

The specific processes that must be followed for obtaining transmission service are detailed in Carolina Power & Light's Open Access Transmission Tariff (OATT) drafted and filed in accordance with the Federal Energy and Regulatory Commission Orders 888, 889 and 890.

1. How to Acquire a Copy of CP&L OATT

An electronic version is available for downloading from Progress Energy's website at <http://www.progress-energy.com/aboutenergy/ferc/index.asp> or it can be sent at no charge to your Internet e-mail address. A paper copy of Carolina Power & Light's OATT is available for \$20.00 (covers shipping & handling). Requests may be addressed to the following individual:

Michael D. Anthony
Manager-Transmission Services
Progress Energy - Carolinas, Inc.
3401 Hillsborough St.
Raleigh, NC, 27607
(919) 546-5690
mike.anthony@pgnmail.com

2. Services Available

In general, Carolina Power & Light's Open Access Transmission Tariff provides for two types of transmission service – Point-to-Point and Network Integration Service. Ancillary Services needed to support the transmission service are also offered.

2.1 Point-to-Point Service

Point-to-Point Service is available to Eligible Customers (as defined by the Tariff), to transmit wholesale sales-for-resale into, out of, within or across the Carolina Power & Light transmission system from a Point of Receipt to a Point of Delivery. The services which can be provided are:

1. Firm Point-to-Point Service (for periods greater than twelve months),
2. Short-Term Firm Point-to-Point Service (for periods between one day and twelve months, and
3. Non-Firm Point-to-Point Service (for periods of one hour to one month but subject to availability).

Please review Part II of the Tariff for further clarification of terms and details. All requests for this service (Point-to-Point) must be made via the Carolina Power & Light OASIS site.

2.2 Network Integration Service

Network Integration Transmission Service is a transmission service that allows Eligible Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their designated Network Load in a manner comparable to that in which Carolina Power & Light utilizes its Transmission System to serve its Native Load Customers. Network Integration Service applications should be filed by mailing the application for service directly to:

Thomas Chip Webb, PE
Progress Energy - Carolinas, Inc.
3401 Hillsborough St.
Raleigh, NC, 27607
(919) 546-7706
chip.webb@pgnmail.com

Due to the nature of the service, the application process for Network Integration Service is more complex than Point-to-Point Service. Please review Part III of the Tariff for further clarification of terms and details.

2.3 Ancillary Services

Six ancillary services are available in conjunction with transmission service on the Carolina Power & Light system. Although not all ancillary services are required to be purchased from Carolina Power & Light for transmission service obtained from Carolina Power & Light, the customer must provide for the acquisition of these services from some source agreeable to Carolina Power & Light. For any transmission service obtained from Carolina Power & Light, the customer is required to purchase Scheduling, System Control and Dispatch Service (Schedule 1) and Reactive Supply and Voltage Control from Generation Sources Service (Schedule 2) from Carolina Power & Light. When loads are located within the Carolina Power & Light control area, Carolina Power & Light is required to offer the customer the remaining four ancillary services. The customer is free to choose from those services offered by Carolina Power & Light or those offered by other suppliers. Certain restrictions may apply on the selection of the supplier of these remaining services depending upon the specifics of the transmission service provided.

3. Requesting Transmission Service

3.1 Point-to-Point Service

Prior to the commencement of Point-to-Point Service, there are several conditions that the Eligible Customer must meet:

1. The Tariff, in Sections 17.1-17.3 of Part II, outlines the specific information that must be submitted for a Completed Application, including a deposit, for any firm service. Also, please include your Dunn & Bradstreet number in your application.
2. Upon receipt of a Completed Application, if Carolina Power & Light determines that a System Impact Study or a Facilities Study are needed, formal study agreements must be executed before the work on the study(ies) can proceed. There are additional charges for performing these studies.
3. All Point-to-Point Service requests must be submitted over the OASIS (See Section 4). With respect to a long-term Point-to-Point request, the Completed Application (including a deposit) must be submitted to Carolina Power & Light within 4 days of the OASIS queue date. Failure to do so will result in the OASIS request being given a status of INVALID.
4. After a Completed Application has been submitted to Carolina Power & Light, and after any required studies have been performed, Carolina Power & Light will prepare and an Eligible Customer may execute a Service Agreement to bind both parties to the terms of the Tariff. If both parties cannot reach agreement on the Service Agreement, the Eligible Customer may request that Carolina Power & Light file an unexecuted Service Agreement.
5. Upon request, Carolina Power & Light will execute Short-Term Firm and/or Non-Firm Service Agreements as umbrella agreements to facilitate service. If you are an Eligible Customer and have plans to request either of these types of transmission service at a later time, Carolina Power & Light will execute the appropriate Service Agreements with you prior to your submission of the Completed Application and any required deposit. Carolina Power & Light will then file the Service Agreements with the Commission. This is applicable to Point-to-Point Non-Firm and Short-Term Firm Service only (see Tariff Attachments B and A, respectively).

3.2 Network Integration Service

Prior to the commencement of Network Integration Service, there are several conditions that the Eligible Customer must meet:

1. The Eligible Customer must complete an Application for service as provided under Part III, Section 29.2 of the Tariff. A deposit for one month's fees must accompany this application.
2. The Eligible Customer and the Transmission Provider must complete the technical arrangements set forth in Sections 29.3 and 29.4.
 - a. All facilities which connect to the Carolina Power & Light system must conform to Good Utility Practice and Carolina Power & Light standards and practices.
 - b. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each delivery point or interconnection. The Eligible Customer's facilities provided must coordinate with Carolina Power & Light Transmission Services Operations to ensure a smooth transfer of services. This coordination is necessary to provide uninterrupted service to Network Load during the transfer of service from the current wholesale provider to a new provider.
3. The Eligible Customer must execute a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or request in writing that Carolina Power & Light file an unexecuted Service Agreement with the Commission.
4. The Eligible Customer must execute a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.
5. An Eligible Customer requesting Network Integration Service to serve Network Load inside Carolina Power & Light Control Area with Network Resources outside Carolina Power & Light Control Area who chooses to not dynamically schedule but rather settle its accounts on an after-the-fact basis at the end of the billing month, must take Ancillary Services under Service Schedules 3, 4 and 5 from Carolina Power & Light since Carolina Power & Light would be providing those services real-time.

4. Using the OASIS to request Point-to-Point Service

1. All requests for Point-to-Point Transmission Service must be submitted to Carolina Power & Light via the OASIS.

2. Eligible Customers must fill out the OASIS form completely and correctly in order for Carolina Power & Light to accept the reservation. The fields that must be completed are:
 - a. Under Seller Information, enter Carolina Power & Light.
 - b. Under Path and Point of Receipt/Point of Delivery Information, enter one of the following depending on the situation:
 - i. Enter POR and POD on a Pass-Through Deal.
 - ii. Also enter the Source and Sink if different from the POR and POD.
 - c. Enter the Path for deals that are originating or ending in Carolina Power & Light Control Area. The Sink should be entered if Carolina Power & Light is not the receiving party.
 - d. Under Transmission Information, enter the Capacity, Capacity Type, Price and select Pre-confirmed, if appropriate. Capacity Values requested should not be greater than the posted ATC value.
 - e. Capacity Type-Begin and End Times should fall within the time span for the Capacity Type that is requested. Price-Value entered should match the prices that are posted under offerings or found under the Service Type description. Price is not required. Current rate will be applied if this field is left blank. Enter the Begin Date, Time and End Date, Time for the request.

5. **Using the OASIS to Designate Network Resources for Network Service**
 1. Please review the following document posted on the Carolina Power & Light OASIS under the category of "Business Practices:"

"Network Integration Service Business Practices (PDF Format)"