

Santee Cooper and SCE&G Transmission Planning Strawman

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Introduction

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- Santee Cooper Internal Planning Process
- VACAR Coordinated Planning Process
- SERC Coordinated Planning Process

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- SCE&G Internal Planning Process
- Strawman Regional Planning Process

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Santee Cooper Annual Internal Transmission Planning Process

- Develop Internal Computer Model of Transmission System
- Analyze Transmission System Based on NERC Mandatory Reliability Standards and Santee Cooper Planning Criteria
- List Voltage or Loading Concerns Identified in Analysis
- List Options that Solve Identified Transmission Concerns
- Take into Consideration, Results of Coordinated Planning Studies (VACAR, SERC, ERAG, etc.)
- Select Least-Cost Solution to Address all Identified Concerns on the Transmission System

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Santee Cooper Annual Internal Transmission Planning Process

(cont'd)

- Meet with Central Quarterly (minimum)
- Integrate Central's Transmission Facilities and Plans
- Meet with Member Cooperatives Annually

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SCE&G Transmission Planning Process

Long-standing planning purpose to:

- transmit electric power from SCE&G generators to SCE&G retail and full-requirements wholesale customers
- provide Transmission Service to OATT Network and PTP Customers
- provide Interconnection Service to all generators
- develop long-term least cost plan
- maintain synchronism with the Eastern Interconnection

Provide all services while being fully compliant with all applicable standards

SCE&G Transmission Planning Process

Long-standing transmission planning criteria

- SCE&G Criteria (1970 – current)
- SERC Planning Guidelines (early 70s – 2004)
- NERC Standards (1996 – current)

Long-standing Regional Participation

- VACAR
- SERC
- ERAG

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Result of the Transmission Planning Process

- SERC Investment for past 3 years – \$3.5 B
- Santee Cooper and SCE&G Investment for past 3 years – \$255 M
- SERC Investment projected for next 5 years – \$8.9 B
- Santee Cooper and SCE&G Investment for next 5 years – \$458 M

Transmission Planning in South Carolina

Existing Framework

- Local and Individual Company Transmission Planning
- Planning Processes in VACAR and SERC
 - Facilitated Planning
 - Coordinated Planning
 - Joint Planning

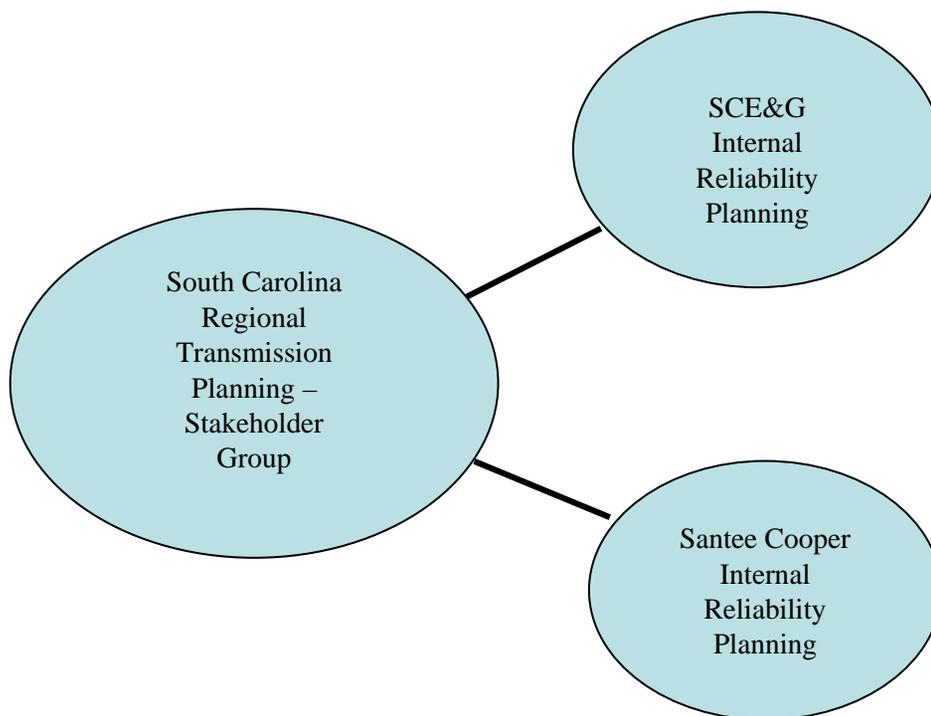
Traditional Coordinated Planning Activities

- VACAR
 - Reliability Agreements
 - TOs and LSEs in VACAR
- SERC
 - Intra-Regional Studies
 - Inter-Regional Studies (ERAG)

Planning Process Enhancements

- South Carolina Regional Transmission Planning (SCRTP) Process
 - 9 Principles
 - Stakeholder Group
 - Stakeholder Meetings

Transmission Planning in South Carolina



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Stakeholder Involvement

South Carolina Regional Transmission Planning - Stakeholder Group (SCRTP-SG)

- Transmission Owners/Operators
- Transmission Service Customers
- Cooperatives
- Municipals
- Marketers
- Generation Owners/Developers
- ISO/RTO
- State and Federal Regulatory Representatives

SCRTP-SG will meet 4 times per year

Transmission Planning in South Carolina

- Reliability Transmission Planning (RTP) process
 - The RTP process is the traditional transmission planning process that is used by Santee Cooper and SCE&G to provide safe and reliable transmission service at the lowest reasonable cost
- Economic Transmission Planning (ETP) process
 - The ETP process will determine the facilities or system changes on the Santee Cooper and/or SCE&G transmission systems to increase transfer capability on any direct interface

Four Stakeholder Meetings per Year

- Fall SG Meeting
- Winter SG Meeting
- Spring SG Meeting
- Summer SG Meeting

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1. Coordination

- Santee Cooper, SCE&G and all stakeholders will meet 4 times per year to provide data, take input, and discuss the results of RTP and ETP studies
- The Stakeholder process provides for timely and meaningful input and participation of customers into the development of transmission plans
- Customer input is incorporated into the planning process at an early stage of the development of transmission plans

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2. Openness

- The SCRTP will promote an open transmission planning process by working through the Stakeholder Group
- All Stakeholders are invited to participate

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3. Transparency

- Through the stakeholder meetings, all basic criteria, assumptions and data underlying the transmission plans will be shared with stakeholders
- Santee Cooper and SCE&G will document and make available the basic methodology, criteria, and processes used to develop transmission plans, including how retail native load is treated

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4. Information Exchange

- Network Customers will provide load and resource projections for the planning horizon
- PTP Customers will provide similar data
- Santee Cooper and SCE&G will provide similar data for retail native load customers

5. Comparability

- The SCRTP contemplates the development of transmission system plans that:
 - meet the specific service requests of Santee Cooper and SCE&G transmission customers
 - treat similarly-situated customers (e.g., network and retail native load) comparably in transmission planning

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6. Dispute Resolution

- Resolution Procedures (internal)
 - Senior representative from each party
- Arbitration Procedures
 - Uniform Arbitration Act
 - Nonbinding

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7. Regional Participation

- Santee Cooper and SCE&G Internal Planning results will be included in the Stakeholder process
- VACAR and SERC sponsored processes will be included in the Stakeholder process
- Jointly conducting studies of the interconnected systems will be included in the Stakeholder process
- The combination of these processes results in a complete and thorough review of the interconnected systems in the region

8. Economic Planning Studies

- Up to 5 economic power flow sensitivities will be studied per year, as selected by the Stakeholder Group
- Identified "significant and recurring congestion" will be studied in a similar manner

9. Cost Allocation of New Projects

- Projects to satisfy Reliability Criteria and Standards will be allocated to all users
- Projects for Economic Opportunities will be allocated to the requestor(s)

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