

May 18, 2015

**BY ELECTRONIC FILING**

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

Re: The Southeastern Regional Transmission Planning Process  
Compliance Filings to *Southwest Power Pool, Inc.*, 150 FERC ¶ 61,210  
Interregional Compliance Filing for the SERTP-SPP Seam

**Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.,**  
Docket No. ER13-1928

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

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

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

Dear Ms. Bose:

Pursuant to Section 206 of the Federal Power Act<sup>1</sup> (“FPA”) and the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) order issued in *Southwest Power Pool, Inc.*, 150 FERC ¶ 61,210 (2015) (the “SPP-SERTP Order” or “Order”), Duke Energy Carolinas, LLC and Duke Energy Progress, Inc. (collectively, “Duke”); Louisville Gas and Electric Company and Kentucky Utilities Company (“LG&E/KU”); Ohio Valley Electric Corporation, including its wholly owned subsidiary Indiana-Kentucky Electric Corporation (“OVEC”); and Southern Company Services, Inc., acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company (collectively “Southern Companies”), hereby provide their compliance filings to the SPP-SERTP Order.

**I. INTRODUCTION**

**A. Background**

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

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<sup>1</sup> 16 U.S.C. § 824e.

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

This filing involves the SERTP Sponsors’ proposals to comply with Order No. 1000’s<sup>2</sup> interregional transmission planning and cost allocation requirements with a neighboring transmission planning region – the Southwest Power Pool (“SPP”). By way of background, on July 10, 2013, the Jurisdictional SERTP Sponsors submitted their initial, joint proposals in the above-referenced dockets to comply with Order No. 1000’s interregional transmission coordination and cost allocation requirements with the five transmission planning regions neighboring the SERTP. In addition to SPP, the other transmission planning regions that are adjacent to the SERTP are the Florida Reliability Coordinating Council (“FRCC”), Midcontinent Independent System Operator (“MISO”), PJM Interconnection, LLC (“PJM”), and the South Carolina Regional Transmission Planning process (“SCRTP”). While there are many similarities between the compliance proposals between the SERTP and each of the neighboring regions, each compliance proposal was specific to each neighboring region and reflected extensive negotiations between the SERTP Sponsors and the relevant transmission providers in each of those regions, respectively. Accordingly, the initial proposals with SPP were, respectively, joint proposals, with the SERTP Filing Parties and SPP having filed, for the most part, common tariff language for their interregional seam.

On March 19, 2015, the Commission issued the SPP-SERTP Order, which addresses the initial compliance proposals submitted by the SERTP Filing Parties and SPP.<sup>3</sup> While accepting important aspects of those compliance proposals, the Order requires some changes. The instant filing provides the Jurisdictional SERTP Sponsors’ compliance filing to the Order.

As with their initial compliance filings submitted in these dockets on July 10, 2013, the SERTP Sponsors have engaged in extensive outreach and coordination with SPP. Significantly, the SERTP Sponsors and SPP have reached full agreement on all points at issue in this compliance filing.

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

<sup>3</sup> The Commission earlier issued separate orders addressing the compliance filings by the SERTP Filing Parties and, respectively, MISO and PJM and the filing parties in the FRCC and SCRTP for the SERTP-MISO, SERTP-PJM, SERTP-FRCC, and SERTP-SCRTP seams. *See Midcontinent Independent System Operator, Inc., et al.*, 150 FERC ¶ 61,045 (2015) (“MISO-SERTP Order”); *PJM Interconnection, L.L.C.*, 150 FERC ¶ 61,046 (2015) (“PJM-SERTP Order”); *Duke Energy Carolinas, LLC et al.*, 150 FERC ¶ 61,044 (2015) (“FRCC-SERTP and SCRTP-SERTP Order”). The Jurisdictional SERTP Sponsors and the filing parties in the FRCC and SCRTP submitted their compliance filings to the FRCC-SERTP and SCRTP-SERTP Order on March 24, 2015. The Commission recently granted extensions of time for the submission of compliance filings to the PJM-SERTP Order and the MISO-SERTP Order, with the compliance filings to the former being due on May 26, 2015, and those to the latter on June 22, 2015. *See Notice Granting Extension of Time*, Docket Nos. ER13-1930, *et al.* (March 6, 2015) (SERTP-PJM seam); *and Notice Granting Extension of Time*, Docket Nos. ER13-1923, *et al.* (March 6, 2015) (SERTP-MISO seam). The Jurisdictional SERTP Sponsors will submit compliance filings to the MISO-SERTP Order and PJM-SERTP Order in accordance with those extensions of time.

Accordingly, the SPP and Jurisdictional SERTP Sponsors are hereby submitting (by separate filings being made contemporaneously) parallel tariff language to comply with the Order.

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

While the Jurisdictional SERTP Sponsors are submitting this common transmittal letter, each such Jurisdictional SERTP Sponsor is individually submitting the relevant revised provisions to its respective open access transmission tariff ("OATT") through eTariff to comply with the Commission's filing requirements. In these compliance filings, each Jurisdictional SERTP Sponsor will include in its filing its specific tariff records and corresponding clean and marked tariff attachments, but not the tariff records to be filed by the other Jurisdictional Sponsors. Additionally, it is important to note that the tariff records and clean and marked tariff attachments are not absolutely identical across all four filings of the Jurisdictional SERTP Sponsors as they reflect differing local planning processes and slight variations in terminology used in the corresponding tariffs. A January 1, 2015 effective date is proposed for each tariff record.

## **II. OATT REVISIONS TO COMPLY WITH THE ORDER**

SPP and the Jurisdictional SERTP Sponsors have agreed to a common approach and parallel tariff language in their respective OATTs to satisfy Order No. 1000's interregional coordination and cost allocation requirements for their collective seam (the "SPP-SERTP Joint Proposal"). For SPP, this tariff language effectuating the SPP-SERTP Joint Proposal is found at Addendum 4 of Attachment O to SPP's OATT.

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

- For Duke, the implementing tariff language is found at Attachment N-1 - SPP of the Duke Joint OATT.
- For LG&E/KU, the implementing tariff language is found at Appendix 10 to Attachment K of LG&E/KU's OATT.
- For OVEC, the implementing tariff language is found at Attachment M-5 of OVEC's OATT.
- For Southern Companies, the implementing tariff language is found at Attachment K-8, "Interregional Transmission Coordination Between the SERTP and SPP" of Southern Companies' OATT.<sup>4</sup>

In an effort to facilitate the Commission's review of these filings being made contemporaneously by SPP and the Jurisdictional SERTP Sponsors, they have coordinated in drafting their transmittal letters.

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<sup>4</sup> Southern Companies OATT is identified as the following in FERC's eTariff data base: "Alabama Power Company, OATT and Associated Service Agreements, Tariff Volume No. 5, Southern Companies OATT."

To facilitate the Commission's review of the proposals made herein, the headings under this Section II.A of the transmittal letter generally follow the topic headings under "Article IV. Discussion" in the Order.<sup>5</sup>

**1. Interregional Transmission Coordination Requirements**

**a. General Requirements**

Differences Resolved in OATT Language

In the Order, the Commission found that SPP and the SERTP Filing Parties did not propose identical language on all points and instructed them to do so.<sup>6</sup> In this regard, in their initial filings, SPP and the SERTP Filing Parties were able to reach agreement on all points except for two issues. As discussed in more detail below in the discussions of the specific issues concerning those two matters, SPP and the SERTP Filing Parties have now agreed to common language<sup>7</sup> on all points.

Interregional Transmission Facility Definition

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

While SPP's and SERTP Filing Parties' proposal to allow only interconnecting interregional transmission facilities to be eligible for interregional cost allocation is consistent with the requirements of Order No. 1000, limiting this interconnection to only interregional transmission facilities that interconnect to the transmission facilities of one or more SPP transmission owners and one or more SERTP Filing Parties is unduly limiting. Order No. 1000 did not limit stakeholders and transmission developers to proposing only interregional transmission facilities that would interconnect to *existing* transmission facilities of an *existing* transmission owner, or a transmission owner *enrolled* in the respective transmission planning regions. SPP's and SERTP Filing Parties' proposed language would preclude interregional transmission

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

<sup>6</sup> Order, P 26.

<sup>7</sup> While agreeing to a common approach and common tariff language on all points, SPP's and the Jurisdictional SERTP Sponsors' implementing OATT language is not exactly identical in that they reflect the use of differing terminology and organizational approaches.

facilities from interconnecting with transmission facilities that are selected in the regional transmission plan for purposes of cost allocation but that are *currently under development* by a transmission developer who has not yet become a sponsor in SERTP or a transmission owner in SPP.... Accordingly, we direct SPP and SERTP Filing Parties to submit ... further compliance filings that include a definition of an interregional transmission facility that is consistent with Order No. 1000...<sup>8</sup>

To comply with these directives, SPP and the SERTP Filing Parties have jointly developed the following proposal that would make corresponding changes to Section 2.1.A. Specifically, SPP and the SERTP Filing Parties propose to revise their definition of a transmission project that is eligible to seek interregional cost allocation as a project that connects to “either existing transmission facilities or transmission projects included in the regional transmission plan that are currently under development.” Section 2.1.A is proposed to be revised as shown in the redline comparison provided below:<sup>9</sup>

- A. The transmission project must interconnect to ~~the~~ transmission facilities in both the SERTP and SPP regions of one or more SERTP Sponsors and the transmission facilities of one or more transmission owners in SPP and must meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of regional cost allocation in accordance with the respective regional transmission planning processes of both the SERTP and SPP. The facilities to which the project is proposed to interconnect may be either existing facilities or transmission projects included in the regional transmission plan that are currently under development;

**c. Implementation of the Interregional Transmission Coordination Requirements**

**i. Data Exchange and Identifying Interregional Transmission Facilities**

Replace “And” with “Or”

The Commission noted that SPP and the SERTP Filing Parties use the phrase a potential transmission project that could be more efficient “and” cost effective while Order No. 1000 used the

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<sup>8</sup> Order, P 27 (internal footnotes omitted) (emphasis in original and added). The Commission later reiterates this requirement to revise the definition of an interregional transmission project in discussing SPP’s and the SERTP Filing Parties’ interregional cost allocation proposals. *See id.*, P 181.

<sup>9</sup> The redline shows the changes being hereby proposed to the original tariff language that SPP and the SERTP Filing Parties initially proposed in their July 10, 2013 interregional compliance filings. For ease of reference, the actual OATT language shown in this transmittal letter is typically that from Southern Companies’ OATT. While parallel OATT language is being filed by the filing transmission providers, there are some slight terminology and related differences between the OATT language that is being filed.

terminology of more efficient “or” cost effective.<sup>10</sup> The Order directs that SPP and the SERTP Filing Parties’ OATTs be corrected.<sup>11</sup> Accordingly, and as shown in the attached redline comparisons and revised OATT language, in compliance with that directive, Sections 1.3.1 of Southern Companies’ OATT has been so revised.

#### Removal of Additional Language Related to Stakeholder Proposals

In the Order, the Commission accepted provisions in SPP’s and the SERTP Filing Parties’ OATTs that provide the ability for stakeholders and transmission developers to propose interregional transmission facilities and for public utility transmission providers to use those proposals to identify possible interregional transmission facilities that could address *regional* transmission needs more efficiently or cost-effectively than separate intraregional transmission facilities.<sup>12</sup> However, the Commission rejected additional language that SPP had proposed that would have allowed stakeholders to propose “new transmission projects to address *interregional* transmission needs pursuant to [SPP]’s and/or the SERTP’s regional transmission planning processes.”<sup>13</sup> The Commission did so because it found that, although it recognized SPP’s proposal had merit,<sup>14</sup> the language is not required to comply with Order No. 1000 and because the SERTP Sponsors had not agreed to the additional language.<sup>15</sup> In accordance with that holding, SPP has removed the identified language from their OATT.

#### Identification of Interregional Transmission Projects by Developers

With regard to the identification of interregional transmission facilities, the Commission accepted SPP’s and the SERTP Filing Parties’ “proposals to rely on the regional transmission planning processes as the forum for stakeholders and transmission developers to propose interregional transmission facilities for joint evaluation”.<sup>16</sup> However, the Commission held that:

SPP and SERTP Filing Parties have not explained how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated by SPP and SERTP Filing Parties by submitting the interregional transmission facility into SPP’s and SERTP Filing Parties’ regional transmission planning processes. Accordingly, we direct SPP and SERTP Filing Parties to submit ... further compliance filings with proposed revisions to their tariffs that satisfy these requirements.<sup>17</sup>

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<sup>10</sup> Order, P 66.

<sup>11</sup> *Id.*

<sup>12</sup> Order, P 69

<sup>13</sup> *Id.* (emphasis in original) (citing SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.2).

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Order, P 70.

<sup>17</sup> *Id.*

To address this requirement and make clear how a developer of an interregional transmission project may seek to have the project jointly evaluated, SPP and the SERTP Filing Parties propose to add a new Section 1.3.3. As shown below, the new Section 1.3.3 articulates the steps by which such a proponent may identify an interregional transmission project in order to trigger SPP's and the SERTP Filing Parties' joint evaluation procedures. As proposed, the new Section 1.3.3 provides:

**1.3.3 Identification of Interregional Transmission Projects by Developers:**

Interregional transmission projects proposed for potential interregional cost allocation must be submitted in both the SERTP and SPP regional transmission planning processes and satisfy the requirements of Section 2.1. The submittal must identify the potential transmission project as interregional in scope and identify that such project will interconnect between the SERTP and SPP regions. The Transmission Provider will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Provider will notify SPP. Once the potential interregional transmission project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Provider and SPP will jointly evaluate the proposed interregional transmission projects pursuant to Sections 1.3.4

**ii. Procedures For Joint Evaluation**

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

SPP and SERTP Filing Parties do not indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective ... We therefore direct SPP and SERTP Filing Parties to submit further compliance filings ... listing either the type of transmission studies that will be conducted or cross references to the specific provisions in the respective tariffs that reference such studies at the regional transmission planning level.<sup>18</sup>

In accordance with this directive, SPP and the SERTP Filing Parties propose to cross reference the provisions in their respective OATTs that reference such studies. The Jurisdictional SERTP Sponsors propose to add a sentence providing that potential transmission solutions will be evaluated consistent with the existing OATT provisions on regional participation and the provisions on regional analysis of potentially more efficient or cost-effective transmission solutions. Specifically, in what is

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<sup>18</sup> Order, P 95.

now Section 1.3.4.1, after a discussion of how the joint evaluations will be performed consistent with accepted regional and local planning criteria and methods, the SERTP Filing Parties propose to add the following sentence: “The Transmission Provider will evaluate potential interregional transmission projects consistent with [Section(s) X and Y] of Attachment [K/N-1],” with the Section numbers and Attachment references varying depending on the tariff at issue.<sup>19</sup> SPP is also adding a cross-reference in its OATT.

Using Southern Companies’ Attachment K as an example, the cross references are to Section 6 and Section 11 of Southern Companies’ OATT. With regard to the referenced Section 6, that Section (among other things) describes in some detail the transmission planning coordination and reliability planning processes that are utilized, including the types of modeling and studies that are performed. The referenced Section 11 describes the regional analysis that the SERTP Filing Parties’ perform to determine whether there are potentially more efficient or cost-effective transmission solutions, with them committing (among other things) to “perform power flow, dynamic, and short circuit analysis, as necessary....”<sup>20</sup> The other SERTP Filing Parties’ relevant tariff sections contained similar provisions.

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

## **2. Cost Allocation**

### Posting Requirement

While largely accepting SPP’s and the SERTP Filing Parties’ cost allocation proposals, the Order requires them to comply with additional posting requirements. Specifically, the Order holds that:

SPP and SERTP Filing Parties must allow stakeholders to propose, and must keep a record of, interregional transmission facilities that are found not to meet the minimum threshold criteria for transmission facilities potentially eligible for selection in a regional transmission plan for purposes of cost allocation in both the SPP and SERTP regions. In addition, as part of the information that public utility transmission

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

<sup>20</sup> Southern Companies’ Attachment K, Section 11.1.2.

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

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



providers must communicate on their website related to interregional transmission coordination procedures, SPP and SERTP Filing Parties must post a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.<sup>23</sup>

Consistent with this requirement, SPP and the SERTP Filing Parties commit to post on their respective websites “a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.”<sup>24</sup>

### The Case-by-Case Exception

In their initial filings, SPP and the SERTP Filing Parties proposed that a transmission project could be eligible for consideration for interregional cost allocation even if it does not satisfy all of the regional cost allocation threshold requirements on a case-by-case basis. However, SPP and the SERTP Sponsors were unable to agree upon the specific criteria that would apply. Upon review, the Commission explained:

[T]here is nothing in Order No. 1000 that requires or precludes a pair of transmission planning regions from proposing an exception to evaluate transmission facilities that do not meet both regions’ regional criteria on a case-by-case basis. However, such an exception is not required by Order No. 1000. Thus, while an exception is not precluded in the instant compliance filings, SPP and SERTP Filing Parties have not developed the same language for an exception to be included in their respective OATTs. Accordingly, if SPP and SERTP Filing Parties choose to include an exception that broadens the category of transmission projects that would be eligible for interregional cost allocation beyond those transmission facilities that meet both regions’ regional criteria, which is not a requirement of Order No. 1000, SPP and SERTP Filing Parties would need to provide a joint proposal...<sup>25</sup>

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<sup>23</sup> Order, P 183 (internal footnotes omitted).

<sup>24</sup> *Id.* Importantly, the Order does not require either SPP or the SERTP Filing Parties to revise their OATTs to codify this commitment, and SPP has not been including additional OATT language to implement this requirement with their other interregional seams. Since the Order does not require additional OATT language, and to be consistent with SPP’s practice with its other seams, neither SPP nor the SERTP Filing Parties propose to include specific OATT language to implement this requirement but commit to comply with this requirement.

<sup>25</sup> Order, P 185.

After further coordination between SPP and the SERTP Sponsors, SPP and the SERTP Filing Parties have agreed to remove the case-by-case exception. As shown in the attached redline comparisons and revised OATT language, in compliance with that directive, the original Section 2.1.B contained in Southern Companies' initial interregional compliance filing for the SPP-SERTP seam has been removed.

### **III. REQUEST FOR WAIVER**

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

### **IV. SERVICE**

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

### **V. LIST OF DOCUMENTS**

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

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

### **VI. COMMUNICATIONS**

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

Hon. Kimberly D. Bose

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*Counsel for Southern Company Services, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document on those parties on the official Service List compiled by the Secretary in these proceedings.

Dated at Washington, D.C., this 18<sup>th</sup> day of May, 2015.

*/s/ Andrew D. Bernstein* \_\_\_\_\_

Andrew D. Bernstein

## **ATTACHMENT M-5**

### **Interregional Transmission Coordination Between the SERTP and SPP**

The Transmission Provider, through its regional transmission planning process, coordinates with the public utility transmission providers in the Southwest Power Pool region (“SPP”) to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures include a detailed description of the process for coordination between public utility transmission providers in the SERTP and SPP (i) with respect to an interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than transmission facilities included in the respective regional transmission plans. The interregional transmission coordination procedures are hereby provided in this Attachment M-5 with additional materials provided on the Regional Planning website.

The Transmission Provider ensures that the following requirements are included in the interregional transmission coordination procedures described in this Attachment M-5:

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

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

The Transmission Provider has worked with SPP to develop a mutually agreeable method for allocating between the two transmission planning regions the costs of new interregional transmission facilities that are located within both transmission planning regions. Such cost allocation method satisfies the six interregional cost allocation principles set forth in Order No. 1000 and are included in this Attachment M-5.

For purposes of this Attachment M-5, the SERTP's regional transmission planning process is the process described in Attachment M of this Tariff; SPP's regional transmission planning process is the process described in Section VIII of Attachment O of SPP's OATT. References to the respective regional transmission planning processes in this Attachment M-5 are intended to identify the activities described in those tariff provisions. Unless noted otherwise, Section references in this Attachment M-5 refer to Sections within this Attachment M-5.

## **INTERREGIONAL TRANSMISSION PLANNING**

### **1. Coordination**

**1.1 Annual Coordination:** Representatives of the SERTP and SPP will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and SPP may meet more frequently to coordinate the evaluation of interregional transmission project(s).

### **1.2 Data Exchange**

**1.2.1 Annual Data Exchange:** At least annually, the Transmission Provider and SPP shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective

then-current regional transmission plan(s). The Transmission Provider shall designate a representative for its region and SPP shall designate a representative for the SPP region to facilitate the annual data exchange. The data exchange will occur when such data is available in each of the regional transmission planning processes, typically during the first calendar quarter. Additional transmission-based models and data used in the development of the respective regional transmission plans will be exchanged between the Transmission Provider and SPP if requested. Data exchanged between the Transmission Provider and SPP under this Section 1.2.1 shall be posted on the pertinent regional transmission planning websites consistent with the posting requirements of the respective regional transmission planning processes and is generally considered CEII.

**1.2.2 Exchange of Regional Transmission Plans:** The Transmission Provider's regional transmission plan(s) will be posted on the Regional Planning website pursuant to the Transmission Provider's regional transmission planning process. The Transmission Provider will also notify the SPP representative of such posting so it may retrieve the transmission plan(s). SPP will exchange the then-current SPP regional transmission plan(s) in a similar manner according to its regional transmission planning process.

**1.2.3 Confidentiality:** Any CEII and Confidential Non-CEII data exchanged pursuant to this Attachment M-5 shall be subject to appropriate CEII and Confidential Non-CEII treatment.

### **1.3. Joint Evaluation**



**1.3.1 Identification of Interregional Transmission Projects:** At least biennially, the Transmission Provider will review the then-current regional transmission plan of SPP and SPP will review the Transmission Provider's then-current regional transmission plan. Such plans include the transmission needs of each region as prescribed by each region's planning process. This review shall occur on a mutually agreeable schedule, taking into account each region's regional transmission planning processes timetable. If through this review, the Transmission Provider and SPP identify a potential interregional transmission project that could be more efficient or cost effective than transmission projects included in the respective regional transmission plans, the Transmission Provider and SPP will jointly evaluate the potential transmission project pursuant to Section 1.3.4.

**1.3.2 Identification of Interregional Transmission Projects by Stakeholders:** Stakeholders may also propose transmission projects that may be more efficient or cost-effective than transmission projects included in the Transmission Provider's and/or SPP's regional transmission plans pursuant to the procedures in each region's regional transmission planning processes. The Transmission Provider and SPP will evaluate interregional transmission projects proposed by stakeholders pursuant to Section 1.3.4.

**1.3.3 Identification of Interregional Transmission Projects by Developers:** Interregional transmission projects proposed for purposes of potential interregional cost allocation must be submitted in both the SERTP and SPP

regional transmission planning processes and satisfy the requirements of Section 2.1. The submittal must identify the potential transmission project as interregional in scope and identify that such project will interconnect between the SERTP and SPP regions. The Transmission Provider will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Provider will notify SPP. Once the potential interregional transmission project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Provider and SPP will jointly evaluate the proposed interregional transmission projects pursuant to Sections 1.3.4.

#### **1.3.4 Evaluation of Interregional Transmission Projects:**

**1.3.4.1 Joint Evaluation of Interregional Transmission Projects:** The Transmission Provider and SPP shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than transmission projects included in the respective then-current regional transmission plans. Initial coordination activities to facilitate such

analysis will typically begin during the third calendar quarter. Such analysis shall be consistent with accepted planning practices of the respective regions and the methods utilized to produce each region's respective regional transmission plan(s). The Transmission Provider will evaluate potential interregional transmission projects consistent with Section 6 and Section 11 of Attachment M. To the extent possible, and as needed, information will be coordinated between the Transmission Provider and SPP, including, but not limited to:

- Planning horizons;
- Expected timelines/milestones associated with the joint evaluation;
- Study assumptions and data;
- Models; and
- Criteria.

The Transmission Provider and SPP will exchange status updates for new interregional transmission project proposals or proposals currently under consideration as needed. These status updates will generally include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the anticipated timeline for future assessments; and (iii) reevaluations related to the proposal.

**1.3.4.2 Determination of Regional Benefit(s) for Interregional Cost Allocation Purposes:** The Transmission Provider and SPP shall evaluate the proposed interregional transmission project that meets the criteria of Section 2 for interregional cost allocation within the respective regions as

follows:

- A. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed interregional transmission project(s) provides Regional Benefits to its respective region. For purposes of this Attachment M-5, “Regional Benefit” shall mean the calculation described in Section 1.3.4.2.B.
- B. Based upon the evaluation made pursuant to 1.3.4.2.A, each region will quantify a Regional Benefit based upon (i) for the Transmission Provider, the Transmission Provider shall calculate the total avoided costs of transmission projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included; and (ii) for SPP, SPP shall calculate the total avoided costs of regional transmission projects that would be displaced if the proposed interregional transmission project was included.
- C. Updated Regional Benefits calculations will be exchanged in a similar manner to the status updates described in Section 1.3.4.1.

In any regional benefit to cost (“BTC”) ratio calculation(s) performed pursuant to the respective regional transmission planning processes, the anticipated allocation of costs of the interregional transmission project to each region shall be based upon the ratio of the region’s Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and SPP.

## **2. Cost Allocation**

### **2.1 Interregional Transmission Projects Proposed for Interregional Cost**

**Allocation Purposes:** For a transmission project to be considered for purposes of interregional cost allocation between the SERTP and SPP, the following criteria must be met:

- A. The transmission project must interconnect to transmission facilities in both the SERTP and SPP regions and must meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of regional cost allocation in accordance with the respective regional transmission planning processes of both the SERTP and SPP. The facilities to which the project is proposed to interconnect may be either existing facilities or transmission projects included in the regional transmission plan that are currently under development;
- B. The transmission project must be proposed in the SERTP and SPP regional planning processes for purposes of cost allocation, as well as any other regions to which the proposed transmission project would interconnect, in accordance with the procedures of the applicable regional transmission planning processes. If the proposed transmission project is being proposed by a transmission developer, the transmission developer must also satisfy all qualification criteria specified in the respective regional transmission planning processes, as applicable.

### **2.2 Inclusion in Regional Transmission Plans for Purposes of Cost Allocation:**

An interregional transmission project proposed for interregional cost allocation purposes in each region will be included in the respective regional transmission plans for purposes of cost allocation after each region has performed all evaluations and the transmission project has obtained all approvals, as prescribed in the respective regional transmission planning processes, necessary for it to be included in each regional transmission plan for purposes of cost allocation.

**2.3 Allocation of Costs Between the SERTP and SPP:** The cost of an interregional transmission project selected for purposes of cost allocation in the regional transmission plans of both the SERTP and SPP will be allocated between the regions as follows:

- A. Each region will be allocated a portion of the interregional transmission project's costs in proportion to such region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and SPP.
  - o The Regional Benefits used for this determination shall be based upon the last Regional Benefit calculation performed - pursuant to the method described in Section 1.3.4.2 - before each region included the transmission project in its regional transmission plan for purposes of cost allocation and as approved by each region.
  - o Should one region be willing to bear more costs of the interregional transmission project than the costs identified pursuant to the methodology described in this Section 2.3.A, the regions may voluntarily agree, subject to applicable regional approvals, to an alternative cost sharing arrangement.

**2.4 Milestones of Required Steps Necessary to Maintain Status as Being Selected for Interregional Cost Allocation Purposes:** Once selected in the respective regional transmission plans for purposes of cost allocation, the SERTP Sponsor(s) that will be allocated costs of the transmission project and SPP (*collectively* “beneficiaries”) and the transmission developer must mutually agree upon an acceptable development schedule including milestones by which the necessary steps to develop and construct the transmission project must occur. These milestones may include (to the extent not already accomplished) obtaining all necessary rights-of-way and requisite environmental, state, and other governmental approvals and executing a mutually-agreed upon contract(s) between the transmission developer and the beneficiaries. If the specified milestones are not met, then the Transmission Provider may remove the transmission project from the selected category in the regional transmission plan for purposes of cost allocation.

**2.5 Interregional Project Contractual Arrangements:** The contracts referenced in Section 2.4 will address terms and conditions associated with the development of the proposed transmission project included in the regional transmission plans for purposes of cost allocation, including but not limited to:

- a) Engineering, procurement, construction, maintenance, and operation of the proposed transmission project, including coordination responsibilities of the parties;
- b) Emergency restoration and repair;
- c) The specific financial terms/specific total amounts to be charged by the transmission developer of the transmission project to each beneficiary, as

agreed to by the parties;

- d) Creditworthiness/project security requirements;
- e) Milestone reporting, including schedule of projected expenditures;
- f) Reevaluation of the transmission project; and
- g) Non-performance or abandonment.

## **2.6 Removal from Regional Transmission Plans for Purposes of Cost Allocation:**

An interregional transmission project may be removed from the Transmission Provider's or SPP's regional transmission plan for purposes of cost allocation (1) if the project is removed from either regions' regional transmission plans pursuant to the requirements of its regional transmission planning process or (2) if the developer fails to meet the developmental milestones established pursuant to Section 2.4.

**2.6.1:** The Transmission Provider and/or SPP will notify the other party if an interregional transmission project or a portion thereof is likely to be removed from its regional transmission plan.

## **3. Transparency**

**3.1** The Transmission Provider and SPP shall host their respective regional websites for communication of information related to coordinated interregional transmission planning procedures. The regions shall coordinate on the documents and information that is posted on their respective websites to ensure consistency of information. Each regional website shall contain, at a minimum, the following information:

- i. Link to this Attachment M-5;



- ii. Information related to joint meetings, such as links to materials for joint meetings;
- iii. Documents relating to joint evaluations; and
- iv. Procedures for coordination and joint evaluation.

**3.2** Access to the data utilized will be made available through the pertinent regional planning websites subject to the requirements in Section 1.2.3. The Transmission Provider will make available, on the Regional Planning website, links to where stakeholders can register (if applicable/available) for SPP stakeholder committees and distribution lists.

**3.3** At the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, the SERTP Sponsors will provide status updates of interregional activities including:

- o Facilities to be evaluated;
- o Analysis performed; and
- o Determinations/results.

**3.4** Stakeholders will have an opportunity to provide input and feedback related to interregional facilities identified, analysis performed, and any determination/results within the respective regional transmission planning processes. Stakeholders may participate in either or both regions' regional transmission planning processes to provide their input and feedback regarding the interregional coordination activities described in this Attachment M-5.

## **ATTACHMENT M-5**

### **Interregional Transmission Coordination Between the SERTP and SPP**

The Transmission Provider, through its regional transmission planning process, coordinates with the public utility transmission providers in the Southwest Power Pool region (“SPP”) to address transmission planning coordination issues related to interregional transmission facilities. The interregional transmission coordination procedures include a detailed description of the process for coordination between public utility transmission providers in the SERTP and SPP (i) with respect to an interregional transmission facility that is proposed to be located in both transmission planning regions and (ii) to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than transmission facilities included in the respective regional transmission plans. The interregional transmission coordination procedures are hereby provided in this Attachment M-5 with additional materials provided on the Regional Planning website.

The Transmission Provider ensures that the following requirements are included in the interregional transmission coordination procedures described in this Attachment M-5:

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

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

The Transmission Provider has worked with SPP to develop a mutually agreeable method for allocating between the two transmission planning regions the costs of new interregional transmission facilities that are located within both transmission planning regions. Such cost allocation method satisfies the six interregional cost allocation principles set forth in Order No. 1000 and are included in this Attachment M-5.

For purposes of this Attachment M-5, the SERTP's regional transmission planning process is the process described in Attachment M of this Tariff; SPP's regional transmission planning process is the process described in Section VIII of Attachment O of SPP's OATT. References to the respective regional transmission planning processes in this Attachment M-5 are intended to identify the activities described in those tariff provisions. Unless noted otherwise, Section references in this Attachment M-5 refer to Sections within this Attachment M-5.

## **INTERREGIONAL TRANSMISSION PLANNING**

### **1. Coordination**

**1.1 Annual Coordination:** Representatives of the SERTP and SPP will meet no less than once per year to facilitate the interregional coordination procedures described below (as applicable). Representatives of the SERTP and SPP may meet more frequently to coordinate the evaluation of interregional transmission project(s).

### **1.2 Data Exchange**

**1.2.1 Annual Data Exchange:** At least annually, the Transmission Provider and SPP shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective

then-current regional transmission plan(s). The Transmission Provider shall designate a representative for its region and SPP shall designate a representative for the SPP region to facilitate the annual data exchange. The data exchange will occur when such data is available in each of the regional transmission planning processes, typically during the first calendar quarter. Additional transmission-based models and data used in the development of the respective regional transmission plans will be exchanged between the Transmission Provider and SPP if requested. Data exchanged between the Transmission Provider and SPP under this Section 1.2.1 shall be posted on the pertinent regional transmission planning websites consistent with the posting requirements of the respective regional transmission planning processes and is generally considered CEII.

**1.2.2 Exchange of Regional Transmission Plans:** The Transmission Provider's regional transmission plan(s) will be posted on the Regional Planning website pursuant to the Transmission Provider's regional transmission planning process. The Transmission Provider will also notify the SPP representative of such posting so it may retrieve the transmission plan(s). SPP will exchange the then-current SPP regional transmission plan(s) in a similar manner according to its regional transmission planning process.

**1.2.3 Confidentiality:** Any CEII and Confidential Non-CEII data exchanged pursuant to this Attachment M-5 shall be subject to appropriate CEII and

Confidential Non-CEII treatment.

### **1.3. Joint Evaluation**

**1.3.1 Identification of Interregional Transmission Projects:** At least biennially, the Transmission Provider will review the then-current regional transmission plan of SPP and SPP will review the Transmission Provider's then-current regional transmission plan. Such plans include the transmission needs of each region as prescribed by each region's planning process. This review shall occur on a mutually agreeable schedule, taking into account each region's regional transmission planning processes timetable. If through this review, the Transmission Provider and SPP identify a potential interregional transmission project that could be more efficient ~~and~~<sup>or</sup> cost effective than transmission projects included in the respective regional transmission plans, the Transmission Provider and SPP will jointly evaluate the potential transmission project pursuant to Section ~~1.3.3~~<sup>1.3.4</sup>.

**1.3.2 Identification of Interregional Transmission Projects by Stakeholders:** Stakeholders may also propose transmission projects that may be more efficient or cost-effective than transmission projects included in the Transmission Provider's and/or SPP's regional transmission plans pursuant to the procedures in each region's regional transmission planning processes. The Transmission Provider and SPP will evaluate interregional transmission projects proposed by stakeholders pursuant to Section ~~1.3.3~~<sup>1.3.4</sup>.

**1.3.3** Identification of Interregional Transmission Projects by Developers:  
Interregional transmission projects proposed for purposes of potential interregional cost allocation must be submitted in both the SERTP and SPP regional transmission planning processes and satisfy the requirements of Section 2.1. The submittal must identify the potential transmission project as interregional in scope and identify that such project will interconnect between the SERTP and SPP regions. The Transmission Provider will verify whether the submittal for the potential interregional transmission project satisfies all applicable requirements. Upon finding that the proposed interregional transmission project satisfies all such applicable requirements, the Transmission Provider will notify SPP. Once the potential interregional transmission project has been proposed through the regional transmission planning processes in both regions, and upon both regions so notifying one another that the project is eligible for consideration pursuant to their respective regional transmission planning processes, the Transmission Provider and SPP will jointly evaluate the proposed interregional transmission projects pursuant to Sections 1.3.4.

**1.3.3** **1.3.4** **Evaluation of Interregional Transmission Projects:**

**1.3.3** **1.3.4.1** **Joint Evaluation of Interregional Transmission Projects:**

The Transmission Provider and SPP shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and to determine whether the inclusion of any potential interregional transmission projects in each region's

regional transmission plan would be more efficient or cost-effective than transmission projects included in the respective then-current regional transmission plans. Initial coordination activities to facilitate such analysis will typically begin during the third calendar quarter. Such analysis shall be consistent with accepted planning practices of the respective regions and the methods utilized to produce each region's respective regional transmission plan(s). The Transmission Provider will evaluate potential interregional transmission projects consistent with Section 6 and Section 11 of Attachment M. To the extent possible, and as needed, information will be coordinated between the Transmission Provider and SPP, including, but not limited to:

- Planning horizons;
- Expected timelines/milestones associated with the joint evaluation;
- Study assumptions and data;
- Models; and
- Criteria.

The Transmission Provider and SPP will exchange status updates for new interregional transmission project proposals or proposals currently under consideration as needed. These status updates will generally include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the anticipated timeline for future assessments; and (iii) reevaluations related to the proposal.

#### **1.3.3.2 1.3.4.2 Determination of Regional Benefit(s) for Interregional**

**Cost Allocation Purposes:** The Transmission Provider and SPP shall evaluate the proposed interregional transmission project that meets the criteria of Section 2 for interregional cost allocation within the respective regions as follows:

- A. Each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed interregional transmission project(s) provides Regional Benefits to its respective region. For purposes of this Attachment M-5, “Regional Benefit” shall mean the calculation described in Section ~~1.3.3.2~~[1.3.4.2](#).B.
- B. Based upon the evaluation made pursuant to ~~1.3.3.2~~[1.3.4.2](#).A, each region will quantify a Regional Benefit based upon (i) for the Transmission Provider, the Transmission Provider shall calculate the total avoided costs of transmission projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included; and (ii) for SPP, SPP shall calculate the total avoided costs of regional transmission projects that would be displaced if the proposed interregional transmission project was included.
- C. Updated Regional Benefits calculations will be exchanged in a similar manner to the status updates described in Section ~~1.3.3.1~~[1.3.4.1](#).

In any regional benefit to cost (“BTC”) ratio calculation(s) performed



pursuant to the respective regional transmission planning processes, the anticipated allocation of costs of the interregional transmission project to each region shall be based upon the ratio of the region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and SPP.

## 2. Cost Allocation

### 2.1 Interregional Transmission Projects Proposed for Interregional Cost

**Allocation Purposes:** For a transmission project to be considered for purposes of interregional cost allocation between the SERTP and SPP, the following criteria must be met:

- A. The transmission project must interconnect to ~~the~~ transmission facilities ~~of one or more SERTP Sponsors and the transmission facilities of one or more transmission owners in~~ in both the SERTP and SPP regions and must meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of regional cost allocation in accordance with the respective regional transmission planning processes of both the SERTP and SPP. The facilities to which the project is proposed to interconnect may be either existing facilities or transmission projects included in the regional transmission plan that are currently under development;
- B. ~~On a case-by-case basis, the Transmission Provider and SPP may consider an interregional transmission project that does not satisfy all of the criteria specified in Section 2.1.A but that: (i) provides significant interregional~~

~~benefits (i.e., a major transmission project effectuating significant bulk electric transfers between the SERTP and SPP); (ii) would be located in both regions; and (iii) would be interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of a transmission owner in SPP.~~

EB. The transmission project must be proposed in the SERTP and SPP regional planning processes for purposes of cost allocation, as well as any other regions to which the proposed transmission project would interconnect, in accordance with the procedures of the applicable regional transmission planning processes. If the proposed transmission project is being proposed by a transmission developer, the transmission developer must also satisfy all qualification criteria specified in the respective regional transmission planning processes, as applicable.

## **2.2 Inclusion in Regional Transmission Plans for Purposes of Cost Allocation:**

An interregional transmission project proposed for interregional cost allocation purposes in each region will be included in the respective regional transmission plans for purposes of cost allocation after each region has performed all evaluations and the transmission project has obtained all approvals, as prescribed in the respective regional transmission planning processes, necessary for it to be included in each regional transmission plan for purposes of cost allocation.

**2.3 Allocation of Costs Between the SERTP and SPP:** The cost of an interregional transmission project selected for purposes of cost allocation in the regional transmission plans of both the SERTP and SPP will be allocated between the

regions as follows:

- A. Each region will be allocated a portion of the interregional transmission project's costs in proportion to such region's Regional Benefit to the sum of the Regional Benefits identified for both the SERTP and SPP.
  - o The Regional Benefits used for this determination shall be based upon the last Regional Benefit calculation performed - pursuant to the method described in Section ~~1.3.3.2~~1.3.4.2 - before each region included the transmission project in its regional transmission plan for purposes of cost allocation and as approved by each region.
  - o Should one region be willing to bear more costs of the interregional transmission project than the costs identified pursuant to the methodology described in this Section 2.3.A, the regions may voluntarily agree, subject to applicable regional approvals, to an alternative cost sharing arrangement.

**2.4 Milestones of Required Steps Necessary to Maintain Status as Being Selected for Interregional Cost Allocation Purposes:** Once selected in the respective regional transmission plans for purposes of cost allocation, the SERTP Sponsor(s) that will be allocated costs of the transmission project and SPP (*collectively* “beneficiaries”) and the transmission developer must mutually agree upon an acceptable development schedule including milestones by which the necessary steps to develop and construct the transmission project must occur. These milestones may include (to the extent not already accomplished) obtaining all necessary rights-of-way and requisite environmental, state, and other

governmental approvals and executing a mutually-agreed upon contract(s) between the transmission developer and the beneficiaries. If the specified milestones are not met, then the Transmission Provider may remove the transmission project from the selected category in the regional transmission plan for purposes of cost allocation.

**2.5 Interregional Project Contractual Arrangements:** The contracts referenced in Section 2.4 will address terms and conditions associated with the development of the proposed transmission project included in the regional transmission plans for purposes of cost allocation, including but not limited to:

- a) Engineering, procurement, construction, maintenance, and operation of the proposed transmission project, including coordination responsibilities of the parties;
- b) Emergency restoration and repair;
- c) The specific financial terms/specific total amounts to be charged by the transmission developer of the transmission project to each beneficiary, as agreed to by the parties;
- d) Creditworthiness/project security requirements;
- e) Milestone reporting, including schedule of projected expenditures;
- f) Reevaluation of the transmission project; and
- g) Non-performance or abandonment.

**2.6 Removal from Regional Transmission Plans for Purposes of Cost Allocation:**

An interregional transmission project may be removed from the Transmission Provider's or SPP's regional transmission plan for purposes of cost allocation (1)

if the project is removed from either regions' regional transmission plans pursuant to the requirements of its regional transmission planning process or (2) if the developer fails to meet the developmental milestones established pursuant to Section 2.4.

**2.6.1:** The Transmission Provider and/or SPP will notify the other party if an interregional transmission project or a portion thereof is likely to be removed from its regional transmission plan.

### **3. Transparency**

**3.1** The Transmission Provider and SPP shall host their respective regional websites for communication of information related to coordinated interregional transmission planning procedures. The regions shall coordinate on the documents and information that is posted on their respective websites to ensure consistency of information. Each regional website shall contain, at a minimum, the following information:

- i. Link to this Attachment M-5;
- ii. Information related to joint meetings, such as links to materials for joint meetings;
- iii. Documents relating to joint evaluations; and
- iv. Procedures for coordination and joint evaluation.

**3.2** Access to the data utilized will be made available through the pertinent regional planning websites subject to the requirements in Section 1.2.3. The Transmission Provider will make available, on the Regional Planning website, links to where stakeholders can register (if applicable/available) for SPP stakeholder committees

and distribution lists.

**3.3** At the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, the SERTP Sponsors will provide status updates of interregional activities including:

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

**3.4** Stakeholders will have an opportunity to provide input and feedback related to interregional facilities identified, analysis performed, and any determination/results within the respective regional transmission planning processes. Stakeholders may participate in either or both regions' regional transmission planning processes to provide their input and feedback regarding the interregional coordination activities described in this Attachment M-5.