission planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and the FRCC.

E. The Transmission Owner will post, on the Regional Planning Website, a list of all interregional transmission projects that are proposed for potential selection in a regional transmission plan for purposes of cost allocation in both the SERTP and the FRCC that are found not to be eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions. The Transmission Owner will also post an explanation of the relevant thresholds the proposed interregional project(s) failed to satisfy.

Document comparison by Workshare Professional on Sunday, March 22, 2015
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Input:	
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Description	Proposed Revision LGE_KU Appen 6 to Attach K
Rendering set	standard - akd.2

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
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Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Deletions	19
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	38

Appendix 9 to Attachment K

Interregional Transmission Coordination Between the SERTP and SCRTP Regions

The Transmission Owner, through its regional transmission planning process coordinates with the public utility transmission providers in the South Carolina Regional Transmission Planning Process region (“SCRTP”) to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures include a detailed description of the process for coordination between the public utility transmission providers in the SERTP and the SCRTP (i) with respect to an interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost effectively than transmission facilities included in the respective regional or local transmission plans. The interregional transmission coordination procedures are hereby provided in this Appendix 9 to Attachment K with additional materials provided on the Regional Planning website.

The Transmission Owner ensures that the following requirements are included in the interregional transmission coordination procedures:

- (1) A commitment to coordinate and share the results of the SERTP and the SCRTP regional transmission plans to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than separate transmission facilities, as well as a procedure for doing so;
- (2) A formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions;

- (3) A duty to exchange, at least annually, planning data and information; and
- (4) A commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.

The Transmission Owner has worked with the transmission providers located in the SCRTP to develop a mutually agreeable cost allocation method for new interregional transmission facilities that are located within both transmission planning regions. Such cost allocation methodology, which satisfies the six interregional cost allocation principles set forth in Order No. 1000, is included in this Appendix 9.

For purposes of this Appendix 9, the SERTP regional transmission planning process is the process described in Attachment K of this Tariff; the SCRTP's regional transmission planning process is the process described in the relevant Attachment Ks (or analog tariff sections) of the public utility transmission providers in the SCRTP. References to the respective regional transmission planning processes in this Appendix 9 are intended to identify the activities described in those tariff provisions. Unless noted otherwise, Section references in this Appendix 9 refer to Sections within this Appendix 9.

INTERREGIONAL TRANSMISSION PLANNING PRINCIPLES

Representatives of the SERTP and the SCRTP will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and the SCRTP may meet more frequently during the evaluation of project(s) proposed for purposes of interregional cost allocation between the SERTP and the SCRTP.

1. Coordination

1.1 Review of Respective Regional and Local plans: Biennially, the Transmission Owner and the public utility transmission providers in the SCRTP shall review each other's current regional and local plan(s) and engage in the data exchange and joint evaluation described in Sections 2 and 3.

1.2 Review of Proposed Interregional Projects: The Transmission Owner and the public utility transmission providers in the SCRTP will coordinate with regard to the evaluation of interregional transmission projects identified by the Transmission Owner and the public utility transmission providers in the SCRTP as well as interregional transmission projects proposed for Interregional Cost Allocation Purposes ("Interregional CAP"), pursuant to Sections 3 and 4, below. Initial coordination activities regarding new interregional proposals will typically begin during the third calendar quarter. The Transmission Owner and the public utility transmission providers in the SCRTP will typically exchange status updates for new interregional transmission project proposals or proposals currently under consideration every six (6) months, or as needed. These status updates will include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the latest calculation of Regional Benefits (as defined in Section 4.2); (iii) the anticipated timeline for future assessments; and (iv) reevaluations related to the proposal.

1.3 Coordination of Assumptions Used in Joint Evaluation: The Transmission Owner and the public utility transmission providers in the SCRTP will coordinate assumptions used in joint evaluations, as necessary, which include items such as:

- Expected timelines/milestones associated with the joint evaluation

- Study assumptions
- Regional benefit calculations.

2. Data Exchange

2.1 At least annually, the Transmission Owner and the public utility transmission providers in the SCRTP shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional and local transmission plan(s). This exchange will typically occur by the beginning of each region's transmission planning cycle. Additional transmission-based models and data may be exchanged between the Transmission Owner and the public utility transmission providers in the SCRTP as necessary and if requested. For purposes of the interregional coordination activities outlined in this Appendix 9, data and models used in the development of the SERTP and the SCRTP then-current regional and local transmission plans and used in their respective regional transmission planning processes will be exchanged. This data will be posted on the pertinent regional transmission planning process' website, consistent with the posting requirements of the respective regional transmission planning processes, and may be treated as CEII as appropriate. The Transmission Owner shall notify the public utility transmission providers in the SCRTP of such posting.

2.2 The SERTP regional and local transmission plans will be posted on the Regional Planning website pursuant to the Transmission Owner's regional transmission planning process. The Transmission Owner will also notify the public utility transmission providers in the SCRTP of such posting. The SCRTP will exchange

its then-current regional and local plan(s) in a similar manner according to its regional transmission planning process.

3. Joint Evaluation

3.1 Identification of Interregional Projects: The Transmission Owner and the public utility transmission providers in the SCRTP shall exchange planning models and data and current regional and local transmission plans as described in Section 2. The Transmission Owner and the public utility transmission providers in the SCRTP will review one another's then-current regional and local plan(s) in accordance with the coordination procedures described in Section 1 and their respective regional transmission planning processes. If, through this review, the Transmission Owner and the public utility transmission providers in the SCRTP identify a potential interregional project that could be more efficient or cost effective than projects included in the respective regional or local plans, the Transmission Owner and the public utility transmission providers in the SCRTP will jointly evaluate the potential project pursuant to Section ~~3.3~~**3.4**.

3.2 Identification of Interregional Projects by Stakeholders: Stakeholders may propose projects that may be more efficient or cost-effective than projects included in the SERTP and the SCRTP regional or local transmission plans. Stakeholders may propose these projects pursuant to the procedures in each region's regional transmission planning processes. The Transmission Owner and the public utility transmission providers in the SCRTP will evaluate interregional projects proposed by stakeholders pursuant to Section ~~3.3~~**3.4**

3.3 ~~Evaluation~~Identification of Interregional Projects:— by Developers:

Interregional transmission projects proposed for potential Interregional CAP must be submitted in both the SERTP and SCRTP regional transmission planning processes. The project submittal must satisfy the requirements of Section 4.1. The submittal must identify the potential transmission project as interregional in scope and identify the SERTP and SCRTP as regions in which the project is proposed to interconnect. The Transmission Owner will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Owner will notify the public utility transmission provider(s) in the SCRTP. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Owner and the public utility transmission providers in the SCRTP will jointly evaluate the proposed interregional projects pursuant to Sections 3 and 4.

3.4 Evaluation of Interregional Projects: The Transmission Owner and the public utility transmission providers in the SCRTP shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than projects included in their respective

then-current regional or local transmission plans. Such analysis shall be consistent with accepted transmission planning practices of the respective regions and the methods utilized to produce each region's respective regional and local transmission plan(s). **The Transmission Owner will evaluate potential interregional transmission projects consistent with Section 3 and Section 21 of Attachment K.** To the extent possible and as needed, assumptions and models will be coordinated between the Transmission Owner and the public utility transmission providers in the SCRTP as described in Section 1. Data shall be exchanged to facilitate this evaluation using the procedures described in Section 2.

3.43.5 Initial Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: If an interregional project is proposed in the SERTP and the SCRTP for Interregional CAP, the initial evaluation of the project will typically begin during the third calendar quarter, with analysis conducted in the same manner as analysis of interregional projects identified pursuant to Sections 3.1 and 3.2. Projects proposed for Interregional CAP shall also be subject to the requirements of Section 4.

- 4. Cost Allocation:** If an interregional project is proposed for Interregional CAP in the SERTP and the SCRTP, then the following methodology applies:

4.1 Interregional Projects Proposed for Interregional Cost Allocation Purposes:

For a transmission project to be considered for Interregional CAP within the SERTP and the SCRTP, the following criteria must be met:

- A. The transmission project must be interregional in nature:
- o Be located in both the SERTP and the SCRTP regions;

- Interconnect to the transmission facilities in both the SERTP and SCRTP regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development of one or more SERTP Sponsors and the transmission facilities of one or more transmission providers enrolled in the SCRTP; and
- Meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and the SCRTP, pursuant to their respective regional transmission planning processes.

B. On a case-by-case basis, the Transmission Owner and the public utility transmission providers in the SCRTP will consider a transmission project that does not satisfy all of the criteria specified in Section 4.1.A but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in only one of the two regions; (ii) would be located in both regions; and (iii) would be interconnected to ~~the transmission facilities of one or more of~~ in both the SERTP Sponsors and the and SCRTP regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities ~~of one or more transmission providers enrolled in the SCRTP.~~ projects included in the regional transmission plan that are currently under development.

- C. The transmission project must be proposed for purposes of cost allocation in both the SERTP and the SCRTP.
 - The transmission developer and project submittal must satisfy all criteria specified in the respective regional transmission processes.
 - The proposal should be submitted in the timeframes outlined in the respective regional transmission planning processes.

4.2 Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: Interregional projects proposed for Interregional CAP in the SERTP and the SCRTP shall be evaluated within the respective regions as follows:

- A. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed project(s) addresses transmission needs that are currently being addressed with projects in its regional or local transmission plan and, if so, which projects in the regional or local transmission plan could be displaced by the proposed project(s).
- B. Based upon its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission project(s) being displaced by the proposal.
 - For purposes of this Appendix 9, “Regional Benefit” means the total avoided capital costs of projects included in the then-current regional or local transmission plans that would be displaced if the proposed interregional transmission project was included. The Regional Benefit is not necessarily the same as the benefits used for purposes of *regional* cost allocation.

4.3. Calculation of Benefit to Cost Ratio: Each region will calculate a regional benefit to cost (“BTC”) ratio consistent with its regional process and compare the BTC ratio to its respective threshold to determine if the interregional project appears to be more efficient or cost effective than those projects included in its current regional or local transmission plan. For purposes of this BTC ratio evaluation:

- A. Each region shall utilize the benefit calculation(s) as defined in such region’s regional transmission planning process (for purposes of clarity, these benefits are not necessarily the same as the Regional Benefits determined pursuant to Section 4.2).
- B. Each region shall utilize the cost calculation(s) as defined in such region’s regional transmission planning process. The anticipated percentage allocation of costs of the interregional project to each region shall be based upon the ratio of the region’s Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the SCRTP. The Regional Benefits shall be determined pursuant to the methodology described in Section 4.2.

Regional BTC assessments shall be performed in accordance with each region’s regional transmission planning process, including but not limited to subsequent calculations and reevaluations.

4.4 Inclusion in Regional Transmission Plans: An interregional project proposed for Interregional CAP in the SERTP and the SCRTP will be included in the respective regional transmission plans for purposes of cost allocation after:

- A. Each region has performed all evaluations, as prescribed in its regional transmission planning process, necessary for a project to be included in its regional transmission plan for purposes of cost allocation.
 - o This includes any regional BTC ratio calculations performed pursuant to Section 4.3; and
- B. Each region; has obtained all approvals, as prescribed in its regional process, necessary for a project to be included in the regional transmission plan for purposes of cost allocation have been obtained.

4.5 Allocation of Costs Between the SERTP and the SCRTP: The cost of an interregional project, selected for purposes of cost allocation in the regional transmission plans of both the SERTP and the SCRTP, will be allocated as follows:

- A. Each region will be allocated a portion of the interregional project's costs in proportion to such region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the SCRTP.
 - o The Regional Benefits used for this determination shall be based upon the last Regional Benefit calculation performed - pursuant to the method described in Section 4.2. - before each region included the project in its regional transmission plan for purposes of cost allocation and as approved by each region.
- B. Costs allocated to each region shall be further allocated within each region

pursuant to the cost allocation methodology contained in its regional transmission planning process.

4.6 Removal from Regional Plans: An interregional project may be removed from the SERTP or the SCRTP regional plan for purposes of cost allocation: (i) if the developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; or (iii) if the project is removed from one of the region's regional transmission plans pursuant to the requirements of its regional transmission planning process.

A. The Transmission Owner shall notify the public utility transmission providers in the SCRTP if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

4.7 Abandonment: If an interregional project is abandoned, the impacted Transmission Owner(s) may seek to complete the interregional project (in accordance with all applicable laws and regulations) or to propose alternative projects (including non-transmission alternatives) that will ensure that any reliability need is satisfied in an adequate manner. If a NERC Registered Entity believes that abandonment will cause a specific NERC Reliability Standard to be violated, and the Transmission Owner(s) have not chosen to complete the project in order to prevent the violation, or cannot complete such a project in a timely fashion, the NERC Registered Entity will be expected to submit a mitigation plan to the appropriate entity to address the violation.

5. Transparency

A. The Transmission Owner shall post procedures for coordination and joint evaluation on the Regional Planning website.

B. Access to the data utilized will be made available through the Regional Planning

website subject to the appropriate clearance, as applicable (such as CEII and confidential non-CEII). The Transmission Owner will make available, on the Regional Planning website, links for stakeholders to register (if applicable/available) for the stakeholder committees or distribution lists of the SCRTP planning region.

C. At the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, the Transmission Owner will provide status updates of interregional activities including:

- Facilities to be evaluated
- Analysis performed
- Determinations/results.

D. Stakeholders will have an opportunity to provide input and feedback within the respective regional transmission planning processes of the SERTP and the SCRTP related to interregional facilities identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions' regional transmission planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and the SCRTP.

E. The Transmission Owner will post, on the Regional Planning Website, a list of all interregional transmission projects that are proposed for potential selection in a regional transmission plan for purposes of cost allocation in both the SERTP and the SCRTP that are found not to be eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions. The Transmission Owner will also post an explanation of

the relevant thresholds the proposed interregional project(s) failed to satisfy.

Document comparison by Workshare Professional on Sunday, March 22, 2015
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Description	Proposed Revision LGE_KU Appen 9 to Attach K
Rendering set	standard - akd.2

Legend:	
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Deletion	
Moved from	
<u>Moved to</u>	
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Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Moved from	0
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Style change	0
Format changed	0
Total changes	24

Appendix 6 to Attachment K

Interregional Transmission Coordination Between the SERTP and FRCC Regions

The Transmission Owner, through its regional transmission planning process, coordinates with the Florida Reliability Coordinating Council region (“FRCC”) to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures include a detailed description of the process for coordination between the public utility transmission providers in the SERTP and FRCC (i) with respect to an interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than transmission facilities included in the respective regional transmission plans. The interregional transmission coordination procedures are hereby provided in this Appendix 6 to Attachment K with additional materials provided on the Regional Planning website.

The Transmission Owner ensures that the following requirements are included in the interregional transmission coordination procedures:

- (1) A commitment to coordinate and share the results of the SERTP and FRCC regional transmission plans to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than separate regional transmission facilities, as well as a procedure for doing so;
- (2) A formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions;
- (3) A duty to exchange, at least annually, planning data and information; and

- (4) A commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.

The Transmission Owner has worked with transmission providers located in the FRCC to develop a mutually agreeable method for allocating between the two transmission planning regions the costs of new interregional transmission facilities that are located within both transmission planning regions. Such cost allocation method satisfies the six interregional cost allocation principles set forth in Order No. 1000 and is included in this Appendix 6.

For purposes of this Appendix 6, the SERTP regional transmission planning process is the process described in Attachment K of this Tariff; the FRCC regional transmission planning process is the process described in the relevant Attachment Ks (or analog tariff sections) of the public utility transmission providers in the FRCC. References to the respective regional transmission planning processes in this Appendix 6 are intended to identify the activities described in those tariff provisions. Unless noted otherwise, Section references in this Appendix 6 refer to Sections within this Appendix 6.

INTERREGIONAL TRANSMISSION PLANNING PRINCIPLES

Representatives of the SERTP and the FRCC will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and the FRCC may meet more frequently during the evaluation of project(s) proposed for purposes of interregional cost allocation between the SERTP and the FRCC.

1. Coordination

1.1 Review of Respective Regional Plans: Biennially, the Transmission Owner and the FRCC shall review each other's current regional plan(s) and engage in the data exchange and joint evaluation described in Sections 2 and 3.

1.2 Review of Proposed Interregional Projects: The Transmission Owner and the FRCC will coordinate with regard to the evaluation of interregional transmission projects identified by the Transmission Owner and the FRCC as well as interregional transmission projects proposed for Interregional Cost Allocation Purposes ("Interregional CAP"), pursuant to Sections 3 and 4, below. Initial coordination activities regarding new interregional proposals will typically begin during the third calendar quarter. The Transmission Owner and the FRCC will typically exchange status updates for new interregional transmission project proposals or proposals currently under consideration every six (6) months, or as needed. These status updates will generally include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the latest calculation of Regional Benefits (as defined in Section 4.2); (iii) the anticipated timeline for future assessments; and (iv) reevaluations related to the proposal.

1.3 Coordination of Assumptions Used in Joint Evaluation: The Transmission Owner and the FRCC will coordinate assumptions used in joint evaluations, as necessary, which includes items such as:

- Expected timelines/milestones associated with the joint evaluation;
- Study assumptions; and
- Regional benefit calculations.

2. Data Exchange

- 2.1** At least annually, the Transmission Owner and the FRCC shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional transmission plan(s). This exchange will typically occur by the beginning of each region's transmission planning cycle. Additional transmission-based models and data may be exchanged between the Transmission Owner and the FRCC as necessary and if requested. For purposes of the interregional coordination activities outlined in this Appendix 6, only data and models used in the development of the Transmission Owner's and FRCC's then-current regional transmission plans and used in their respective regional transmission planning processes will be exchanged. This data will be posted on the pertinent regional transmission planning process' website, consistent with the posting requirements of the respective regional transmission planning processes, and is considered CEII. The Transmission Owner shall notify the FRCC of such posting.
- 2.2** The SERTP regional transmission plans will be posted on the Regional Planning website pursuant to the Transmission Owner's regional transmission planning process. The Transmission Owner will also notify the FRCC of such posting so the FRCC may retrieve these transmission plans. The FRCC will exchange its then-current regional plan(s) in a similar manner according to its regional transmission planning process.

3. Joint Evaluation

3.1 Identification of Interregional Projects: The Transmission Owner and the FRCC shall exchange planning models and data and current regional transmission plans as described in Section 2. The Transmission Owner and the FRCC will review one another's then-current regional plan(s) in accordance with the coordination procedures described in Section 1 and their respective regional transmission planning processes. If through this review, the Transmission Owner or the FRCC identify a potential interregional project that could be more efficient or cost effective than projects included in the respective regional plans, the Transmission Owner and the FRCC will jointly evaluate the potential project pursuant to Section 3.4.

3.2 Identification of Interregional Projects by Stakeholders: Stakeholders may also propose projects that may be more efficient or cost-effective than projects included in the SERTP's and the FRCC's regional transmission plans pursuant to the procedures in each region's regional transmission planning processes. The Transmission Owner and the FRCC will evaluate interregional projects proposed by stakeholders pursuant to Section 3.4.

3.3 Identification of Interregional Projects by Developers: Interregional transmission projects proposed for potential Interregional CAP must be submitted in both the SERTP and FRCC regional transmission planning processes. The project submittal must satisfy the requirements of Section 4.1. The submittal must identify the potential transmission project as interregional in scope and identify the SERTP and FRCC as regions in which the project is proposed to interconnect.

The Transmission Owner will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Owner will notify the FRCC. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Owner and the FRCC will jointly evaluate the proposed interregional projects pursuant to Sections 3 and 4.

3.4 Evaluation of Interregional Projects: The Transmission Owner and the FRCC shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than projects included in their respective then-current regional transmission plans. Such analysis shall be consistent with accepted planning practices of the respective regions and the transmission study methodologies utilized to produce each region's respective regional transmission plan(s). The Transmission Owner will evaluate potential interregional transmission projects consistent with Section 3 and Section 21 of Attachment K. To the extent possible and as needed, assumptions and models will be coordinated between the Transmission Owner and the FRCC as described in Section 1. Data shall be exchanged to facilitate this evaluation using the procedures described in Section 2.

3.5 Initial Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: If an interregional project is proposed in the SERTP and the FRCC for Interregional CAP, the initial evaluation of the project will typically begin during the third calendar quarter, with analysis conducted in the same manner as analysis of interregional projects identified pursuant to Sections 3.1 and 3.2. Projects proposed for Interregional CAP shall also be subject to the requirements of Section 4.

- 4. Cost Allocation:** If an interregional project is proposed for Interregional CAP in the SERTP and the FRCC, then the following methodology applies:

4.1 Interregional Projects Proposed for Interregional Cost Allocation Purposes:

For a transmission project to be considered for Interregional CAP within the SERTP and the FRCC, the following criteria must be met:

- A. The transmission project must be interregional in nature:
- Be located in both the SERTP and the FRCC regions;
 - Interconnect to transmission facilities in both the SERTP and FRCC regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development; and
 - Meet the threshold criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and the FRCC, pursuant to their respective regional transmission planning processes.

- B. On a case-by-case basis, the Transmission Owner and the FRCC will consider a transmission project that does not satisfy all of the criteria specified in Section 4.1.A but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in at least one of the two regions; (ii) would be located in both regions; and (iii) would be interconnected to transmission facilities in both the SERTP and FRCC regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development.
- C. The transmission project must be proposed for purposes of cost allocation in both the SERTP and the FRCC.
 - o Except for the case-by-case exception for project threshold criteria identified in Section 4.1.B, the transmission developer and project submittal must satisfy all criteria specified in the respective regional transmission processes.
 - o The proposal should be submitted in the timeframes outlined in the respective regional transmission planning processes.

4.2 Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: Interregional projects proposed for Interregional CAP in the SERTP and the FRCC shall be evaluated within the respective regions as follows:

- A. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed project(s) addresses transmission needs that are currently being addressed with projects in its regional transmission plan and, if so, which projects in the regional transmission plan could be displaced by the proposed project(s).
- B. Based upon its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission project(s) being displaced by the proposal.
 - o For purposes of this Appendix 6, “Regional Benefit” means the total avoided costs of projects included in the then-current regional transmission plans that would be displaced if the proposed interregional transmission project was included. The Regional Benefit is not necessarily the same as the benefits used for purposes of *regional* cost allocation.

4.3. Calculation of Benefit to Cost Ratio: Each region will calculate a regional benefit to cost (“BTC”) ratio consistent with its regional process and compare the BTC ratio to its respective threshold to determine if the interregional project appears to be more efficient or cost effective than those projects included in its current regional transmission plan. Each region shall utilize the cost calculation(s) as defined in such region’s regional transmission planning process (*e.g.*, the FRCC will compute the cost of the portion of the interregional project that resides within the FRCC region in accordance with their regional process and the SERTP will do the same). The regions shall also coordinate such cost

calculation assumptions in accordance with Section 1.3. The anticipated percentage allocation of costs of the interregional project to each region shall be based upon the ratio of the region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the FRCC. The Regional Benefits shall be determined pursuant to the methodology described in Section 4.2. Regional BTC assessments shall be performed in accordance with each region's regional transmission planning process, including but not limited to subsequent calculations and reevaluations.

4.4 Inclusion in Regional Transmission Plans: An interregional project proposed for Interregional CAP in the SERTP and the FRCC will be included in the respective regional transmission plans for purposes of cost allocation after:

- A. Each region has performed all evaluations, as prescribed in its regional transmission planning process, necessary for a project to be included in its regional transmission plan for purposes of cost allocation;
 - o This includes any regional BTC ratio calculations performed pursuant to Section 4.3; and
- B. Each region has obtained all approvals, as prescribed in its regional process, necessary for a project to be included in the regional transmission plan for purposes of cost allocation.

4.5 Allocation of Costs Between the SERTP and the FRCC: The cost of an interregional project, selected for purposes of cost allocation in the regional transmission plans of both the SERTP and the FRCC, will be allocated as follows:

- A. Each region will be allocated a portion of the interregional project's costs in proportion to such region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the FRCC.
 - o The Regional Benefits used for this determination shall be based upon the last Regional Benefit calculation performed - pursuant to the method described in Section 4.2. - before each region included the project in its regional transmission plan for purposes of cost allocation and as approved by each region.
- B. Costs allocated to each region shall be further allocated within each region pursuant to the cost allocation methodology contained in its regional transmission planning process.
- C. Should one region be willing to bear more costs of the interregional transmission project than those costs identified pursuant to the methodology described in Section 4.5.A, the regions may voluntarily agree, subject to applicable regional approvals, to an alternative cost sharing arrangement.

4.6 Removal from Regional Plans: An interregional project may be removed from the SERTP's or the FRCC's regional transmission plan for purposes of cost allocation: (i) if the developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; or (iii) if the project is removed from one of the region's regional transmission plans pursuant to the requirements of its regional transmission planning process.

- A. The Transmission Owner shall notify the FRCC if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

5. Transparency

- A. The Transmission Owner shall post procedures for coordination and joint evaluation on the Regional Planning website.
- B. Access to the data utilized will be made available through the Regional Planning website subject to the appropriate clearance, as applicable (such as CEII and confidential non-CEII). The Transmission Owner shall make available on the Regional Planning website links to where stakeholders can register (if applicable/available) for the stakeholder committee(s) or distribution list(s) of the FRCC.
- C. At the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, the Transmission Owner will provide status updates of interregional activities including:
 - o Facilities to be evaluated;
 - o Analysis performed; and
 - o Determinations/results.
- D. Stakeholders will have an opportunity to provide input and feedback within the respective regional transmission planning processes of the SERTP and the FRCC related to interregional facilities identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions’

regional transmission planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and the FRCC.

- E. The Transmission Owner will post, on the Regional Planning Website, a list of all interregional transmission projects that are proposed for potential selection in a regional transmission plan for purposes of cost allocation in both the SERTP and the FRCC that are found not to be eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions. The Transmission Owner will also post an explanation of the relevant thresholds the proposed interregional project(s) failed to satisfy.

Appendix 9 to Attachment K

Interregional Transmission Coordination Between the SERTP and SCRTP Regions

The Transmission Owner, through its regional transmission planning process coordinates with the public utility transmission providers in the South Carolina Regional Transmission Planning Process region (“SCRTP”) to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures include a detailed description of the process for coordination between the public utility transmission providers in the SERTP and the SCRTP (i) with respect to an interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost effectively than transmission facilities included in the respective regional or local transmission plans. The interregional transmission coordination procedures are hereby provided in this Appendix 9 to Attachment K with additional materials provided on the Regional Planning website.

The Transmission Owner ensures that the following requirements are included in the interregional transmission coordination procedures:

- (1) A commitment to coordinate and share the results of the SERTP and the SCRTP regional transmission plans to identify possible interregional transmission projects that could address transmission needs more efficiently or cost-effectively than separate transmission facilities, as well as a procedure for doing so;
- (2) A formal procedure to identify and jointly evaluate transmission facilities that are proposed to be located in both transmission planning regions;

- (3) A duty to exchange, at least annually, planning data and information; and
- (4) A commitment to maintain a website or e-mail list for the communication of information related to the coordinated planning process.

The Transmission Owner has worked with the transmission providers located in the SCRTP to develop a mutually agreeable cost allocation method for new interregional transmission facilities that are located within both transmission planning regions. Such cost allocation methodology, which satisfies the six interregional cost allocation principles set forth in Order No. 1000, is included in this Appendix 9.

For purposes of this Appendix 9, the SERTP regional transmission planning process is the process described in Attachment K of this Tariff; the SCRTP's regional transmission planning process is the process described in the relevant Attachment Ks (or analog tariff sections) of the public utility transmission providers in the SCRTP. References to the respective regional transmission planning processes in this Appendix 9 are intended to identify the activities described in those tariff provisions. Unless noted otherwise, Section references in this Appendix 9 refer to Sections within this Appendix 9.

INTERREGIONAL TRANSMISSION PLANNING PRINCIPLES

Representatives of the SERTP and the SCRTP will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and the SCRTP may meet more frequently during the evaluation of project(s) proposed for purposes of interregional cost allocation between the SERTP and the SCRTP.

1. Coordination

1.1 Review of Respective Regional and Local plans: Biennially, the Transmission Owner and the public utility transmission providers in the SCRTP shall review each other's current regional and local plan(s) and engage in the data exchange and joint evaluation described in Sections 2 and 3.

1.2 Review of Proposed Interregional Projects: The Transmission Owner and the public utility transmission providers in the SCRTP will coordinate with regard to the evaluation of interregional transmission projects identified by the Transmission Owner and the public utility transmission providers in the SCRTP as well as interregional transmission projects proposed for Interregional Cost Allocation Purposes ("Interregional CAP"), pursuant to Sections 3 and 4, below. Initial coordination activities regarding new interregional proposals will typically begin during the third calendar quarter. The Transmission Owner and the public utility transmission providers in the SCRTP will typically exchange status updates for new interregional transmission project proposals or proposals currently under consideration every six (6) months, or as needed. These status updates will include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the latest calculation of Regional Benefits (as defined in Section 4.2); (iii) the anticipated timeline for future assessments; and (iv) reevaluations related to the proposal.

1.3 Coordination of Assumptions Used in Joint Evaluation: The Transmission Owner and the public utility transmission providers in the SCRTP will coordinate assumptions used in joint evaluations, as necessary, which include items such as:

- Expected timelines/milestones associated with the joint evaluation
- Study assumptions
- Regional benefit calculations.

2. Data Exchange

2.1 At least annually, the Transmission Owner and the public utility transmission providers in the SCRTP shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional and local transmission plan(s). This exchange will typically occur by the beginning of each region's transmission planning cycle. Additional transmission-based models and data may be exchanged between the Transmission Owner and the public utility transmission providers in the SCRTP as necessary and if requested. For purposes of the interregional coordination activities outlined in this Appendix 9, data and models used in the development of the SERTP and the SCRTP then-current regional and local transmission plans and used in their respective regional transmission planning processes will be exchanged. This data will be posted on the pertinent regional transmission planning process' website, consistent with the posting requirements of the respective regional transmission planning processes, and may be treated as CEII as appropriate. The Transmission Owner shall notify the public utility transmission providers in the SCRTP of such posting.

2.2 The SERTP regional and local transmission plans will be posted on the Regional Planning website pursuant to the Transmission Owner's regional transmission planning process. The Transmission Owner will also notify the public utility

transmission providers in the SCRTP of such posting. The SCRTP will exchange its then-current regional and local plan(s) in a similar manner according to its regional transmission planning process.

3. Joint Evaluation

3.1 Identification of Interregional Projects: The Transmission Owner and the public utility transmission providers in the SCRTP shall exchange planning models and data and current regional and local transmission plans as described in Section 2. The Transmission Owner and the public utility transmission providers in the SCRTP will review one another's then-current regional and local plan(s) in accordance with the coordination procedures described in Section 1 and their respective regional transmission planning processes. If, through this review, the Transmission Owner and the public utility transmission providers in the SCRTP identify a potential interregional project that could be more efficient or cost effective than projects included in the respective regional or local plans, the Transmission Owner and the public utility transmission providers in the SCRTP will jointly evaluate the potential project pursuant to Section 3.4.

3.2 Identification of Interregional Projects by Stakeholders: Stakeholders may propose projects that may be more efficient or cost-effective than projects included in the SERTP and the SCRTP regional or local transmission plans. Stakeholders may propose these projects pursuant to the procedures in each region's regional transmission planning processes. The Transmission Owner and the public utility transmission providers in the SCRTP will evaluate interregional projects proposed by stakeholders pursuant to Section 3.4

3.3 Identification of Interregional Projects by Developers: Interregional transmission projects proposed for potential Interregional CAP must be submitted in both the SERTP and SCRTP regional transmission planning processes. The project submittal must satisfy the requirements of Section 4.1. The submittal must identify the potential transmission project as interregional in scope and identify the SERTP and SCRTP as regions in which the project is proposed to interconnect. The Transmission Owner will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Owner will notify the public utility transmission provider(s) in the SCRTP. Once the potential project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Owner and the public utility transmission providers in the SCRTP will jointly evaluate the proposed interregional projects pursuant to Sections 3 and 4.

3.4 Evaluation of Interregional Projects: The Transmission Owner and the public utility transmission providers in the SCRTP shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than projects included in their respective

then-current regional or local transmission plans. Such analysis shall be consistent with accepted transmission planning practices of the respective regions and the methods utilized to produce each region's respective regional and local transmission plan(s). The Transmission Owner will evaluate potential interregional transmission projects consistent with Section 3 and Section 21 of Attachment K. To the extent possible and as needed, assumptions and models will be coordinated between the Transmission Owner and the public utility transmission providers in the SCRTP as described in Section 1. Data shall be exchanged to facilitate this evaluation using the procedures described in Section 2.

3.5 Initial Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: If an interregional project is proposed in the SERTP and the SCRTP for Interregional CAP, the initial evaluation of the project will typically begin during the third calendar quarter, with analysis conducted in the same manner as analysis of interregional projects identified pursuant to Sections 3.1 and 3.2. Projects proposed for Interregional CAP shall also be subject to the requirements of Section 4.

4. Cost Allocation: If an interregional project is proposed for Interregional CAP in the SERTP and the SCRTP, then the following methodology applies:

4.1 Interregional Projects Proposed for Interregional Cost Allocation Purposes:

For a transmission project to be considered for Interregional CAP within the SERTP and the SCRTP, the following criteria must be met:

A. The transmission project must be interregional in nature:

- Be located in both the SERTP and the SCRTP regions;
 - Interconnect to the transmission facilities in both the SERTP and SCRTP regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development of one or more SERTP Sponsors and the transmission facilities of one or more transmission providers enrolled in the SCRTP; and
 - Meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and the SCRTP, pursuant to their respective regional transmission planning processes.
- B. On a case-by-case basis, the Transmission Owner and the public utility transmission providers in the SCRTP will consider a transmission project that does not satisfy all of the criteria specified in Section 4.1.A but: (i) meets the threshold criteria for a project proposed to be included in the regional transmission plan for purposes of cost allocation in only one of the two regions; (ii) would be located in both regions; and (iii) would be interconnected to transmission facilities in both the SERTP and SCRTP regions. The facilities to which the project is proposed to interconnect may be either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development.

- C. The transmission project must be proposed for purposes of cost allocation in both the SERTP and the SCRTP.
 - o The transmission developer and project submittal must satisfy all criteria specified in the respective regional transmission processes.
 - o The proposal should be submitted in the timeframes outlined in the respective regional transmission planning processes.

4.2 Evaluation of Interregional Projects Proposed for Interregional Cost

Allocation Purposes: Interregional projects proposed for Interregional CAP in the SERTP and the SCRTP shall be evaluated within the respective regions as follows:

- A. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed project(s) addresses transmission needs that are currently being addressed with projects in its regional or local transmission plan and, if so, which projects in the regional or local transmission plan could be displaced by the proposed project(s).
- B. Based upon its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission project(s) being displaced by the proposal.
 - o For purposes of this Appendix 9, “Regional Benefit” means the total avoided capital costs of projects included in the then-current regional or local transmission plans that would be displaced if the proposed interregional transmission project was included. The Regional

Benefit is not necessarily the same as the benefits used for purposes of *regional* cost allocation.

4.3. Calculation of Benefit to Cost Ratio: Each region will calculate a regional benefit to cost (“BTC”) ratio consistent with its regional process and compare the BTC ratio to its respective threshold to determine if the interregional project appears to be more efficient or cost effective than those projects included in its current regional or local transmission plan. For purposes of this BTC ratio evaluation:

- A. Each region shall utilize the benefit calculation(s) as defined in such region’s regional transmission planning process (for purposes of clarity, these benefits are not necessarily the same as the Regional Benefits determined pursuant to Section 4.2).
- B. Each region shall utilize the cost calculation(s) as defined in such region’s regional transmission planning process. The anticipated percentage allocation of costs of the interregional project to each region shall be based upon the ratio of the region’s Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the SCRTP. The Regional Benefits shall be determined pursuant to the methodology described in Section 4.2.

Regional BTC assessments shall be performed in accordance with each region’s regional transmission planning process, including but not limited to subsequent calculations and reevaluations.

4.4 Inclusion in Regional Transmission Plans: An interregional project proposed for Interregional CAP in the SERTP and the SCRTP will be included in the respective regional transmission plans for purposes of cost allocation after:

- A. Each region has performed all evaluations, as prescribed in its regional transmission planning process, necessary for a project to be included in its regional transmission plan for purposes of cost allocation.
 - o This includes any regional BTC ratio calculations performed pursuant to Section 4.3; and
- B. Each region; has obtained all approvals, as prescribed in its regional process, necessary for a project to be included in the regional transmission plan for purposes of cost allocation have been obtained.

4.5 Allocation of Costs Between the SERTP and the SCRTP: The cost of an interregional project, selected for purposes of cost allocation in the regional transmission plans of both the SERTP and the SCRTP, will be allocated as follows:

- A. Each region will be allocated a portion of the interregional project's costs in proportion to such region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and the SCRTP.
 - o The Regional Benefits used for this determination shall be based upon the last Regional Benefit calculation performed - pursuant to the method described in Section 4.2. - before each region included the project in its regional transmission plan for purposes of cost allocation and as approved by each region.

B. Costs allocated to each region shall be further allocated within each region pursuant to the cost allocation methodology contained in its regional transmission planning process.

4.6 Removal from Regional Plans: An interregional project may be removed from the SERTP or the SCRTP regional plan for purposes of cost allocation: (i) if the developer fails to meet developmental milestones; (ii) pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; or (iii) if the project is removed from one of the region's regional transmission plans pursuant to the requirements of its regional transmission planning process.

A. The Transmission Owner shall notify the public utility transmission providers in the SCRTP if an interregional project or a portion thereof is likely to be removed from its regional transmission plan.

4.7 Abandonment: If an interregional project is abandoned, the impacted Transmission Owner(s) may seek to complete the interregional project (in accordance with all applicable laws and regulations) or to propose alternative projects (including non-transmission alternatives) that will ensure that any reliability need is satisfied in an adequate manner. If a NERC Registered Entity believes that abandonment will cause a specific NERC Reliability Standard to be violated, and the Transmission Owner(s) have not chosen to complete the project in order to prevent the violation, or cannot complete such a project in a timely fashion, the NERC Registered Entity will be expected to submit a mitigation plan to the appropriate entity to address the violation.

5. Transparency

A. The Transmission Owner shall post procedures for coordination and joint evaluation on the Regional Planning website.

- B. Access to the data utilized will be made available through the Regional Planning website subject to the appropriate clearance, as applicable (such as CEII and confidential non-CEII). The Transmission Owner will make available, on the Regional Planning website, links for stakeholders to register (if applicable/available) for the stakeholder committees or distribution lists of the SCRTP planning region.
- C. At the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, the Transmission Owner will provide status updates of interregional activities including:
- Facilities to be evaluated
 - Analysis performed
 - Determinations/results.
- D. Stakeholders will have an opportunity to provide input and feedback within the respective regional transmission planning processes of the SERTP and the SCRTP related to interregional facilities identified, analysis performed, and any determination/results. Stakeholders may participate in either or both regions' regional transmission planning processes to provide their input and feedback regarding the interregional coordination between the SERTP and the SCRTP.
- E. The Transmission Owner will post, on the Regional Planning Website, a list of all interregional transmission projects that are proposed for potential selection in a regional transmission plan for purposes of cost allocation in both the SERTP and the SCRTP that are found not to be eligible for consideration because they do not satisfy the regional project threshold criteria of one or both of the regions. The

Transmission Owner will also post an explanation of the relevant thresholds the proposed interregional project(s) failed to satisfy.