

SCE&G
OATT
Business Practices

STATEMENT OF PROCESS

SCE&G provides the following business practices which relate to the terms and conditions of transmission service, and how that service is provided to Transmission Customers. The business practices are designed to provide Transmission Customers with added clarity with regards to how SCE&G administers its Tariff.

SCE&G expects all Transmission Customers to adhere to the terms, conditions, and restrictions contained in the Tariff. While the business practices below interpret and in some cases highlight certain Tariff terms, conditions, and restrictions, they are not intended, in any way, to supplant the actual terms, conditions, and restrictions contained in the Tariff.

SCE&G may from time to time or as situations warrant add, replace, or modify posted business practices. SCE&G therefore encourages Transmission Customers to periodically review the posted business practices. SCE&G will endeavor to post any new business practice or proposed modification to an existing business practice for 10 business days before becoming effective. During this time, Transmission Customers may submit comments. Where conditions warrant, SCE&G may post business practices or proposed modifications for a longer period and hold customer meeting(s). Finally, SCE&G reserves the right to post business practices effective immediately where conditions warrant.

A general notice regarding changes to business practices will be posted on the first page of OASIS and will remain posted for ten (10) business days or until such business practice takes effect.

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Change Log

Date of Change	Description of Change
4/5/07	Revised existing practices and formatting

SECTION I: General Business Practices

1. Contacts

- a. Questions about Business Practices

Gene Delk (803) 217-9616

hdelk@scana.com

- b. Questions about Transmission Billing, Credit or Point-To-Point Service

Marcus Harris (803) 217-7845

mharris@scana.com

- c. Questions about Network Transmission Service

Shay Stoney (803) 576-8042

sstoney@scana.com

- d. Questions about Posted Information in OASIS?

Scott Parker (803) 217-8038

sparker@scana.com

- e. Questions about Technical Concerns in OASIS?

James Kepler (803) 217-9470

jkepler@scana.com

2. *Becoming and Eligible Customer*

To take Transmission Service from SCE&G the Transmission Customer must apply for a Service Agreement.

- a. To initiate Point-To-Point Service, SCE&G requires customers to submit an **Application For Transmission Service** in accordance with sections 13.4 (Firm) & 14.4 (Non-firm) of the OATT and execute Service Agreements contained in Attachments A (Firm) or B (Non-firm) of the OATT. Customers may initiate Point-To-Point service by contacting Marcus Harris at 803-217-8745 or mharris@scana.com
- b. To initiate Network Service, SCE&G requires customers to submit an Application under section 29.2 of the OATT, meet the technical arrangements required under sections 29.3 & 29.4 of the OATT, and execute Service Agreements pursuant to Attachments F (NITSA) & G (NOA) of the OATT. Customers may initiate Network Service by contacting Shay Stoney at 803-217-6181 or 843-576-8042 or sstoney@scana.com

3. *Deposit Requirements*

Section 17.3 and 29.2 of the SCE&G OATT requires that a deposit approximating the charge for one month of service be submitted along with the Application for Services under the OATT. This deposit may be waived at SCE&G's discretion and if waived, this will be posted as an act of discretion on the SCE&G OASIS.

4. *Billing Process*

SCE&G will send an invoice to each Transmission Customer, ordinarily by the 10th of each month. The Transmission Customer shall pay the invoiced amount in immediately available funds or by wire transfer to a bank named by SCE&G, within 20 days of invoice receipt. See OATT §7.1. SCE&G will charge interest on unpaid amounts, accruing from the date invoice payment was due, in accordance with 18 CFR § 35.19a(a)(2). In unusual cases, SCE&G may waive late payment interest, in which case an Act of Discretion will be posted on the OASIS site. 18 CFR §358.5(c)(4). S

5. OASIS Transactions Status Descriptions

- a. **Queued**- This is the initial status assigned by OASIS when a transmission request is submitted by the Transmission Customer.
- b. **Invalid**- This status is assigned by SCE&G indicating an invalid field in the transmission request, such as improper POR, POD, source, sink, etc... The comment field on the OASIS should be used to communicate the detailed reasons for marking the transmission request Invalid. Invalid is a final state.
- c. **Received** – This status is assigned by SCE&G to acknowledge Queued transmission requests and indicate the transmission request is being evaluated.
- d. **Study**- This status is assigned by SCE&G to indicate some level of study is required or being performed to evaluate the request.
- e. **Refused**- This status is assigned by SCE&G to indicate that a transmission service request is being denied due to lack of ATC. The comment field on the OASIS should be used to communicate details for the refusal. Refused is a final state.
- f. **Counteroffer**- This status is assigned by SCE&G to indicate that a new offer price is being proposed.
- g. **Rebid**- This status is assigned by Transmission Customer to indicate that a new bid price is being proposed.
- h. **Superseded**- This status is assigned by SCE&G when a transmission request, which has not yet been Confirmed, is preempted by another transmission service request. Superseded is a final state.
- i. **Accepted**- This status is assigned by SCE&G to indicate the transmission request at the designated offer price and type and length of service has been approved. If the transmission request was submitted *Pre-confirmed*, OASIS will immediately set its status to Confirmed if it meets the necessary criteria for approval.

- j. **Declined**- This status is assigned by SCE&G to indicate that the Bid Price is unacceptable and that negotiations are terminated. The comment field on OASIS must be used to communicate the detailed reason the OASIS reservation was Declined. Declined is a final state.
- k. **Confirmed**- This status is assigned by the Transmission Customer to confirm the Transmission Customer's agreement to purchase the transmission service it requested as previously Accepted by SCE&G. Once confirmed, a transmission service reservation exists. Confirmed is a final state unless the reservation is Displaced or Annulled.
- l. **Withdrawn**- This status is assigned by the Transmission Customer at any point in the transmission request evaluation period. It provides the Transmission Customer the ability to withdraw it from any further action. Withdrawn is a final state.
- m. **Displaced**- This status is assigned by SCE&G when a Confirmed transmission service reservation is displaced by a longer term reservation and the Transmission Customer has exercised right of first refusal. Displaced is a final state.
- n. **Annulled**- This status is assigned by SCE&G when, by mutual agreement with the Transmission Customer, a confirmed transmission service reservation is to be voided. Annulled is a final state. See General Business Practice #9 for a more detailed description of SCE&G's Annulment Policy.
- o. **Retracted**- This status is assigned by SCE&G when the Transmission Customer fails to Confirm or Withdraw the transmission request within the required time period. Retracted is a final state.

6. *OASIS Reservation Timing Guidelines*

SCE&G follows the OASIS timing guidelines detailed in Table 4-2 of FERC Order 638.

7. Transmission Reservation Durations

SCE&G utilizes the following timeframes for the duration or length-of-term of a standard Transmission Reservation. SCE&G offers Sliding Service for the Point-To-Point reservations of the following length: Yearly, Monthly and Weekly, and Daily.

- a. YEARLY - Begins at 00:00 hour on the first day of the calendar year and ends at 24:00 hour on the last day of the calendar year. Sliding Service starts at 00:00 hour on a given day and end at 24:00 hour 365 days later.
- b. MONTHLY - Begins at 00:00 hour on the first day of the calendar month and ends at 24:00 hour on the last day of the calendar month. Sliding Service starts at 00:00 hour on any given day and end at 24:00 hour on the prior days date of the following month.
- c. WEEKLY - Begins at 00:00 hour on Monday and ends at 24:00 hour on the following Sunday. Sliding Service starts at 00:00 hour on any given day and ends at 24:00 hour seven days later.
- d. DAILY - Begins at 00:00 hour on any given day and ends at 24:00 hour on the same day. Sliding Service starts at the defined hour on any given day and ends 24:00 hours later.
- e. HOURLY - Begins at the top of the hour and ends 60 minutes later.

8. Purchasing Selling Entity (PSE) adjustments

Unless required by TLR, SCE&G only allows schedules to be adjusted once per full clock hour (13:00 to 14:00 is one full clock hour. 13:15 to 14:15 is not). The adjustment may be made at the time of the customer's choosing.

- a. Example 1: A schedule beginning at 13:00 may be adjusted, at the customer's choice of time, only once between 13:00 and 14:00.
- b. Example 2: A schedule beginning at 12:15 and ending at 14:00 may be adjusted once between 13:00 and 14:00.
- c. Example 3: A schedule beginning at 13:15 and ending at 14:45 may not be adjusted because it never encompasses one full clock hour.

9. *Transmission Provider's Annulment Policy*

It is SCE&G's policy to consider requests to change status of a transmission service reservation to "Annulled" where the Transmission Customer or its Designated Agent has confirmed a transmission service request which contains an administrative or clerical error - see examples below. To be granted a status of "Annulled" for the erroneous transmission service reservation, the Transmission Customer or its Designated Agent must do the following:

- a. Submit to SCE&G via telephone call a request to change the status to "Annulled"
- b. Explain the error in detail
- c. Submit a Pre-Confirmed OASIS request that is otherwise identical to the original request except with the corrected information and a comment briefly stating the purpose of the annulment request.

If SCE&G agrees to grant the request, SCE&G will accept the new request, annul the incorrect one, and post an Act of Discretion on the SCE&G OASIS site. (See 18 CFR §358.5(c)(4)).

Examples of grounds for annulment:

Transmission Customer has on July 4th, 2006, reserved hourly service for July 4th, 2007. Transmission Customer or its Designated Agent states that a typo occurred and that the correct year for the hourly service is 2006 not 2007.

Transmission Customer or its Designated Agent has been making numerous consecutive hourly non-firm point to point transmission service reservations from DUK to CPLE. The Transmission Customer's or Designated Agent's next request is identical to those submitted previously except for the service duration, which is now monthly. Transmission

Customer or its Designated Agent states that an error was made and that monthly service was accidentally selected instead of hourly.

10. FERC Order 676

By Order No. 676, issued April 25, 2006, FERC incorporates into its regulations certain NAESB business standards, effective July 1, 2006. FERC requires that each Transmission Provider include these standards in its next OATT filing. SCE&G has not made an OATT filing since the issuance of Order No. 676, and so has not yet amended its OATT to incorporate these NAESB business standards. Until such a filing is made, SCE&G, consistent with the requirements of Order No. 676, considers these standards to be included in its OATT effective July 1, 2006. The standards are:

- a. Business Practices for Open Access Same-Time Information Systems (OASIS) (WEQ-001, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Standards 001-0.2 through 001-0.8, 001-2.0 through 001-9.6.2, 001-9.8 through 001-10.8.6, and Examples 001-8.3-A, 001-9.2-A, 001-10.2-A, 001-9.3-A, 001-10.3-A, 001-9.4.1-A, 001-10.4.1-A, 001-9.4.2-A, 001-10.4.2-A, 001-9.5-A, 001-10.5-A, 001-9.5.1-A, and 001-10.5.1-A;
- b. Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols (WEQ-002, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Standards 002-1 through 002-5.10;
- c. Open Access Same-Time Information Systems (OASIS) Data Dictionary (WEQ-003, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Standard 003-0;

- d. Coordinate Interchange (WEQ-004, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Purpose, Applicability, and Standards 004-0 through 004-13, and 004-A through 004-D;
- e. Area Control Error (ACE) Equation Special Cases Standards (WEQ-005, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Purpose, Applicability, and Standards 005-0 through 005-3.1.3, and 005-A;
- f. Manual Time Error Correction (WEQ-006, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Purpose, Applicability, and Standards 006-0 through 006-12; and
- g. Inadvertent Interchange Payback (WEQ-007, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Purpose, Applicability, and Standards 007-0 through 007-2, and 007-A.

SECTION II: Point to Point Transmission Service (PTP)

1. Loss Accounting

Capacity and energy losses occur when SCE&G delivers electricity across its transmission facilities for a Transmission Customer. Transmission Service pricing does not include losses, and SCE&G does not provide for the losses. Transmission Customers are required to make their own arrangements for providing for losses.

- a. All NERC tags utilizing SCE&G's Point-to-Point Transmission Service must indicate how the transmission losses will be supplied in the loss accounting section of the tag.
- b. For each Point-to-Point transaction, the losses for that transaction must be provided at the point of receipt. This applies to all Point-to-Point transactions regardless of whether or not the losses are supplied from internal sources. Loss accounting must be supplied or the tag will not be implemented.
- c. The loss factor on the SCE&G system is 1.02. The energy received at SCE&G point of receipt (POR) must be equal to the energy scheduled for delivery to the point of delivery (POD) multiplied by the loss factor of 1.02, and rounded up to the next whole MW.
- d. SCE&G does not accept financial losses.

2. Pricing

SCE&G's offer price as posted for Point to Point Transmission Service in OASIS represents the price for Basic Transmission Service. Unless special provisions are contained in a Transmission Customer's Service Agreement, the Transmission Customer will automatically be billed for Ancillary Services under Schedules 1 and 2 when making a reservation on the SCE&G OASIS. The remaining Ancillary Services under Schedules 3 through 6 are required for transmission service used to transport energy to loads in the SCE&G Transmission System. These services must either be self-provided, obtained from a third party or purchased from SCE&G. Self-provision arrangements of Ancillary Services 3 through 6 must be pre-approved by SCE&G.

3. *Intra-day Firm PTP*

SCE&G allows Transmission Customers to buy Daily Firm Point to Point Transmission Service on a "same-day" basis. The acceptance of an Intra-Day Firm transmission service request is solely at the discretion of SCE&G System Control. Intra-Day Firm reservations will be charged at the same rate as Daily Firm Reservations, regardless of the number of hours or capacity utilized. Individual occurrences of acceptance of Daily Firm Transmission Service on a "same-day" basis will not be posted to OASIS as Acts of Discretion.

4. Redirect Policy for Firm Transmission Reservation on a Firm Basis

SCE&G will accept REDIRECTS of Yearly, Monthly, Weekly, and Daily firm Point-To-Point reservations on a firm basis for periods less than or equal to the remainder of the original reservation. The requirements for redirecting firm Point-To-Point transmission service are as follows:

- a. Any redirect on an hourly basis will have the priority of Hourly Secondary Point-To-Point service. Note: For the purposes of curtailment and other capacity reductions, confirmed Redirects on a Non-Firm basis shall be treated comparably to all other types of Non-Firm Secondary Point-to-Point Service. (Order 676).
- b. Requests to redirect a firm reservation will be treated as new requests and should be submitted on OASIS with a Request Type of "REDIRECT".
- c. A Redirected request must indicate the AREF of the prior confirmed reservation in the RELATED_REF field and must be pre-confirmed.
- d. A request to redirect can be for all or part of the capacity of the prior reservation.
- e. A redirect request must match an existing type of Point-To-Point service with an equal to or shorter duration service duration than the prior request. The start and stop times must fall within the boundaries of the prior reservation. For example, a Yearly firm point-to-point reservation may be redirected with a Monthly Firm, Weekly Firm, Daily Firm, or Hourly Secondary point-to-point reservation of type "REDIRECT".
- f. Once a redirect request is accepted, capacity on the prior path during the overlapping period will be available to other customers for the period of the redirected reservation.

- g. To reduce situations where redirected reservations could be preempted by a higher priority service after the original path has been resold, and to allow redirected capacity to be offered to other customers with sufficient advance notice on OASIS, the following submittal rules apply:

<u>Original Request Type</u>	<u>Duration of Redirect</u>	<u>Latest Submittal Prior to start time</u>
Yearly Firm	Yearly or Monthly	30 Days
Yearly Firm, or Monthly Firm	Monthly, Weekly	14 Days
Yearly Firm, Monthly Firm, or Weekly Firm	Weekly, Daily	36 hours
Yearly Firm, Monthly Firm, Weekly Firm, or Daily	Daily	None

- h. A firm reservation may be redirected in its entirety prior to the start of its service period. To do so, a new ORIGINAL

firm request should be submitted with the AREF of the existing reservation noted in the Customer Comment field.

- i. A redirect of non firm OASIS reservation will have the priority of Hourly Secondary point-to-point reservation.

5. Rollover Rights on firm Redirects

A request for a redirect, on a firm basis, of a firm transmission reservation must be submitted as a new request. Unless mutually agreed upon by SCE&G and the Transmission Customer or its Designated Agent, if the duration of the requested firm redirect is less than the time remaining on the original reservation, a redirect of a long-term firm transmission reservation does not impact the Transmission Customer's rollover rights on the original reservation. If the duration of the requested firm redirect is equal to the remaining time on the original reservation, and that time is greater than 2 months, the redirect request will be treated as a new request, and if accepted, SCE&G will provide limitations to rollover rights for the new reservation. If the Customer confirms the redirected service, the Transmission Customer will lose all rights to the original receipt and delivery points, including rollover rights associated with the original path. While a Transmission Customer's request for redirect is pending, the customer retains priority for service and all rights entailed in that priority on the original reservation.

6. Selling unscheduled firm as non-firm

Consistent with NERC's Available Transfer Capability Definition and Determination document, firm transmission service that is not scheduled is included in non-firm Available Transfer Capability in the operating horizon and is available to Transmission Customers on a non-firm basis. Any such non-firm service is subject to interruption if a Transmission Customer or its Designated Agent holding a firm but unscheduled, Point-To-Point reservation submits a schedule at least 20 minutes prior to the commencement of service. SCE&G will interrupt non-firm reservations, on a non-discriminatory basis and consistent with good utility practice, as follows:

- a. Non-Firm Point-To-Point Transmission Service over Secondary Point(s) of Receipt/Delivery
- b. Non-Firm Point-To-Point Transmission Service
- c. Secondary Network Service

If multiple transactions of the same priority must be interrupted, interruptions will be made to transactions of the shortest duration (e.g., Hourly Non-Firm transactions will be interrupted before Daily Non-Firm transactions). If multiple transactions of the same priority and same duration must be interrupted, interruptions will be made based on price (i.e., lower price transactions will be interrupted before higher price transactions). If multiple transactions of the same priority, same duration, and same price must be interrupted, interruptions will be made based on queue position, (i.e., transactions based on later submitted reservation requests will be interrupted before transactions based on prior submitted reservation requests).

7. Process for extension of commencement of service

A Transmission Customer who has a long term firm Point-To-Point reservation and whose service has not yet commenced may postpone commencement under section 17.7 of the SCE&G OATT.

To postpone transmission service, the Transmission Customer must complete the following steps:

- a. Notify SCE&G by email or fax of its intent no less than 60 calendar days before the commencement of service. The following request must be submitted to SCE&G in writing:
[Transmission Customer] intends to postpone the commencement of OASIS transmission service reservation number(s) [OASIS number(s)] slated to commence on [begin date(s)]. [Transmission Customer] intends to postpone commencement of transmission service for [duration of postponement up to 1 year]. [Transmission Customer] herewith includes the fee for postponement equal to one month's transmission service charge (ie, 1/12 of the annual charge, not to include ancillary service charges) as specified in Schedule 7 of the SCE&G OATT. The [Transmission Customer] understands the fee for postponement is nonrefundable, and that further transmission service and all fees for postponement are subject to the provisions of Section 17.7 of the SCE&G OATT.
- b. Submit a new Pre-Confirmed OASIS request (substantially identical to the original request, except for the commencement date) of type, DEFERRAL.
- c. Once the replacement pre-confirmed OASIS request is received, the Transmission Customer must submit payment,

as specified in the postponement request, in immediately available funds payable to by check or wire transfer.

Upon receipt of payment, SCE&G will accept the new Pre-confirmed Application of type: DEFERRAL, which will postpone commencement of transmission service for the duration of the requested postponement.

SECTION III: Network Integrated Transmission Service (NITS)

1. Process for commencement of service

The Transmission Customer or its Designated Agent interested in initiating Network Transmission Service must first submit an OASIS request and must submit within 24 hours of the OASIS request a written application ([SCE&G Application for Firm Network Integration Service](#)). This application includes all information required by Section 29.2 of the SCE&G OATT. This form can be requested from and must be submitted to the Manager of Transmission Services Support by email (ssoney@scana.com) or fax (843-746-0101). The OASIS request will establish the customer's position in the queue as long as the completed application is received within 24 hours. If the time-stamped receipt of the application is later than 24 hours after the OASIS request was submitted, the time-stamped application will establish the queue position. This will be followed by studies, if required, and the development and execution of detailed documents included in Attachments F (NITSA) and G (NOA) of the SCE&G OATT.

If SCE&G determines that a System Impact Study is necessary to accommodate the requested service, the Manager of Transmission Services Support will inform the Transmission Customer and coordinate the required studies (as specified in Section 32 of the SCE&G OATT). The manager of Transmission Services Support will also coordinate the process of developing the technical requirements and contractual documents necessary for Network Service.

2. *Initial Designation of Network Resources and Network Loads & Annual Updates*

Section 30.1 of the SCE&G OATT requires that for a Customer to receive Network Service and serve Network Loads, the Customer must designate its Network Resources (current and 10-year projection). The completed submittal of the SCE&G Application for Firm Network Integration Service by the Customer or its Designated Agent will be the means through which initial designating of a Customer's Network Resources is established.

Section 31.1 of the SCE&G OATT requires the Network Customer to designate Network Loads (current and 10-year projection). The application SCE&G Application for Firm Network Integration Service submitted by the Customer or its Designated Agent will be the means of initially designating Network Loads.

Section 31.6 of the SCE&G OATT requires the Network Customer to provide annual updates of Network Resources and Network Load forecasts consistent with those included in its application for Network Service. All Network Customers, including SCE&G on behalf of retail native load, shall submit the updates by October 31st of each year for the following ten-year period. This information shall be submitted to the Manager of Transmission Services Support by email (ssoney@scana.com) or telefax (843-746-0101).

3. *Transmission Provider Designation of Resources and Loads*

Section 28.2 of the SCE&G OATT requires SCE&G to designate resources and loads on behalf of its Retail Native Load Customers in the same manner as any Network Customers under Part III of the SCE&G OATT. SCE&G shall submit a list of Resources and Loads (current and 10-year projection) by completing the SCE&G Application for Firm Network Integration Service on behalf of its Retail Native Load Customers. However, such application does not obligate Retail Native Load to take transmission service pursuant to the terms and conditions of the OATT.

For SCE&G Retail Native Load Customers, a list of SCE&G Network Resources will be posted in PDF format on OASIS. Changes to this list will be made by fax submittal of the forms contained in Attachments 1 & 2 of these business practices. Until NAESB issues a set of industry business practices and corresponding OASIS capabilities are developed, SCE&G will maintain submitted forms on file.

4. Information Required on an OASIS Request for NITS

The OASIS request for Network Service must contain the following attributes:

- a. The request must list the service as one of the following:
 - i. Network Yearly Firm (This service will be evaluated to determine any limitations of rollover rights)
 - ii. Network Monthly Firm
 - iii. Network Weekly Firm
 - iv. Network Daily Firm
- b. The Bid Price must be \$0.00. Since billing for Network Customers is described in Attachment H of the OATT, the Unit Price on the OASIS request will read "See Pt III of OATT".
- c. The Source must be the name of the Generator or System the Network Customer identifies as the Network Resource.
- d. The Sink must be the name of the Network Customer's Load.
- e. The Point of Receipt (POR) must be the interface at which the Network Customer intends to deliver the resource into the SCE&G Transmission Area.
- f. The Point of Delivery (POD) and Sink must be any of the locations described in the Table below or additional delivery points as requested by the Transmission Customer.

POD	POD Description and SINK
SCEG	SCE&G Retail Load, Bundled Wholesale Loads and UnBundled Wholesale Loads served by SCE&G Power Marketing. Sink=SCEGSYSLoad
DUK	Load for the City of Greenwood. Sink=GREENWOOD
SCEG	Load at delivery points of New

	Horizons Electric Cooperative. Sink=NHEC
SCEG	Load of Preference Customers of Southeastern Power Administration. Sink=SETH.SCEG

- g. The Reserved Capacity must be the magnitude (Peak) of the MWs to be delivered to the POR/Sink.
- h. The service class must be listed as “Firm”.
- i. The reservation must include the following statement in the Comments field: “(1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis.”

The comments required above demonstrate that the Transmission Customers owns or has committed to purchase firm generation capacity pursuant to an executed contract in order to designate a generating resource as a Network Resource per Section 30.7 of SCE&G's OATT. SCE&G reserves the right to, at anytime, request a copy of the executed contract or other such documentation to verify this requirement.

5. Designation of a new off-system Network Resource

a. Purpose

- i. Under SCE&G's OATT, Network Customers may designate new off-system Network Resources that generally fall within one of two categories: (1) generating facilities that the Transmission Customer directly owns or leases; (2) or executed power purchase contracts that commit the Transmission Customer to pay for non-interruptible power. Both types of Network Resources must be deliverable on a firm basis (i.e., there must be sufficient firm ATC to grant the service request), and each type of Network Resource must also meet the specific requirements in the OATT for that type of Network Resource.
- ii. Existing Network Customers must: (1) request and confirm an OASIS reservation for Network Service SCE&G's OASIS; and (2) provide a completed **Form for Designation of a new off-system Network Resource** from Attachment 1.
Note: Only a completed form is necessary when an existing Network Customer seeks to change its Designated Network Resources associated with a current OASIS reservation.
- iii. The process for designation of a new off-system Network Resource will be administered by SCE&G and the information required herein must be provided directly to SCE&G.

b. Submitting Requests Over OASIS

The OASIS request corresponding to a new off-system Network Resource must contain the following attributes:

- i. The request must list the service as one of the following:
 1. Network Yearly Firm (This service will be evaluated to determine any limitations of rollover rights)

- 2. Network Monthly Firm
- 3. Network Weekly Firm
- 4. Network Daily Firm
- ii. The Bid Price must be \$0.00. Since billing for Network Customers is described in Attachment H of the OATT, the Unit Price on the OASIS request will read “See Pt III of OATT”.
- iii. The Source must be the name of the Generator or System the Network Customer identifies as the Network Resource.
- iv. The Sink must be the name of the Network Customer’s Load.
- v. The Point of Receipt (POR) must be the interface at which the Network Customer intends to deliver the resource into the SCE&G Transmission Area.
- vi. The Point of Delivery (POD) and Sink must be any of the locations described in the Table below or additional delivery points as requested by the Transmission Customer.

POD	POD Description and SINK
SCEG	SCE&G Retail Load, Bundled Wholesale Loads and UnBundled Wholesale Loads served by SCE&G Power Marketing. Sink=SCEGSYSLoad
DUK	Load for the City of Greenwood. Sink=GREENWOOD
SCEG	Load at delivery points of New Horizons Electric Cooperative. Sink=NHEC
SCEG	Load of Preference Customers of Southeastern Power Administration. Sink=SETH.SCEG

- vii. The Reserved Capacity must be the magnitude (Peak) of the MWs to be delivered to the POR/Sink.
- viii. The service class must be listed as "Firm".
- ix. The reservation must include the following statement in the Comments field: "(1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis."

The comments required above demonstrate that the Transmission Customers owns or has committed to purchase firm generation capacity pursuant to an executed contract in order to designate a generating resource as a Network Resource per Section 30.7 of SCE&G's OATT. SCE&G reserves the right to, at anytime, request a copy of the executed contract or other such documentation to verify this requirement.

c. Confirming Requests Over OASIS

- i. Network Customers have the option of submitting the OASIS request for new off-system Network Resource as "Pre-confirmed," provided that the information necessary to confirm the Network Resource requirements is available at the time the request is submitted. To qualify as "Pre-confirmed," the Customer must attest in the OASIS comment field that (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed

contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis. If the Customer cannot make such an attestation, the Customer may still submit an OASIS request to designate the Network Resource, but may not submit it as "Pre-confirmed." An OASIS request for short-term Network Resource designations that are submitted "Pre-confirmed" will be moved automatically to a final status of "Confirmed" if ATC is determined to be available.

- ii. For OASIS requests that are not "Pre-confirmed," SCE&G will notify the Customer that transmission service is available by changing the request status on OASIS to "Accepted." Once a request has been "Accepted," the Customer must manually "Confirm" the request by the deadlines specified in Table 4-2 in FERC Order 638; otherwise, the request will be "Retracted." For requests of less than one year, the information necessary to confirm that the Network Resource requirements have been met must be available at the time the request is "Confirmed."
- iii. For OASIS requests of a year or longer that are not "Pre-confirmed," the Customer must provide the information described herein no later than 30 days after the following:
 1. OASIS request to designate the Network Resource is "Accepted" by the Transmission Provider and,
 2. OASIS request to designate the Network Resource is "Confirmed" by the Customer provided that the

Customer has entered into a letter of intent to purchase a new resource at the time of the request.

- d. Information for designation of new off-system Network Resources
- i. Pursuant to Section 29.2 of SCE&G's OATT, all requests by existing Customers to designate new off-system Network Resources must be made by faxing to SCE&G the **Form for Designation of a new off-system Network Resource** (Attachment 1) downloadable in MS Word format from the SCE&G OASIS site under the SCE&G OASIS Documents folder.
 - ii. The **Form for Designation of a new off-system Network Resource** should be submitted as soon as practicable but no later than 10:00am eastern prevailing time on the day prior to the day of service to ensure that SCE&G can evaluate the requests in time to allow commencement of service. The **Form for Designation of a new off-system Network Resource** may be submitted past the deadline with approval from SCE&G.
 - iii. Additional Notes
 1. An option contract may be designated as a Network Resource once the option is exercised to convert the transaction to a capacity purchase and the remaining Network Resource designation requirements are met.
 2. A firm liquidated damages ("LD") contract may be designated as a Network Resource as long as it may not be interrupted for economic reasons and the remaining Network Resource designation requirements are met.
- e. Timing of Submitting Required Information
- i. The **Form for Designation of a new off-system Network Resource** must be submitted at the time the "Pre-confirmed"

OASIS request is submitted. All requests that are submitted as "Pre-confirmed" and are not contemporaneously accompanied by a **Form for Designation of a new off-system Network Resource** will be "Declined". If the information required herein is not available at the time the OASIS request is submitted (e.g., where execution of the contract is contingent on the availability of transmission service), the Customer may still submit an OASIS request to designate the Network Resource, but should not submit the request as "Pre-confirmed."

- ii. If the required information is not available by the deadline for Confirmation, the Customer may not Confirm the request and must allow the request to reach a final status of "Retracted." All requests that are "Confirmed" but have not been accompanied with a completed **Form for Designation of a new off-system Network Resource** will be "Annulled."
- iii. The **Form for Designation of a new off-system Network Resource** and any other required information should be faxed to 803-217-8679.

6. Termination of a Designated Network Resource

Requests to undesignate Network Resources that are submitted concurrently with a request to redesignate those Network Resources at a specific point in time shall be considered temporary terminations. Conversely, requests to undesignated Network Resource submitted without any concurrent request to redesignate shall be considered a request for indefinite termination of those network resources. Requests to redesignate Network Resources that have been indefinitely terminated will be treated as completely new requests and must follow the entire application procedure required by Section 29.2 of the SCE&G OATT.

Per section 30.3 of the OATT, the Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notice to the Transmission Provider as soon as reasonably practicable. Until NAESB issues a set of industry business practices and corresponding OASIS capabilities are developed, SCE&G will receive customer notices of undesignation by fax. Customers wishing to undesignated a Network Resource must submit a completed **Form for Termination of a Network Resource** (Attachment 2) to SCE&G at fax number (803) 217-8679 by 10:00am on the day before the undesignation is to commence. The **Form for Termination of a Network Resource** may be submitted past the deadline with approval from SCE&G.

7. Use of Secondary Network Service

As stated in section 28.4, the Transmission Customer may utilize Network Secondary Service to deliver energy to its Network Loads from resources that have not been designated as Network Resources. To utilize this service, the Transmission Customer or its Designated Agent must create a new OASIS request listing the type as "Network Secondary" and no comment is necessary. If the resource is intended for a specific Customer, the sink on the OASIS request must be that Customer. If the resource is for all of SCE&G's Customers, then the sink on the OASIS request must be SCEGSYSLOAD.

Attachments

Attachment 1: Form for Designation of a new off-system Network Resource

An existing Network Customer may designate a new off-system Network Resource by providing SCE&G with as much advance notice as practicable. A designation of a new off-system Network Resource must be made by completing and faxing this form to SCE&G at (803) 217-8679. This form should be completed once for each specific generator or system purchase being designated as a new off-system Network Resource. This form was developed pursuant to Sections 29.2(v) and 30.2.

Customer Name: _____

Contract ID (if applicable): _____

SCE&G OASIS Reservation #: _____

The following information must be included on the OASIS Reservation:

- a. Balancing Authority area from which the power will originate
- b. Delivery point to the SCE&G Transmission System (i.e. POR)
- c. The customer must attest in the comment section of the OASIS reservation that: “[Transmission Customer Name] owns or has committed to purchase the off-system DNR and it comports with the requirements for designated network resources.”

Check all boxes that apply:

1. The new off-system Network Resource satisfies one of the following:
 - a. the Network Customer owns the resource or,
 - b. The purchase is under an executed contract, or
 - c. The purchase is under an unexecuted contract, but execution is contingent ONLY upon the availability of transmission service.
2. The new off-system Network Resource is not committed for sale to a non-designated third-party load.

3. The new off-system Network Resource is able to meet the Network Customer's Network Load on a non-interruptible basis.

Complete applicable fields:

4. Amount of power which the Customer wishes to designate as a new off-system Network Resource: _____
5. List of external OASIS Reservation number(s) related to delivery of the new off-system Network Resource.

Transmission Provider	OASIS Reservation #

6. Operating restrictions, if any:
- a. List any periods of restricted operations throughout the year:

 - b. Maintenance schedules

 - c. Minimum loading level of unit: _____
 - d. Normal operating level of unit: _____
 - e. List any must-run unit designations required for system reliability or contract reasons:

7. Approximate variable generating cost (\$/MWH) of the new off-system Network Resource for redispatch computations: _____

To be able to designate an off-system resource as a new Network Resource the Transmission Customer must be able to:

- Check either a, b, or c under Bullet 1

- Check Bullets 2 and 3
- Complete sections 4 through 7

If the Transmission Customer is not able to do the above then the off-system resource cannot designate a Network Resource.

CONSENT TO CONTRACT REVIEW: By submitting this form, the Transmission Customer consents to SCE&G auditing its responses, if deemed necessary by SCE&G, to ensure compliance with its OATT.

Signed by:	
Printed Name:	
Title:	
Company:	
Date:	

Attachment 2: Form for Termination of a Network Resource

As stated in Section 30.3 of SCE&G's Open Access Transmission Tariff (OATT), The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider.

To terminate designation of a Network Resource, please fax this form to SCE&G System Control at 803-217-8679. This form should be completed for each specific generator or system sale requiring termination as a designated Network Resource.

Customer Name: _____

Contract ID (if applicable): _____

Check all that apply

1. Customer wishes:

- a. Temporarily undesignated a Network Resource.

Enter begin date and time of undesignation _____

Enter end date and time of undesignation _____

- b. Indefinitely undesignated a Network Resource.

Enter begin date and time of undesignation: _____

Customers indefinitely undesignating a Network Resource must complete an application under Section 29.2 of the SCE&G OATT to redesignate the Network Resource.

2. Customer wishes to terminate designation of:

- a. A unit or a portion of a unit designated as a Network Resource located in SCE&G's Balancing Authority area.

i. Name of Facility: _____

- ii. Capacity of facility(s) to be un-designated: _____
 - b. A portion of the system Network Resources located in SCE&G's Balancing Authority area.
 - i. Capacity of the portion _____
 - ii. Customers checking box b must also attach to this form a spreadsheet listing the undesignated portion of each of their Designated Network Resources that will support the off-system sale.
- 3. To redesignate for temporary undesignations, the customer must sign below attesting that (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis.
Signature: _____
- 4. Identify the related SCE&G Transmission Service OASIS Reservation # that accompany this request to undesignated a Network Resource:

If available, submit power sale contract and delivery details to SCE&G.

CONSENT TO CONTRACT REVIEW: By submitting this form, the Transmission Customer consents to SCE&G auditing its responses, if deemed necessary by SCE&G, to ensure compliance with its OATT.

Signed by:	
Printed Name:	
Title:	
Company:	
Date:	