



Duke Energy Carolinas, LLC

OASIS Business Practices

Revised 03/18/2010

(Current Revisions in Red)



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1. Duke Energy Carolinas Contact

The Independent Entity (Midwest ISO) and Duke Energy Carolinas will apply OASIS Business Practices in a consistent and non-discriminatory manner. Specific questions regarding Business Practices should be directed to the Independent Entity at (651) 632-8708 or email at dukncie-ta@midwestiso.org. For Transmission Service questions specifically regarding transmission pricing, establishing service agreements or accounting & billing information see [Price Summary](#) or [Who To Call](#).

2. Customer Information

A. Planned Changes in Business Practices

i. Process

This section of the Business Practices shall be used to provide public notice of planned changes to business practices. Typically, these changes will be posted at least two weeks in advance of a change, which will provide customers a chance to prepare for the change and to provide feedback to Duke Energy Carolinas if they have questions or concerns about the changes. All feedback should be directed to the Independent Entity at (651) 632-8708 or email at dukncie-ta@midwestiso.org. Customers who wish to receive notification of changes may sign up for [Supplemental Electronic Communication](#).

ii. Pending Changes

The following are proposed changes to Duke Energy Carolinas Business Practices. These changes will be posted as pending for a period of 2 weeks for customers to review and provide feedback. April 1st is the target date for posting these proposed changes to the Business Practices as implemented practices.

(a) Modified

[3.K. Conditional Firm Service \(CFS\)](#)

CFS Business Practices are an interim solution to enable the Transmission Provider to provide CFS. NAESB will develop the long-term solution.

Customer Chooses Specified Contingency Conditions as the CFS Option

1. The Transmission Provider will submit to the Reliability Coordinator (RC) an updated list of all CFS transactions which are subject to curtailment for specific contingency condition(s); such list will contain the transaction OASIS I.D., start and end date and the contingency condition(s) of the CFS.
2. The Transmission Provider will monitor the contingency condition(s) which are identified for each CFS transaction. If the Transmission Provider identifies any of the contingency condition(s) related to its CFS customers, the Transmission Provider will direct its corresponding CFS customer(s) to terminate the CFS tag and initiate a new tag with a ~~Non-Firm Network Secondary (6NN)~~ **Conditional Firm (6-CF)** priority. The CFS customer must terminate and replace the CFS tag accordingly as directed by the Transmission Provider. If the CFS customer fails to initiate the termination and replacement process within ten minutes, the transaction will be curtailed immediately by the Transmission Provider. During circumstances

where the Transmission Provider identifies existing transmission system conditions that may require curtailment of CFS, the Transmission Provider may initiate the curtailment unilaterally.

3. When the TLR is terminated or when existing transmission system conditions permit, the Transmission Provider will inform/direct its CFS customer(s) as soon as practicable to re-tag the CFS as Firm (7F).

Customer Chooses Number of Hours/year(*) as the CFS Option

A CFS customer who has agreed to a specified number of annual hours of curtailment during the reservation period will be subject to the following tagging guidelines. A CFS transaction will be tagged as Firm (7-F) unless or until the Transmission Provider directs the CFS customer from time to time to terminate the Firm (7-F) tag and replace the tag using a ~~Non-Firm Network Secondary (6NN) Conditional Firm (6-CF)~~ priority. If the Transmission Provider directs the CFS customer to terminate a CFS transaction with ~~Non-Firm Network Secondary (6NN) Conditional Firm (6-CF)~~ prior to reaching the specified number of hours/year of curtailment, the CFS customer will be obligated to initiate such request within 10 minutes. If the CFS customer fails to initiate the termination and replacement process within 10 minutes, the transaction will be curtailed immediately by the Transmission Provider. When system conditions return to normal, the CFS customer will be able to re-tag the transaction as Firm (7F). When the specified number of hours/year of curtailment have been reached, the CFS customer will have the right to maintain Firm (7F) service for the remainder of that year of the reservation period.

- (*) **Number of hours/hrs is the hours that the customer is curtailed/interrupted and not the number of hour/years that the customer is at risk, or exposed to, curtailments/interruption.**

(b) Re-written

3. A. Transmission Service Requests

~~x. Customer Requests for Annulment~~

~~At the discretion of the Duke Tariff Administrator, a confirmed Transmission Service Request (TSR) may be annulled upon the Transmission Customer's request providing the following criteria are adhered to:~~

- ~~(a) Non-Firm Redirects: The Customer must request a release for reduction or termination of Non-Firm Redirects using request type RELINQUISH. See Business Practice 3.H. ii. (b) for detailed instructions of this function. (Annulment not needed)~~
- ~~(b) Designated Network Resources: If not for reasons stated in section (c) of this Business Practice, see Business Practice 6.F.~~
- ~~(c) Confirmed Point-to-Point and Confirmed Non-Designated Network: The Customer must request an Annulment via e-mail to the Duke Independent Entity at dukncie-ta@midwestiso.org or fax to (651) 632-8709 using the format below. A phone call will no longer suffice, but is still required. Use this link for the [Annulment Request Form](#). If the request is urgent; the reservation may be annulled followed by Annulment Request Form.~~

~~Fill in the highlighted areas with the details and send to dukncie-ta@midwestise.org. The form may be followed by a phone call requesting the same, but a phone call to the Duke NC IE @ 651-632-8708 is required.~~

- ~~(d) The Customer shall ensure a cancellation or withdrawal of the e-Tag where the transmission was previously allocated. Failure to remove references to an annulled TSR on e-Tags will result in Unreserved Use Penalties. See Business Practice 7 B.iv.~~
- ~~(e) The Customer is required to make a pre-confirmed replacement for Point-to-Point service in the same MW amount with comparable or upgraded Transmission Service. Inadvertent errors in submitting a request for transmission service may be annulled provided the request for nullification is done in the very near term following submittal of the reservation at the Tariff Administrator's discretion.~~
- ~~(f) Non-designated Network requests may be annulled without replacement.~~

x. Customer Request for Nullification Table

The following Table outlines methods for Nullification of Transmission Service on OASIS.

Request Type	Status (Confirmed?)	Preconfirmation (Preconfirmed?)	Customer Action for Nullification	Additional Instructions
PTP Secondary (NF Redirect)	No	n/a	Withdraw	None
	Yes	n/a	Submit RELINQUISH request	See NAESB business practice 001-10.5.3
PTP Non-Firm	No	No	Withdraw	None
		Yes	Call IE and submit <u>Annulment Request Form</u> ¹	Customer shall ensure that cancellation of an e-tag. Failure to comply will result in Unreserved Use charges, see business practice 7.B.
	Yes	n/a	Pre-confirmed Replacement ²	Customer shall ensure that cancellation of an e-tag. Failure to comply will result in Unreserved Use charges, see business practice 7.B.
PTP Firm Daily, Weekly or Monthly	No	No	Withdraw	None
		Yes	Call IE and submit <u>Annulment Request Form</u> ¹	Customer shall ensure that cancellation of an e-tag. Failure to comply will result in Unreserved Use charges see, business practice 7.B.
	Yes	n/a	Pre-confirmed Replacement ²	Customer shall ensure that cancellation of an e-tag. Failure to comply will result in Unreserved Use charges see, business practice 7.B.
PTP Firm Yearly	No	n/a	Withdraw	None
	Yes	n/a	n/a	Extensions for Commencement of Service will be handled in accordance with Section 17.7 of Duke Energy Carolinas OATT. Call the IE for additional information.
Network Secondary (NF Network)	No	n/a	Withdraw	None
	Yes	n/a	Call IE and submit <u>Annulment Request Form</u> ¹	Customer shall ensure that cancellation of an e-tag. Failure to comply will result in Unreserved Use charges see, business practice 7.B.
Designated Network (Firm Network)	No	n/a	Withdraw	None
	Yes	n/a	Submit UNDESIGNATION request	Undesignation of Network Resource Request Form See business practice 6.F. Customer shall ensure that cancellation of an e-tag. Failure to comply will result in Unreserved Use charges, see business practice 7.B.

¹ Point-to-Point and Non-Designated Network: The Customer must request an Annulment via e-mail to the Duke Independent Entity at dukncie-ta@midwestiso.org or fax to (651) 632-8709 using the format below. A phone call is required. Use this link for the [Annulment Request Form](#). If the request is urgent; the reservation may be annulled followed by Annulment Request Form.

² The Duke Independent Entity will require the Customer to make a pre-confirmed replacement for Point-to-Point service in the same MW amount with comparable or upgraded Transmission Service. Inadvertent errors in submitting a request for transmission service may be annulled at the Tariff Administrator's discretion provided; the request for nullification is done in the very near term following submittal of the reservation.

B. OASIS Supplemental-E-Mail Notification

Duke Energy Carolinas offers a service to provide supplemental e-mail notification whenever certain content on its OASIS Home Page is created/updated.

For information on the service, please go to the following web address

http://www.oatioasis.com/DUK/DUKdocs/Supplemental_E-Mail_Notifications.htm or click this [link](#).

C. OASIS Help Desk

Customers needing technical help on the OATI may call (763) 201-2020 (**emergency**) or send email to support@oati.net (**non-emergency**).

D. Forms

i. Generator Interconnection

For details of the process of submitting application and filing agreements for Large and Small Generator Interconnection requests go to:

http://www.oatioasis.com/DUK/DUKdocs/Generator_Interconnection_Information.html

Below find the hyperlinks to the appropriate applications.

[Application for Large Generator Interconnection](#)

[Application for Small Generator Interconnection](#)

The attached Large Generator Interconnection Agreement (LGIA) and Small Generator Interconnection Agreement (SGIA) are pro forma documents. Note that Large Generators have a capacity of 20 MW or greater. Attachments to these documents contain the generator specific information.

[Standard LGIA form Order 2003 Appendix C in Word](#) (doc format)

[Standard SGIA from Order 2003 Appendix C in Word](#) (doc format)

ii. Designated Network Resources

The following forms are used for designation and termination of Designated Network Requests (see Business Practice 6 for designation and termination requirements).

[Designation of Network Resource Request Form \(On and Off System\)](#)

[Undesignation of Network Resource Request Form](#)

iii. Annulment Request Form

The following form is used for requesting Annulment of a Transmission Service Request as described in Business Practice 3. A.x.

[Annulment Request Form](#)

iv. Resale Transmission Service Agreement (TSA)

[ATTACHMENT A-1 – FORM OF SERVICE AGREEMENT FOR THE RESALE, REASSIGNMENT OR TRANSFER OF POINT-TO-POINT TRANSMISSION SERVICE](#) must be executed by the Assignee with the Transmission Providers 24 hours prior to commencement of the reassigned service, as described in Business Practice 3.A.vii. Resales.

The [required TSA](#) (hyperlink) is available for download from the Duke Energy Carolinas' OASIS at http://www.ferc.duke-energy.com/duke_power/Resale.doc

E. NAESB WEQ Business Practices

The NAESB WEQ Business Practice Standards may be accessed from the NAESB web site:

<http://www.naesb.org>.

Duke Energy Carolinas hereby incorporates by reference the following standards promulgated by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB):

[Business Practices for Open Access Same-Time Information Systems \(OASIS\), Version 1.4 \(WEQ-001, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16,](#)

2007) including Standards 001-0.2 through 001-0.8, 001-0.14 through 001-0.20, 001-2.0 through 001-9.6.2, 001-9.8 through 001-12.5.2, and 001-A and 001-B;

Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols, Version 1.4 (WEQ-002, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Standards 002-0.1 through 002-5.10, except for Standard 002-4.5.2, for which waiver has been granted to the extent provided in *Duke Energy Carolinas, LLC*, 126 FERC 61,291 (2009);

Open Access Same-Time Information Systems (OASIS) Data Dictionary, Version 1.4 (WEQ-003 Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Standard 003-0;

Coordinate Interchange (WEQ-004, Version 001, October 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 004-0.1 through 004-17.2, and 004-A through 004-D;

Area Control Error (ACE) Equation Special Cases Standards (WEQ-005, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 005-0.1 through 0053.1.3, and 005-A;

Manual Time Error Correction (WEQ-006 Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 006-0.1 through 006-12;

Inadvertent Interchange Payback (WEQ-007 Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 007-0.1 through 007-2, and 007-A;

Transmission Loading Relief – Eastern Interconnection (WEQ-008, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 008-0.1 through 0083.11.2.8, and 008-A through 008-D;

Gas/Electric Coordination (WEQ-011, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Standards 011-0.1 through 011-1.6;

Public Key Infrastructure (PKI) (WEQ-012, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Recommended Standard, Certification, Scope, Commitment to Open Standards, and Standards 012-0.1 through 012-1.26.5; and

Business Practices for Open Access Same-Time Information Systems (OASIS) Implementation Guide, Version 1.4 (WEQ-013, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Introduction and Standards 013-0.1 through 013-4.2.

3. Transmission Service Requirements

A. Transmission Service Requests

i. Time Zone

All times are Eastern Prevailing Time (EPT) unless otherwise noted.

ii. POD/POR

Transmission Customers may leave the POD and POR fields blank. If blank, POD and POR will be interpreted from the PATH_NAME.

iii. Bid Price

Customers of Duke Energy Carolinas must make a non-zero entry in the Bid Price field of ORIGINAL, Firm REDIRECT, RENEWAL or MATCHING transmission service requests. If the field is blank or zero for one of these request types, Duke Energy Carolinas will decline the request. Bid price on all Network OASIS requests should be \$0.00, since Network Service Customers are billed as prescribed in section 34 of the Tariff.

iv. Profile

If a Profile is submitted, its time segments must equal the request's SERVICE_INCREMENT. For example, a profile of a weekly request using daily segments is invalid.

v. ATC

Duke Energy Carolinas' Non-Firm ATC calculations prior to 10:00 a.m. day-ahead will be decremented to make allowances for all confirmed Firm reservations:

$$\text{Pre-10:00 a.m. NF ATC} = \text{TTC} - \text{TRM} - \text{CBM} - \text{Firm Network Reservations} - \text{Firm PTP Reservations} - \text{Non-Firm Reservations}$$

At 10:00 day-ahead Non-Firm ATC will change; Non-Firm ATC will be decremented to make allowances for Duke-approved Firm tags instead of all confirmed Firm reservations:

$$\text{Post-10:00 a.m. NF ATC} = \text{TTC} - \text{TRM} - \text{Duke-approved Firm Tags} - \text{Non-Firm Reservations}$$

Duke Energy Carolinas' Firm ATC calculations will continue to be:

$$\text{F ATC} = \text{TTC} - \text{TRM} - \text{CBM} - \text{Firm Network Reservations} - \text{Firm PTP Reservations}$$

vi. Daily Sliding

3. Transmission Service Requirements

Daily sliding requests, including Daily Firm redirect requests, will be accepted for 24-hour periods starting at 23:00 or 01:00.

vii. Resale

RESALE requests will be administered with the following business practices (which are in accordance with NAESB Business Practice WEQ 001-11 which has been approved by the WEQ EC):

- (a) The parent of a Resale must be a confirmed Point-To-Point reservation.
- (b) The confirmation of a Resale shall convey the rights to schedule Point-To-Point Transmission Service from the Reseller to the Assignee, but shall also convey any outstanding conditions that may exist on the Parent Reservation (such as conditional approval pursuant to Section 13.2(ii) of the Tariff).
- (c) A Resale shall retain all the same transmission service attributes, transmission service priority, and points of delivery and receipt of the Parent Reservation. For example, if one hour of a Monthly Firm reservation is Resold, the Resale reservation shall be a Monthly Firm Resale reservation lasting one hour. The transmission service attributes, transmission service priority and points of delivery and receipt on a RESALE request must be the same as on the parent reservation or it shall be deemed INVALID.
- (d) Service arranged through a Redirect on a non-firm basis (i.e., Non-Firm secondary service) cannot be resold.
- (e) A Resale must be in whole MWs and equal to or less than the Granted Capacity of the Parent Reservation, less any reductions (e.g. confirmed Redirects, previous Resales, curtailments, or implemented schedules) to the capacity available for scheduling of that Parent Reservation.
- (f) A Resale must be in whole hours, beginning at the top of the hour, and within the start and stop time of the Parent Reservation.
- (g) All resales must include the price of the Resale. Price units shall always be \$/MW-Hour reserved (e.g., if the price is stated as \$3.50 for a 50 MW reservation that lasts one day, the basic bill for the reservation will be 50 MW x 24 hours x \$3.50 / MWh reserved = \$4200).
- (h) The Assignee (Resale customer) must execute a Transmission Service Agreement (TSA) with the Transmission Provider that will govern the provision of reassigned service no later than twenty-four hours prior to the scheduling deadline applicable for the commencement of the reassigned service. If the service agreement is not executed on time, the RESALE will be ANNULLED (or RETRACTED if not yet CONFIRMED), all tags using the RESALE will be curtailed, and rights will revert to the parent reservation. The [required TSA](#) will be available for download from the Duke Energy Carolinas' OASIS at http://www.ferc.duke-energy.com/duke_power/Resale.doc. The Transmission Customer shall download the TSA, print a copy, execute a copy, scan the executed copy and email

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it to the email address listed in the TSA. In addition the TSA must be submitted to the Duke Independent Entity at dukncie-ta@midwestiso.org or fax to (651) 632-8709. It is the sole responsibility of the Assignee to comport with the FERC requirement that a TSA be executed prior to the start of the transaction.

- (i) The Assignee shall have the right to Redirect firm rights acquired through a Resale. Any such request shall be submitted on OASIS and will be queued and evaluated in the same manner as any other Redirect.
- (j) The Assignee shall have the right to resell rights acquired through a Resale.
- (k) Rollover rights are never transferred to a Resale.
- (l) In the event that a higher priority, competing transmission service request must displace all or a portion of a confirmed lower priority reservation, any Resales that reference the displaced reservation as their Parent shall be nullified. Once the conditional window on the Parent Reservation has closed, Resales for firm service are not subject to displacement.

viii. Withdrawal of Preconfirmed Requests

- Preconfirmed Long Term Firm may be withdrawn
- Preconfirmed Short Term Firm may not be withdrawn prior to being offered service. Once Counteroffered the request may be withdrawn.
- Preconfirmed Non-firm Point-to-Point may not be withdrawn prior to being offered service.
- Preconfirmed Redirects on a Non-firm Basis may be withdrawn.
- Preconfirmed Network Service requests may be withdrawn.

ix. DUK as POD

All TSR's with a POD=DUK must be Network. Point-to-Point request may not use DUK as the POD.

x. Customer Requests for Annulment

At the discretion of the Duke Tariff Administrator, a confirmed Transmission Service Request (TSR) may be annulled upon the Transmission Customer's request providing the following criteria are adhered to:

- (a) Non-Firm Redirects: The Customer must request a release for reduction or termination of Non-Firm Redirects using request type RELINQUISH. See Business Practice 3.H. ii. (b) for detailed instructions of this function. (Annulment not needed)
- (b) Designated Network Resources: If not for reasons stated in section (e) of this Business Practice, see Business Practice 6.F.

3. Transmission Service Requirements

- (c) Confirmed Point-to-Point and Confirmed Non-Designated Network: The Customer must request an Annulment via e-mail to the Duke Independent Entity at dukncie-ta@midwestiso.org or fax to (651) 632-8709 using the format below. A phone call will no longer suffice, but is still required. Use this link for the [Annulment Request Form](#). If the request is urgent; the reservation may be annulled followed by Annulment Request Form.

Fill in the highlighted areas with the details and send to dukncie-ta@midwestiso.org. The form may be followed by a phone call requesting the same, but a phone call to the Duke NC IE @ 651-632-8708 is required.

- (d) The Customer shall ensure a cancellation or withdrawal of the e-Tag where the transmission was previously allocated. Failure to remove references to an annulled TSR on e-Tags will result in Unreserved Use Penalties. See Business Practice 7 B.iv.
- (e) The Customer is required to make a pre-confirmed replacement for Point-to-Point service in the same MW amount with comparable or upgraded Transmission Service. Inadvertent errors in submitting a request for transmission service may be annulled provided the request for nullification is done in the very near term following submittal of the reservation at the Tariff Administrator's discretion.
- (f) Non-designated Network requests may be annulled without replacement.

B. Reservation Accuracy

In order to receive transmission service, the transmission reservation must be accurate and complete. Transmission Service Requests sourcing from new generation projects located on the Duke Energy Carolinas system that do not have completed Facilities Studies will be deemed invalid.

3. Transmission Service Requirements

C. Reservation Submittal Timing

The timing for submitting reservations is listed in the Transmission Reservation Submittal Timing Table below:

Class	Service Increment	Reservation Should Not Be Queued Earlier Than	Reservation Should Not Be Queue Later Than
Non-Firm PTP (including Non-Firm Redirect)	Hourly	1200 the Day ¹ Prior to Service Start	1400 the day prior to service start but requests will be processed later if they can be accommodated
Non-Firm PTP	Daily	2 days ² prior to service start	1400 the day prior to service start but requests will be processed later if they can be accommodated
Non-Firm PTP	Weekly	14 days prior to service start	1400 the day prior to service start but requests will be processed later if they can be accommodated
Non-Firm PTP	Monthly	60 days prior to services start	1400 the day prior to service start but requests will be processed later if they can be accommodated
Non-Designated Network ³	N/A	9 years prior to service start ^{4,6}	
Firm	Daily	7 days prior to service start ⁵	
Firm	Weekly	4 weeks prior to service start ⁵	
Firm	Monthly	6 months prior to service start ⁵	
Firm	Yearly	9 years prior to service start ⁶	60 days prior to month in which service is to begin or as can be accommodated
Network Short-Term Firm (DNR)	Hourly	12 months prior to service start ⁶	
Network Long-Term Firm (DNR)	Yearly	9 years prior to service start ⁶	60 days prior to month in which service is to begin or as can be accommodated

Transmission Reservation Submittal Timing Table

Notes for Transmission Reservation Submittal Timing Table:

- ¹ Non-Firm Hourly and Non-Firm Redirect reservations for Saturdays, Sundays, NERC Holidays and the day following may be submitted after 1200 on the last weekday prior to service start. For example - if a NERC Holiday occurs on a Monday, Reservations for Saturday, Sunday, Monday and Tuesday will be accommodated after 1200 on Friday.
- ² Non-Firm Daily reservations for Saturdays, Sundays, NERC Holidays and the day following may be submitted on the last weekday prior to service start. For example -- if a NERC Holiday occurs on a Monday, Reservations for Saturday, Sunday, Monday and Tuesday will be accommodated on Friday.
- ³ Also referred to as Non-Firm Network, Network Secondary, or Network Service from Non-Designated Resources or Network Service from Alternate Resources.
- ⁴ Network Customer should submit tag within 30 minutes of queuing Network Secondary reservation.
- ⁵ Short-Term Firm Requests that are queued within 5 minutes of the start of the reservation queuing window shall be deemed to be submitted simultaneously. Priority will be given to requests of longer duration first, and then to requests that are pre-confirmed. The requests will be grouped by duration and then the following procedure will be used to allocate capacity if insufficient ATC is available to accommodate all requests, starting with the group of requests with the longest duration:
 - a) If insufficient capacity is available to accommodate all pre-confirmed requests, then all pre-confirmed requests will be counteroffered on a pro-rata basis and all requests that are not pre-confirmed will be Refused.
 - b) If sufficient capacity is available to accommodate all pre-confirmed requests but not enough to accommodate all other requests, then the pre-confirmed requests will be accepted and all other requests will be counteroffered on a pro-rata basis.
 - c) If sufficient capacity is available to accommodate all requests of a given duration, all requests will be accepted and the next-longest duration group will be evaluated in a similar fashion.
- ⁶ Network and Yearly Point-to-Point Requests that are queued within 5 minutes of the start of the reservation queuing window shall be deemed to be submitted simultaneously. Requests that are pre-confirmed will be given priority over requests that are not pre-confirmed.
 - a) If insufficient capacity is available to accommodate all pre-confirmed requests, then all pre-confirmed requests will be allocated a portion of the available capacity on a pro-rata basis.
 - b) If sufficient capacity is available to accommodate all pre-confirmed requests but not enough to accommodate all other requests, then the pre-confirmed requests will be accepted and all other requests will be allocated a portion of the available capacity on a pro-rata basis.

D. Reservation Response Timing

The specific response time details for both the Transmission Customer and the Transmission Provider are indicated in the table below:

Transmission Reservation Response Timing Guidelines Table

Class	Service Increment	Time Queued Prior to Start	Provider Evaluation Time Limit ¹	Customer Confirmation Time Limit ² After ACCEPTED or COUNTEROFFER ³	Provider Counter Time Limit After REBID ⁴
Non-Firm PTP (including Non-Firm Redirect)	Hourly	< 1 Hour	Best Effort	5 Minutes	5 Minutes
Non-Firm PTP (including Non-Firm Redirect)	Hourly	> 1 Hour	30 Minutes	5 Minutes	5 Minutes
Non-Firm PTP (including Non-Firm Redirect)	Hourly	Day Ahead	30 Minutes	30 Minutes	10 Minutes
Non-Firm PTP	Daily	N/A	30 Minutes	2 Hours	10 Minutes
Non-Firm PTP	Weekly	N/A	4 Hours	24 Hours	4 Hours
Non-Firm PTP	Monthly	N/A	2 Days ⁵	24 Hours	4 Hours
Non-Designated Network ⁸	N/A	< 1 Hour	Best Effort	5 Minutes	5 Minutes
Non-Designated Network ⁸	N/A	> 1 Hour	30 Minutes	5 Minutes	5 Minutes
Non-Designated Network ⁸	N/A	Day Ahead	30 Minutes	30 Minutes	10 Minutes
Firm	Daily	< 24 Hours	Best Effort	2 Hours	30 Minutes
Firm	Daily	N/A	30 Days ⁶	24 Hours	4 Hours
Firm	Weekly	N/A	30 Days ⁶	48 Hours	4 Hours
Firm	Monthly	N/A	30 Days ⁶	4 Days	4 Hours
Firm	Yearly	60 Days ⁷	30 Days ⁶	15 Days	4 Hours

3. Transmission Service Requirements

Notes for Transmission Reservation Response Timing Guidelines Table:

- ¹ Consistent with regulations and filed Tariffs, measurement starts at the time the request is QUEUED.
- ² Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override preemption deadlines. The time limits for confirmation of transmission service that are established do not extend the 10:00 a.m. deadline for scheduling firm transmission service. Consequently, Duke Energy Carolinas will apply the confirmation time limits established so that the customer's confirmation time limit is the later of (i) 10:00 a.m. of the day prior to the commencement of service or (ii) two hours after the transmission request is first placed in a status of ACCEPTED or COUNTEROFFER. Transmission requests that are not confirmed or withdrawn by the deadline will be placed in RETRACTED status.
- ³ Measurement starts at the time the request is first moved to either ACCEPTED or COUNTEROFFER. The time limit does not reset on subsequent changes of state.
- ⁴ Measurement starts at the time the Transmission Customer changes the state to REBID. The measurement resets each time the request is changed to REBID.
- ⁵ Days are defined as calendar days.
- ⁶ Subject to expedited time requirements of Section 17.1 of the pro forma Tariff. Transmission Providers should make best efforts to respond within 72 hours, or prior to the scheduling deadline, whichever is earlier, to a request for Daily Firm Service received during period 2 - 30 days ahead of the service start time.
- ⁷ Subject to Section 17.1 of the pro forma Tariff, whenever feasible and on a non-discriminatory basis, transmission providers should accommodate requests made with less than 60 days notice.
- ⁸ Also referred to as Non-Firm Network, Network Secondary or Network Service from Non-Designated Resources or Network Service From Alternate Resources

E. Administration of Short Term Firm Transmission Requests

Duke Energy Carolinas will only permit a customer to submit successive requests for a single product with the same POR and POD to fully capture unconfirmed ATC. Subsequent successive requests that are not pre-confirmed will be REFUSED. Subsequent successive requests that are pre-confirmed will be permitted to the extent that the customer has an opportunity to reserve unconfirmed ATC or has an opportunity to preempt shorter term requests.

F. Reservation Preemption Priorities

Reservation preempting priorities are shown in the table below:

Priorities for Competing Reservation Requests Table

Request 1	Is Preempted by Request 2	Right of First Refusal
Tier 1: Long-term Firm, Native Load, and Network Firm	N/A Not preempted by a subsequent request.	N/A
Tier1: Recallable Long-term Firm	Preempted upon written request from Duke Energy Carolinas in accordance with terms of service agreement. (See Recallable Long Term Firm)	Yes, in accordance with Schedule 7B of the Duke Energy Carolinas' Tariff and specific terms of the service agreement.
Tier 2: Short-term Firm	Tier 1: Long-term Firm, Recallable Long-term Firm, Native Load, and Network Firm, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted.	No
Tier 2: Short-term Firm	Tier 2: Short-term Firm of longer term (duration), while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted ¹ .	Yes, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted and right of first refusal is not applicable.
Tier 2: Short-term Firm	Short-term Firm of equal or shorter term (duration) ¹ , when Request 1 is still unconfirmed and Request 2 is received pre-confirmed. A confirmed Short-term Firm may not be preempted for another Short-term Firm request of equal duration. Pre-confirmed Short-term Firm requests may not be withdrawn prior to being offered service or a system impact study ⁴ .	No
Tier 3: Network Service from Non Designated Resources	Tiers 1 & 2: All Firm (including Network).	No
Tier 4: All Non-Firm PTP	Tiers 1 & 2: All Firm (including Network).	No
Tier 4: All Non-Firm PTP	Tier 3: Network Service from Non Designated Resources.	No
Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of a longer term (duration) ¹ . Except in the last hour prior to start.	Yes ²



3. Transmission Service Requirements

Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of equal term (duration) ¹ and higher price, when Request 1 is still unconfirmed and Request 2 is received pre-confirmed. A confirmed non-firm PTP may not be preempted for another non-firm request of equal duration. Pre-confirmed Non-firm requests may not be withdrawn prior to being offered service ⁴ .	Yes ³
Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of equal term (duration) ¹ and same price, when Request 1 is still unconfirmed and Request 2 is received pre-confirmed. A confirmed non-firm PTP may not be preempted for another non-firm request of equal duration. Pre-confirmed Non-firm requests may not be withdrawn prior to being offered service ⁴ .	No
Tier 5: Non-firm PTP Service over secondary receipt and delivery points	Tiers 1 through 4 can preempt Tier 5.	No

Notes for Priorities for Competing Reservation Requests Table:

- ¹ Longer duration, in addition to being higher SERVICE_INCREMENT (i.e., WEEKLY has priority over DAILY), also may mean more multiples of the same SERVICE_INCREMENT (i.e., 3 days may have priority over 2 days). Multiple service increments must be at the same level of capacity.
- ² Right of first refusal when a subsequent request is received of a longer duration applies only if the first request is confirmed.
- ³ Right of first refusal when a subsequent request is received of an equal duration and higher price applies only when the first request is unconfirmed and the subsequent request is received pre-confirmed.
- ⁴ A pre-confirmed request may be invalidated by the transmission provider in the event the customer makes an inadvertent error in submitting the request. The customer must make a request for invalidation in the very near term following submittal of the request.

Service Request Tier 1: Native load, Network, and Long-term Firm
 Service Request Tier 2: Short-term Firm
 Service Request Tier 3: Network on Non designated Resources
 Service Request Tier 4: Non-firm
 Service Request Tier 5: Service over secondary receipt and delivery points

G. Preempting Requests

Transmission reservations that preempt existing reservations must be submitted as pre-confirmed and must have the same MW value in all profiled segments. Table 4-3 of NAESB Business Practice WEQ 001-4.16 describes the relative queued priorities for competing service request and reservations.

H. REDIRECTS of Firm Reservation

i. Modification on a Firm Basis (Firm REDIRECT)

Duke Energy Carolinas will permit any customer with a Confirmed Firm Point to-Point reservation to modify receipt and delivery points on a firm basis in accordance with Duke Energy Carolinas OATT and NAESB Business Practice Standards WEQ 001-9 through 001-9.8.1.

The Bid Price field must contain a non-zero entry and will constitute a billable offer. Upon confirmation, a credit on the Parent Reservation (or, if a Resale, its Parent reservation) shall be computed as the total reservation charge divided by the total megawatt hours reserved times the megawatt hours redirected. The redirected reservation shall be charged as if it were a reservation with a request type of ORIGINAL.

ii. Redirects on a Non-Firm Basis (Non- Firm Secondary requests):

Modifications of receipt and delivery points on a non-firm basis will be permitted in accordance with Duke Energy Carolinas OATT and NAESB Business Practice Standards WEQ 001-10 through 001-10.7.1.

I. Recallable Long Term Firm

Click to view the [Recallable Long Term Firm](#) Business Practice.

J. Rollover Rights (Reservation Priority)

Effective 01/01/09, Section 2.2 of Duke Energy Carolina's tariff is modified to change the conditions for granting rollover rights. With this change, existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service when the contract expires, rolls over or is renewed. Any customer that wishes to exercise its rollover must make an application for its new service term by submitting a pre-confirmed renewal request (REQUEST_TYPE = RENEWAL) no less than one year (1 year) prior to the date the existing long-term contract ends and the new service term commences. The customer must recognize that Rollover Rights apply only to the POR, POD and MW capacity of the existing long-term contract. If the eligible request is profiled then the MW value eligible for rollover will be the final yearly MW increment. The pricing component of the new contract must be agreed to at the time of the customer rollover request. Service agreements with rollover rights which queued prior to 04/01/09 unless terminated will become subject to the five year/one year requirement on the first rollover date after 04/01/09.

K. Conditional Firm Service (CFS)

CFS Business Practices are an interim solution to enable the Transmission Provider to provide CFS. NAESB will develop the long-term solution.

Customer Chooses Specified Contingency Conditions as the CFS Option

4. The Transmission Provider will submit to the Reliability Coordinator (RC) an updated list of all CFS transactions which are subject to curtailment for specific contingency condition(s); such list will contain the transaction OASIS I.D., start and end date and the contingency condition(s) of the CFS.
5. The Transmission Provider will monitor the contingency condition(s) which are identified for each CFS transaction. If the Transmission Provider identifies any of the contingency condition(s) related to its CFS customers, the Transmission Provider will direct its corresponding CFS customer(s) to terminate the CFS tag and initiate a new tag with a Non-Firm Network Secondary (6NN) priority. The CFS customer must terminate and replace the CFS tag accordingly as directed by the Transmission Provider. If the CFS customer fails to initiate the termination and replacement process within ten minutes, the transaction will be curtailed immediately by the Transmission Provider. During circumstances where the Transmission Provider identifies existing transmission system conditions that may require curtailment of CFS, the Transmission Provider may initiate the curtailment unilaterally.

3. Transmission Service Requirements

6. When the TLR is terminated or when existing transmission system conditions permit, the Transmission Provider will inform/direct its CFS customer(s) as soon as practicable to re-tag the CFS as Firm (7F).

Customer Chooses Number of Hours/year(*) as the CFS Option

A CFS customer who has agreed to a specified number of annual hours of curtailment during the reservation period will be subject to the following tagging guidelines. A CFS transaction will be tagged as Firm (7-F) unless or until the Transmission Provider directs the CFS customer from time to time to terminate the Firm (7-F) tag and replace the tag using a Non-Firm Network Secondary (6-NN) priority. If the Transmission Provider directs the CFS customer to terminate a CFS transaction with Non-Firm Secondary (6-NN) prior to reaching the specified number of hours/year of curtailment, the CFS customer will be obligated to initiate such request within 10 minutes. If the CFS customer fails to initiate the termination and replacement process within 10 minutes, the transaction will be curtailed immediately by the Transmission Provider. When system conditions return to normal, the CFS customer will be able to re-tag the transaction as Firm (7F). When the specified number of hours/year of curtailment have been reached, the CFS customer will have the right to maintain Firm (7F) service for the remainder of that year of the reservation period.

- (*) Number of hours/yrs is the hours that the customer is curtailed/interrupted and not the number of hour/years that the customer is at risk, or exposed to, curtailments/interruption.

4. Tags and Scheduling

A. Tag Accuracy and Timing

In order to implement interchange schedules, tags must be accurate, complete, and time stamped no later than 20 minutes prior to the start of the schedule. Tags submitted after the Tariff's scheduling deadlines (Sections 13.8 and 14.6) will be accommodated by giving scheduling priority based on reservation priority as outlined in [Business Practice 3.F](#) (Reservation Preempting Priorities) until 35 minutes prior to the start of the next scheduling hour. In order to effectively manage transmission system reliability, tags will be accommodated based solely on submittal time within 35 minutes of the start of the next scheduling hour. At 25 minutes before the start of the next scheduling hour, Duke Energy Carolinas will run an additional automated check and issue curtailments if any interface is found to be overscheduled. Also, at 3:45pm daily, an automated check will run for the horizon that includes the remainder of the current day and the entire next day. Curtailments will be issued as necessary if any interface is found to be overscheduled.

B. Schedule Changes

Schedule changes usually occur on the top of the hour. Schedule changes may be made at other times provided that transmission service is purchased for the whole hour and the schedule is received 20 minutes prior to the start of the schedule.

C. Designated Network Resource (7-FN) Tags

Designated Network Resource tags will be valid only if the transmission priority is 7-FN, the generation is firm (G-F) and transmission segments through other systems from the point where the Network Customer takes title of the power are firm (7-F or 7-FN).

5. Ancillary Services

Unless special provisions exist in a transmission customer's service agreement, transmission customers will automatically be billed for Schedule 1 (Scheduling, System Control and Dispatch Service) and Schedule 2 (Reactive Supply and Voltage Control from Generation or Other Sources Service) based on their transmission service usage. The rates for these services are posted on the [Price Summary](#) page. Customers do not have to request the purchase of these two ancillary services on the OASIS. For Resales, the charges for Schedule 1 and Schedule 2 are paid by the Reseller and will not be directly billed to the Assignee.

6. Network Integration Transmission Service

A. Requesting Initial Network Integration Transmission Service

Given the volume of data required to be submitted by a customer seeking Network Integration Transmission Service (Network Service) for the first time, a written Application for service meeting the requirements of Tariff Section 29.2 is required with any initial request for Network Service. (OASIS will not currently adequately facilitate the exchange of all data required per Section 29.2 of the Tariff). With respect to an initial request for Network Service, queue position for the service request will be based on the latter of time and date: Duke Energy Carolinas' Independent Entity receives a Completed Application (Customer may fax a written Application or e-mail an electronic application in order to establish a time stamp) or completes the process of submitting its proposed network resource designations as discussed below. Customers should contact the Independent Entity at (651) 632-8708 or email at dukncie-ta@midwestiso.org for directions on submitting an application and the associated deposit.

A Customer submitting an initial request for Network Service must, in addition to completing the application, also submit its proposed Designated Network Resources over the Duke Energy Carolinas OASIS prior to Duke Energy Carolinas deeming the Application "complete." (A customer whose OASIS is not operative or a customer who does not have OASIS capability may have an agent submit the Designated Network Resource request(s) on its behalf.) Once such Designated Network Resources requests have been submitted on the OASIS, the Customer must notify Duke Energy Carolinas of the corresponding OASIS request IDs on other transmission systems' OASIS. (Source and sink are automatically masked to outside entities until the request is Confirmed. Since the Customer's name may be omitted from the request, Duke Energy Carolinas requires separate notification of the Designated Network Resources request IDs that are on other transmission systems' OASIS.)

After a Completed Application has been submitted to Duke Energy Carolinas, and after any required studies have been performed, Duke Energy Carolinas will then prepare and submit to the Eligible Customer a Network Integration Transmission Service Agreement (NITSA). When executed, the NITSA will bind both parties to the terms of the Tariff. If both parties cannot reach concurrence on the NITSA, the Eligible Customer may request that Duke Energy Carolinas file an unexecuted Service Agreement.

B. Requesting DNR on OASIS

i. Requesting Service

All Network Customers must submit new Designated Network Resource requests over the OASIS pursuant to Section 29.2 and 30.2 of the Tariff. OASIS is not configured to capture all of the information required in Section 29.2, so additional information must be emailed or faxed to Duke's Independent Entity prior to tag submission. To request service, the customer should complete the [Designation of Network Resource Request Form](#) and EMAIL (preferred) or FAX it to Duke Energy Carolinas' Independent Entity at dukncie-ta@midwestiso.org or fax at (651) 632-8709, followed by a call to verify receipt of the form to (651) 632-8708. A request for Network Service will be deemed Invalid if a completed form is not received by 5pm ET the day the request for service is queued. Duke Energy Carolinas further clarifies this by requiring that Network Resource designations be submitted in accordance with the deadlines noted in [Business Practice 3.C](#) (Reservation Submittal Timing).

ii. Short-Term Designated Firm Service

Pursuant to FERC Docket Nos. OA07-25-000 and OA07-25-001. Designated ST Network Service – Hourly Increments has been replaced by Short-Term Designated Firm Service – Daily Increment. All Short-Term Designated Firm Service will have a term of Daily as a minimum increment to align with the minimum term of Firm Point to Point Service.

- (a) Short-Term Designated Firm Service will be accepted for 24 hour periods starting at 23:00, 00:00 or 01:00.

iii. Data Requirements

All Designated Network Resource requests must be PRECONFIRMED and include the following information:

6. Network Integration Transmission Service

- (a) The Source (The generator name or if a system purchase name as defined on TSIN. Transmission Service Requests sourcing from new generation projects located on the Duke Energy Carolinas system that do not have completed Facilities Studies will be deemed invalid.
- (b) The Point Of Receipt – POR.
- (c) The Point Of Delivery – POD.
- (d) The Sink (The name of the Network Customer’s load as defined in TSIN)
- (e) The Reserved Capacity (the MW to be delivered at the POR)
- (f) The start and stop date/times may not extend beyond the lesser of (1) term of the purchase agreement between the Transmission Customer and the generation seller or (2) term of firm transmission service acquired through all control areas on the scheduling path from the generator source to Duke Energy Carolinas.
- (g) The bid price will be \$0.00 since Network Customers are billed as prescribed in Section 34.1 of the Tariff.
- (h) An attestation must be put into the Customer Comments field and it should be worded as follows:

“The transmission customer attests that: (1) the transmission customer owns or has committed to purchase the designated network resource and (2) the designated network resource comports with the requirements for designated network resources.”

C. Criteria for DNR

The Transmission Customer must own or control generation or have committed to purchase power pursuant to an executed contract in order to designate a resource as a Designated Network Resource.

A Designated Network Resource may not include resources, or any portion thereof, that are Designated as Network Resources for another customer or otherwise cannot be called upon to meet the Network Customer’s Load on a non-interruptible basis. Firm power purchase agreements that can be curtailed by the seller only for reliability reasons qualify as Designated Network Resources. Power purchase agreements designated as network resources that contain liquidated damages (LD) provisions must be of the “make whole” type. Conversely, power purchase agreements containing LD provisions that provide penalties of a fixed amount, that are capped at a fixed amount, or that otherwise do not require the seller to pay a buyer the full cost of replacing any interrupted power do not qualify as Designated Network Resources.

The Transmission Customer agrees to dispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2 of Duke Energy Carolinas' Tariff.

D. DNR Approval Process

When there are no posted ATC values, where there is no path posted on the OASIS or when the Designated Network Resource request is for twelve or more consecutive months, a System Impact Study may be required. In either case, the request will be placed in STUDY until all Tariff requirements in Section 32 are satisfactorily met and within prescribed deadlines.

E. Requesting Non-Designated Network

A Network Customer may request service to deliver energy to its Network Loads from resources that have not been designated as Network Resources under Section 28.4 of the Tariff.

A Network Customer must submit on OASIS a PRECONFIRMED request for Network Secondary with the following information (it is permissible to use the profile feature when creating this request):

i. Source

The Source (The generator name or if a system purchase name as defined on TSIN, the control area in which the generator(s) used to supply the capacity is located).

ii. POR

The Point Of Receipt – POR

iii. POD

The Point Of Delivery – POD

iv. Sink

The Sink (The name of the Network Customer's load)

v. Capacity

The Reserved Capacity (the MW to be delivered at the POR)

vi. Bid Price

The bid price will be \$0.00 since Network Customers are billed as prescribed in Section 34.1 of the Tariff.

Network using Alternate Resources (Non-Designated Network) may be requested: anytime in advance, up to 20 minutes prior to the top of the hour in which service is to begin.

Customer Confirmation:	request must be PRECONFIRMED
OASIS Request Type:	is "NETWORK"
OASIS Request Class:	is "SECONDARY"

F. Termination of Network Service Reservations

i. Designated Network Firm

Unscheduled firm network service reservations and their associated Designated Network Resources may be terminated in whole or in part at the customer's request. Undesignation must meet the minimum term of the Transmission Service. Requests to undesignate should be received by 10:00 a.m. on the day prior to the start of the undesignation, but will be accommodated if practicable up to 35 minutes prior to the scheduling hour. To request Undesignation, the customer should complete the [Undesignation of Network Resource Request Form](#) and EMAIL (preferred) or FAX it to Duke Energy Carolinas' Independent Entity at dukncie-ta@midwestiso.org or fax at (651) 632-8709, followed by a call to verify receipt of the form to (651) 632-8708. Upon receipt of the form, the Independent Entity will take action to ANNUL the reservation (for undesignation of the whole reservation) or RECALL the portion of the reservation requested for undesignation. To avoid Unreserved

6. Network Integration Transmission Service

Use charges ([Business Practice 7.B](#)), customers must make sure that there are no tags that utilize the undesignated portions of network reservations. If the customer lists OASIS TSR number(s) of pending request(s) that should be evaluated concurrently with the request for temporary undesignation, Duke Energy Carolinas' Independent Entity will perform the evaluation as a single request and all of the requests will be approved or disapproved as such. The evaluation of the pending requests will take into account all competing requests of higher priority.

ii. Non-Designated Network (Non-firm)

Unscheduled non-firm network service reservations (Non-Designated Network) may be terminated in whole or in part at the customer's request by contacting the Independent Entity (see [Business Practice 3 A. xi.](#)). Upon receipt of the [Annulment Request Form](#), the Independent Entity will take action to ANNUL the reservation (for termination of the whole reservation) or RECALL the portion of the reservation to be terminated. To avoid Unreserved Use charges ([Business Practice 7.B](#)), customers must make sure that there are no tags that utilize the terminated portions of network reservations.

7. Billing

A. Creditworthiness Procedures

Duke Energy Carolinas' Creditworthiness Procedures are now included in Duke Energy Carolina's Tariff and may be found in Attachment O.

B. Unreserved Use

All instances of Unreserved Use will be billed in accordance with Duke Energy Carolinas' Tariff. Unreserved Use applies to both Point-to-Point and Network Customers as set forth in the Tariff. The following method will be used to bill Unreserved Use:

i. Defining Unreserved Use

Unreserved Use will be determined on a customer by customer basis and will combine all occurrences where a Point-to-Point or Network tag has insufficient transmission capacity reserved to accommodate the schedule, all occurrences where a Designated Network Service reservation was used for delivering energy from a non-designated network resource and all occurrences where a Designated Network Service reservation was used to deliver energy to an off-system sale.

ii. Calculating Total Unreserved

For each hour in the month the total unreserved use will be aggregated across all tags.

iii. Ancillary Services

Ancillary Services will be billed on an hour-by-hour basis in accordance with the hourly rates for Schedule 1 and Schedule 2 of Duke Energy Carolinas' Tariff.

iv. Unreserved Use Penalty

In addition to Ancillary Services and Unreserved Use Penalty will be assessed as follows:

The highest hour's unscheduled use in a calendar day will be deemed to be the Unreserved Use for the day.

- (a) Starting with the first day of the month, each 7-day increment will be evaluated as a week, with any remaining days at the end of the month also evaluated as a week. Any week that has more than one day of Unreserved Use, will be deemed to have Unreserved Use for the week at the highest day's Unreserved Use value.
- (b) If more than one week has Unreserved Use, then the month will be deemed to have Unreserved Use at the highest level of Unreserved Use for the month.
- (c) If a customer has Unreserved Use for the month, then the penalty will be assessed at twice the monthly Firm rate (see Schedule 7 of the Tariff).
- (d) If a customer has one Week or less of Unreserved Use, the penalty will be assessed at twice the weekly Firm rate for the Weekly Unreserved Use plus twice the daily Firm rate for all occurrences of daily Unreserved Use that are not assessed in the weekly penalty.

For instance, a transmission customer that has 25 MW of unreserved use in two hours on one day during the first week of the month and 50 MW of unreserved use in two hours on one day during the last week of the month will pay an unreserved use penalty based on the rate for 25 MW of daily firm point-to-point service and 50 MW of daily firm point-to-point service. A transmission customer that has 25 MW of unreserved use on two separate days during the first week of the month and 50 MW of unreserved use in two hours on one day during the last week of the month will pay an unreserved use penalty based on the rate for 25 MW of weekly firm point-to-point service and 50 MW of daily firm point-to-point service. A transmission customer that has 25 MW of unreserved use on two separate days during the first week of the month and 50 MW of unreserved use on two separate days during the last week of the month will pay an unreserved use penalty on 50 MWs of monthly firm point-to-point service.

C. Billing Relief During Extended Transmission Outages

i. Outage Conditions

Billing relief will be available to affected Firm transmission customers when the following outage conditions exist:

- (a) The full capacity of an interface will be interrupted (TTC = 0).
- (b) The OASIS outage posting is for an outage of at least 90 consecutive days.
- (c) The capacity reduction is due to a constraint on the Duke Energy Carolinas system.

ii. Requesting Billing Relief

The Customer must request billing relief prior to the first day of the outage or within 5 calendar days of the outage announcement, whichever is later.

iii. Relief Request Processing

Upon receipt of the customer's request for relief, Duke Energy Carolinas will:

- (a) RECALL full capacity from the impacted Firm reservation for the period of the affected reservation that is impacted by the outage.
- (b) RECALLED capacity will not be billed.
- (c) All Confirmed Firm Redirects of the impacted reservation which exist at the time of the RECALL will be honored.
- (d) Any Confirmed Non-Firm Secondary Redirects of the impacted reservation which exist at the time of the RECALL will not be honored.

After Duke Energy Carolinas has RECALLED capacity, the Customer will be responsible for curtailing all Firm and Non-Firm Secondary tags that are associated with these reservations. Failure to do so will result in [Unreserved Use](#) charges.

D. Billing Credits for Interrupted Non-Firm Service

Billing relief is provided to Non-Firm transmission customers whose reservations are displaced by higher priority reservations (See [Business Practice 3.F.](#)). In these instances, the customer's bill (including required ancillary services) shall be calculated as the percentage of the reservation that was served. For example, if a customer had a 50 MW Daily Non-Firm reservation that was interrupted in full for six hours, then the customer would be billed for 50 MW at 3/4 of the daily rate, since the customer only had capacity available for 18 of the 24 hours.

E. Energy Imbalance: The Calculation of Energy Imbalance – Ancillary Service Schedule 4

The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation.

When a Transmission Customer, who is a Network Customer of Duke Energy Carolinas, is served by Duke Energy Carolinas and has no other Network Resources other than (1) a contract with Duke Energy Carolinas, or (2) Transmission Customer owned generation, the Transmission Customer's load becomes no different than native load and therefore there is no possibility of any Energy Imbalances. To qualify, the following requirements must be met:

Balancing Authority Requirements

- All of the Transmission Customer's load must reside within the Duke Energy Carolinas Balancing Authority Area.
- All of the Transmission Customer's Network Resources must reside within the Duke Energy Carolinas Balancing Authority Area.

Contract Requirements

- The Transmission Customer must be a full requirements or partial requirements customer of Duke Energy Carolinas. If the Transmission Customer is a partial requirements customer, all other Network Resources must be owned by the Transmission Customer.
- The Transmission Customer must be billed for power by Duke Energy Carolinas based exclusively on metered values.

F. Late Study Penalty Allocation and Disbursements:

The penalty revenues collected as a result of late studies penalties will be distributed annually. All penalty revenues incurred in a calendar year, if any, as a result of late studies will be distributed on a pro rata basis to all "active" non-affiliated Transmission Customers for that calendar year. The penalty dollars will be allocated on a per-customer basis by dividing the penalty revenues by the total number of "active" non-affiliated Transmission Customers for that calendar year. An "active" non-affiliated Transmission Customer includes: 1) any non-affiliated

Transmission Customer that purchased Transmission Service during a calendar year; and 2) any non-affiliated Eligible Customers that paid any amount to the Transmission Provider in connection with the performance of a Transmission Service study during the calendar year. Disbursements will be made annually on or before April 1st. Disbursements will be in the form of a credit, unless a customer has no pending reservations on the DE Carolinas OASIS.

G. Unreserved Use Penalty Allocation and Disbursements:

The penalty revenues collected after July 1, 2007 as a result of unreserved use will be distributed on an annual basis to “Non-Offending Customers.” The allocation of penalty revenues to Non-Offending Customers will be performed on a monthly basis as described below. Non-Offending Customers are those Transmission Customers and Native Load who did not incur an unreserved use penalty during the month for which penalty revenues are being allocated. In order to allocate the penalty revenues, the Transmission Provider will establish a list of Non-Offending Customers for each month. The Transmission Provider will then sum the “MWh Capacity” of the Non-Offending Customers’ reservations for such month, as follows: For Transmission Service and Native Load Customers, the MWh Capacity from confirmed OASIS Point-to-Point and Network Transmission Service Reservations will be summed. To ensure that MWh Capacity for a reservation is counted one time, the Transmission Provider will ensure that the “Reduced MWh Capacity” for a given reservation is used. “Reduced MWh Capacity” is used when a customer’s transmission reservation has been modified such that the original reservation’s MWh capacity available for scheduling has been reduced over all or a portion of the term of the original reservation subject to the terms of the Transmission Provider’s Tariff. Examples of where such a reduction in reserved capacity would occur include, but are not limited to: the Transmission Customer assigns or resells capacity, the Transmission Provider interrupts a reservation to accommodate higher priority reservations over the interruption interval (partial displacement), or the displacement of an entire reservation. The total MWh Capacity per Non-Offending Customer for a month will be divided by the total pool of MWh Capacity of all the Non-Offending Customers for such month to calculate an unreserved use penalty revenue ratio. To determine the amount to be distributed to a Non-Offending Customer for a calendar month, that month’s unreserved use penalty revenue ratio will be multiplied by the penalty revenues for the month. The monthly amounts will be summed by customer on an annual basis for disbursement. For years after 2007, disbursements will be made annually on or before April 1st. Disbursements will be in the form of a credit, unless a customer has no pending reservations on the DE Carolinas OASIS.

Appendix A

Business Practice Revision History

Date	Change	Section
3/18/2010	Added	Pending Changes 2.A.ii (a) Change to 3.K. Conditional Firm Service , <ul style="list-style-type: none"> Content modified for change to Tagging priority
3/18/2010	Added	Pending Changes 2.A.ii (b) Change to 3. A. x. Customer Requests for Annulment , being replaced with Customer Request for Nullification Table
2/18/2010	Revised	Change to 2.B Supplemental Electronic Communication <ul style="list-style-type: none"> Content replaced with OASIS Supplemental E-Mail Notification
2/04/2010	Added	Pending Changes 2.A.ii (a) <ul style="list-style-type: none"> Change to 2.B Supplemental Electronic Communication, being replaced with OASIS Supplemental E-Mail Notification
2/04/2010	Revised	Change to 3. A.viii. Preconfirmed Short Term Firm <ul style="list-style-type: none"> Content modified and combined with 3.A.ix
	Revised	Change to 3. A.ix. Preconfirmed Non-Firm <ul style="list-style-type: none"> Content modified and combined with 3.A.viii.
	Revised	Change to 3. A.viii. Withdrawal of Preconfirmed Requests <ul style="list-style-type: none"> Content re-written
	Revised	Change to 3.A.x. DUK as POD <ul style="list-style-type: none"> Number order modified, Business Practice 3.A.x. moved to 3.A.ix.
	Revised	Change to 3.A.xi. Customer Requests for Annulment <ul style="list-style-type: none"> Number order modified, Business Practice 3.A.xi. moved to 3.A.x.
	Revised	Change to 3.G. Preempting Requests <ul style="list-style-type: none"> Business Practice content re-written for clarity and incorporated reference to NAESB Business Practice Standards
	Revised	Change to 3.H Redirects <ul style="list-style-type: none"> Business Practice content re-written for clarity and incorporated reference to NAESB Business Practice Standards
1/21/2010	Added	Pending Changes 2.A.ii (a) Change to 3. A.viii. Preconfirmed Short Term Firm <ul style="list-style-type: none"> Content modified and combined with 3.A.ix. in Pending Change 2.A.ii (c)
	Added	Pending Changes 2.A.ii (b) Change to 3. A.ix. Preconfirmed Non-Firm <ul style="list-style-type: none"> Content modified and combined with 3.A.viii. in Pending Change 2.A.ii (c)
	Added	Pending Changes 2.A.ii (c) Change to 3. A.viii. Withdrawal of Preconfirmed Requests <ul style="list-style-type: none"> Content re-written
	Added	Pending Changes 2.A.ii (d) Change to 3.A.x. DUK as POD <ul style="list-style-type: none"> Number order modified, Business Practice 3.A.x. moved to 3.A.ix.
	Added	Pending Changes 2.A.ii (e) Change to 3.A.xi. Customer Requests for Annulment

		<ul style="list-style-type: none"> Number order modified, Business Practice 3.A.xi. moved to 3.A.x.
	Added	Pending Changes 2.A.ii (f) Change to 3.G. Preempting Requests <ul style="list-style-type: none"> Business Practice content re-written for clarity and incorporated reference to NAESB Business Practice Standards
	Added	Pending Changes 2.A.ii (g) Change to 3.H Redirects <ul style="list-style-type: none"> Business Practice content re-written for clarity and incorporated reference to NAESB Business Practice Standards
9/22/2009	Revised	6.B. iv. Contract Requirements
	Revised	6.E. Reserving-Requesting Non-Designated Network <ul style="list-style-type: none"> Section title changed to Requesting Non-Designated Network The order of Section 6 changes and Reserving Requesting Non-Designated Network moves to 6.E. (Previously 6.F.)
	Revised	6.F. Termination of Network Service Reservations <ul style="list-style-type: none"> The order of Section 6 changes and Termination of Network Service Reservations moves to 6.F. (previously 6.E.) Business Practice content re-written for clarity
9/08/2009	Added	Pending Changes 2. A. ii. 6.B. iv. Contract Requirements
	Added	Pending Changes 2. A. ii. 6.E. Termination of Network Service Reservations <ul style="list-style-type: none"> The order of Section 6 changes and Termination of Network Service Reservations moves to 6.F. Business Practice content re-written for clarity
	Added	Pending Changes 2. A. ii. 6.F. Reserving Non-Designated Network <ul style="list-style-type: none"> Section title changed to Requesting Non-Designated Network The order of Section 6 changes and Requesting Non-Designated Network moves to 6.E.
8/19/2009	Revised	Section 7.E. Energy Imbalance: The Calculation of Energy Imbalance - Ancillary Service Schedule 4
8/04/2009	Added	Pending Changes 2. A. ii. 7.E. Energy Imbalance: The Calculation of Energy Imbalance - Ancillary Service Schedule 4
7/17/2009	Revised	Forms – Addition of LGIP, SGIP Application, Section 2.D.i. and Resale TSA, Section 2.D.iv.
	Revised	Rollover Rights (Reservation Priority)
7/02/2009	Revised	Supplemental Electronic Communications
	Revised	NAESB WEQ Business Practices
6/11/2009	Revised	Section 3. A. vii. Resale – Removed hyperlink for NAESB Business Practice R04006D. Wording changed to point the reader to NAESB Business Practice WEQ 001-11.
	Revised	Section 3. A. vii. Resale (a)
6/01/2009	Revised	Replaced RELEASE with RELINQUISH in Section 3.A.xi.(a)

3/03/2009	Revised	NAESB WEQ Business Practices
2/11/2009	Revised	Planned Changes in Business Practices
	Revised	Redirects on a Non-Firm Basis (Non- Firm Secondary requests)
	Revised	Rollover Rights (Reservation Priority)
	Revised	Designated Network Resource (7-FN) Tags
	Revised	Requesting DNR on OASIS i. Requesting Service
	Revised	Designation of Network Resource Request Form
1/28/2009	Revised	Planned Changes in Business Practices
11/12/2008	Revised	Planned Changes in Business Practices
	Revised	Annulment Business Practice Forms
	Revised	Annulment Business Practice
10/29/2008	Revised	Planned Changes in Business Practices
	Added	Annulment Business Practice Forms
	Added	Annulment Business Practice
10/27/2008	Revised	Designation of Network Resource Request Form
	Revised	Undesignation of Network Resource Request Form
	Revised	Resale - TSA submission to Duke Independent Entity e-mail or fax information
10/07/2008	Revised	Planned Changes in Business Practices
	Added	New DNR Designation and Undesignation Forms
10/07/2008	Revised	Resale - TSA submission to Duke Independent Entity e-mail or fax information
10/07/2008	Updated	Planned Changes in Business Practices
	Revised	Rollover Rights (Reservation Priority)
8/19/2008	Revised	Removed References to the previous HTML version of the Business Practices and converted to pdf format.
6/24/2008	Revised	On-System Designated Network Resource Request Form
6/24/2008	Revised	Off-System Designated Network Resource Request Form
5/19/2008	Updated	Planned Changes in Business Practices
	Revised	Introduction to Duke Energy Carolinas OASIS Business Practice Conversion from HTML to Word Format

5/08/2008	Updated	Planned Changes in Business Practices
	Added	Introduction to Duke Energy Carolinas OASIS Business Practice Conversion from HTML to Word Format
5/07/2008	Revised	Planned Changes in Business Practices
	Added	Introduction to Duke Energy Carolinas OASIS Business Practice Conversion from HTML to Word Format
4/11/2008	Revised	Planned Changes in Business Practices
	Added	Late Study Penalty Allocation and Disbursements Unreserved Use Penalty Allocation and Disbursements
4/4/2008	Revised	Off-System Designated Network Resource
		Forms
		Requesting DNR over OASIS
4/3/2008	Revised	Off-System Designated Network Resource
3/1/2008	Revised	Requesting DNR over OASIS
		Termination of Network Service Reservations
	Added	Energy Imbalance
2/21/2008	Revised	Planned Changes in Business Practices
1/16/2008	Revised	Planned Changes in Business Practices
10/18/2007	Revised	Transmission Service Requests
		Designated Network Resource (7-FN) Tags
		Requesting DNR over OASIS
		Reserving Non-Designated Network
9/10/2007	Added	Conditional Firm Service
7/26/2007	Modified	Transmission Service Requests
		Designated Network Resource (7-FN) Tags
		Requesting DNR over OASIS
		Reserving Non-Designated Network
07/11/2007	Modified	FERC Order 890 Compliance
		Combined OASIS Business Practices and Network Integration Services Business Practices

04/16/2007	Modified	Reservation Preempting Priorities
03/14/2007	Modified	Transmission Service Requests
		Duke ET Contact
03/07/20087	Modified	Planned Changes in Business Practices
02/06/2007	Modified	Notice to All Transmission Customers
		Transmission Service Requests
		Reservation Submittal Timing
11/08/2006	Modified	Link for Recallable Long Term Firm
10/25/2006	Added	Billing Relief During Extended Transmission Outages
06/29/2006	Modified	FERC Order 676 Compliance:
		Transmission Service Requests
		Reservation Submittal Timing
		Reservation Response Timing
		TAG Accuracy and Timing
	Modification on a Firm Basis (Firm REDIRECT)	
	Removed	Grandfathered Transmission Service no longer in use
06/20/2006	Added	Planned Changes in Business Practices
09/14/2005	Modified	Reservation Submittal Timing
06/20/2005	Modified	Planned Changes in Business Practices
		Transmission Service Requests
		TAG Accuracy and Timing
		Modification on a Firm Basis (Firm REDIRECT)
05/16/2005	Delay	Implementation of Planned Changes in Business Practices delayed until 06/20/2005
04/18/2005	Added	Planned Changes in Business Practices
		Numbering to the Business Practices
02/18/2005	Added	Creditworthiness Procedures
09/02/2004	Added	Added and Modified to require OASIS requests for Network Service starting 10/01/2004:

		Reservation of Network Integration Service
	Modified	Service Requests
		Reservation Submittal Timing
		Reservation Response Timing
		Modification on a Firm Basis (Firm REDIRECT)
07/19/2004	Added	Designated Network Resource (7-FN) Tags
02/23/2004	Modified	TAG Accuracy and Timing
02/05/2004	Modified	TAG Accuracy and Timing
01/21/2004	Modified	Reservation Submittal Timing (added notes 1 and 2)
		Form of Generation Interconnection and Operating Agreement
	Added	Notice to All Transmission Customers (added EPT)
11/04/2003	Modified	TAG Accuracy and Timing
09/25/2003	Modified	TAG Accuracy and Timing
12/04/2002	Added	Administration of Short Term Firm Transmission Requests
09/16/2002	Modified	Modification on a Firm Basis (Firm REDIRECT)
07/15/2002	Modified	Reservation Submittal Timing – removed restrictions on reservation submittal when an interface is fully subscribed with Firm reservations.
		Links to be compliant with X509 access
03/22/2002	Modified	OASIS Study page to reflect posting of VACAR Study Results
01/29/2002	Modified	Duke ET Contact
11/27/2001	Modified	Modification on a Firm Basis (Firm REDIRECT) – allow expanded options for REDIRECT requests
	Added	Supplemental Electronic Communication
	Modified	Rollover Rights (RENEWAL requests must be pre-confirmed)
06/22/2001	Modified	Modification on a Firm Basis (Firm REDIRECT) - After a successful pilot evaluation, Duke ET adopted as a standard business practice the one-day REDIRECT option for Long-Term Firm reservation holders. The new business practice has added scheduling flexibility for weekends and NERC holidays.
05/02/2001	Added	Modification on a Firm Basis (Firm REDIRECT)
		Information about a pilot program offering a one day REDIRECT option for Long-Term Firm reservation holders.

	Modified	Transmission Service Requests - Clarification of price field requirements.
04/25/2001	Added	Reservation Submittal Timing – queue times for daily, weekly, monthly, yearly firm reservations.
	Modified	Moved Recall Procedure for Recallable Long Term Firm to different web page but retained OASIS Business Practices page link to the procedure.
02/01/2001	Added	Generation Interconnection and Operating Agreement Form