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October 31, 2008

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*OF COUNSEL

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

RE: Order No. 890-Attachment K Compliance Filing – NJ08-6-000

Dear Secretary Bose,

In compliance with the “Order on Compliance and Conditionally Granting Supplemental Petition for Declaratory Order,” issued July 9, 2008, in *Tampa Electric Co., et al.*, 124 FERC ¶ 61,026 (2008) (“July Order”), Orlando Utilities Commission (“OUC”) hereby submits revised tariff sheets, in compliance with the July Order to ensure its Open Access Transmission Tariff (“OUC OATT”) maintains a safe harbor tariff. The revised tariff sheets for the July Order are provided in redline format in Appendix A, and in clean format in Appendix B.

I. BACKGROUND

In the July Order, the Commission found that the Attachment K tariff sheets submitted by OUC on December 7, 2007, complied, with certain modifications, with the nine transmission system planning principles and related requirements of Order No. 890. OUC submitted its filing as a supplement to its petition for a declaratory order relative to its “safe harbor” Open Access Transmission Tariff. OUC had submitted substantially the same proposed tariff sheets as Tampa Electric Company, Florida Power and Light, and Florida Power Company, which together with OUC comprise the “Sponsors.” The

Commission conditionally granted Orlando's supplemental petition, subject to the modifications required in the July Order.

The Sponsors developed an initial draft set of the revised tariff sheets and circulated this draft to stakeholders on August 22, 2008. A conference call with stakeholders was held on September 4, 2008, and stakeholders also were invited to submit written comments. A revised draft set was circulated to stakeholders on September 16. Stakeholders submitted comments, and a second conference call was held on September 29, 2008. The Sponsors have endeavored to accommodate the comments of stakeholders consistent with the scope of the July Order's compliance filing directives. The Sponsors recognize that the regional planning process described in this Attachment K is an evolving process that is subject to change as planning processes and procedures change over time. Further description of the changes is provided below. These changes are reflected in redline at Appendix A, and in clean form at Appendix B, both attached hereto.

II. DESCRIPTION OF SUPPLEMENTAL TARIFF REVISIONS TO THE TARIFF – JULY ORDER COMPLIANCE FILING

The Commission findings and required modifications are set forth below, with identification of the revised tariff sheets being submitted in compliance with the required modifications.

1. Coordination

The Commission found that the planning process outlined in the Sponsors' proposed Attachment K, with one modification, satisfies the coordination principle outlined in Order No. 890. Specifically the Commission stated that according to the planning diagram, the initial local and regional transmission plans are reviewed and assessed through the stakeholder process; however, in the diagram only the final plan is posted on the FRCC website. The Commission directed the Sponsors to revise the diagram in Attachment K to provide for the posting of the initial plans.

In compliance with this directive OUC is submitting Revised Tariff Sheet Nos. 137 and 168 which provide for posting of the initial plans.

2. Openness

The Commission found that the Sponsors' Attachment K met the openness principle subject to two modifications as follows:

(1) While the planning process is open to customers/users, owners and operators of the transmission system, the Commission stated that it is unclear whether any individual or entity may attend the planning meetings or participate in the process. Therefore, the Commission directed the Sponsors to explain, in the compliance filing,

whether any interested entities or persons may participate in the Planning Committee and the Standing Committees.

In compliance with this directive OUC is submitting Revised Sheet No. 131 to state that any interested entities or persons may participate in the committees through participation in one of the sectors and interested entities may raise concerns that they believe were not adequately addressed at the local level.

(2) Given that the Sponsors reference the governance procedures as a part of the overall transmission planning process, the Commission directed the Sponsors to revise Section 2 of Attachment K to reflect the quorum and voting process.

In compliance with this directive OUC is submitting Revised Sheet Nos. 175-176 to add a new Appendix 2 to Attachment K with the FRCC quorum and voting process.

3. Transparency

The Commission found that the Sponsors' Attachment K describes the methods that they will use to disclose criteria, assumptions, and data underlying their transmission system plans and complies with the transparency principle set forth in Order No. 890.

4. Information Exchange

The Commission found that the Sponsors' Attachment K provide clear guidelines for the submittal of customer information and comply with the information exchange principle described in Order No. 890.

5. Comparability

The Commission found that the Sponsors' Attachment K met the comparability principle, subject to the following modification: In Order No. 890-A, the Commission stated that the transmission provider needed to identify as part of its Attachment K planning process "how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning." The July Order states that the Sponsors have submitted tariff language providing that, as a general matter, demand response resources will be treated comparably. However, the Sponsors did not have an opportunity to demonstrate that they comply with this requirement of Order No. 890-A. Therefore, the Commission directed the Sponsors to submit compliance filings providing the necessary demonstration required by Order No. 890-A.

In compliance with this directive OUC is submitting Revised Tariff Sheet No. 145 which states that transmission customers/users reflect demand response resources in their load forecast projections. In addition, any customer/stakeholder with a demand response or generation resource that is not incorporated into submitted plans which wishes to be considered as an alternative to transmission expansion or in conjunction with

transmission plans may provide necessary evaluation information to OUC for consideration on a comparable basis with other alternatives and resources.

6. Dispute Resolution

The Commission found that the Sponsors' Attachment K comply with the dispute resolution principle in Order No. 890, but the Sponsors were encouraged to consider adding in their compliance filings a mediation step in their dispute resolution processes.

In response to the July Order's encouragement of a mediation step, OUC has added a mediation option for the parties in Revised Tariff Sheet No. 146.

7. Regional Participation

The Commission found that the Sponsors' Attachment K generally comply with Order No. 890's regional participation principle, with the modifications discussed below:

(1) While the Sponsors committed to attend meetings and coordinate economic planning studies with the Southeastern Subregion of the SERC Reliability Corporation ("SERC"), the Commission found it unclear how such studies are coordinated. In addition, the Sponsors stated that the Florida Reliability Coordinating Council ("FRCC") is a member of the Eastern Interconnection Reliability Assessment Group ("ERAG"), which includes other reliability regional entities such as SERC. However, according to the Commission, the Sponsors' Attachment K do not describe how ERAG coordinates planning or whether members share system plans and identify system enhancements that can relieve congestion. Therefore, the Commission required the Sponsors to revise Attachment K to explain in detail how coordination of economic studies and coordination in ERAG is accomplished.

In compliance with this directive OUC is submitting herein an explanation of Section 7.5 to clarify that ERAG's primary purpose is to ensure reliability among the regional entities and it does not have economic planning responsibilities. Economic planning is addressed in the SERTP forum discussed in Section 7.4, and OUC is submitting in Revised Tariff Sheet Nos. 153-154 additional information on the SERTP and how inter-regional economic studies may be requested

(2) The Sponsors explained in their December 7, 2007 filing that they have a reliability coordination agreement with Southern Company Services, Inc. ("Southern") for the purpose of safeguarding and augmenting the reliability of the Southern/SERC and the FRCC bulk power supply systems. However the July Order found that the Sponsors' Attachment K lack sufficient description of the SERC reliability planning process. Therefore, the Commission required the Sponsors to modify their Attachment K to provide a description of the SERC reliability planning process and how it safeguards and augments the reliability of the FRCC system.

In compliance with this directive OUC is submitting Revised Tariff Sheet Nos. 152 which clarify that the mutual duties of Southern and the FRCC under the reliability coordination arrangement, as set forth in Section 7.3, are the means by which that arrangement safeguards and augments the reliability of the FRCC system. OUC also clarifies that it did not intend to suggest in the December 7, 2007 filing that the Southern/SERC reliability process itself safeguards and augments the reliability of the FRCC system, but instead that it is the Southern-FRCC arrangement which provides these benefits. By way of further explanation of interregional planning processes, OUC is including in Section 7.4 a link to a description of how the FRCC interregional coordination process facilitates the communication of modeling information and proposed system expansion plans to ensure reliability.

8. Economic Planning Studies

The Commission found that the Sponsors' Attachment K comply with the economic planning studies principle in Order No. 890, subject to the modifications discussed below:

(1) Order No. 890 required transmission providers, in consultation with their stakeholders during the development of their Attachment K compliance filings, to develop a means to allow the transmission provider and stakeholders to cluster or batch requests for economic planning studies so that the transmission providers may perform the studies in the most efficient manner. The Commission found that it was unclear in the Sponsors' Attachment K whether there is a sufficient mechanism for the clustering or batching of requests for economic planning studies. The Commission required the Sponsors to file modifications to their Attachment K to clearly provide a mechanism for the clustering or batching of requests for economic planning studies.

In response to this directive, OUC is submitting Revised Tariff Sheet Nos. 155-156 to set forth criteria and a mechanism for clustering economic planning studies.

(2) The Sponsors are required to perform up to five economic planning studies on an annual basis as requested by stakeholders. However, the July Order found that the Attachment K failed to explain how requests that exceed the five to be performed in a given year at no cost to requesting entities will be treated with respect to the costs. Therefore, the Commission required the Sponsors to revise Attachment K to explain the methodology used for customers requesting additional studies and the cost treatment.

In response to this directive OUC is submitting Revised Tariff Sheet Nos. 156 to provide that the cost of a sixth and subsequent economic planning study will be paid for by the requesting entity. OUC also is submitting language to clarify the selection process for the five no-charge studies.

9. Cost Allocation

The Commission found that the Sponsors' Attachment K complied with the cost allocation principle described in Order No. 890, subject to the following modification. The Commission found that it was unclear whether the Sponsors' Attachment K's cost allocation procedures would apply to an economic project identified through the study process or a regional project proposed by several transmission owners. Rather, it appeared that the cost allocation methodology is triggered when upgrades are needed on a third party's system due to a transmission customer request for long-term point-to-point transmission service or a new generating unit. Thus, the Commission required the Sponsors to describe in detail how their cost allocation procedures apply to economic projects identified through the economic study process and regional projects involving several transmission owners.

In response to this directive OUC is submitting Revised Tariff Sheet Nos. 157 and 166 with a new Section 9.4 setting forth the cost allocation for economic projects which, in general, allocates such costs on a per MW basis among the project participants and provides a crediting mechanism for project participants which take firm transmission service on those transmission facilities. The cost allocation for regional projects involving several transmission owners is addressed in Section 9.3.

10. Recovery of Planning Costs.

The Commission found that the Sponsors did not address how planning costs will be recovered or the mechanism used to recover planning costs incurred. The Commission required the Sponsors to explain how the planning costs will be recovered and the mechanism that they will use to recover the planning costs incurred.

In response to this directive OUC is submitting Revised Tariff Sheet Nos. 166-167 with a new Section 10 which sets forth the means by which OUC recovers various categories of planning costs.

III. Updated Internet Links [and Typographical Error Corrections]

Subsequent to the December 7, 2007 filing, OUC discovered that the lengthy internet links to the FRCC website were cumbersome and subject to change with technical changes in the FRCC registry of its website. As shown in proposed footnote 1 on Revised Sheet No. 122, OUC proposes to replace specific internet links with a single reference to a page on the FRCC website that would provide a directory of all FRCC materials referred to in Attachment K (see Appendix A to this filing). Please also note that all FRCC documents referenced in this Attachment K have been italicized in the Attachment K tariff sheets. No substantive change is being made.

III. SERVICE AND EFFECTIVE DATE

OUC will be posting this transmittal letter and incorporating these replacement Tariff sheets on the OUC OASIS website and serve copies of the filing on its customers.

All the revised tariff sheets submitted herewith bear a proposed January 1, 2009 effective date.

III. CORRESPONDENCE

OUC requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

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IV. CONTENTS OF FILING

This filing consists of this transmittal letter and:

Appendix A – Redline of Attachment K Tariff Sheets;
Appendix B – Clean Attachment K Tariff Sheets; and
Appendix C – Certificate of Service

Please let us know if you have any questions or comments concerning OUC's filing.

Respectfully submitted,

/s/ Derek A. Dyson

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Appendix A

ATTACHMENT K
Transmission Planning Process

Transmission Provider plans for the existing and future requirements of all customers of Transmission Provider's transmission system in a coordinated, open, comparable, non-discriminatory and transparent manner both at the local and regional level. The Transmission Planning Process described herein includes Transmission Service for Transmission Provider's Native Load Customers, Network Customers, Firm Point-to-Point Transmission Customers, and Generator Interconnection Service for Interconnection Customers. The Transmission Planning Process is intended to provide transmission customers the opportunity to interact with the transmission planning personnel of the Transmission Provider in order for transmission customers to provide timely and meaningful input into the development of the transmission plan.

Transmission Provider's Transmission Planning Process works in conjunction with and is an integral part of the *Florida Reliability Coordinating Council's ("FRCC") Regional Transmission Planning Process*

https://www.frcc.com/Planning/Shared%20Documents/FRCC_Regional_Transmission_Planning_Process.pdf(reference the FRCC website for this document¹) which facilitates

¹ [The FRCC provides a page on its website where all of the FRCC documents referenced in this Attachment K are listed along with their URL addresses. The URL address for this FRCC webpage is: https://www.frcc.com/Planning/Shared%20Documents/FRCC_Reference_Documents.pdf. This](https://www.frcc.com/Planning/Shared%20Documents/FRCC_Reference_Documents.pdf)

coordinated planning by all transmission providers, owners and stakeholders within the FRCC Region. The FRCC is one of the North American Electric Reliability Corporation (“NERC”) Regional Reliability Organizations, with responsibility for maintaining grid reliability in Peninsular Florida, east of the Apalachicola River. This region is electrically unique because it is a peninsula and is tied to the Eastern Interconnection only on one side. FRCC’s members include investor owned utilities, cooperative utilities, municipal utilities, a federal power agency, power marketers, and independent power producers. The FRCC Board of Directors has the responsibility to ensure that the FRCC Regional Transmission Planning Process is fully implemented. The FRCC Planning Committee, which includes representation by all FRCC members, directs the FRCC Transmission Working Group, in conjunction with the FRCC Staff, to conduct the necessary studies to fully implement the FRCC Regional Transmission Planning Process. The descriptions of the FRCC Regional Transmission Planning Process set forth herein summarize the elements of that process as they relate to Transmission Provider and the principles of the Final Rule in Docket No. RM05-25-000.

The Florida Public Service Commission (“FPSC”) is an integral part of the planning process by providing input, guidance, regulatory oversight and decision-making under this process. Additionally, the FPSC conducts workshops on an annual basis to review the transmission and generation expansion plans for Florida. The FPSC, under Florida

[provides flexibility for the FRCC to change the URL addresses for these individual FRCC documents without requiring the modification of tariff language.](#)

[Issued: October 31, 2008](#) [Effective Date: January 1, 2009](#)
[Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.](#)

law, has the authority to ensure an adequate and reliable electric system for Florida.

As set forth below, Transmission Provider's Transmission Planning Process is a seamless process that fully integrates both the local and regional transmission planning and is designed to satisfy the following principles, as defined in the FERC Final Rule in Docket No. RM05-25-000: (1) coordination, (2) openness, (3) transparency, (4) information exchange, (5) comparability, (6) dispute resolution, (7) regional coordination, (8) economic planning studies, and (9) cost allocation for new projects. Descriptions of the FRCC Regional Transmission Planning Process are contained herein as they relate to Transmission Provider's Transmission Planning Process.

Section I. Coordination

1.1 Transmission Provider consults and interacts directly with its customers in providing transmission service and generator interconnection service as well as with its neighboring transmission providers, on a regular basis. A transmission customer may request and/or schedule a meeting with Transmission Provider to discuss any issue related to the provision of transmission service at any time. Transmission Provider consults and interacts with its customers any time during the study process that either the transmission customer or the Transmission Provider deem necessary and/or at various stages of the planning process (e.g., Scoping Meeting, Feasibility, System Impact and Facilities Studies). An open dialogue between the transmission customer and the Transmission Provider

takes place regarding customer needs. This interaction and dialogue between the customer and Transmission Provider are further described under the Local Transmission Network Planning Process as set forth in Appendix 1 to this Attachment K. Topics such as load growth projections, planned generation resource additions/deletions, new delivery points and possible transmission alternatives are discussed. This dialogue is intended to provide timely and meaningful input and participation of customers during the early stages of development of the transmission plan. Additionally, the transmission customer shall have an opportunity to comment at any time during the evaluation process and/or when study findings (Feasibility, System Impact and Facilities Studies) are communicated by the Transmission Provider to the customer. Transmission Provider communicates with its neighboring transmission providers on a regular basis, and Transmission Provider facilitates communication and consultation between its customers and its neighboring transmission service providers/owners, specifically, if during the transmission service study process, a neighboring system's facilities are identified as being affected. This coordination process continues in a seamless manner at the local as well as the regional level, leading to each Transmission Provider providing an initial transmission plan which, when consolidated, becomes the initial regional transmission plan. The initial transmission plan submitted to the FRCC by the Transmission Provider, which results from the Local Transmission Network Planning Process as set forth

in Appendix 1 to this Attachment K, will be posted by the FRCC in accordance with FRCC Regional Transmission Planning Process (reference link to *Initial Plans on the FRCC website*). This initial transmission plan is reviewed by the FRCC as well as all interested transmission customers/users. The Transmission Provider relies on the FRCC Committee process to finalize its initial transmission plan as submitted to the FRCC. In addition to transmission customers/users being provided timely and meaningful input and participation during the planning process with the Transmission Provider, the transmission customers/users are also given an additional opportunity to raise any issues, concerns or minority opinions that they believe have not been adequately addressed by any Transmission Providers' initial transmission plan submittal during the FRCC review process. This FRCC review process normally commences shortly after the submittal of the Ten Year Site Plans to the FPSC on April 1 of each year. Once issues raised by interested stakeholders are addressed, the Planning Committee approves the proposed regional transmission plan and presents it to the FRCC Board for approval. Upon approval by the Board, which is expected in December of each year, the FRCC sends the final regional transmission plan to the FPSC. Unresolved issues may be referred to the FRCC Dispute Resolution Process as described below.

1.2 The FRCC Regional Transmission Planning Process is intended to ensure the long-term reliability and economic needs of the bulk power system in the

FRCC Region.² An objective of the FRCC Regional Transmission Planning Process is to ensure coordination of the transmission planning activities within the FRCC Region in order to provide for the development of a reliable and economically robust transmission network in the FRCC Region. The process is intended to develop a regional transmission plan to meet the existing and future requirements of all customers/users, providers, owners, and operators of the transmission system in a coordinated, open and transparent manner.

The FRCC obtains and posts transmission owners' 10-year expansion plans on the FRCC web site. All transmission providers/owners provide their long-term firm transmission service requests and generator interconnection service requests to the FRCC in a common format. The FRCC consolidates all requests for coordination purposes, and posts the consolidated requests available for viewing by all FRCC members.

1.2.1 This coordinated FRCC Regional Transmission Planning Process offers many opportunities for transmission providers to interact with customers and neighboring systems during the development of the transmission plan. The schedule of committee and working group

² Nothing in the FRCC Regional Transmission Planning Process is intended to limit or override rights or obligations of transmission providers, owners and/or transmission customers/users contained in any rate schedules, tariffs or binding regulatory orders issued by applicable federal, state or local agencies. In the event that a conflict arises between the FRCC process and the rights and obligations included in those rate schedules, tariffs or regulatory orders, and the conflict cannot be mutually resolved among the appropriate transmission providers, owners, or customers/users, any affected party may seek a resolution from the appropriate regulatory agencies or judicial bodies having jurisdiction.

meetings related to transmission planning is posted on the FRCC website

https://www.frcc.com/meetings.htm#calendar_main.aspx under FRCC Calendar.

FRCC meeting notices, meeting minutes and documents of FRCC

Planning Committee and/or FRCC Board meetings in which transmission plans or related study results are exchanged, discussed or presented, are

distributed by the FRCC. Detailed evaluation and analysis of the

transmission providers/owners plans are conducted by the FRCC

Transmission Working Group (“TWG”) and Stability Working Group

(“SWG”) in concert with the FRCC Staff. The TWG and SWG are further described below.

1.3 A general scope of the Planning Committee and the respective working groups related to transmission planning is described below. The scope of these committees is subject to change in the future in order to address evolving needs.

The members of the Planning Committee and the working groups related to transmission planning are posted on the FRCC website

<https://www.frcc.com/committees.htm#aspx> under FRCC Committees. Contact

with the Planning Committee and transmission working groups can be made

through FRCC staff or through the chair of the respective committee or working group.

1.3.1 The Planning Committee promotes the reliability of the Bulk Power System in the FRCC, and assesses and encourages generation and transmission adequacy. The Planning Committee reports to the Board of Directors. Rules and procedures governing the Planning Committee are posted on the FRCC website

https://www.frcc.com/Documents/Rules_of_Procedure_for_FRCC_Standi ng_Committees.pdf) under Rules of Procedure for FRCC Standing Committees. Working Groups related to transmission planning reporting to the Planning Committee are described below.

1.3.2 The Transmission Working Group engages in active coordination of transmission planning within the FRCC Region under the direction of the FRCC Planning Committee, and performs the duties as required by the FRCC Regional Transmission Planning Process. Some of the responsibilities and objectives of the Transmission Working Group are: 1) Maintain, update and provide summer and winter database cases for the FRCC including the bulk power transmission and generation systems, projected loads and any facility additions for an eleven year period; 2) Put together the FERC Form 715 filing and EIA-411 for FRCC members, prepare State of Florida electrical maps, etc.

1.3.3 The Stability Working Group engages in the active coordination of transmission planning in the FRCC Region, assesses stability of the FRCC bulk electric system under various conditions, and provides support to the other FRCC working groups as needed. Some of the responsibilities and objectives of the Stability Working Group are: 1) Maintain and update a dynamic data base for the FRCC Region, this data base is coordinated with selected FRCC planning horizon power flow cases as required by NERC Multi-regional Modeling Working Group and other FRCC study needs; 2) Assess dynamic performance of the FRCC bulk power system in response to Category B, C and D contingencies which includes special protection systems, under frequency load shedding programs, oscillatory stability, disturbances involving separation, etc.

Section 2 Openness

2.1 Transmission Provider provides notice and schedules meetings with its transmission customers as deemed necessary by the transmission customer and/or Transmission Provider. Transmission Provider schedules meetings with its customers to interact, exchange perspectives or share findings from studies. Transmission Provider communicates and interacts with its transmission service customers on a regular basis to discuss loads, generation/network resource additions/deletions, new facility additions and upgrades, demand resource

information, customer's projections of future needs, and related subjects that have an impact on the provision of transmission service to a customer.

Transmission Provider provides a status update to its customers on a regular basis or at any time, if requested by a customer. Additionally, Appendix 1 to this Attachment K describes the customer and Transmission Provider interaction in the flow diagram and outlines the steps of the Local Transmission Network Planning Process.

2.2 This openness principle is also incorporated in the FRCC Regional Transmission Planning Process by which the Transmission Provider participates in along with other parties in the committee and working processes at the FRCC as described below. The participants in the planning process at the FRCC are the sector representative of the Planning Committee. A list of representatives may be found on the FRCC website under [the FRCC Planning Committee Member list](#)

[List \(https://www.frcc.com/PC/Shared%20Documents/PC%20Members-2007.pdf\)](https://www.frcc.com/PC/Shared%20Documents/PC%20Members-2007.pdf). The rules governing Planning Committee structure and processes as they relate to Organization Structure, Standing Committee Representation, Standing Committee Quorum and Voting, Duties of Officers and Representatives, General Procedures for Standing Committees, FRCC Representation on NERC Committees, Procedures of Minutes of Meetings and Conduct of the Meeting, ~~are set forth on the FRCC website~~

(https://www.frcc.com/Documents/Rules_of_Procedure_for_FRCC_Standing_Committees.pdf) Interested entities or persons may participate in the committees via participation within one of the identified sectors (Supplier Sector, Non-Investor Owned Utility Wholesale Sector, Load Serving Entity Sector (including municipals and cooperatives), Generating Load Serving Entity Sector, Investor Owned Utility Sector, and General Sector (this sector provides for any entity or individual's participation)). Moreover, at the FRCC regional level interested entities have an opportunity to raise any special requirements that they have and believe have not been addressed at the local level. For ease of reference, the FRCC quorum and voting provisions are shown in Appendix 2 of Attachment K.

2.2.1 The FRCC meeting dates

(https://www.frcc.com/calendar_main.aspx), and are provided in the FRCC Calendar document on the FRCC website and the chairs, and member representatives for the various committees are posted on the FRCC website (<https://www.frcc.com/committees.aspx>)-under the FRCC Committees. The meeting agenda for the Planning Committee is normally provided two weeks prior to the meeting to the committee members. FRCC meeting notices, meeting minutes and documents of FRCC Planning Committee and/or FRCC Board meetings in which transmission plans or related study results will be exchanged, discussed or presented, are distributed by the FRCC.

2.2.2 The FRCC developed the FERC Standards of Conduct Protocols for the FRCC document for the purpose of ensuring proper disclosure of transmission information in accordance with FERC requirements. The primary rule is that a transmission provider must treat all transmission customers, affiliated and non-affiliated on a non-discriminatory basis, and it cannot operate its transmission system to give a preference to any transmission customer or to share non-public transmission or customer information with any transmission customer. The rules also prevent transmission function employees from sharing with their merchant employees and certain affiliates non-public transmission information about the transmission provider's transmission system or any other transmission system, which is information that the affiliated merchant employee receiving the information could use to commercial advantage. ~~The full document that describes the FRCC developed~~ Reference the FERC Standards of Conduct Protocols for the FRCC is posted on the FRCC website

~~(https://www.frcc.com/Planning/Shared%20Documents/Standards_of_Conduct_Protocols.pdf).~~

2.3 Customer input is included in the early stages of the development of the transmission plans, as well as during and after plan evaluation processes.

Detailed evaluation and analysis of the transmission providers/owners plans are

conducted by the FRCC Transmission Working Group and Stability Working Groups under the direction of the Planning Committee. Such evaluation and analysis provides the basis for possible changes to the transmission providers/owners plans that could result in a more reliable and more robust transmission system for the FRCC Region. The FRCC Planning Committee meets on a regular basis, usually monthly, with two weeks' prior notice.

2.4 The FRCC conducts the FRCC planning process in an open manner in such a way that it ensures fair treatment for all customers/users, owners and operators of the transmission system. Stakeholders have access to and participate in the FRCC planning process. The committees and working groups described in this document are stakeholder groups. The Planning Committee consists of six stakeholder sectors: Suppliers, Non-Investor Owned Utility Wholesalers, Load Serving Entities, Generating Load Serving Entities, Investor Owned Utilities and General. The rules of procedure governing the Planning Committee in conducting the FRCC Regional Transmission Planning Process are posted under on the FRCC website (https://www.frcc.com/Documents/Rules_of_Procedure_for_FRCC_Standing_Committees_on_the_FRCC_website.pdf). The FPSC is encouraged to and does participate in the FRCC Regional Transmission Planning Process.

2.5 The FRCC Regional Transmission Planning Process provides for the overall protection of all confidential and proprietary information that is used to

support the planning process. A customer/user may enter into a confidentiality agreement with the FRCC and/or applicable transmission provider/owner, as appropriate, to be eligible to receive transmission information that is restricted due to Critical Energy Infrastructure Information (“CEII”), security, business rules and standards and/or other limitations. The procedure for requesting this type of information is delineated at the FRCC website

https://www.frcc.com/Planning/Shared%20Documents/Transmission_Info_Release_Procedure_and_Forms.pdf under the Request of CEII Data.

Section 3 Transparency

3.1 Transmission Provider plans its transmission system in accordance with the NERC and FRCC Planning Reliability Standards, along with Transmission Provider’s own design, planning and operating criteria which it utilizes for all customers on a comparable and non-discriminatory basis. These standards/criteria are also referred to in the Transmission Provider’s FERC Form 715. In addition, Transmission Provider makes available Facility Connection Requirements, Capacity Benefit Margin (“CBM”) Methodology and other pertinent information used in the transmission planning process and posts this information on the Transmission Provider’s OASIS website.

3.2 During the Transmission Provider’s local area planning process the Transmission Provider utilizes the FRCC databanks which contain information provided by the Transmission Provider and customers of projected loads as well

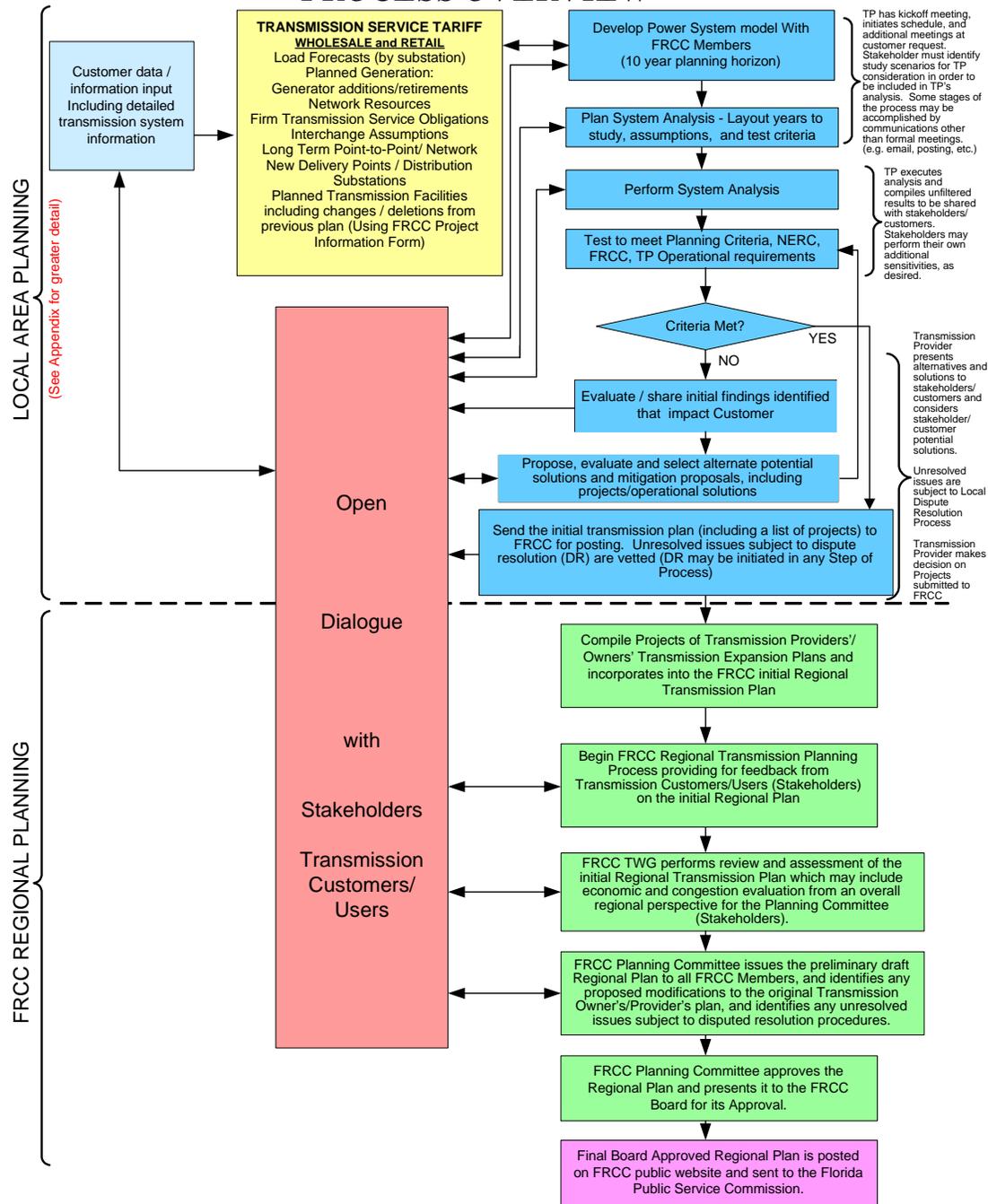
as all planned and committed transmission and generation projects, including upgrades, new facilities and changes to planned-in-service dates over the planning horizon, as the base case for Transmission Provider's studies.

Transmission Provider makes available to a transmission service customer the underlying data, assumptions, criteria and underlying transmission plans utilized in the study process. Transmission Provider provides written descriptions of the basic methodology, criteria and processes used to develop plans. In order to get a better understanding, a transmission customer may inquire about the assumptions, data and/or underlying methods, criteria, etc. and the customer will be provided a response by the Transmission Provider's qualified technical representative. Dialogue during the study process is encouraged. The dialogue during the Transmission Providers local area planning process between the Transmission Provider and customers involves discussions of the initial findings that affect customers, potential alternatives including feasibility of mitigating any adverse findings and third party impacts. Discussion of initial findings in areas of the system that affect customers is intended to communicate and validate with the customer issues or concerns identified by the Transmission Provider or conversely, issues not specifically identified by the Transmission Provider that may be of concern to the customers. As part of the process of identifying potential alternatives to mitigate any adverse issue or concern, the dialogue with the customer should facilitate the identification of the most effective solution.

This dialogue during the different stages of the planning process provides for meaningful input and participation of transmission customers in the development of the transmission plan. The goal of this interaction between the Transmission Provider and customers is to develop a transmission expansion plan that meets the needs of the Transmission Provider and customer in a reliable cost effective manner. This planning process between the Transmission Provider and customers is described in the process flow diagram below and in the more detailed description of the Local Transmission Network Planning Process as set forth in Appendix 1 to this Attachment K.

3.3 An overview of the Transmission Provider's local area planning process and how it relates to the FRCC Regional Transmission Planning Process is shown in the flow chart below:

TRANSMISSION PROVIDER's (TP) LOCAL / REGIONAL COORDINATED TRANSMISSION NETWORK PLANNING PROCESS OVERVIEW

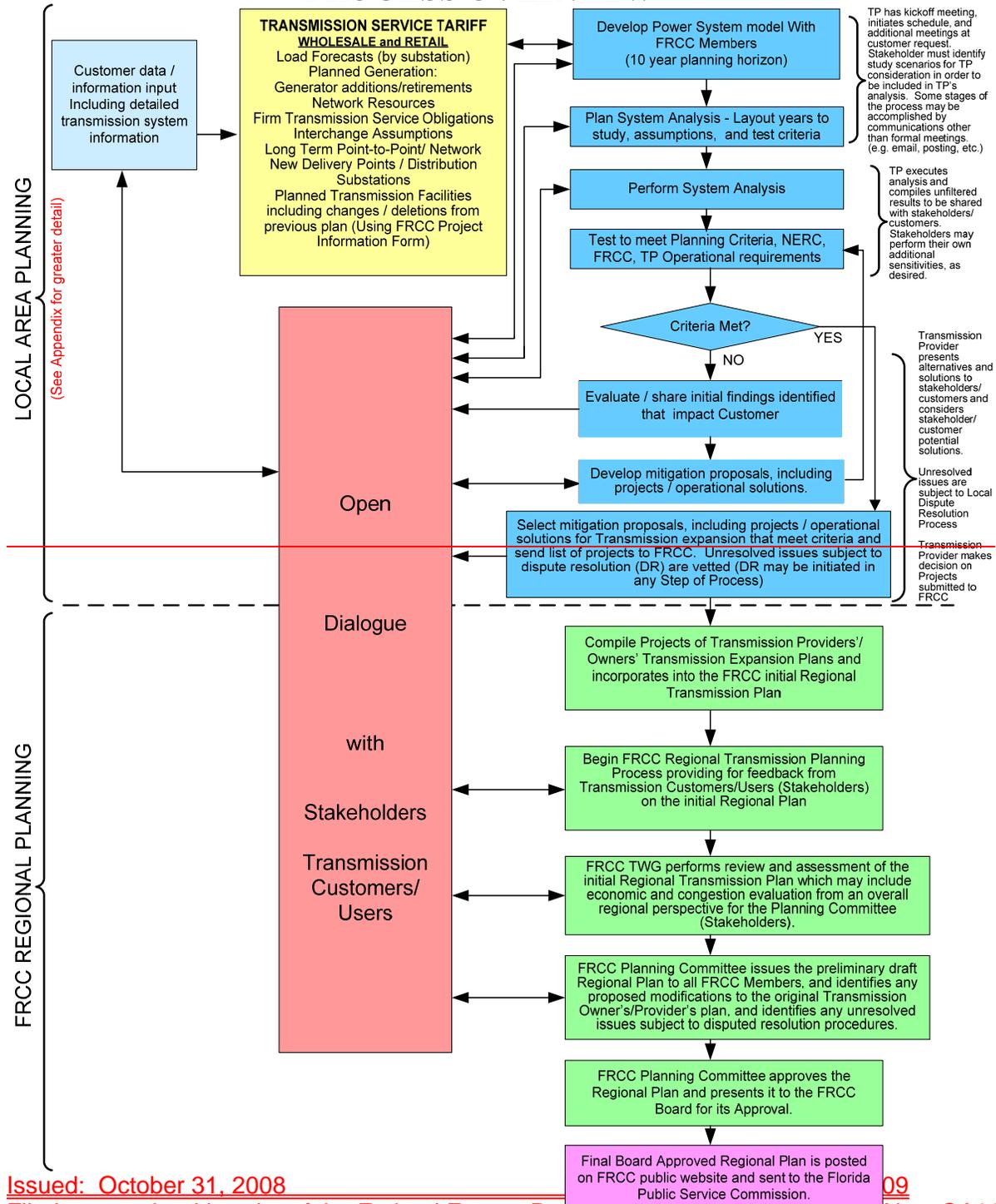


Issued: October 31, 2008

Effective Date: January 1, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.

TRANSMISSION PROVIDER's (TP) LOCAL / REGIONAL COORDINATED TRANSMISSION NETWORK PLANNING PROCESS OVERVIEW



Issued: October 31, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.

3.4 Once the results of the Transmission Provider's local area planning process are reflected in the FRCC Regional Transmission Planning Process, the FRCC seeks input and feedback from transmission customers/users for any issues or concerns that are identified and independently assesses the initial Regional Plan from a FRCC regional perspective. A dialogue among the FRCC, transmission customers/users, and transmission owners/providers occurs to address any issues identified during this process. When the FRCC Regional Transmission Plan has been approved by the FRCC Planning Committee, it is sent to the FRCC Board for approval. After the FRCC Board approves the FRCC Regional Transmission Plan, it is posted on the FRCC website and sent to the FPSC. Additionally, the FRCC compiles all of the individual transmission providers/owners FERC Form 715's within the FRCC region, including Transmission Provider's, and files all FERC Form 715's for its members with the FERC on an annual basis.

3.5 Studies conducted pursuant to the FRCC Regional Transmission Planning Process utilize the applicable reliability standards and criteria of the FRCC and NERC that apply to the Bulk Power System as defined by NERC. Such studies also utilize the specific design, operating and planning criteria used by FRCC transmission providers/owners. The transmission planning criteria are available to all customers and stakeholders. Transmission planning assumptions,

transmission projects/upgrades and project descriptions, scheduled in-service dates for transmission projects and the project status of upgrades will be available to all customers through the FRCC periodic project update process. The FRCC updates and distributes transmission projects/upgrades project descriptions, schedule in-service dates, and project status on a regular basis, no less than quarterly. The FRCC also updates and distributes on a periodic basis the load flow data base. The FRCC publishes the individual transmission providers' system impact study schedules so that other potentially impacted transmission owners can assess whether they are affected and elect to participate in the study analysis. The FRCC planning studies are also distributed by the FRCC and updated as needed.

3.6 The FRCC also produces the following annual reports which are submitted to the FPSC:

- The *Regional Load and Resource Plan* contains aggregate data on demand and energy, capacity and reserves, and proposed new generating unit and transmission line additions for Peninsular Florida as well as statewide.
- The *Reliability Assessment* is an aggregate study of generating unit availability, forced outage rates, load forecast methodologies, and gas pipeline availability.
- The *Long Range Transmission Reliability Study* is an assessment of the adequacy of Peninsular Florida's bulk power and transmission system. The study includes both short-term (1-5 years) detailed analysis and long-term (6-10 years) evaluation of developing trends that would require transmission additions or other corrective action. Updates on regional areas of interest and/or constraints (e.g., Central Florida) are also addressed.

Section 4 Information Exchange

4.1 Transmission Provider participates in information exchange on a regular and ongoing basis with the FRCC, neighboring utilities, and customers.

Transmission customers are required to submit data for the planning process described in this Attachment K to the Transmission Provider in order for the Transmission Provider to plan for the needs of network and point-to-point customers. This data/information shall be provided by the transmission customer by no later than January 1 of each year. Such data/information includes load growth projections, planned generation resource additions/upgrades (including network resources), any demand response resources, new delivery points, new or continuation of long-term firm point-to-point transactions with specific receipt (i.e., source or electrical location of generation resources) and delivery points, (i.e., the electrical location of load or sink where the power will be delivered to), and planned transmission facilities. This data/information shall be provided over the 10 year planning horizon to the extent such information is known.

Additionally, the transmission customer shall provide timely written notice of any material changes to this data/information as soon as practicable due to the possible effect on the transmission plan or the ability of the Transmission Provider to provide service.

4.2 The Transmission Provider utilizes the information provided in modeling and assessing the performance of its system in order to develop a transmission

plan that meets the needs of all customers of the transmission system. The Transmission Provider exchanges information with a transmission customer to provide an opportunity for the transmission customer to evaluate the initial study findings or to propose potential alternative transmission solutions for consideration by the Transmission Provider. If the Transmission Provider and transmission customer agree that the transmission customer's recommended solution is the best over-all transmission solution then such solution will be incorporated in the Transmission Provider's plan. Through this information exchange process the transmission customer has an integral role in the development of the transmission plan. This process is described in greater detail in Appendix 1 to this Attachment K. Consistent with the Transmission Provider's obligation under federal and state law, and under NERC and FRCC reliability standards, the Transmission Provider is ultimately responsible for the transmission plan.

4.3 The FRCC TWG sets the schedule for data submittal and frequency of information exchange which starts at the beginning of each calendar year. Updates and revisions are discussed at the FRCC Planning Committee meetings by the members. This process requires extensive coordination and information exchange over a period of several months as the FRCC develops electric power system load-flow databank models for the FRCC Region. The models include data for every utility in peninsular Florida and are developed and maintained by

the FRCC. The TWG is responsible for developing and maintaining power flow base cases. The FRCC power flow base case models contain the data used by the FRCC and transmission providers for intra- and inter-regional assessment studies, and other system studies. The models created also are the basis for the FRCC submittal to the NERC Multi-regional Modeling Working Group (“MMWG”). TWG members support the data collection requirements and guidelines related to the accurate modeling of generation, transmission and load in the power flow cases. The data collected includes:

For power flow models:

- Bus data; (name, base voltage, type, area assignment, zone assignment, owner)
- Load data; (bus, MW, MVAR, area assignment, zone assignment, owner)
- Generator data; (bus, machine number, MW, MVAR, status, P_{MAX}, P_{MIN}, Q_{MAX}, Q_{MIN}, MVA base, voltage set-point, regulating bus)
- Branch data; (from bus, to bus, circuit number, impedances, ratings, status, length, owner)
- Transformer data; (from bus, to bus, to bus, circuit number, status, winding impedances, ratings, taps, voltage control bus, voltage limits, owner)
- Area interchange data; (area, slack bus, desired interchange, tolerance)
- Switched shunt data
- Facts device data

For dynamic stability models (in addition to power flow model data):

- Generator models; (turbine, generator, governor, exciter, power system stabilizers)
- Relay models; (distance, out of step, underfrequency)
- Special protection scheme models

For short circuit models (in addition to power flow model data):

- Zero and negative sequence impedances;

The databank models are compiled and incorporate load projections by substations, firm transmission services, and transmission expansion projects over the 10 year planning horizon. Transmission Provider utilizes the FRCC databanks which contain projected loads as well as all planned and committed transmission and generation projects, including upgrades, new facilities and changes to planned in-service dates over the planning horizon, as the base case for Transmission Provider's studies. These databanks are maintained by the FRCC Transmission Working Group and are updated on a periodic basis to ensure that the assumptions are current. Transmission Provider makes available to a transmission service customer the underlying data, assumptions, criteria and transmission plans utilized in the study process. If information is deemed confidential, Transmission Provider requires the customer to enter into a confidentiality agreement prior to providing the confidential information.

4.4 The FRCC maintains databanks of all FRCC members' projected loads and planned and committed transmission and generation projects, including upgrades, new facilities, and changes to planned in-service dates. These databanks are updated on a periodic basis. The FRCC maintains and updates the load flow, short circuit, and stability models. All of this above information is distributed by the FRCC, along with the FRCC transmission planning studies, subject to possible redaction of user sensitive or critical infrastructure information

consistent with market and business rules and standards.

Section 5 Comparability

5.1 This comparability principle is applied in all aspects of the transmission planning process including each of the respective principles in this Attachment K. Transmission Provider incorporates into its transmission plans on a comparable basis all firm transmission obligations, both retail and wholesale. The retail obligations consist of load growth, interconnection and integration of new network resources, firm power purchases and new distribution substations. Transmission Provider wholesale obligations are existing firm wholesale power sales, existing long-term firm transmission service including firm point-to-point and network (interconnection and integration of network resources), projected network load, generator interconnections, and new delivery points.

5.2 Transmission Provider plans for forecasted load, generation additions/upgrades which include network resources and new distribution substations associated with retail service obligations. A network transmission customer provides corresponding data as part of the provision of service, such as load forecast data, generation additions/upgrades including network resource forecast, new delivery points, and other information needed by the Transmission Provider to plan for the needs of the customer. Both Transmission Provider and the transmission customers reflect their demand resources within the information that is input within this planning process. The data required for planning the

transmission system for both retail and wholesale customers is comparable.

Transmission customers/users (retail and wholesale) accurately reflect their demand response resources appropriately in their load forecast projections. To the extent a customer/stakeholder has a demand response resource or a generation resource that is not incorporated into its submitted plans and such customer/stakeholder desires the Transmission Provider to specifically consider on a comparable basis such demand response resource or generation resource as an alternative to transmission expansion, or in conjunction with the Transmission Provider's transmission expansion plan, such customer/stakeholder sponsoring such demand response resource or generation resource shall provide the necessary information (cost, performance, lead time to install, etc.) in order for the Transmission Provider to consider such demand response resource or generation resource alternatives comparably with other alternatives. Any customer/stakeholder sponsoring a demand response resource or generation alternative should participate in the planning process. The Transmission Provider shall treat customer/stakeholder resources and its own resources on a comparable basis for transmission planning purposes. This comparability principle is also further described under the Local Transmission Planning Process as set forth in Appendix 1 to this Attachment K. The data/information is also provided to the FRCC for their use in databank development and analysis under the FRCC Regional Transmission Planning

Issued: October 31, 2008

Effective Date: January 1, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.

Process. These data requirements are generally communicated by OASIS, email, letter or combination thereof.

5.3 Transmission providers/owners submit to the FRCC their latest 10-year expansion plans for their transmission systems, which incorporate the transmission expansion needed to meet the transmission customer requirements, including a list of transmission projects that provides for all of the firm obligations based on the best available information. The FRCC compiles and distributes a list of projects distributed from the transmission providers/owners and updates the project status to keep the list current. FRCC compiles and distributes the transmission providers/owners' 10-year expansion plans. All transmission users and other affected parties are asked to submit to the FRCC any issues or special needs that they believe are not adequately addressed in the expansion plans.

Section 6 Dispute Resolution

6.1 If a dispute arises between a transmission customer and the Transmission Provider under the local transmission planning process set forth in Appendix 1 to this Attachment K or involving Transmission Service under the Tariff, the senior representatives of the Transmission Provider and the customer shall attempt to resolve the dispute and may mutually agree to utilize a mediation service for that purpose. However, if such dispute is not resolved, then the Dispute Resolution Procedures set forth in Article 11 of the Tariff shall govern.

If a dispute arises among or between Transmission Provider and another transmission owner(s) involving a cost allocation issue regarding the Cost Allocation Methodology and Principles, then the dispute resolution process set forth below under the cost allocation principle of this Attachment K shall govern.

If a dispute arises among or between Transmission Provider and another transmission provider/owner(s), regarding the FRCC Regional Transmission Planning Process, then the dispute resolution procedures that are contained in the FRCC Regional Transmission Planning Process as set forth below in this Attachment K shall govern.

6.2 The FRCC Regional Transmission Planning Process has two alternative dispute resolution processes. Any party raising an unresolved issue may request the Mediator Dispute Resolution Process, which involves a mediator being selected jointly by the disputing parties. If the Mediator Dispute Resolution Process is completed, and the issue is still unresolved, by mutual agreement between the parties, the Independent Evaluator Dispute Resolution Process may be utilized. The Independent Evaluator is selected by the FRCC Board of Directors. If the issue is unresolved by either of the dispute resolution processes, the transmission owners, affected parties, or the FRCC may request that the FPSC address such unresolved dispute. Notwithstanding the foregoing, any unresolved issue(s) may be submitted to any regulatory or judicial body having jurisdiction.

Described below are the two alternative dispute resolution processes:

6.2.1 Alternative 1 - Mediator Dispute Resolution Process (Non-Binding)

The Mediator Process shall be completed within 60 days of commencement.

A mediator shall be selected jointly by the disputing parties. The mediator shall: (1) be knowledgeable in the subject matter of the dispute, and (2) have no official, financial, or personal conflict of interest with respect to the issues in controversy, unless the interest is fully disclosed in writing to all participants and all participants waive in writing any objection to the interest.

The disputing parties shall attempt in good faith to resolve the dispute in accordance with the procedures and timetable established by the mediator. In furtherance of the mediation efforts, the mediator may:

- Require the parties to meet for face-to-face discussions, with or without the mediator;
- Act as an intermediary between the disputing parties;
- Require the disputing parties to submit written statements of issues and positions; and
- If requested by the disputing parties, provide a written recommendation on resolution of the dispute.

If a resolution of the dispute is not reached by the 30th day after the appointment of the mediator or such later date as may be agreed to by the parties, the mediator shall promptly provide the disputing parties with a

written, confidential, non-binding recommendation on resolution of the dispute, including the mediator's assessment of the merits of the principal positions being advanced by each of the disputing parties. At a time and place specified by the mediator after delivery of the foregoing recommendation, but no later than 15 days after issuance of the mediator's recommendation, the disputing parties shall meet in a good faith attempt to resolve the dispute in light of the mediator's recommendation. Each disputing party shall be represented at the meeting by a person with authority to settle the dispute, along with such other persons as each disputing party shall deem appropriate. If the disputing parties are unable to resolve the dispute at or in connection with this meeting, then: (1) any disputing party may commence such arbitral, judicial, regulatory or other proceedings as may be appropriate; and (2) the recommendation of the mediator shall have no further force or effect, and shall not be admissible for any purpose, in any subsequent arbitral, administrative, judicial, or other proceeding.

The costs of the time, expenses, and other charges of the mediator and of the mediation process shall be borne by the parties to the dispute, with each side in a mediated matter bearing one-half of such costs. Each party shall bear its own costs and attorney's fees incurred in connection with any mediation.

6.2.2 Alternative 2 - Independent Evaluator Dispute Resolution**Process (Non-Binding)**

The Independent Evaluator Dispute Resolution Process shall be completed within 90 days.

An assessment of the unresolved issue(s) shall be performed by an Independent Evaluator that will be selected by the FRCC Board. The Independent Evaluator shall evaluate the disputed issue(s) utilizing the same criteria that the Planning Committee is held to, that is, “the applicable reliability criteria of FRCC and NERC, and the individual transmission owner’s/provider’s specific design, operating and planning criteria.”

The Independent Evaluator shall be a recognized independent expert with substantial experience in the field of transmission planning with no past business relationship to any of the affected parties within the past two years from the date the Dispute Resolution Process is started.

The Board shall retain an Independent Evaluator within 15 days of the request to utilize the Independent Evaluator Dispute Resolution Process.

The Independent Evaluator shall prepare a report of its findings, with recommendations on the unresolved issue(s), to the Board and the Planning Committee within 45 days from the date the Board selected the Independent Evaluator. The Independent Evaluator’s findings and

recommendations shall not be binding. The Board, with the assistance of the Planning Committee and the Independent Evaluator's report, shall attempt to resolve the unresolved issue(s) within 30 days from receipt of the Independent Evaluator's report. If the Board fails to resolve the issue(s) to the satisfaction of all parties, any disputing party may commence such arbitral, judicial, regulatory or other proceedings as may be appropriate.

The costs of the Independent Evaluator shall be borne by the parties to the dispute with each party bearing an equal share of such costs. The FRCC shall be one of the parties. Each party shall bear its own costs and attorney fees incurred in connection with the dispute resolution.

Section 7 Regional Participation

7.1 The FRCC Regional Transmission Planning Process begins with the consolidation of the long term transmission plans of all of the transmission providers/owners in the FRCC Region. Such transmission plans incorporate the integration of new firm resources as well as other firm commitments. Any generating or transmission entity not required to submit a 10 year plan to the FPSC submits its 10 year expansion plan to the FRCC, together with any issues or special needs they believe are not adequately addressed by the transmission providers/owners' 10 year plans. The FRCC process requires that the FRCC Planning Committee address any issue or area of concern not previously or

adequately addressed with emphasis on constructing a more robust regional transmission system.

7.2 Each transmission provider/owner furnishes the FRCC with a study schedule for each system impact study so that other potentially affected transmission providers/owners can independently assess whether they may be affected by the request, and elect to participate in or monitor the study process. If a transmission provider/owner believes that it may be affected, it may participate in the study process.

7.3 FRCC has a reliability coordination arrangement with Southern Company Services, Inc. ("Southern"), which is located in the Southeastern Subregion of ~~the~~ SERC Reliability Corporation ("SERC"). ~~Region that the FRCC is connected to, with t~~The purpose of ~~safeguarding and augmenting~~ the reliability coordination arrangement is to safeguard and augment reliability of an inter-regional basis for ~~of the~~ Southern/~~SERC~~ and the FRCC bulk power supply systems. This arrangement provides for exchanges of information and system data between Southern and the FRCC for the coordination of planning and operations in the interest of reliability. The arrangement also provides the mechanism for inter-regional joint studies and recommendations designed to improve the reliability of the interconnected bulk power system. ~~Duties under the arrangement are as follows~~The arrangement contributes to the safeguarding and augmenting of reliability through: (1) coordination of generation and transmission system

planning, construction, operating, and protection to maintain maximum reliability; (2) coordination of interconnection lines and facilities for full implementation of mutual assistance in emergencies; (3) initiation of joint studies and investigations pertaining to the reliability of bulk power supply facilities; (4) coordination of maintenance schedules of generating units and transmission lines; (5) determination of requirements for necessary communication between the parties; (6) coordination of load relief measures and restoration procedures; (7) coordination of spinning reserve requirements; (8) coordination of voltage levels and reactive power supply; (9) other matters relating to the reliability of bulk power supply required to meet customer service requirements; and (10) exchange of necessary information, such as magnitude and characteristics of actual and forecasted loads, capability of generating facilities, programs of capacity additions, capability of bulk power interchange facilities, plant and system emergencies, unit outages, and line outages.

7.4 ~~The FRCC~~Southern, PowerSouth Energy Cooperative (formally known as Alabama Electric Cooperative), Dalton Utilities, Georgia Transmission, MEAG Power, and South Mississippi Electric Power Association also sponsor the Southeastern Regional Transmission Planning (“SERTP”) forum. These SERTP sponsors are located within the Southeastern Subregion of SERC. ~~are establishing~~ The FRCC and the SERTP have established their respective links to transmission providers and FRCC/SERTP~~Southeastern Subregion~~ websites

as applicable that contain study methodologies, joint transmission studies, inter-regional transmission service and generator interconnection service related studies, and the FRCC/~~Southeastern Subregion~~SERTP process for requesting inter-regional economic studies. The FRCC website link that contains this type of information can be found ~~at the following location~~under the *Florida-SERC Inter-Regional Transmission Information* folder. In this folder please refer to a document entitled *FRCC Inter-regional Coordination Process* that describes how information, modeling data and expansion plans are shared. The SERTP website link is <http://www.southeasternrtp.com>. (<https://www.frcc.com/Planning/default.aspx?RootFolder=%2fPlanning%2fShared%20Documents%2fFlorida%2dSoutheastern%20Subregion%20Documents&FolderCTID=&View=%7bFBDE89E4%2dE66F%2d40EE%2d999D%2dCFF06CF2A726%7d>). Transmission providers within the FRCC and ~~Southeastern Subregion~~of SERCSERTP coordinate with each other as necessary in the performance of economic studies. The FRCC and SoutheasternSE Region Economic Study Request document posted under the Florida-SERC Inter-Regional Transmission Information folder on the FRCC website describes the process and procedures for requesting inter-regional economic studies. FERC and SERTP transmission providers plan to attend transmission planning forums when study findings are presented to stakeholders that impact their respective transmission systems.

7.5 The FRCC is a member of the Eastern Interconnection Reliability

Assessment Group (“ERAG”) which includes other Eastern Interconnection reliability regional entities, the Midwest Reliability Organization, the Northeast Power Coordinating Council, Inc., Reliability First Corporation, SERC Reliability Corporation, and Southwest Power Pool. The purpose of ERAG is to ensure reliability of the interconnected system and the adequacy of infrastructure in their respective regions for the benefit of all end-users of electricity and all entities engaged in providing electric services in the region.

Section 8 Economic Planning Studies

8.1 In the performance of an economic sensitivity study that is identified as part of the FRCC Regional Transmission Planning Process, Transmission Provider plans to participate in such study utilizing the procedures that are contained in the FRCC Regional Transmission Planning Process. If Transmission Provider receives a specific request to perform economic studies for a transmission customer, Transmission Provider plans to utilize the OASIS for such requests. To the extent an economic study would involve other transmission providers/owners, Transmission Provider will coordinate with these providers/owners in performing the study. Stakeholders will collectively be allowed to request the performance of up to five (5) economic planning studies annually, at no charge to the individual requesting customer(s). The cost of the sixth and subsequent economic planning studies requested in a calendar year shall be assessed to the individual customer(s) requesting such studies. If there

are similar interests for certain economic studies, stakeholders can coordinate with each other and the Transmission Provider during the transmission planning process to collectively select the five no-charge economic studies. If more than five economic planning studies are requested and the stakeholders are unable to agree on the selection of the five no-charge economic planning studies, then the Transmission Provider will select the five no-charge economic planning studies by selecting one study per stakeholder based on the time the economic planning study was submitted on OASIS (up to a maximum of five stakeholders) and continuing this iterative process until the five no-cost economic planning studies have been selected. In the event the Transmission Provider receives more than one request for an economic planning study which the Transmission Provider determines: (i) will have overlapping time periods of study; (ii) may involve the same facilities; and (iii) can be reasonably performed on a clustered basis, then the Transmission Provider will, either at the request of transmission customer(s) requesting the studies or if the Transmission Provider deems it to be appropriate, offer to cluster two or more qualifying study requests which meet the aforementioned criteria for an economic planning study. Transmission customers agreeing to the clustering must also agree: (i) to remain in the cluster throughout the performance of the study; and (ii) to share equally in the cost of the study, to the extent that there are such costs (i.e., for economic planning study requests beyond the first five in any calendar year). The Transmission

Provider will consider an economic planning cluster study under this section as a single study in the context of the number of studies done at no cost each year on an annual basis.

8.2 The FRCC Regional Transmission Planning Process includes both economic and congestion studies. One of the sensitivities may include evaluating the FRCC Region with various generation dispatches that test or stress the transmission system, including economic dispatch from all generation (firm and non-firm) in the region. Other sensitivities may include specific areas where a combination/cluster of generation and load serving capability involving various transmission providers/owners in the FRCC experiences or may experience significant and recurring transmission congestion on their transmission facilities. Members of the FRCC Planning Committee may also request specific economic analyses that would examine potential generation resource options, or other types of regional economic studies, and to the extent information is available, may request a study of the cost of congestion. The FRCC Planning Committee may consider clustering studies as appropriate. Economic analyses should reflect the upgrades to integrate necessary new generation resources and/or loads on an aggregate or regional (cluster) basis.

Section 9 Cost Allocation

Subsections 9.1 through 9.3 refers to third party impacts resulting from the FRCC Regional Planning Process; 9.4 refers to economic transmission improvements. The

Issued: October 31, 2008 Effective Date: January 1, 2009
Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.

Cost Allocation provisions contained in the Section relate to cost allocation procedures for specific circumstances as described herein. All other transmission cost allocation not specifically described below is provided in accordance with OATT provisions for generation interconnection, network and point-to-point service.

9.1 If a transmission expansion is identified as needed under the FRCC Regional Transmission Planning Process and such transmission expansion results in a material adverse system impact upon a third party transmission owner, the third party transmission owner may choose to utilize the FRCC Principles for Sharing of Certain Transmission Expansion Costs as outlined below in this Attachment K. The FPSC is involved in this process and provides oversight, guidance and may exercise its statutory authority as appropriate. A more detailed description of the FRCC Principles for Sharing of Certain Transmission Expansion Costs can be found on the FRCC website ~~at this location~~
<https://www.frcc.com/Planning/Shared%20Documents/FRCC%20Principles%20for%20Cost%20Sharing%2011-30-07.pdf>.

9.2 The FRCC Principles for Sharing of Certain Transmission Expansion Costs: (i) sets forth certain principles regarding the provision of financial funding to Transmission Owners³ that undertake remedial upgrades to, or expansions of,

³ For this purpose, "Transmission Owner" means an electric utility owning transmission facilities in the FRCC Region.

their systems resulting from upgrades, expansions, or provisions of services on the systems of *other* Transmission Owners, and (ii) procedures for attempting to resolve disputes among Transmission Owners and other parties regarding the application of such principles. These principles shall not apply to transmission upgrades or expansions if, and to the extent that, the costs thereof are subject to recovery by a Transmission Owner pursuant to FERC Order 2003 or Order 2006.

9.3 Principles

9.3.1 Each Transmission Owner in the FRCC Region shall be responsible for upgrading or expanding its transmission system in accordance with the FRCC Regional Transmission Planning Process consistent with applicable NERC and FRCC Reliability Standards and shall participate, directly or indirectly (as the member of a participating Transmission Owner, e.g., Seminole Electric Cooperative, Inc. and Florida Municipal Power Agency), in the FRCC Regional Transmission Planning Process in planning all upgrades and expansions to its system.

9.3.2 If, and to the extent that, the need for a 230 kV or above upgrade to, or expansion of, the transmission system of one Transmission Owner (the "Affected Transmission Owner") is reasonably expected to result from, upgrade(s) or expansion(s) to, or new provisions of service on, the system(s) of another Transmission Owner or Transmission Owners (hereinafter "Precipitating Events"), and if such need is reasonably

expected to arise within the FRCC planning horizon, the Affected Transmission Owner shall be entitled to receive Financial Assistance (as defined herein) from each other such Transmission Owner and other parties, to the extent consistent with the other provisions hereof.

Such upgrade or expansion to the Affected Transmission Owner's system shall hereinafter be referred to as the "Remedial Upgrade." Upgrade(s), expansion(s), or provisions of service on another Transmission Owner's system that may result in the need for a Remedial Upgrade on the Affected Transmission Owner's system for which Financial Assistance is to be provided hereunder include the following Precipitating Events:

- A new generating unit(s) to serve incremental load
- A new or increased long-term sale(s)/purchase(s) to or by others (different uses)
- A new or modified long-term designation of Network Resource(s)
- A new or increased long-term, firm reservation for point-to-point transmission service

Specific non-Precipitating Events are as follows: 1) Transmission requests that have already been confirmed prior to adoption of these principles; 2) Qualifying rollover agreements that are subsequently rolled over; 3) Redirected transmission service for sources to the extent the redirected service does not meet the Threshold Criteria described in paragraph

9.3.5.1. Existing flows would not be considered “incremental.”; and 4) Repowered generation if the MW output of the facility is not increased, regardless of whether the repowered unit is used more/less hours of the year.

9.3.3 Except to the extent that an Affected Transmission Owner is entitled to Financial Assistance from other parties as provided herein, each Transmission Owner shall be responsible for all costs of upgrades to, and expansions of, its transmission system; provided, however, that nothing herein is intended to affect the right of any Transmission Owner or another party from obtaining remuneration from other parties to the extent allowed by contract or otherwise pursuant to applicable law or regulation (including, for example, through rates to a Transmission Owner’s customers).

9.3.4 Each Transmission Owner shall be solely responsible for the execution, or acquisition, of all engineering, permitting, rights-of-way, materials, and equipment, and for the construction of facilities comprising upgrades or expansions, including Remedial Upgrades, of its transmission system; provided, however, that nothing herein is intended to preclude a Transmission Owner from seeking to require another party to undertake some or all of such responsibilities to the extent allowed by contract or otherwise pursuant to applicable law.

9.3.5 Threshold Criteria: The following criteria (“Threshold Criteria”) must be satisfied in order for an Affected Transmission Owner to be entitled to receive Financial Assistance from another party or parties in connection with a Remedial Upgrade:

9.3.5.1 A change in power flow of at least a 5% or 25 MW, whichever is greater, on the Affected Transmission Owner’s facilities which results in a NERC or FRCC Reliability Standards violation;

9.3.5.2 The Transmission Expansion must be 230 kV or higher voltage; and

9.3.5.3 The costs associated with the Transmission Expansion must exceed \$3.5 million.

9.3.6 In order for a Transmission Owner to be entitled to receive Financial Assistance from another party or parties hereunder in connection with a particular Remedial Upgrade, that Transmission Owner must: (i) participate, directly or indirectly, in the FRCC Regional Transmission Planning Process, and (ii) identify itself as an Affected Transmission

Owner and identify the subject Remedial Upgrade in a timely manner once it learns of the need for that Remedial Upgrade.

9.3.7 The following principles govern the nature and amount of Financial Assistance that an Affected Transmission Owner is entitled to receive from one or more other parties with respect to a Remedial Upgrade:

9.3.7.1 A recognition of the reasonably determined benefits that result from the Remedial Upgrades due to the elimination or deferral of otherwise planned transmission upgrades or expansions.

9.3.7.2 Remedial Upgrade costs, net of recognized benefits, shall be allocated fifty-fifty, respectively, based on:

- The sources or cluster of sources which are causing the need for the transmission expansion; and
- The load in the area or zone associated with the need for the Transmission Expansion. (For these purposes, network customer loads embedded within a transmission provider's service area in the Transmission Zone would not be separately allocated any costs as such loads would be paying their load ratio share of the affected transmission provider's costs.)

9.3.7.3 Initially, there are six zones in the FRCC region. A request by a party to modify one or more zones should be substantiated on its

merits (e.g., technical analysis, area of limited transmission capability).

Below are principles that will guide how the boundaries of zones are determined:

- Electrically, a substantial amount of the generation within a zone is used to serve load also within that zone.
- Transmission facilities in a zone are substantially electrically independent of other zones.
- Zones represent electrical demarcation areas in the FRCC transmission grid that can be supported from a technical perspective.

9.3.7.4 The Financial Assistance provided to an Affected Transmission Owner related to one or more transmission service requests keyed to new sources of power is subject to repayment without interest over a ten year period through credits for transmission service charges by the funding party and at the end of ten years through payment of any outstanding balance.

9.3.8 Implementation and Dispute Resolution Process:

9.3.8.1 As soon as practical after a Transmission Owner shall have identified itself as an Affected Transmission Owner because of the need for a Remedial Upgrade, that Transmission Owner and parties whose actions shall have contributed, or are reasonably expected to contribute, to the need for that Remedial Upgrade which may be responsible for providing Financial Assistance in

connection therewith in accordance herewith shall enter into good faith negotiations to: (i) confirm the need and cause for the Remedial Upgrade and their respective responsibilities for providing Financial Assistance to the Affected Transmission Owner, and (ii) establish a fair and reasonable schedule and means by which such Financial Assistance is to be provided to the Affected Transmission Owner.

9.3.8.2 In the event the parties identified in the foregoing paragraph are unable to reach agreement on the determination and or assignment of cost responsibility within a sixty (60) day period, the dispute shall be referred to the parties' designated senior representatives, who have been previously identified, for resolution as promptly as practicable and written notice shall be provided to the ~~FPSC~~Florida Public Service Commission.

9.3.8.3 In the event the senior designated representatives are unable to resolve the dispute within sixty (60) days by mutual agreement, such dispute may be submitted to ~~the FPSC or other~~entityany bodies having jurisdiction over the matter ~~for dispute~~resolution.

9.3.8.4 Nothing in this document is intended to abrogate or mitigate any rights a party may have before any ~~other~~ regulatory or other body having jurisdiction.

9.3.8.5 During those circumstances in which this Section 9.3.8 pertaining to Dispute Resolution Process is being utilized due to parties being unable to reach agreement on the determination or assignment of cost responsibility associated with a Remedial Upgrade(s), the parties shall continue in parallel with the Dispute Resolution Process with the engineering, permitting and siting associated with the Remedial Upgrade(s). The fact that a matter is subject to Dispute Resolution hereunder shall not be a basis for any party being relieved of its obligations under this document.

9.4 Costs of economic transmission facility improvements that are specifically related to economic projects that were evaluated in the economic planning study process (versus transmission facility improvements undertaken, for example, pursuant to a transmission service request or to resolve reliability issues) will be subject to the following cost allocation methodology. The costs of the economic transmission projects will be allocated proportionally to the project participant(s) (based on the MW requested by a participant(s)) which elect to proceed with the installation of such transmission improvements. The project participant(s) which

commit to the transmission improvements will receive firm transmission service.
The project participant(s) which take firm transmission service will be entitled to a
monthly credit against its transmission service bill. If after twenty years of taking
transmission service the project participant(s) has not fully offset the initial
investment with transmission service credits, such participant(s) shall receive the
balance of the outstanding credits for the initial transmission investment. The
Transmission Provider may seek approval from appropriate state and federal
regulatory bodies to incorporate, at the appropriate times, the credits that are
provided to the project participant(s) in taking transmission service into retail and
wholesale rates respectively.

Section 10 Recovery of Planning Costs

10.1 Planning study costs incurred by the Transmission Provider in the
performance of studies requested by a customer/stakeholder associated with
transmission service or generator interconnection service are separately
addressed in this tariff under provisions that require the customer/stakeholder to
pay the cost of such studies. Planning study costs incurred by the Transmission
Provider in the performance of the first five economic planning studies will be
absorbed by the Transmission Provider in its normal course of business of
performing its obligations under this Attachment K. The cost of the sixth and
additional economic planning studies in a calendar year will be assessed to the
requesting entity as set forth in Section 8.1. Other general transmission planning

costs not associated with the above studies are routine cost-of-service items that would be reflected in both wholesale and retail transmission rates as appropriate.

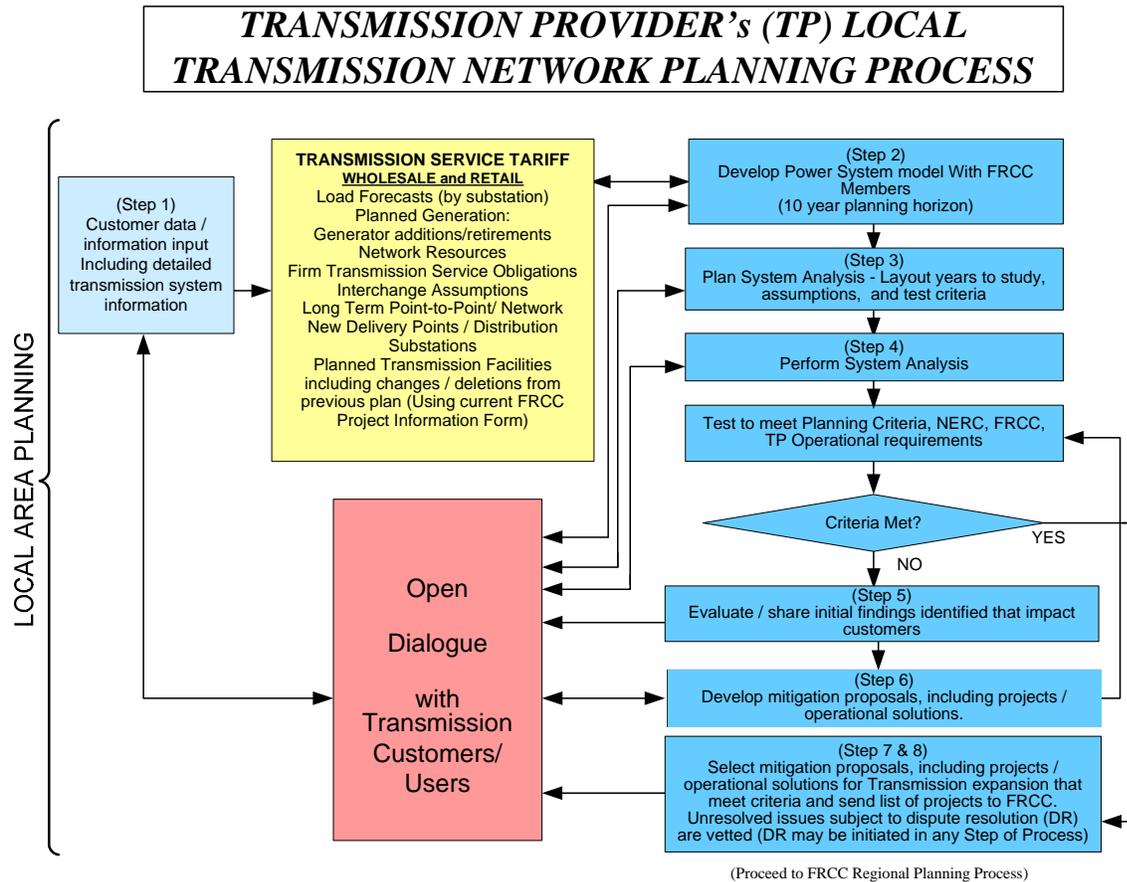
Issued: October 31, 2008

Effective Date: January 1, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.

Appendix 1 to Attachment K**Local Transmission Network Planning Process – Process Description**

The Local Transmission Network Planning Process (“Local Process”) is performed annually with the Transmission Provider’s plan being finalized on or about April 1st of each calendar year. The times shown (in months) for each of the steps contained in the Local Process are target dates that recognize some potential overlapping of the various activities. The Transmission Provider may develop a different timeline where warranted with the concurrence of the Transmission Provider’s Customers/Stakeholders. The timelines and dates in this Appendix 1 to Attachment K are to be used as guidelines subject to modification (modified or expedited) as warranted. It is also recognized and understood that under the Transmission Provider’s OATT, there are certain FERC mandated timelines that are applied to Transmission Service Requests (“TSRs”) and Generator Interconnection Service Requests (“GISRs”) that may conflict and be of higher priority than the Local Process. Therefore, Transmission Provider’s receipt of TSRs and/or GISRs may require the modification, from time to time, of the timelines described below.



Local Transmission Network Planning Process – Process Description

Overview:

- The Transmission Provider, which is ultimately responsible for the development of the Transmission Provider's annual 10 Year Expansion Plan, will lead the Local Process on a coordinated basis with the Customers/Stakeholders. This Local Transmission Planning Process ~~shall not cause a delay~~ will be implemented in such a manner as to ensure the ~~Transmission Provider in developing its~~ development of the Local Transmission Plan in a timely manner. The Transmission Provider will facilitate each meeting throughout the process. The Transmission Provider will encourage an open dialogue and the sharing of information with Customers/Stakeholders (subject to confidentiality requirements and FERC Standards of Conduct⁴) in the development of the Local Transmission Plan.

⁴ _____ The provision for handling of information also applies to all steps of the Local Process.

- Customers/Stakeholders are invited to participate in the Transmission Provider's Local Process.
- The Local Process will comply with the FERC nine principles as well as the provisions below.
- All annual initial kick-off meetings will be open to all Customers/Stakeholders and noticed by the Transmission Provider to all Customers/Stakeholders with sufficient time to arrange for travel planning and attendance (two week minimum). The annual initial kick-off meeting will be a face-to-face meeting; otherwise, with the consent of the Customers/Stakeholders, meetings may be organized as face-to-face meetings, conference calls, web-ex events, etc., wherein the dialogue and communications will be open, direct, detailed, and consistent with the FERC Standards of Conduct and confidentiality requirements.
- The Customers/Stakeholders may initiate the dispute resolution process at any point in the Local Process where agreement between the Transmission Provider and Customer(s)/Stakeholder(s) cannot be reached.
- The entities generally responsible for undertaking the tasks described below are designated as the TP (Transmission Provider) and/or the S (Customers/Stakeholders).

The study process will include the following steps:

A. Data Submission Requirements (STEP 1 – 3 months)

In order for The Transmission Provider to carry out its responsibility of developing the Transmission Provider's annual 10 Year Expansion Plan and leading the Local Process on a coordinated basis with the Customers/Stakeholders, data submission by the Customer/Stakeholder on a timely manner (on or before January 1st of each year) is essential. As such, the following data submission requirements from Customers/Stakeholders to the Transmission Provider are established. The Customers/Stakeholders will submit data to the Transmission Provider in a format that is compatible with the transmission planning tools in common use by the Transmission Provider. The Transmission Provider will identify the data format to be used by the Customers/Stakeholders for all data submissions, or absent a Transmission Provider identified data format, the Customers/Stakeholders will use their discretion in selection of data format. Examples of data that may be required are:

- Load forecasts, if appropriate:
 - Coincident and non-coincident Peak load forecasts will be provided for the subsequent 11 years, for each summer and winter peak season, with real power and reactive power values for each load serving substation (reflected to the transformer high-side) or delivery Point, as applicable.

- Transmission Delivery Points, if appropriate:
 - Delivery Point additions and/or Delivery Point modifications that have not previously been noticed to the Transmission Provider will be communicated by the Customer/Stakeholder to the Transmission Provider via the standard Delivery Point Request letter process.
 - Delivery Point additions and/or Delivery Point modifications that have not previously been included in the FRCC Databank Transmission Planning models will be provided by the Customers/Stakeholders to the Transmission Provider via the standard FRCC Project Information Sheet ("PIF") per the attached Transmission Provider provided form and by the Siemens PTI PSS/E IDEV file format, compatible with the Siemens PTI PSS/E version in common use throughout the FRCC Region at that time.
- Network Resource Forecast, if appropriate:
 - Network Resource forecasts will be provided for the subsequent 11 years, for each summer and winter peak season. At a minimum, the following data will be provided: 1. the name of each network resource; 2. the total capacity of each network resource; 3. the net capacity of each resource; 4. the designated network capacity of each resource; 5. the Balancing Authority Area wherein each network resource is interconnected to the transmission grid; 5. the transmission path utilized to deliver the capacity and energy of each network resource to the Transmission Provider's transmission system; 6. the Transmission Provider's point of receipt of each network resource; 7. the contract term of each network resource, if not an owned network resource; and 8. the dispatch order of the entire portfolio of network resources (subject to confidentiality requirements and Standards of Conduct).
- How, where, and to whom, the data will be submitted to:
 - If hardcopy, the Transmission Provider will provide the mailing address;
 - If faxed, the Transmission Provider will provide the fax number;
 - If e-mailed, the Transmission Provider will provide the e-mail address;
 - If delivered to a password protected FTP site or e-vault, the Transmission Provider will provide the folder for the data, the contact person to be notified of the data delivery, etc. consistent with confidentiality requirements and FERC Standards of Conduct.

The Transmission Provider will provide the name and contact details for the Transmission Provider point of contact for data submittal questions.

B. Stakeholder Data Submissions (S) (STEP 1 – con't)

- On or before January 1st of each calendar year, the Customers/Stakeholders will submit the required data (as directed by the Transmission Provider procedures communicated in A. above), plus any additional data that they believe is relevant to the process.
- On or before January 1st of each calendar year, the Customers/Stakeholders will submit to the Transmission Provider the name(s) and contact details for those individuals that will represent them as the point(s) of contact for resolution of any data submittal or study questions/conflicts.
- On or before January 1st of each calendar year, the Customers/Stakeholders will submit the name(s) of those individuals that will represent them during the FRCC Data Bank Transmission Planning Model development process and throughout the Local Process. Name(s), contact details, and their FERC Standards of Conduct status (i.e., Reliability Only, Merchant function, etc.) will be provided. The contact individuals can be changed by the Customers/Stakeholders with notice to Transmission Provider.

C. FRCC Data Bank Transmission Planning Model Development Process (TP/S) (STEP 2 – 2 months)

- The FRCC Regional Data Bank Development Process will control the model development schedule and work product as established by the applicable FRCC Working Group.

D. Kick-off for Transmission Provider's Local Transmission Network Planning Process (STEP 2 – con't - 1 month)

- The Transmission Provider will, approximately two (2) weeks prior to the second quarter initial kick-off meeting (or other date, if Transmission Provider and Customers/Stakeholders agree), communicate via e-mail with all Customers/Stakeholders the schedule/coordination details of the Transmission Provider's Local Process kick-off meeting(s). Customer/Stakeholder shall provide to Transmission Provider a confirmation of their intent to participate in the initial kick-off meeting at least three (3) days prior to such meeting. (TP)
- The Transmission Provider will, in advance of the Kick-off meeting(s), with sufficient time for Customer/Stakeholder review, provide to the Customers/Stakeholders a proposed study schedule, the NERC and FRCC Reliability Standards that will apply to the study, and/or guidelines that will apply to the study and Transmission Provider developed criteria that will apply to the study. (TP)
- The initial Kick-off meeting in the second quarter of the calendar year will begin the Transmission Provider's Local Process. The Transmission Provider will

Issued: October 31, 2008

Effective Date: January 1, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.

review and validate the input data assumptions received from each Customer/Stakeholder, discuss the proposed study schedule, and discuss the study requirements, which will include, but not be limited to, the following:

- The methodologies that will be used to carry out the study (TP/S)
 - The specific software programs that will be utilized to perform the analysis (TP)
 - The Years to study (TP/S)
 - The load levels to be studied (e.g., peak, shoulder and light loads) (TP/S)
 - The criteria for determining transmission contingencies for the analysis (i.e. methods, areas, zones, voltages, generators, etc.) (TP/S)
 - The Individual company criteria (i.e., thermal, voltage, stability and short circuit) by which the study results will be measured (TP/S)
 - The NERC reliability standards by which the study results will be measured (TP/S)
 - The FRCC reliability standards and requirements by which the study results will be measured (TP/S)
 - Customer/Stakeholder proposed study scenarios for Transmission Provider consideration in the analysis (TP/S)
- The kick-off process will be complete when the schedule, standards, criteria, rules, tools, methods and Customer/Stakeholder participation are finalized for the study process to (described below) begin. (TP/S)

E. Case Development (TP) (STEP 3 – 1 month)

- Utilizing all of the data received from the Customers/Stakeholders during the data submission stage and the standards, criteria, rules, tools, and methods determined in the kick-off meeting(s), the Transmission Provider will develop the base case models to be used for the study. These models will be developed in the Siemens PTI PSS/E file format, compatible with the Siemens PTI PSS/E version in use by the Transmission Provider.
- Utilizing all of the data received from the Customers/Stakeholders during the data submission stage and the standards, criteria, rules, tools, and methods determine in the kick-off meeting, the Transmission Provider will develop the change case models to be used for the study. These models will be developed in the Siemens PTI PSS/E file format, compatible with the Siemens PTI PSS/E version in use by the Transmission Provider.
- The Transmission Provider will electronically post and provide notice to the Customers/Stakeholders of the posting of the base case models, the change case models and/or the IDEV files.

F. Perform System Analysis (STEP 4 - 1 to 2 months)

- The Transmission Provider will perform the study analyses (verification that thermal, voltage, stability and short circuit values meet all planning criteria) and produce the initial unfiltered, un-processed input data, output data and files. (TP).
- The Transmission Provider will electronically post and provide notice to the Customers/Stakeholders of the posting of the initial unfiltered, un-processed input data, output data and files. (TP/S)

G. Assessment and Problem Identification (STEP 5 - 1 month)

- The Transmission Provider will evaluate the initial unfiltered, un-processed output data to identify any problems / issues for further investigation. The Transmission Provider will document, electronically post, and provide notice to the Customers/Stakeholders if there is an impact to them of the posting of the evaluation results documentation associated with the impact to the Customer/Stakeholder. (TP/S)
- The Customers/Stakeholders may perform their own additional sensitivities. (S)

H. Mitigation / Alternative Development (STEP 6 - 1 to 2 months)

- The Transmission Provider will identify potential solutions / mitigation proposals to address problems / issues. (TP)
- The Transmission Provider will document, electronically post, and provide notice to the Customers/Stakeholders of the posting of the identified potential solutions / mitigation proposals to address problems / issues related to the impacted Customer(s)/Stakeholder(s).
- The Customers/Stakeholders may provide alternative potential solutions / mitigation proposals for the Transmission Provider to consider. Such information shall be provided in IDEV format and posted. (TP/S)
- The Transmission Provider will determine the effectiveness of the potential solutions through additional studies (thermal, voltage, stability and short circuit). The Transmission Provider may modify the potential solutions, as necessary, such that required study criteria are met. (TP)
- The Transmission Provider will identify feasibility, timing and cost-effectiveness of proposed solutions that meet the study criteria. (TP/S)

I. Selection of Preferred Transmission Plan (STEP 6 con't - 1 to 2 months)

- The Transmission Provider, in consultation with the Customers/Stakeholders, will compare the alternatives and select the preferred solution / mitigation alternatives based on feasibility, timing and cost effectiveness that provide a

reliable and cost-effective transmission solution, taking into account neighboring transmission providers' transmission plans. (TP/S)

- In case of Transmission Provider and Customer/Stakeholder dispute, the dispute resolution process described in Section 6.1 will be utilized. (TP/S)

J. Send Selected Local Transmission Network Plan Results (Transmission Provider's Ten Year Expansion Plan) to the FRCC (STEPS 7 & 8 - 1 to 2 months)

- The Transmission Provider will submit the Transmission Provider's proposed local transmission network plan results (the Transmission Provider's 10 Year Expansion Plan) to the FRCC for posting with other transmission plans as the FRCC's initial regional transmission expansion plan (reference the Initial Plans on the FRCC website), along with an indication whether there are any pending disagreements regarding the Plan (and if there are, will elicit from the dissenting entity(ies), and provide, a minority report regarding such differences of opinion). The Transmission Provider's 10 Year Expansion Plan will include all transmission system projects without differentiation between bulk transmission system projects and lower voltage transmission system projects (i.e. all projects 69 kV and above). This Transmission Provider submittal to the FRCC will be made on or about April 1 and will become part of the Initial FRCC Regional Plan. (TP)
- The FRCC Regional Planning Process will now start and the FRCC Regional Planning Process rules and guidelines will now control the transmission planning process. (TP/S)
- Following completion of the Transmission Provider's submission of the local transmission network plan results (the Transmission Provider's 10 Year Expansion Plan) to the FRCC, the Transmission Provider will, either directly or through the FRCC project status reporting process, make available to the Customers/Stakeholders project descriptions, project scheduled in-service dates, project status, etc. for all projects. This information should be updated no less often than quarterly. (TP)

Appendix 2 to Attachment K**FRCC Quorum and Voting Sectors**

Note: The below descriptions of the FRCC's Quorum and Voting provisions were extracted from the FRCC Rules of Procedure for FRCC Standing Committees. The Planning Committee is one of the Standing Committees within the FRCC.

A. Quorum

Representation at any meeting of the standing committees of 60% or more of the total voting strength of the Standing Committee, shall constitute a quorum for the transaction of business at such meeting; provided, however, that action on matters dealing with the scope or funding of Member Services shall require sixty percent (60%) or more of the total voting strength of members of the Standing Committee representing Voting Members that are Services Members; and provided further that a quorum shall require that at least three (3) Sectors are represented, all three of which shall be Sectors, a majority of the members of which are Services Members in the case of a quorum for action on matters governing Member Services.

If a quorum is not present at any meeting of the standing committees, then no actions may be taken for the purpose of voting. The representatives present may decide to have discussions concerning agenda items as long as voting is not called.

B. Voting

Voting is by Sector. Each voting representative present at a meeting is assigned a vote equal to the voting strength of their Sector, as provided in this section, divided by the number of voting representatives present in that Sector, except that no voting representative present at a meeting shall have more than one (1) vote, except an Investor Owned Utility Sector voting representative who may have up to 1.167 votes. Action by the Standing Committee shall require an affirmative vote equal to or greater than sixty percent (60%) of the total voting strength of the Standing Committee.

Sector Votes

<u>(1) Suppliers Sector</u>	<u>2.5 Votes</u>
<u>(2) Non-Investor Owned Utility Wholesale Sector</u>	<u>2 Votes</u>
<u>(3) Load Serving Entity Sector</u>	
<u>Municipal</u>	<u>0.5 Vote</u>

<u>Cooperative</u>	<u>0.5 Vote</u>
<u>(4) Generating Load Serving Entity Sector</u>	<u>3.0 Votes</u>
<u>(5) Investor Owned Utility Sector</u>	<u>3.5 Votes</u>
<u>(6) General</u>	<u>1 Vote</u>
<u>Total</u>	<u>13 Votes</u>

Appendix B

ATTACHMENT K
Transmission Planning Process

Transmission Provider plans for the existing and future requirements of all customers of Transmission Provider's transmission system in a coordinated, open, comparable, non-discriminatory and transparent manner both at the local and regional level. The Transmission Planning Process described herein includes Transmission Service for Transmission Provider's Native Load Customers, Network Customers, Firm Point-to-Point Transmission Customers, and Generator Interconnection Service for Interconnection Customers. The Transmission Planning Process is intended to provide transmission customers the opportunity to interact with the transmission planning personnel of the Transmission Provider in order for transmission customers to provide timely and meaningful input into the development of the transmission plan.

Transmission Provider's Transmission Planning Process works in conjunction with and is an integral part of the *Florida Reliability Coordinating Council's ("FRCC") Regional Transmission Planning Process* (reference the FRCC website for this document¹) which facilitates coordinated planning by all transmission providers, owners and stakeholders within the FRCC Region. The FRCC is one of the North American Electric Reliability

¹ The FRCC provides a page on its website where all of the FRCC documents referenced in this Attachment K are listed along with their URL addresses. The URL address for this FRCC webpage is: https://www.frcc.com/Planning/Shared%20Documents/FRCC_Reference_Documents.pdf. This provides flexibility for the FRCC to change the URL addresses for these individual FRCC documents without requiring the modification of tariff language.

Corporation (“NERC”) Regional Reliability Organizations, with responsibility for maintaining grid reliability in Peninsular Florida, east of the Apalachicola River. This region is electrically unique because it is a peninsula and is tied to the Eastern Interconnection only on one side. FRCC’s members include investor owned utilities, cooperative utilities, municipal utilities, a federal power agency, power marketers, and independent power producers. The FRCC Board of Directors has the responsibility to ensure that the FRCC Regional Transmission Planning Process is fully implemented. The FRCC Planning Committee, which includes representation by all FRCC members, directs the FRCC Transmission Working Group, in conjunction with the FRCC Staff, to conduct the necessary studies to fully implement the FRCC Regional Transmission Planning Process. The descriptions of the FRCC Regional Transmission Planning Process set forth herein summarize the elements of that process as they relate to Transmission Provider and the principles of the Final Rule in Docket No. RM05-25-000. The Florida Public Service Commission (“FPSC”) is an integral part of the planning process by providing input, guidance, regulatory oversight and decision-making under this process. Additionally, the FPSC conducts workshops on an annual basis to review the transmission and generation expansion plans for Florida. The FPSC, under Florida law, has the authority to ensure an adequate and reliable electric system for Florida. As set forth below, Transmission Provider’s Transmission Planning Process is a seamless process that fully integrates both the local and regional transmission planning and is designed to satisfy the following principles, as defined in the FERC Final Rule in

Docket No. RM05-25-000: (1) coordination, (2) openness, (3) transparency, (4) information exchange, (5) comparability, (6) dispute resolution, (7) regional coordination, (8) economic planning studies, and (9) cost allocation for new projects. Descriptions of the FRCC Regional Transmission Planning Process are contained herein as they relate to Transmission Provider's Transmission Planning Process.

Section I. Coordination

1.1 Transmission Provider consults and interacts directly with its customers in providing transmission service and generator interconnection service as well as with its neighboring transmission providers, on a regular basis. A transmission customer may request and/or schedule a meeting with Transmission Provider to discuss any issue related to the provision of transmission service at any time. Transmission Provider consults and interacts with its customers any time during the study process that either the transmission customer or the Transmission Provider deem necessary and/or at various stages of the planning process (e.g., Scoping Meeting, Feasibility, System Impact and Facilities Studies). An open dialogue between the transmission customer and the Transmission Provider takes place regarding customer needs. This interaction and dialogue between the customer and Transmission Provider are further described under the Local Transmission Network Planning Process as set forth in Appendix 1 to this Attachment K. Topics such as load growth projections, planned generation

resource additions/deletions, new delivery points and possible transmission alternatives are discussed. This dialogue is intended to provide timely and meaningful input and participation of customers during the early stages of development of the transmission plan. Additionally, the transmission customer shall have an opportunity to comment at any time during the evaluation process and/or when study findings (Feasibility, System Impact and Facilities Studies) are communicated by the Transmission Provider to the customer. Transmission Provider communicates with its neighboring transmission providers on a regular basis, and Transmission Provider facilitates communication and consultation between its customers and its neighboring transmission service providers/owners, specifically, if during the transmission service study process, a neighboring system's facilities are identified as being affected. This coordination process continues in a seamless manner at the local as well as the regional level, leading to each Transmission Provider providing an initial transmission plan which, when consolidated, becomes the initial regional transmission plan. The initial transmission plan submitted to the FRCC by the Transmission Provider, which results from the Local Transmission Network Planning Process as set forth in Appendix 1 to this Attachment K, will be posted by the FRCC in accordance with FRCC Regional Transmission Planning Process (reference link to *Initial Plans* on the FRCC website). This initial transmission plan is reviewed by the FRCC as well as all interested transmission customers/users. The Transmission

Provider relies on the FRCC Committee process to finalize its initial transmission plan as submitted to the FRCC. In addition to transmission customers/users being provided timely and meaningful input and participation during the planning process with the Transmission Provider, the transmission customers/users are also given an additional opportunity to raise any issues, concerns or minority opinions that they believe have not been adequately addressed by any Transmission Providers' initial transmission plan submittal during the FRCC review process. This FRCC review process normally commences shortly after the submittal of the Ten Year Site Plans to the FPSC on April 1 of each year. Once issues raised by interested stakeholders are addressed, the Planning Committee approves the proposed regional transmission plan and presents it to the FRCC Board for approval. Upon approval by the Board, which is expected in December of each year, the FRCC sends the final regional transmission plan to the FPSC. Unresolved issues may be referred to the FRCC Dispute Resolution Process as described below.

1.2 The FRCC Regional Transmission Planning Process is intended to ensure the long-term reliability and economic needs of the bulk power system in the FRCC Region.² An objective of the FRCC Regional Transmission Planning

² Nothing in the FRCC Regional Transmission Planning Process is intended to limit or override rights or obligations of transmission providers, owners and/or transmission customers/users contained in any rate schedules, tariffs or binding regulatory orders issued by applicable federal, state or local agencies. In the event that a conflict arises between the FRCC process and the rights and obligations included in those rate schedules, tariffs or regulatory orders, and the conflict cannot be mutually resolved among the appropriate transmission providers, owners, or customers/users, any

Process is to ensure coordination of the transmission planning activities within the FRCC Region in order to provide for the development of a reliable and economically robust transmission network in the FRCC Region. The process is intended to develop a regional transmission plan to meet the existing and future requirements of all customers/users, providers, owners, and operators of the transmission system in a coordinated, open and transparent manner.

The FRCC obtains and posts transmission owners' 10-year expansion plans on the FRCC web site. All transmission providers/owners provide their long-term firm transmission service requests and generator interconnection service requests to the FRCC in a common format. The FRCC consolidates all requests for coordination purposes, and posts the consolidated requests available for viewing by all FRCC members.

1.2.1 This coordinated FRCC Regional Transmission Planning Process offers many opportunities for transmission providers to interact with customers and neighboring systems during the development of the transmission plan. The schedule of committee and working group meetings related to transmission planning is posted on the FRCC website [under](#) FRCC Calendar. FRCC meeting notices, meeting minutes and documents of FRCC Planning Committee and/or FRCC Board meetings in which transmission plans or related study results are exchanged,

affected party may seek a resolution from the appropriate regulatory agencies or judicial bodies having jurisdiction.

discussed or presented, are distributed by the FRCC. Detailed evaluation and analysis of the transmission providers/owners plans are conducted by the FRCC Transmission Working Group (“TWG”) and Stability Working Group (“SWG”) in concert with the FRCC Staff. The TWG and SWG are further described below.

1.3 A general scope of the Planning Committee and the respective working groups related to transmission planning is described below. The scope of these committees is subject to change in the future in order to address evolving needs. The members of the Planning Committee and the working groups related to transmission planning are posted on the FRCC website under FRCC Committees. Contact with the Planning Committee and transmission working groups can be made through FRCC staff or through the chair of the respective committee or working group.

1.3.1 The Planning Committee promotes the reliability of the Bulk Power System in the FRCC, and assesses and encourages generation and transmission adequacy. The Planning Committee reports to the Board of Directors. Rules and procedures governing the Planning Committee are posted on the FRCC website under Rules of Procedure for FRCC Standing Committees. Working Groups related to transmission planning reporting to the Planning Committee are described below.

1.3.2 The Transmission Working Group engages in active coordination of transmission planning within the FRCC Region under the direction of the FRCC Planning Committee, and performs the duties as required by the FRCC Regional Transmission Planning Process. Some of the responsibilities and objectives of the Transmission Working Group are: 1) Maintain, update and provide summer and winter database cases for the FRCC including the bulk power transmission and generation systems, projected loads and any facility additions for an eleven year period; 2) Put together the FERC Form 715 filing and EIA-411 for FRCC members, prepare State of Florida electrical maps, etc.

1.3.3 The Stability Working Group engages in the active coordination of transmission planning in the FRCC Region, assesses stability of the FRCC bulk electric system under various conditions, and provides support to the other FRCC working groups as needed. Some of the responsibilities and objectives of the Stability Working Group are: 1) Maintain and update a dynamic data base for the FRCC Region, this data base is coordinated with selected FRCC planning horizon power flow cases as required by NERC Multi-regional Modeling Working Group and other FRCC study needs; 2) Assess dynamic performance of the FRCC bulk power system in response to Category B, C and D contingencies

which includes special protection systems, under frequency load shedding programs, oscillatory stability, disturbances involving separation, etc.

Section 2 Openness

2.1 Transmission Provider provides notice and schedules meetings with its transmission customers as deemed necessary by the transmission customer and/or Transmission Provider. Transmission Provider schedules meetings with its customers to interact, exchange perspectives or share findings from studies. Transmission Provider communicates and interacts with its transmission service customers on a regular basis to discuss loads, generation/network resource additions/deletions, new facility additions and upgrades, demand resource information, customer's projections of future needs, and related subjects that have an impact on the provision of transmission service to a customer. Transmission Provider provides a status update to its customers on a regular basis or at any time, if requested by a customer. Additionally, Appendix 1 to this Attachment K describes the customer and Transmission Provider interaction in the flow diagram and outlines the steps of the Local Transmission Network Planning Process.

2.2 This openness principle is also incorporated in the FRCC Regional Transmission Planning Process by which the Transmission Provider participates in along with other parties in the committee and working processes at the FRCC as described below. The participants in the planning process at the FRCC are

the sector representative of the Planning Committee. A list of representatives may be found on the FRCC website under the FRCC Planning Committee Member List. The rules governing Planning Committee structure and processes as they relate to Organization Structure, Standing Committee Representation, Standing Committee Quorum and Voting, Duties of Officers and Representatives, General Procedures for Standing Committees, FRCC Representation on NERC Committees, Procedures of Minutes of Meetings and Conduct of the Meeting. Interested entities or persons may participate in the committees via participation within one of the identified sectors (Supplier Sector, Non-Investor Owned Utility Wholesale Sector, Load Serving Entity Sector (including municipals and cooperatives), Generating Load Serving Entity Sector, Investor Owned Utility Sector, and General Sector (this sector provides for any entity or individual's participation)). Moreover, at the FRCC regional level interested entities have an opportunity to raise any special requirements that they have and believe have not been addressed at the local level. For ease of reference, the FRCC quorum and voting provisions are shown in Appendix 2 of Attachment K.

2.2.1 The FRCC meeting dates are provided in the FRCC Calendar document on the FRCC website and the chairs, and member representatives for the various committees are posted on the FRCC website under the FRCC Committees. The meeting agenda for the Planning Committee is normally provided two weeks prior to the meeting

to the committee members.

FRCC meeting notices, meeting minutes and documents of FRCC Planning Committee and/or FRCC Board meetings in which transmission plans or related study results will be exchanged, discussed or presented, are distributed by the FRCC.

2.2.2 The FRCC developed the FERC Standards of Conduct Protocols for the FRCC document for the purpose of ensuring proper disclosure of transmission information in accordance with FERC requirements. The primary rule is that a transmission provider must treat all transmission customers, affiliated and non-affiliated on a non-discriminatory basis, and it cannot operate its transmission system to give a preference to any transmission customer or to share non-public transmission or customer information with any transmission customer. The rules also prevent transmission function employees from sharing with their merchant employees and certain affiliates non-public transmission information about the transmission provider's transmission system or any other transmission system, which is information that the affiliated merchant employee receiving the information could use to commercial advantage. Reference the FERC Standards of Conduct Protocols for the FRCC posted on the FRCC website.

2.3 Customer input is included in the early stages of the development of the

transmission plans, as well as during and after plan evaluation processes.

Detailed evaluation and analysis of the transmission providers/owners plans are conducted by the FRCC Transmission Working Group and Stability Working Groups under the direction of the Planning Committee. Such evaluation and analysis provides the basis for possible changes to the transmission providers/owners plans that could result in a more reliable and more robust transmission system for the FRCC Region. The FRCC Planning Committee meets on a regular basis, usually monthly, with two weeks' prior notice.

2.4 The FRCC conducts the FRCC planning process in an open manner in such a way that it ensures fair treatment for all customers/users, owners and operators of the transmission system. Stakeholders have access to and participate in the FRCC planning process. The committees and working groups described in this document are stakeholder groups. The Planning Committee consists of six stakeholder sectors: Suppliers, Non-Investor Owned Utility Wholesalers, Load Serving Entities, Generating Load Serving Entities, Investor Owned Utilities and General. The rules of procedure governing the Planning Committee in conducting the FRCC Regional Transmission Planning Process are posted under the Rules of Procedure for FRCC Standing Committees on the FRCC website. The FPSC is encouraged to and does participate in the FRCC Regional Transmission Planning Process.

2.5 The FRCC Regional Transmission Planning Process provides for the

overall protection of all confidential and proprietary information that is used to support the planning process. A customer/user may enter into a confidentiality agreement with the FRCC and/or applicable transmission provider/owner, as appropriate, to be eligible to receive transmission information that is restricted due to Critical Energy Infrastructure Information (“CEII”), security, business rules and standards and/or other limitations. The procedure for requesting this type of information is delineated at the FRCC website under the Request of CEII Data.

Section 3 Transparency

3.1 Transmission Provider plans its transmission system in accordance with the NERC and FRCC Planning Reliability Standards, along with Transmission Provider’s own design, planning and operating criteria which it utilizes for all customers on a comparable and non-discriminatory basis. These standards/criteria are also referred to in the Transmission Provider’s FERC Form 715. In addition, Transmission Provider makes available Facility Connection Requirements, Capacity Benefit Margin (“CBM”) Methodology and other pertinent information used in the transmission planning process and posts this information on the Transmission Provider’s OASIS website.

3.2 During the Transmission Provider’s local area planning process the Transmission Provider utilizes the FRCC databanks which contain information provided by the Transmission Provider and customers of projected loads as well as all planned and committed transmission and generation projects, including

upgrades, new facilities and changes to planned-in-service dates over the planning horizon, as the base case for Transmission Provider's studies.

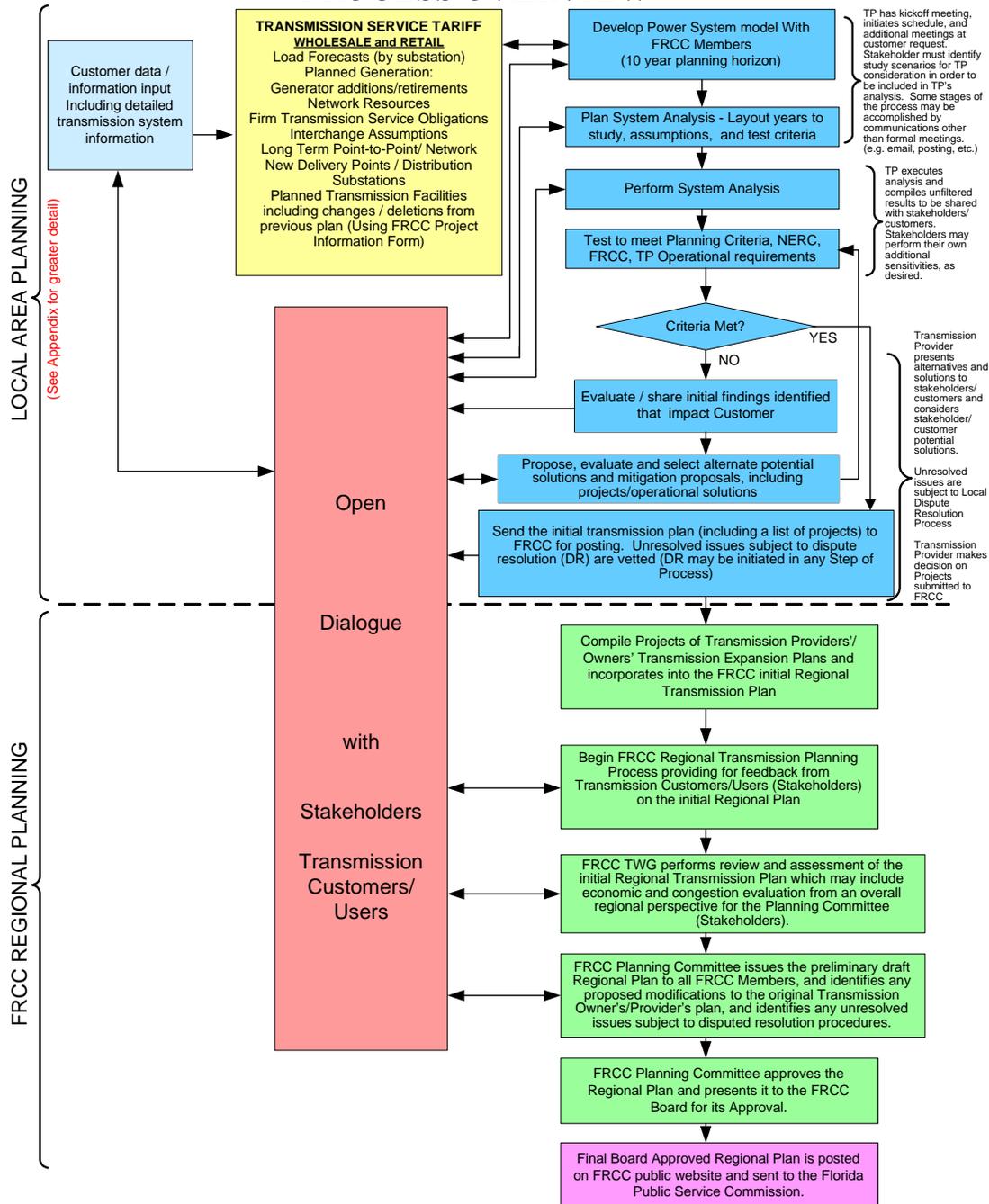
Transmission Provider makes available to a transmission service customer the underlying data, assumptions, criteria and underlying transmission plans utilized in the study process. Transmission Provider provides written descriptions of the basic methodology, criteria and processes used to develop plans. In order to get a better understanding, a transmission customer may inquire about the assumptions, data and/or underlying methods, criteria, etc. and the customer will be provided a response by the Transmission Provider's qualified technical representative. Dialogue during the study process is encouraged. The dialogue during the Transmission Providers local area planning process between the Transmission Provider and customers involves discussions of the initial findings that affect customers, potential alternatives including feasibility of mitigating any adverse findings and third party impacts. Discussion of initial findings in areas of the system that affect customers is intended to communicate and validate with the customer issues or concerns identified by the Transmission Provider or conversely, issues not specifically identified by the Transmission Provider that may be of concern to the customers. As part of the process of identifying potential alternatives to mitigate any adverse issue or concern, the dialogue with the customer should facilitate the identification of the most effective solution.

This dialogue during the different stages of the planning process provides for

meaningful input and participation of transmission customers in the development of the transmission plan. The goal of this interaction between the Transmission Provider and customers is to develop a transmission expansion plan that meets the needs of the Transmission Provider and customer in a reliable cost effective manner. This planning process between the Transmission Provider and customers is described in the process flow diagram below and in the more detailed description of the Local Transmission Network Planning Process as set forth in Appendix 1 to this Attachment K.

3.3 An overview of the Transmission Provider's local area planning process and how it relates to the FRCC Regional Transmission Planning Process is shown in the flow chart below:

TRANSMISSION PROVIDER's (TP) LOCAL / REGIONAL COORDINATED TRANSMISSION NETWORK PLANNING PROCESS OVERVIEW



Issued: October 31, 2008

Effective Date: January 1, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, et al., issued July 9, 2008, 124 FERC ¶ 61,026.

3.4 Once the results of the Transmission Provider's local area planning process are reflected in the FRCC Regional Transmission Planning Process, the FRCC seeks input and feedback from transmission customers/users for any issues or concerns that are identified and independently assesses the initial Regional Plan from a FRCC regional perspective. A dialogue among the FRCC, transmission customers/users, and transmission owners/providers occurs to address any issues identified during this process. When the FRCC Regional Transmission Plan has been approved by the FRCC Planning Committee, it is sent to the FRCC Board for approval. After the FRCC Board approves the FRCC Regional Transmission Plan, it is posted on the FRCC website and sent to the FPSC. Additionally, the FRCC compiles all of the individual transmission providers/owners FERC Form 715's within the FRCC region, including Transmission Provider's, and files all FERC Form 715's for its members with the FERC on an annual basis.

3.5 Studies conducted pursuant to the FRCC Regional Transmission Planning Process utilize the applicable reliability standards and criteria of the FRCC and NERC that apply to the Bulk Power System as defined by NERC. Such studies also utilize the specific design, operating and planning criteria used by FRCC transmission providers/owners. The transmission planning criteria are available to all customers and stakeholders. Transmission planning assumptions,

transmission projects/upgrades and project descriptions, scheduled in-service dates for transmission projects and the project status of upgrades will be available to all customers through the FRCC periodic project update process.

The FRCC updates and distributes transmission projects/upgrades project descriptions, schedule in-service dates, and project status on a regular basis, no less than quarterly. The FRCC also updates and distributes on a periodic basis the load flow data base. The FRCC publishes the individual transmission providers' system impact study schedules so that other potentially impacted transmission owners can assess whether they are affected and elect to participate in the study analysis. The FRCC planning studies are also distributed by the FRCC and updated as needed.

3.6 The FRCC also produces the following annual reports which are submitted to the FPSC:

- The *Regional Load and Resource Plan* contains aggregate data on demand and energy, capacity and reserves, and proposed new generating unit and transmission line additions for Peninsular Florida as well as statewide.
- The *Reliability Assessment* is an aggregate study of generating unit availability, forced outage rates, load forecast methodologies, and gas pipeline availability.
- The *Long Range Transmission Reliability Study* is an assessment of the adequacy of Peninsular Florida's bulk power and transmission system. The study includes both short-term (1-5 years) detailed analysis and long-term (6-10 years) evaluation of developing trends that would require transmission additions or other corrective action. Updates on regional areas of interest and/or constraints (e.g., Central Florida) are also addressed.

Section 4 Information Exchange

4.1 Transmission Provider participates in information exchange on a regular and ongoing basis with the FRCC, neighboring utilities, and customers.

Transmission customers are required to submit data for the planning process described in this Attachment K to the Transmission Provider in order for the Transmission Provider to plan for the needs of network and point-to-point customers. This data/information shall be provided by the transmission customer by no later than January 1 of each year. Such data/information includes load growth projections, planned generation resource additions/upgrades (including network resources), any demand response resources, new delivery points, new or continuation of long-term firm point-to-point transactions with specific receipt (i.e., source or electrical location of generation resources) and delivery points, (i.e., the electrical location of load or sink where the power will be delivered to), and planned transmission facilities. This data/information shall be provided over the 10 year planning horizon to the extent such information is known.

Additionally, the transmission customer shall provide timely written notice of any material changes to this data/information as soon as practicable due to the possible effect on the transmission plan or the ability of the Transmission Provider to provide service.

4.2 The Transmission Provider utilizes the information provided in modeling and assessing the performance of its system in order to develop a transmission

plan that meets the needs of all customers of the transmission system. The Transmission Provider exchanges information with a transmission customer to provide an opportunity for the transmission customer to evaluate the initial study findings or to propose potential alternative transmission solutions for consideration by the Transmission Provider. If the Transmission Provider and transmission customer agree that the transmission customer's recommended solution is the best over-all transmission solution then such solution will be incorporated in the Transmission Provider's plan. Through this information exchange process the transmission customer has an integral role in the development of the transmission plan. This process is described in greater detail in Appendix 1 to this Attachment K. Consistent with the Transmission Provider's obligation under federal and state law, and under NERC and FRCC reliability standards, the Transmission Provider is ultimately responsible for the transmission plan.

4.3 The FRCC TWG sets the schedule for data submittal and frequency of information exchange which starts at the beginning of each calendar year. Updates and revisions are discussed at the FRCC Planning Committee meetings by the members. This process requires extensive coordination and information exchange over a period of several months as the FRCC develops electric power system load-flow databank models for the FRCC Region. The models include data for every utility in peninsular Florida and are developed and maintained by

the FRCC. The TWG is responsible for developing and maintaining power flow base cases. The FRCC power flow base case models contain the data used by the FRCC and transmission providers for intra- and inter-regional assessment studies, and other system studies. The models created also are the basis for the FRCC submittal to the NERC Multi-regional Modeling Working Group (“MMWG”). TWG members support the data collection requirements and guidelines related to the accurate modeling of generation, transmission and load in the power flow cases. The data collected includes:

For power flow models:

- Bus data; (name, base voltage, type, area assignment, zone assignment, owner)
- Load data; (bus, MW, MVAR, area assignment, zone assignment, owner)
- Generator data; (bus, machine number, MW, MVAR, status, PMAX, PMIN, QMAX, QMIN, MVA base, voltage set-point, regulating bus)
- Branch data; (from bus, to bus, circuit number, impedances, ratings, status, length, owner)
- Transformer data; (from bus, to bus, to bus, circuit number, status, winding impedances, ratings, taps, voltage control bus, voltage limits, owner)
- Area interchange data; (area, slack bus, desired interchange, tolerance)
- Switched shunt data
- Facts device data

For dynamic stability models (in addition to power flow model data):

- Generator models; (turbine, generator, governor, exciter, power system stabilizers)
- Relay models; (distance, out of step, underfrequency)
- Special protection scheme models

For short circuit models (in addition to power flow model data):

- Zero and negative sequence impedances;

The databank models are compiled and incorporate load projections by substations, firm transmission services, and transmission expansion projects over the 10 year planning horizon. Transmission Provider utilizes the FRCC databanks which contain projected loads as well as all planned and committed transmission and generation projects, including upgrades, new facilities and changes to planned in-service dates over the planning horizon, as the base case for Transmission Provider's studies. These databanks are maintained by the FRCC Transmission Working Group and are updated on a periodic basis to ensure that the assumptions are current. Transmission Provider makes available to a transmission service customer the underlying data, assumptions, criteria and transmission plans utilized in the study process. If information is deemed confidential, Transmission Provider requires the customer to enter into a confidentiality agreement prior to providing the confidential information.

4.4 The FRCC maintains databanks of all FRCC members' projected loads and planned and committed transmission and generation projects, including upgrades, new facilities, and changes to planned in-service dates. These databanks are updated on a periodic basis. The FRCC maintains and updates the load flow, short circuit, and stability models. All of this above information is distributed by the FRCC, along with the FRCC transmission planning studies, subject to possible redaction of user sensitive or critical infrastructure information consistent with market and business rules and standards.

Section 5 Comparability

5.1 This comparability principle is applied in all aspects of the transmission planning process including each of the respective principles in this Attachment K. Transmission Provider incorporates into its transmission plans on a comparable basis all firm transmission obligations, both retail and wholesale. The retail obligations consist of load growth, interconnection and integration of new network resources, firm power purchases and new distribution substations. Transmission Provider wholesale obligations are existing firm wholesale power sales, existing long-term firm transmission service including firm point-to-point and network (interconnection and integration of network resources), projected network load, generator interconnections, and new delivery points.

5.2 Transmission Provider plans for forecasted load, generation additions/upgrades which include network resources and new distribution substations associated with retail service obligations. A network transmission customer provides corresponding data as part of the provision of service, such as load forecast data, generation additions/upgrades including network resource forecast, new delivery points, and other information needed by the Transmission Provider to plan for the needs of the customer. Both Transmission Provider and the transmission customers reflect their demand resources within the information that is input within this planning process. The data required for planning the transmission system for both retail and wholesale customers is comparable.

Transmission customers/users (retail and wholesale) accurately reflect their demand response resources appropriately in their load forecast projections. To the extent a customer/stakeholder has a demand response resource or a generation resource that is not incorporated into its submitted plans and such customer/stakeholder desires the Transmission Provider to specifically consider on a comparable basis such demand response resource or generation resource as an alternative to transmission expansion, or in conjunction with the Transmission Provider's transmission expansion plan, such customer/stakeholder sponsoring such demand response resource or generation resource shall provide the necessary information (cost, performance, lead time to install, etc.) in order for the Transmission Provider to consider such demand response resource or generation resource alternatives comparably with other alternatives. Any customer/stakeholder sponsoring a demand response resource or generation alternative should participate in the planning process. The Transmission Provider shall treat customer/stakeholder resources and its own resources on a comparable basis for transmission planning purposes. This comparability principle is also further described under the Local Transmission Planning Process as set forth in Appendix 1 to this Attachment K. The data/information is also provided to the FRCC for their use in databank development and analysis under the FRCC Regional Transmission Planning Process. These data requirements are generally communicated by OASIS,

email, letter or combination thereof.

5.3 Transmission providers/owners submit to the FRCC their latest 10-year expansion plans for their transmission systems, which incorporate the transmission expansion needed to meet the transmission customer requirements, including a list of transmission projects that provides for all of the firm obligations based on the best available information. The FRCC compiles and distributes a list of projects distributed from the transmission providers/owners and updates the project status to keep the list current. FRCC compiles and distributes the transmission providers/owners' 10-year expansion plans. All transmission users and other affected parties are asked to submit to the FRCC any issues or special needs that they believe are not adequately addressed in the expansion plans.

Section 6 Dispute Resolution

6.1 If a dispute arises between a transmission customer and the Transmission Provider under the local transmission planning process set forth in Appendix 1 to this Attachment K or involving Transmission Service under the Tariff, the senior representatives of the Transmission Provider and the customer shall attempt to resolve the dispute and may mutually agree to utilize a mediation service for that purpose. However, if such dispute is not resolved, then the Dispute Resolution Procedures set forth in Article 11 of the Tariff shall govern.

If a dispute arises among or between Transmission Provider and another

transmission owner(s) involving a cost allocation issue regarding the Cost Allocation Methodology and Principles, then the dispute resolution process set forth below under the cost allocation principle of this Attachment K shall govern. If a dispute arises among or between Transmission Provider and another transmission provider/owner(s), regarding the FRCC Regional Transmission Planning Process, then the dispute resolution procedures that are contained in the FRCC Regional Transmission Planning Process as set forth below in this Attachment K shall govern.

6.2 The FRCC Regional Transmission Planning Process has two alternative dispute resolution processes. Any party raising an unresolved issue may request the Mediator Dispute Resolution Process, which involves a mediator being selected jointly by the disputing parties. If the Mediator Dispute Resolution Process is completed, and the issue is still unresolved, by mutual agreement between the parties, the Independent Evaluator Dispute Resolution Process may be utilized. The Independent Evaluator is selected by the FRCC Board of Directors. If the issue is unresolved by either of the dispute resolution processes, the transmission owners, affected parties, or the FRCC may request that the FPSC address such unresolved dispute. Notwithstanding the foregoing, any unresolved issue(s) may be submitted to any regulatory or judicial body having jurisdiction.

Described below are the two alternative dispute resolution processes:

6.2.1 Alternative 1 - Mediator Dispute Resolution Process (Non-Binding)

The Mediator Process shall be completed within 60 days of commencement.

A mediator shall be selected jointly by the disputing parties. The mediator shall: (1) be knowledgeable in the subject matter of the dispute, and (2) have no official, financial, or personal conflict of interest with respect to the issues in controversy, unless the interest is fully disclosed in writing to all participants and all participants waive in writing any objection to the interest.

The disputing parties shall attempt in good faith to resolve the dispute in accordance with the procedures and timetable established by the mediator. In furtherance of the mediation efforts, the mediator may:

- Require the parties to meet for face-to-face discussions, with or without the mediator;
- Act as an intermediary between the disputing parties;
- Require the disputing parties to submit written statements of issues and positions; and
- If requested by the disputing parties, provide a written recommendation on resolution of the dispute.

If a resolution of the dispute is not reached by the 30th day after the appointment of the mediator or such later date as may be agreed to by the parties, the mediator shall promptly provide the disputing parties with a written, confidential, non-binding recommendation on resolution of the

dispute, including the mediator's assessment of the merits of the principal positions being advanced by each of the disputing parties. At a time and place specified by the mediator after delivery of the foregoing recommendation, but no later than 15 days after issuance of the mediator's recommendation, the disputing parties shall meet in a good faith attempt to resolve the dispute in light of the mediator's recommendation. Each disputing party shall be represented at the meeting by a person with authority to settle the dispute, along with such other persons as each disputing party shall deem appropriate. If the disputing parties are unable to resolve the dispute at or in connection with this meeting, then: (1) any disputing party may commence such arbitral, judicial, regulatory or other proceedings as may be appropriate; and (2) the recommendation of the mediator shall have no further force or effect, and shall not be admissible for any purpose, in any subsequent arbitral, administrative, judicial, or other proceeding.

The costs of the time, expenses, and other charges of the mediator and of the mediation process shall be borne by the parties to the dispute, with each side in a mediated matter bearing one-half of such costs. Each party shall bear its own costs and attorney's fees incurred in connection with any mediation.

6.2.2 Alternative 2 - Independent Evaluator Dispute Resolution

Process (Non-Binding)

The Independent Evaluator Dispute Resolution Process shall be completed within 90 days.

An assessment of the unresolved issue(s) shall be performed by an Independent Evaluator that will be selected by the FRCC Board. The Independent Evaluator shall evaluate the disputed issue(s) utilizing the same criteria that the Planning Committee is held to, that is, “the applicable reliability criteria of FRCC and NERC, and the individual transmission owner’s/provider’s specific design, operating and planning criteria.”

The Independent Evaluator shall be a recognized independent expert with substantial experience in the field of transmission planning with no past business relationship to any of the affected parties within the past two years from the date the Dispute Resolution Process is started.

The Board shall retain an Independent Evaluator within 15 days of the request to utilize the Independent Evaluator Dispute Resolution Process.

The Independent Evaluator shall prepare a report of its findings, with recommendations on the unresolved issue(s), to the Board and the Planning Committee within 45 days from the date the Board selected the Independent Evaluator. The Independent Evaluator’s findings and recommendations shall not be binding. The Board, with the assistance of

the Planning Committee and the Independent Evaluator's report, shall attempt to resolve the unresolved issue(s) within 30 days from receipt of the Independent Evaluator's report. If the Board fails to resolve the issue(s) to the satisfaction of all parties, any disputing party may commence such arbitral, judicial, regulatory or other proceedings as may be appropriate.

The costs of the Independent Evaluator shall be borne by the parties to the dispute with each party bearing an equal share of such costs. The FRCC shall be one of the parties. Each party shall bear its own costs and attorney fees incurred in connection with the dispute resolution.

Section 7 Regional Participation

7.1 The FRCC Regional Transmission Planning Process begins with the consolidation of the long term transmission plans of all of the transmission providers/owners in the FRCC Region. Such transmission plans incorporate the integration of new firm resources as well as other firm commitments. Any generating or transmission entity not required to submit a 10 year plan to the FPSC submits its 10 year expansion plan to the FRCC, together with any issues or special needs they believe are not adequately addressed by the transmission providers/owners' 10 year plans. The FRCC process requires that the FRCC Planning Committee address any issue or area of concern not previously or adequately addressed with emphasis on constructing a more robust regional

transmission system.

7.2 Each transmission provider/owner furnishes the FRCC with a study schedule for each system impact study so that other potentially affected transmission providers/owners can independently assess whether they may be affected by the request, and elect to participate in or monitor the study process. If a transmission provider/owner believes that it may be affected, it may participate in the study process.

7.3 FRCC has a reliability coordination arrangement with Southern Company Services, Inc. ("Southern"), which is located in the Southeastern Subregion of SERC Reliability Corporation ("SERC"). The purpose of the reliability coordination arrangement is to safeguard and augment reliability of an inter-regional basis for Southern and the FRCC bulk power supply systems. This arrangement provides for exchanges of information and system data between Southern and the FRCC for the coordination of planning and operations in the interest of reliability. The arrangement also provides the mechanism for inter-regional joint studies and recommendations designed to improve the reliability of the interconnected bulk power system. The arrangement contributes to the safeguarding and augmenting of reliability through: (1) coordination of generation and transmission system planning, construction, operating, and protection to maintain maximum reliability; (2) coordination of interconnection lines and facilities for full implementation of mutual assistance in emergencies;

(3) initiation of joint studies and investigations pertaining to the reliability of bulk power supply facilities; (4) coordination of maintenance schedules of generating units and transmission lines; (5) determination of requirements for necessary communication between the parties; (6) coordination of load relief measures and restoration procedures; (7) coordination of spinning reserve requirements; (8) coordination of voltage levels and reactive power supply; (9) other matters relating to the reliability of bulk power supply required to meet customer service requirements; and (10) exchange of necessary information, such as magnitude and characteristics of actual and forecasted loads, capability of generating facilities, programs of capacity additions, capability of bulk power interchange facilities, plant and system emergencies, unit outages, and line outages.

7.4 Southern, PowerSouth Energy Cooperative (formally known as Alabama Electric Cooperative), Dalton Utilities, Georgia Transmission, MEAG Power, and South Mississippi Electric Power Association also sponsor the Southeastern Regional Transmission Planning (“SERTP”) forum. These SERTP sponsors are located within the Southeastern Subregion of SERC. The FRCC and the SERTP have established their respective links to transmission providers and FRCC/SERTP websites as applicable that contain study methodologies, joint transmission studies, inter-regional transmission service and generator interconnection service related studies, and the FRCC/SERTP process for requesting inter-regional economic studies. The FRCC website link that contains

this type of information can be found under the *Florida-SERC Inter-Regional Transmission Information* folder. In this folder please refer to a document entitled *FRCC Inter-regional Coordination Process* that describes how information, modeling data and expansion plans are shared. The SERTP website link is <http://www.southeasternrtp.com>. Transmission providers within the FRCC and SERTP coordinate with each other as necessary in the performance of economic studies. The FRCC SE Region Economic Study Request document posted under the Florida-SERC Inter-Regional Transmission Information folder on the FRCC website describes the process and procedures for requesting inter-regional economic studies. FERC and SERTP transmission providers plan to attend transmission planning forums when study findings are presented to stakeholders that impact their respective transmission systems.

7.5 The FRCC is a member of the Eastern Interconnection Reliability Assessment Group (“ERAG”) which includes other Eastern Interconnection reliability regional entities, the Midwest Reliability Organization, the Northeast Power Coordinating Council, Inc., Reliability First Corporation, SERC Reliability Corporation, and Southwest Power Pool. The purpose of ERAG is to ensure reliability of the interconnected system and the adequacy of infrastructure in their respective regions for the benefit of all end-users of electricity and all entities engaged in providing electric services in the region.

Section 8 Economic Planning Studies

8.1 In the performance of an economic sensitivity study that is identified as part of the FRCC Regional Transmission Planning Process, Transmission Provider plans to participate in such study utilizing the procedures that are contained in the FRCC Regional Transmission Planning Process. If Transmission Provider receives a specific request to perform economic studies for a transmission customer, Transmission Provider plans to utilize the OASIS for such requests. To the extent an economic study would involve other transmission providers/owners, Transmission Provider will coordinate with these providers/owners in performing the study. Stakeholders will collectively be allowed to request the performance of up to five (5) economic planning studies annually, at no charge to the individual requesting customer(s). The cost of the sixth and subsequent economic planning studies requested in a calendar year shall be assessed to the individual customer(s) requesting such studies. If there are similar interests for certain economic studies, stakeholders can coordinate with each other and the Transmission Provider during the transmission planning process to collectively select the five no-charge economic studies. If more than five economic planning studies are requested and the stakeholders are unable to agree on the selection of the five no-charge economic planning studies, then the Transmission Provider will select the five no-charge economic planning studies by selecting one study per stakeholder based on the time the economic planning

study was submitted on OASIS (up to a maximum of five stakeholders) and continuing this iterative process until the five no-cost economic planning studies have been selected. In the event the Transmission Provider receives more than one request for an economic planning study which the Transmission Provider determines: (i) will have overlapping time periods of study; (ii) may involve the same facilities; and (iii) can be reasonably performed on a clustered basis, then the Transmission Provider will, either at the request of transmission customer(s) requesting the studies or if the Transmission Provider deems it to be appropriate, offer to cluster two or more qualifying study requests which meet the aforementioned criteria for an economic planning study. Transmission customers agreeing to the clustering must also agree: (i) to remain in the cluster throughout the performance of the study; and (ii) to share equally in the cost of the study, to the extent that there are such costs (i.e., for economic planning study requests beyond the first five in any calendar year). The Transmission Provider will consider an economic planning cluster study under this section as a single study in the context of the number of studies done at no cost each year.

8.2 The FRCC Regional Transmission Planning Process includes both economic and congestion studies. One of the sensitivities may include evaluating the FRCC Region with various generation dispatches that test or stress the transmission system, including economic dispatch from all generation (firm and non-firm) in the region. Other sensitivities may include specific areas

where a combination/cluster of generation and load serving capability involving various transmission providers/owners in the FRCC experiences or may experience significant and recurring transmission congestion on their transmission facilities. Members of the FRCC Planning Committee may also request specific economic analyses that would examine potential generation resource options, or other types of regional economic studies, and to the extent information is available, may request a study of the cost of congestion. The FRCC Planning Committee may consider clustering studies as appropriate. Economic analyses should reflect the upgrades to integrate necessary new generation resources and/or loads on an aggregate or regional (cluster) basis.

Section 9 Cost Allocation

Subsections 9.1 through 9.3 refers to third party impacts resulting from the FRCC Regional Planning Process; 9.4 refers to economic transmission improvements. The Cost Allocation provisions contained in the Section relate to cost allocation procedures for specific circumstances as described herein. All other transmission cost allocation not specifically described below is provided in accordance with OATT provisions for generation interconnection, network and point-to-point service.

9.1 If a transmission expansion is identified as needed under the FRCC Regional Transmission Planning Process and such transmission expansion results in a material adverse system impact upon a third party transmission owner, the third party transmission owner may choose to utilize the FRCC

Principles for Sharing of Certain Transmission Expansion Costs as outlined below in this Attachment K. The FPSC is involved in this process and provides oversight, guidance and may exercise its statutory authority as appropriate. A more detailed description of the FRCC Principles for Sharing of Certain Transmission Expansion Costs can be found on the FRCC website.

9.2 The FRCC Principles for Sharing of Certain Transmission Expansion Costs: (i) sets forth certain principles regarding the provision of financial funding to Transmission Owners³ that undertake remedial upgrades to, or expansions of, their systems resulting from upgrades, expansions, or provisions of services on the systems of *other* Transmission Owners, and (ii) procedures for attempting to resolve disputes among Transmission Owners and other parties regarding the application of such principles. These principles shall not apply to transmission upgrades or expansions if, and to the extent that, the costs thereof are subject to recovery by a Transmission Owner pursuant to FERC Order 2003 or Order 2006.

9.3 Principles

9.3.1 Each Transmission Owner in the FRCC Region shall be responsible for upgrading or expanding its transmission system in accordance with the FRCC Regional Transmission Planning Process consistent with applicable NERC and FRCC Reliability Standards and shall participate, directly or indirectly (as the member of a participating

³ For this purpose, "Transmission Owner" means an electric utility owning transmission facilities in the FRCC Region.

Transmission Owner, e.g., Seminole Electric Cooperative, Inc. and Florida Municipal Power Agency), in the FRCC Regional Transmission Planning Process in planning all upgrades and expansions to its system.

9.3.2 If, and to the extent that, the need for a 230 kV or above upgrade to, or expansion of, the transmission system of one Transmission Owner (the “Affected Transmission Owner”) is reasonably expected to result from, upgrade(s) or expansion(s) to, or new provisions of service on, the system(s) of another Transmission Owner or Transmission Owners (hereinafter “Precipitating Events”), and if such need is reasonably expected to arise within the FRCC planning horizon, the Affected Transmission Owner shall be entitled to receive Financial Assistance (as defined herein) from each other such Transmission Owner and other parties, to the extent consistent with the other provisions hereof.

Such upgrade or expansion to the Affected Transmission Owner’s system shall hereinafter be referred to as the “Remedial Upgrade.” Upgrade(s), expansion(s), or provisions of service on another Transmission Owner’s system that may result in the need for a Remedial Upgrade on the Affected Transmission Owner’s system for which Financial Assistance is to be provided hereunder include the following Precipitating Events:

- A new generating unit(s) to serve incremental load

- A new or increased long-term sale(s)/purchase(s) to or by others (different uses)
- A new or modified long-term designation of Network Resource(s)
- A new or increased long-term, firm reservation for point-to-point transmission service

Specific non-Precipitating Events are as follows: 1) Transmission requests that have already been confirmed prior to adoption of these principles; 2) Qualifying rollover agreements that are subsequently rolled over; 3) Redirected transmission service for sources to the extent the redirected service does not meet the Threshold Criteria described in paragraph 9.3.5.1. Existing flows would not be considered “incremental.”; and 4) Repowered generation if the MW output of the facility is not increased, regardless of whether the repowered unit is used more/less hours of the year.

9.3.3 Except to the extent that an Affected Transmission Owner is entitled to Financial Assistance from other parties as provided herein, each Transmission Owner shall be responsible for all costs of upgrades to, and expansions of, its transmission system; provided, however, that nothing herein is intended to affect the right of any Transmission Owner or another party from obtaining remuneration from other parties to the extent allowed by contract or otherwise pursuant to applicable law or regulation

(including, for example, through rates to a Transmission Owner's customers).

9.3.4 Each Transmission Owner shall be solely responsible for the execution, or acquisition, of all engineering, permitting, rights-of-way, materials, and equipment, and for the construction of facilities comprising upgrades or expansions, including Remedial Upgrades, of its transmission system; provided, however, that nothing herein is intended to preclude a Transmission Owner from seeking to require another party to undertake some or all of such responsibilities to the extent allowed by contract or otherwise pursuant to applicable law.

9.3.5 Threshold Criteria: The following criteria ("Threshold Criteria") must be satisfied in order for an Affected Transmission Owner to be entitled to receive Financial Assistance from another party or parties in connection with a Remedial Upgrade:

9.3.5.1 A change in power flow of at least a 5% or 25 MW, whichever is greater, on the Affected Transmission Owner's facilities which results in a NERC or FRCC Reliability Standards violation;

9.3.5.2 The Transmission Expansion must be 230 kV or higher voltage; and

9.3.5.3 The costs associated with the Transmission Expansion must exceed \$3.5 million.

9.3.6 In order for a Transmission Owner to be entitled to receive Financial Assistance from another party or parties hereunder in connection with a particular Remedial Upgrade, that Transmission Owner must: (i) participate, directly or indirectly, in the FRCC Regional Transmission Planning Process, and (ii) identify itself as an Affected Transmission Owner and identify the subject Remedial Upgrade in a timely manner once it learns of the need for that Remedial Upgrade.

9.3.7 The following principles govern the nature and amount of Financial Assistance that an Affected Transmission Owner is entitled to receive from one or more other parties with respect to a Remedial Upgrade:

9.3.7.1 A recognition of the reasonably determined benefits that result from the Remedial Upgrades due to the elimination or deferral of otherwise planned transmission upgrades or expansions.

9.3.7.2 Remedial Upgrade costs, net of recognized benefits, shall be allocated fifty-fifty, respectively, based on:

- The sources or cluster of sources which are causing the need for the transmission expansion; and
- The load in the area or zone associated with the need for the Transmission Expansion. (For these purposes, network customer loads embedded within a transmission provider's service area in the Transmission Zone would not be separately allocated any costs as such loads would be paying their load ratio share of the affected transmission provider's costs.)

9.3.7.3 Initially, there are six zones in the FRCC region. A request by a party to modify one or more zones should be substantiated on its merits (e.g., technical analysis, area of limited transmission capability). Below are principles that will guide how the boundaries of zones are determined:

- Electrically, a substantial amount of the generation within a zone is used to serve load also within that zone.
- Transmission facilities in a zone are substantially electrically independent of other zones.
- Zones represent electrical demarcation areas in the FRCC transmission grid that can be supported from a technical perspective.

9.3.7.4 The Financial Assistance provided to an Affected Transmission Owner related to one or more transmission service requests keyed to new

sources of power is subject to repayment without interest over a ten year period through credits for transmission service charges by the funding party and at the end of ten years through payment of any outstanding balance.

9.3.8 Implementation and Dispute Resolution Process:

9.3.8.1 As soon as practical after a Transmission Owner shall have identified itself as an Affected Transmission Owner because of the need for a Remedial Upgrade, that Transmission Owner and parties whose actions shall have contributed, or are reasonably expected to contribute, to the need for that Remedial Upgrade which may be responsible for providing Financial Assistance in connection therewith in accordance herewith shall enter into good faith negotiations to: (i) confirm the need and cause for the Remedial Upgrade and their respective responsibilities for providing Financial Assistance to the Affected Transmission Owner, and (ii) establish a fair and reasonable schedule and means by which such Financial Assistance is to be provided to the Affected Transmission Owner.

9.3.8.2 In the event the parties identified in the foregoing paragraph are unable to reach agreement on the determination and or assignment of cost responsibility within a sixty (60) day period,

the dispute shall be referred to the parties' designated senior representatives, who have been previously identified, for resolution as promptly as practicable and written notice shall be provided to the Florida Public Service Commission.

9.3.8.3 In the event the senior designated representatives are unable to resolve the dispute within sixty (60) days by mutual agreement, such dispute may be submitted to any bodies having jurisdiction over the matter.

9.3.8.4 Nothing in this document is intended to abrogate or mitigate any rights a party may have before any regulatory or other body having jurisdiction.

9.3.8.5 During those circumstances in which this Section 9.3.8 pertaining to Dispute Resolution Process is being utilized due to parties being unable to reach agreement on the determination or assignment of cost responsibility associated with a Remedial Upgrade(s), the parties shall continue in parallel with the Dispute Resolution Process with the engineering, permitting and siting associated with the Remedial Upgrade(s). The fact that a matter is subject to Dispute Resolution hereunder shall not be a basis for any party being relieved of its obligations under this document.

9.4 Costs of economic transmission facility improvements that are specifically related to economic projects that were evaluated in the economic planning study process (versus transmission facility improvements undertaken, for example, pursuant to a transmission service request or to resolve reliability issues) will be subject to the following cost allocation methodology. The costs of the economic transmission projects will be allocated proportionally to the project participant(s) (based on the MW requested by a participant(s)) which elect to proceed with the installation of such transmission improvements. The project participant(s) which commit to the transmission improvements will receive firm transmission service. The project participant(s) which take firm transmission service will be entitled to a monthly credit against its transmission service bill. If after twenty years of taking transmission service the project participant(s) has not fully offset the initial investment with transmission service credits, such participant(s) shall receive the balance of the outstanding credits for the initial transmission investment. The Transmission Provider may seek approval from appropriate state and federal regulatory bodies to incorporate, at the appropriate times, the credits that are provided to the project participant(s) in taking transmission service into retail and wholesale rates respectively.

Section 10 Recovery of Planning Costs

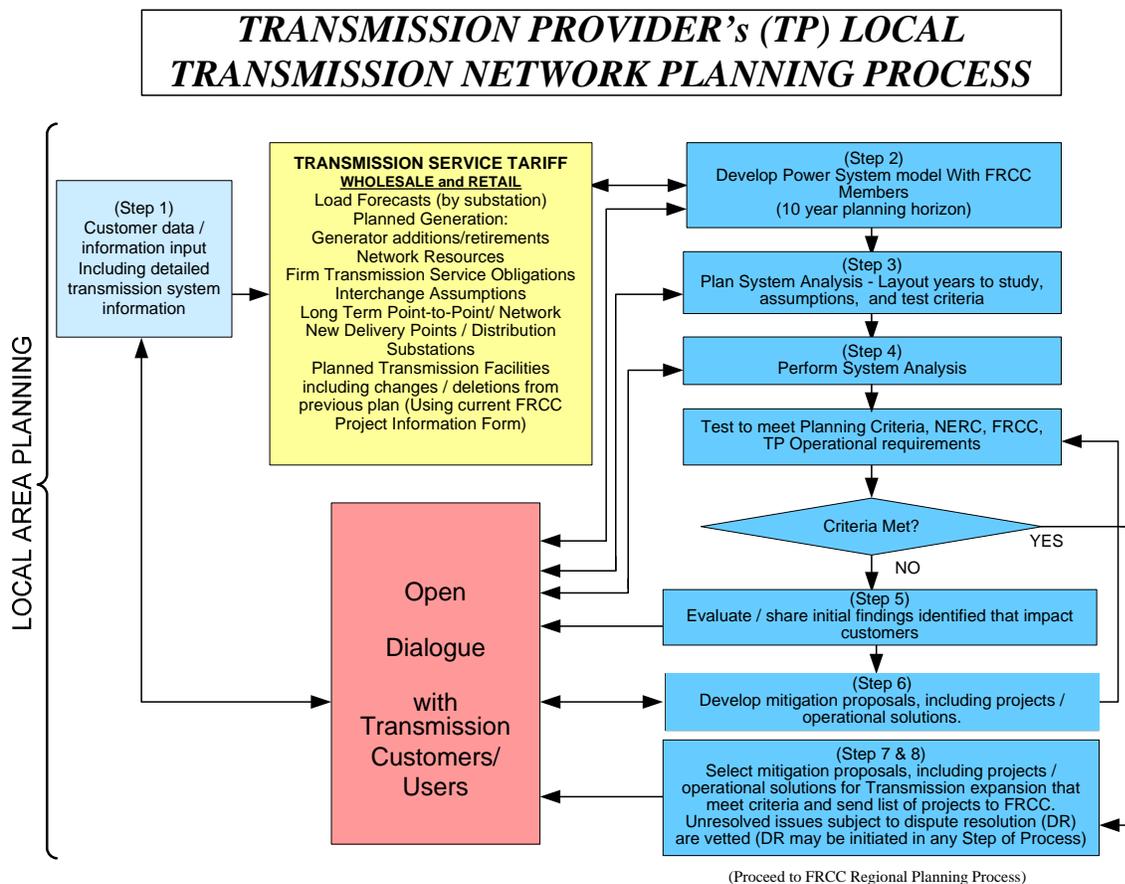
10.1 Planning study costs incurred by the Transmission Provider in the performance of studies requested by a customer/stakeholder associated with

transmission service or generator interconnection service are separately addressed in this tariff under provisions that require the customer/stakeholder to pay the cost of such studies. Planning study costs incurred by the Transmission Provider in the performance of the first five economic planning studies will be absorbed by the Transmission Provider in its normal course of business of performing its obligations under this Attachment K. The cost of the sixth and additional economic planning studies in a calendar year will be assessed to the requesting entity as set forth in Section 8.1. Other general transmission planning costs not associated with the above studies are routine cost-of-service items that would be reflected in both wholesale and retail transmission rates as appropriate.

Appendix 1 to Attachment K

Local Transmission Network Planning Process – Process Description

The Local Transmission Network Planning Process (“Local Process”) is performed annually with the Transmission Provider’s plan being finalized on or about April 1st of each calendar year. The times shown (in months) for each of the steps contained in the Local Process are target dates that recognize some potential overlapping of the various activities. The Transmission Provider may develop a different timeline where warranted with the concurrence of the Transmission Provider’s Customers/Stakeholders. The timelines and dates in this Appendix 1 to Attachment K are to be used as guidelines subject to modification (modified or expedited) as warranted. It is also recognized and understood that under the Transmission Provider’s OATT, there are certain FERC mandated timelines that are applied to Transmission Service Requests (“TSRs”) and Generator Interconnection Service Requests (“GISRs”) that may conflict and be of higher priority than the Local Process. Therefore, Transmission Provider’s receipt of TSRs and/or GISRs may require the modification, from time to time, of the timelines described below.



Issued: October 31, 2008

Effective Date: January 1, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, *et al.*, issued July 9, 2008, 124 FERC ¶ 61,026.

Local Transmission Network Planning Process – Process Description

Overview:

- The Transmission Provider, which is ultimately responsible for the development of the Transmission Provider's annual 10 Year Expansion Plan, will lead the Local Process on a coordinated basis with the Customers/Stakeholders. This Local Transmission Planning Process will be implemented in such a manner as to ensure the development of the Local Transmission Plan in a timely manner. The Transmission Provider will facilitate each meeting throughout the process. The Transmission Provider will encourage an open dialogue and the sharing of information with Customers/Stakeholders (subject to confidentiality requirements and FERC Standards of Conduct⁴) in the development of the Local Transmission Plan.
- Customers/Stakeholders are invited to participate in the Transmission Provider's Local Process.
- The Local Process will comply with the FERC nine principles as well as the provisions below.
- All annual initial kick-off meetings will be open to all Customers/Stakeholders and noticed by the Transmission Provider to all Customers/Stakeholders with sufficient time to arrange for travel planning and attendance (two week minimum). The annual initial kick-off meeting will be a face-to-face meeting; otherwise, with the consent of the Customers/Stakeholders, meetings may be organized as face-to-face meetings, conference calls, web-ex events, etc., wherein the dialogue and communications will be open, direct, detailed, and consistent with the FERC Standards of Conduct and confidentiality requirements.
- The Customers/Stakeholders may initiate the dispute resolution process at any point in the Local Process where agreement between the Transmission Provider and Customer(s)/Stakeholder(s) cannot be reached.
- The entities generally responsible for undertaking the tasks described below are designated as the TP (Transmission Provider) and/or the S (Customers/Stakeholders).

The study process will include the following steps:

A. Data Submission Requirements (STEP 1 – 3 months)

In order for The Transmission Provider to carry out its responsibility of developing the Transmission Provider's annual 10 Year Expansion Plan and leading the Local Process on a coordinated basis with the Customers/Stakeholders, data submission by the Customer/Stakeholder on a timely manner (on or before January 1st of each

⁴ The provision for handling of information also applies to all steps of the Local Process.

year) is essential. As such, the following data submission requirements from Customers/Stakeholders to the Transmission Provider are established. The Customers/Stakeholders will submit data to the Transmission Provider in a format that is compatible with the transmission planning tools in common use by the Transmission Provider. The Transmission Provider will identify the data format to be used by the Customers/Stakeholders for all data submissions, or absent a Transmission Provider identified data format, the Customers/Stakeholders will use their discretion in selection of data format. Examples of data that may be required are:

- Load forecasts, if appropriate:
 - Coincident and non-coincident Peak load forecasts will be provided for the subsequent 11 years, for each summer and winter peak season, with real power and reactive power values for each load serving substation (reflected to the transformer high-side) or delivery Point, as applicable.
- Transmission Delivery Points, if appropriate:
 - Delivery Point additions and/or Delivery Point modifications that have not previously been noticed to the Transmission Provider will be communicated by the Customer/Stakeholder to the Transmission Provider via the standard Delivery Point Request letter process.
 - Delivery Point additions and/or Delivery Point modifications that have not previously been included in the FRCC Databank Transmission Planning models will be provided by the Customers/Stakeholders to the Transmission Provider via the standard FRCC Project Information Sheet ("PIF") per the attached Transmission Provider provided form and by the Siemens PTI PSS/E IDEV file format, compatible with the Siemens PTI PSS/E version in common use throughout the FRCC Region at that time.
- Network Resource Forecast, if appropriate:
 - Network Resource forecasts will be provided for the subsequent 11 years, for each summer and winter peak season. At a minimum, the following data will be provided: 1. the name of each network resource; 2. the total capacity of each network resource; 3. the net capacity of each resource; 4. the designated network capacity of each resource; 5. the Balancing Authority Area wherein each network resource is interconnected to the transmission grid; 5. the transmission path utilized to deliver the capacity and energy of each network resource to the Transmission Provider's transmission system; 6. the Transmission Provider's point of receipt of each network resource; 7. the contract term of each network resource, if not an owned network resource; and 8. the dispatch order of the entire portfolio of network resources (subject to confidentiality requirements and Standards of Conduct).
- How, where, and to whom, the data will be submitted to:
 - If hardcopy, the Transmission Provider will provide the mailing address;

- If faxed, the Transmission Provider will provide the fax number;
- If e-mailed, the Transmission Provider will provide the e-mail address;
- If delivered to a password protected FTP site or e-vault, the Transmission Provider will provide the folder for the data, the contact person to be notified of the data delivery, etc. consistent with confidentiality requirements and FERC Standards of Conduct.

The Transmission Provider will provide the name and contact details for the Transmission Provider point of contact for data submittal questions.

B. Stakeholder Data Submissions (S) (STEP 1 – con’t)

- On or before January 1st of each calendar year, the Customers/Stakeholders will submit the required data (as directed by the Transmission Provider procedures communicated in A. above), plus any additional data that they believe is relevant to the process.
- On or before January 1st of each calendar year, the Customers/Stakeholders will submit to the Transmission Provider the name(s) and contact details for those individuals that will represent them as the point(s) of contact for resolution of any data submittal or study questions/conflicts.
- On or before January 1st of each calendar year, the Customers/Stakeholders will submit the name(s) of those individuals that will represent them during the FRCC Data Bank Transmission Planning Model development process and throughout the Local Process. Name(s), contact details, and their FERC Standards of Conduct status (i.e., Reliability Only, Merchant function, etc.) will be provided. The contact individuals can be changed by the Customers/Stakeholders with notice to Transmission Provider.

C. FRCC Data Bank Transmission Planning Model Development Process (TP/S) (STEP 2 – 2 months)

- The FRCC Regional Data Bank Development Process will control the model development schedule and work product as established by the applicable FRCC Working Group.

D. Kick-off for Transmission Provider's Local Transmission Network Planning Process (STEP 2 – con't - 1 month)

- The Transmission Provider will, approximately two (2) weeks prior to the second quarter initial kick-off meeting (or other date, if Transmission Provider and Customers/Stakeholders agree), communicate via e-mail with all Customers/Stakeholders the schedule/coordination details of the Transmission Provider's Local Process kick-off meeting(s). Customer/Stakeholder shall provide to Transmission Provider a confirmation of their intent to participate in the initial kick-off meeting at least three (3) days prior to such meeting. (TP)

- The Transmission Provider will, in advance of the Kick-off meeting(s), with sufficient time for Customer/Stakeholder review, provide to the Customers/Stakeholders a proposed study schedule, the NERC and FRCC Reliability Standards that will apply to the study, and/or guidelines that will apply to the study and Transmission Provider developed criteria that will apply to the study. (TP)
- The initial Kick-off meeting in the second quarter of the calendar year will begin the Transmission Provider's Local Process. The Transmission Provider will review and validate the input data assumptions received from each Customer/Stakeholder, discuss the proposed study schedule, and discuss the study requirements, which will include, but not be limited to, the following:
 - The methodologies that will be used to carry out the study (TP/S)
 - The specific software programs that will be utilized to perform the analysis (TP)
 - The Years to study (TP/S)
 - The load levels to be studied (e.g., peak, shoulder and light loads) (TP/S)
 - The criteria for determining transmission contingencies for the analysis (i.e. methods, areas, zones, voltages, generators, etc.) (TP/S)
 - The Individual company criteria (i.e., thermal, voltage, stability and short circuit) by which the study results will be measured (TP/S)
 - The NERC reliability standards by which the study results will be measured (TP/S)
 - The FRCC reliability standards and requirements by which the study results will be measured (TP/S)
 - Customer/Stakeholder proposed study scenarios for Transmission Provider consideration in the analysis (TP/S)
- The kick-off process will be complete when the schedule, standards, criteria, rules, tools, methods and Customer/Stakeholder participation are finalized for the study process to (described below) begin. (TP/S)

E. Case Development (TP) (STEP 3 – 1 month)

- Utilizing all of the data received from the Customers/Stakeholders during the data submission stage and the standards, criteria, rules, tools, and methods determined in the kick-off meeting(s), the Transmission Provider will develop the base case models to be used for the study. These models will be developed in the Siemens PTI PSS/E file format, compatible with the Siemens PTI PSS/E version in use by the Transmission Provider.
- Utilizing all of the data received from the Customers/Stakeholders during the data submission stage and the standards, criteria, rules, tools, and methods determine in the kick-off meeting, the Transmission Provider will develop the

change case models to be used for the study. These models will be developed in the Siemens PTI PSS/E file format, compatible with the Siemens PTI PSS/E version in use by the Transmission Provider.

- The Transmission Provider will electronically post and provide notice to the Customers/Stakeholders of the posting of the base case models, the change case models and/or the IDEV files.

F. Perform System Analysis (STEP 4 - 1 to 2 months)

- The Transmission Provider will perform the study analyses (verification that thermal, voltage, stability and short circuit values meet all planning criteria) and produce the initial unfiltered, un-processed input data, output data and files. (TP).
- The Transmission Provider will electronically post and provide notice to the Customers/Stakeholders of the posting of the initial unfiltered, un-processed input data, output data and files. (TP/S)

G. Assessment and Problem Identification (STEP 5 - 1 month)

- The Transmission Provider will evaluate the initial unfiltered, un-processed output data to identify any problems / issues for further investigation. The Transmission Provider will document, electronically post, and provide notice to the Customers/Stakeholders if there is an impact to them of the posting of the evaluation results documentation associated with the impact to the Customer/Stakeholder. (TP/S)
- The Customers/Stakeholders may perform their own additional sensitivities. (S)

H. Mitigation / Alternative Development (STEP 6 - 1 to 2 months)

- The Transmission Provider will identify potential solutions / mitigation proposals to address problems / issues. (TP)
- The Transmission Provider will document, electronically post, and provide notice to the Customers/Stakeholders of the posting of the identified potential solutions / mitigation proposals to address problems / issues related to the impacted Customer(s)/Stakeholder(s).
- The Customers/Stakeholders may provide alternative potential solutions / mitigation proposals for the Transmission Provider to consider. Such information shall be provided in IDEV format and posted. (TP/S)
- The Transmission Provider will determine the effectiveness of the potential solutions through additional studies (thermal, voltage, stability and short circuit). The Transmission Provider may modify the potential solutions, as necessary, such that required study criteria are met. (TP)
- The Transmission Provider will identify feasibility, timing and cost-effectiveness of proposed solutions that meet the study criteria. (TP/S)

I. Selection of Preferred Transmission Plan (STEP 6 con't - 1 to 2 months)

- The Transmission Provider, in consultation with the Customers/Stakeholders, will compare the alternatives and select the preferred solution / mitigation alternatives based on feasibility, timing and cost effectiveness that provide a reliable and cost-effective transmission solution, taking into account neighboring transmission providers' transmission plans. (TP/S)
- In case of Transmission Provider and Customer/Stakeholder dispute, the dispute resolution process described in Section 6.1 will be utilized. (TP/S)

J. Send Selected Local Transmission Network Plan Results (Transmission Provider's Ten Year Expansion Plan) to the FRCC (STEPS 7 & 8 - 1 to 2 months)

- The Transmission Provider will submit the Transmission Provider's proposed local transmission network plan results (the Transmission Provider's 10 Year Expansion Plan) to the FRCC for posting with other transmission plans as the FRCC's initial regional transmission expansion plan (reference the Initial Plans on the FRCC website), along with an indication whether there are any pending disagreements regarding the Plan (and if there are, will elicit from the dissenting entity(ies), and provide, a minority report regarding such differences of opinion). The Transmission Provider's 10 Year Expansion Plan will include all transmission system projects without differentiation between bulk transmission system projects and lower voltage transmission system projects (i.e. all projects 69 kV and above). This Transmission Provider submittal to the FRCC will be made on or about April 1 and will become part of the Initial FRCC Regional Plan. (TP)
- The FRCC Regional Planning Process will now start and the FRCC Regional Planning Process rules and guidelines will now control the transmission planning process. (TP/S)
- Following completion of the Transmission Provider's submission of the local transmission network plan results (the Transmission Provider's 10 Year Expansion Plan) to the FRCC, the Transmission Provider will, either directly or through the FRCC project status reporting process, make available to the Customers/Stakeholders project descriptions, project scheduled in-service dates, project status, etc. for all projects. This information should be updated no less often than quarterly. (TP)

Appendix 2 to Attachment K**FRCC Quorum and Voting Sectors**

Note: The below descriptions of the FRCC's Quorum and Voting provisions were extracted from the FRCC Rules of Procedure for FRCC Standing Committees. The Planning Committee is one of the Standing Committees within the FRCC.

A. Quorum

Representation at any meeting of the standing committees of 60% or more of the total voting strength of the Standing Committee, shall constitute a quorum for the transaction of business at such meeting; provided, however, that action on matters dealing with the scope or funding of Member Services shall require sixty percent (60%) or more of the total voting strength of members of the Standing Committee representing Voting Members that are Services Members; and provided further that a quorum shall require that at least three (3) Sectors are represented, all three of which shall be Sectors, a majority of the members of which are Services Members in the case of a quorum for action on matters governing Member Services.

If a quorum is not present at any meeting of the standing committees, then no actions may be taken for the purpose of voting. The representatives present may decide to have discussions concerning agenda items as long as voting is not called.

B. Voting

Voting is by Sector. Each voting representative present at a meeting is assigned a vote equal to the voting strength of their Sector, as provided in this section, divided by the number of voting representatives present in that Sector, except that no voting representative present at a meeting shall have more than one (1) vote, except an Investor Owned Utility Sector voting representative who may have up to 1.167 votes. Action by the Standing Committee shall require an affirmative vote equal to or greater than sixty percent (60%) of the total voting strength of the Standing Committee.

Sector Votes

(1) Suppliers Sector	2.5 Votes
(2) Non-Investor Owned Utility Wholesale Sector	2 Votes
(3) Load Serving Entity Sector	
Municipal	0.5 Vote
Cooperative	0.5 Vote
(4) Generating Load Serving Entity Sector	3.0 Votes

ORLANDO UTILITIES COMMISSION

Open Access Transmission Tariff
Original Sheet 176

(5) Investor Owned Utility Sector
(6) General

3.5 Votes
1 Vote

Total 13 Votes

Issued: October 31, 2008

Effective Date: January 1, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. OA08-20-000, *et al.*, issued July 9, 2008, 124 FERC ¶ 61,026.

Appendix C

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing upon each of the parties shown on the official service list compiled by the Secretary of the Commission by depositing copies thereof in the first class mail, postage prepaid and/or by electronic mail.

Dated at Washington, D.C. this 31st day of October, 2008.

/s/ Derek A Dyson
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& Pembroke, P.C.
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