

127 FERC ¶ 61,275
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Sudeen G. Kelly, Marc Spitzer,
and Philip D. Moeller.

South Carolina Electric & Gas Company

Docket Nos. OA08-46-002
OA07-36-003

ORDER ACCEPTING COMPLIANCE FILINGS, AS MODIFIED

(Issued June 18, 2009)

1. On December 17, 2008, South Carolina Electric & Gas Company (SCE&G) submitted revisions to Attachment K of its Open Access Transmission Tariff (OATT) regarding its transmission planning process pursuant to section 206 of the Federal Power Act¹ (FPA) and in compliance with Order No. 890² and the Commission's September 18 Order.³ In addition, as directed by the September 18 Order, SCE&G submitted a revised Attachment L regarding customer creditworthiness. In this order, we accept SCE&G's Attachment K compliance filing, as modified, effective December 7, 2007, subject to a further compliance filing. We also accept SCE&G's Attachment L compliance filing, effective December 12, 2007.

I. Background

2. In Order No. 890, the Commission reformed the *pro forma* OATT to clarify and expand the obligations of transmission providers to ensure that transmission service is

¹ 16 U.S.C. § 824e (2006).

² *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299, (2008) *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009).

³ *South Carolina Electric & Gas Co.*, 124 FERC ¶ 61,266 (2008) (September 18 Order).

provided on a non-discriminatory basis. One of the Commission's primary reforms was designed to address the lack of specificity regarding how customers and other stakeholders should be treated in the transmission planning process. To remedy the potential for undue discrimination in planning activities, the Commission directed all transmission providers to develop a transmission planning process that satisfies nine principles and to clearly describe that process in a new attachment to their OATT (Attachment K).

3. The nine planning principles each transmission provider was directed by Order No. 890 to address in its Attachment K planning process are: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability;⁴ (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects. The Commission also directed transmission providers to address the recovery of planning-related costs. The Commission explained that it adopted a principles-based reform to allow for flexibility in implementation of and to build on transmission planning efforts and processes already underway in many regions of the country. The Commission also explained, however, that although Order No. 890 allows for flexibility, each transmission provider has a clear obligation to address each of the nine principles in its transmission planning process, and that all of these principles must be fully addressed in the tariff language filed with the Commission. The Commission emphasized that tariff rules, as supplemented with web-posted business practices when appropriate,⁵ must be specific and clear to facilitate compliance by transmission providers and place customers on notice of their rights and obligations.

4. SCE&G's proposed transmission planning process includes a joint planning process (South Carolina Regional Transmission Planning or SCRTP process) and stakeholder group (SCSG) which it developed with the South Carolina Public Service Authority (Santee Cooper).⁶ In addition, in order to provide a means for stakeholders to request inter-regional economic studies, among other things, SCE&G's Attachment K also includes the Southeast Inter-Regional Participation Process (SIRPP). SCE&G, Duke Energy Carolinas, LLC (Duke), Entergy Operating Companies (Entergy), E.ON U.S., LLC (E.ON U.S.), Progress Energy Carolinas, Inc. (Progress), Santee Cooper,

⁴ In Order No. 890-A, the Commission clarified that the comparability principle requires each transmission provider to identify, as part of its Attachment K planning process, how it will treat resources on a comparable basis and, therefore, how it will determine comparability for purposes of transmission planning. *See* Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216.

⁵ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1649-55.

⁶ September 18 Order, 124 FERC ¶ 61,266 at P 4.

Southern Company Services, Inc. (Southern), and the Tennessee Valley Authority (collectively, SIRPP Participants) participate in the SIRPP. This order addresses both planning processes where appropriate.

II. Compliance Filing

5. On December 17, 2008, SCE&G submitted a revised Attachment K and Attachment L in compliance with the Commission's September 18 Order. The revised Attachment K addressed the Commission's directives relating to eight of the nine Order 890 planning principles: coordination; openness; information exchange; comparability; dispute resolution; regional participation; economic planning studies; and cost allocation. In addition, the revised Attachment K addresses the issue of recovery of transmission planning costs.

6. SCE&G's revised Attachment L reflects the revisions accepted in Docket No. OA07-36-001 relating to reevaluation of customer creditworthiness.⁷

III. Notice of Filing and Responsive Pleadings

7. Notice of SCE&G's compliance filing in Docket Nos. OA08-46-002 and OA07-36-003 was published in the *Federal Register*, 73 Fed. Reg. 79,461 (2008), with interventions and protests due on or before January 7, 2009. No interventions or protests were filed.

IV. Discussion

A. Substantive Matters

8. We find that SCE&G's Attachment K transmission planning process, with certain modifications, complies with each of the nine planning principles and other planning requirements adopted in Order No. 890. Accordingly, we accept the Attachment K filing of SCE&G, as modified, to be effective December 7, 2007, subject to a further compliance filing as discussed below. In addition, we accept SCE&G's Attachment L compliance filing, effective December 12, 2007.

⁷ In the September 18 Order, the Commission found that SCE&G's Attachment L creditworthiness procedures did not address the lack of specific criteria required to re-evaluate a customer's creditworthiness. There, the Commission directed SCE&G to file a corrected version of Attachment L to reflect revisions accepted in Docket No. OA07-36-001.

9. Although the Commission accepts SCE&G's compliance filing below, subject to a further compliance filing to address certain discrete issues, the Commission remains interested in the development of transmission planning processes and will continue to examine the adequacy of the processes accepted to date. We reiterate the encouragement made in prior orders for further refinements and improvements to the planning processes as transmission providers, their customers, and other stakeholders gain more experience through actual implementation of the processes. As part of the Commission's ongoing evaluation of the implementation of the planning processes, the Commission intends to convene regional technical conferences this year to determine if further refinements to these processes are necessary. The focus of the 2009 regional technical conferences will be to determine the progress and benefits realized by each transmission provider's transmission planning process, obtain customer and other stakeholder input, and discuss any areas that may need improvement. The conferences will examine whether existing transmission planning processes adequately consider needs and solutions on a regional or interconnection-wide basis to ensure adequate and reliable supplies at just and reasonable rates. The Commission will also explore whether existing processes are sufficient to meet emerging challenges to the transmission system, such as the development of interregional transmission facilities, the integration of large amounts of location-constrained generation, and the interconnection of distributed energy resources.

B. Compliance with Order No. 890's Planning Principles

1. Coordination

10. In the September 18 Order, the Commission stated that it was "not convinced that SCE&G's Attachment K ensures that customers and other stakeholders can provide timely and meaningful input throughout the development of the transmission plan."⁸ Specifically, the September 18 Order directed SCE&G to: (1) clearly describe the review and comment process for its reliability planning studies and completed two-party and multiple-party studies; (2) provide a detailed description of the review process finalizing and approving the transmission plan; (3) clearly describe the transmission plan(s) being reviewed in the quarterly stakeholder meetings and (4) clearly describe the process for stakeholders to submit alternatives and for consideration of alternatives.

Commission Determination

11. We find that SCE&G's proposed revisions to Attachment K satisfy the requirements in the September 18 Order related to the coordination principle.

⁸ September 18 Order, 124 FERC ¶ 61,266 at P 17.

12. SCE&G describes the review and comment process for its reliability planning studies and completed two-party and multiple-party studies. SCE&G also provides a detailed description of the review process finalizing and approving the transmission plan and adequately describes the transmission plan(s) being reviewed in the quarterly stakeholder meetings. For example, SCE&G added language to section III.C. (Stakeholder Meetings) that identifies the studies it will review, including initial and final study results with stakeholder input of SCE&G's Reliability Transmission Plan. SCE&G's Reliability Transmission Plan includes studies to measure the performance of SCE&G's transmission system against North American Electric Reliability Corporation (NERC) and SCE&G criteria.⁹ This review may occur by web conference or conference call. SCE&G's Attachment K provides stakeholders with the opportunity to provide comments and feedback that will be considered in the ongoing and perpetual planning process. Under SCE&G's transmission planning process, proposed transmission plans are reviewed continuously as assessment and planning studies are conducted for numerous purposes. According to SCE&G, any new input or adjustments to the study process or study results are reflected in all future studies.¹⁰ SCE&G's Attachment K provides similar procedures for two-party and multi-party Reliability Transmission Plan studies conducted with other transmission owners and for regional and inter-regional reliability assessment studies.

13. SCE&G's Attachment K also provides that the Fall Stakeholder Meeting is scheduled prior to initiation of SCE&G's annual reliability transmission planning studies that examine system performance against requirements included in the NERC and SCE&G standards criteria. This will allow an opportunity for stakeholder input into the study processes and the sharing and review of planning-related data and analyses prior to conducting studies. It will also ensure that up-to-date information is modeled and incorporated in the reliability study processes.¹¹

14. With respect to the process for considering alternatives, SCE&G's revised Attachment K provides that stakeholders can discuss possible alternatives to proposed upgrades at the Winter Stakeholder Meeting. SCE&G's Attachment K provides that viable alternative solutions to proposed upgrades also will be considered in the ongoing and perpetual planning process.¹² After the modeling and assessment process is conducted, a transmission plan is produced that reflects the consideration of alternatives

⁹ SCE&G Attachment K, Section III. C (Winter Stakeholder Meeting).

¹⁰ SCE&G Attachment K, Section II.D. (The Transmission Planning Cycle).

¹¹ SCE&G Attachment K, Section III.C. (Fall Stakeholder Meeting).

¹² SCE&G Attachment K, Section III.C. (Winter Stakeholder Meeting).

to transmission expansion submitted by stakeholders or others. The SCE&G planning process will consider these alternative options in determining if and when transmission expansion is needed.

15. With respect to the types of alternatives to be considered to the proposed upgrades, the revised Attachment K states that alternatives may be “in the form of other transmission expansion solutions, generation solutions, load-management solutions, etc.”¹³ Additionally, SCE&G’s Attachment K provides that publicly available information disclosed at its quarterly meetings (Fall, Winter, Spring and Summer) will be made available on its regional website subject to CEII requirements. In order to promote transparency and enable stakeholders to replicate the result of the transmission provider’s planning studies, SCE&G will make available during the relevant stakeholder meetings and/or on the regional website, information concerning the basic methodology, criteria, and process the transmission provider uses to develop its plan. At the Fall Stakeholder Meeting, stakeholders will have the opportunity to discuss and provide comments on the latest transmission plans and upgrades in order to provide feedback for the development of the next plan. We interpret this to mean that stakeholders will receive the transmission plan as it is being developed and that it is posted on SCE&G’s and Santee Cooper’s regional website.¹⁴ Therefore, we find that SCE&G’s Attachment K revisions comply with Order No. 890’s coordination principle.

2. Openness

16. The September 18 Order found that SCE&G’s December 7, 2007 filing partially complied with the openness principle but that it did not address access to confidential information that is not Critical Energy Infrastructure Information (CEII). Accordingly, the Commission directed SCE&G to develop a mechanism to manage access to confidential planning-related information that is not CEII.¹⁵

¹³ SCE&G Attachment K, section III.C. (tariff sheet nos. 221-22). We interpret load-management solutions to mean demand resources and will use that term in the rest of this order.

¹⁴ SCE&G Attachment K, section III.A. (Introduction); section III.C. (Fall Stakeholder Meeting); and Appendix K-2 (SCE&G Transmission Planning Process Timeline), which diagrams stakeholder interaction in the planning process, including, among other things, when stakeholders are to be presented with plans and studies and when they can provide input on alternative projects.

¹⁵ September 18 Order, 124 FERC ¶ 61,266 at P 20.

Commission Determination

17. We find that SCE&G's Attachment K partially satisfies the requirements in the September 18 Order related to the openness principle, subject to SCE&G making certain revisions to its SIRPP-related provisions, as discussed below. SCE&G amended Attachment K section III. D. (Access to Data and Studies) to provide that SCE&G will utilize the CEII application and non-disclosure agreement posted on the SCRTP website and that SCE&G will follow the procedures described in Appendix K-3 for CEII data and information and for non-CEII confidential information, as discussed further below. Appendix K-3 outlines the SIRPP concerning inter-regional economic planning and is incorporated into each Participating Transmission Owner's¹⁶ planning process and OATT Attachment K.

18. The tariff language related to the process that the SIRPP stakeholder group members must use to obtain CEII data and information used in the SIRPP includes a requirement that the stakeholders demonstrate that they have been authorized by the Commission to receive the CEII-protected version of Form 715 as a condition to receiving any CEII information from a Participating Transmission Owner (Form 715 Requirement). As discussed further below, we find that the Form 715 Requirement is unjust, unreasonable, unduly discriminatory or preferential because it is unnecessarily burdensome and restrictive in the context of the transmission planning process, as it relates to CEII or non-CEII confidential information.

19. In Order No. 890 the Commission acknowledged its responsibility to protect CEII and recognized that those with a legitimate need for CEII information must be able to obtain it on a timely basis. In several places the Commission specified the measures transmission providers can use to protect CEII, but did not require stakeholders to receive authorization from the Commission to access CEII data, as would be the case under the Form 715 Requirement. For example, in order to provide transparency and avoid undue delays in providing information to those with a legitimate need for it, the Commission required transmission providers to establish a standard disclosure procedure for CEII, noting measures such as digital certificates or passwords, additional login requirement for users to view CEII sections of the OASIS, requiring users to acknowledge that they will be viewing CEII information, and nondisclosure agreements. The Commission also noted that it will be available to resolve disputes if they arise.¹⁷

¹⁶ According to SCE&G's SIRPP provisions (Appendix K-3), the sponsors of the SIRPP (i.e., Participating Transmission Owners) are referred to as transmission owners, rather than transmission providers, because not all of the sponsors are "Transmission Owners" for purposes of the *pro forma* OATT.

¹⁷ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 404.

20. The Commission confirmed this approach when it emphasized that the overall development of the transmission plan and the planning process must remain open. The Commission agreed with the concerns of some commenters that safeguards must be put in place to ensure that confidentiality and CEII concerns are adequately addressed in transmission planning activities. The Commission required that transmission providers, in consultation with affected parties, develop mechanisms, such as confidentiality agreements and password-protected access to information, in order to manage confidentiality and CEII concerns.¹⁸

21. There is nothing in the Commission's regulations or precedent that would require the imposition of a requirement like the Form 715 Requirement. To the contrary, in Order No. 643,¹⁹ the Commission amended its CEII regulations and noted that nothing in the revisions it was making nor in the regulations outlined in Order No. 630 is intended to require companies to withhold CEII, or to prohibit voluntary arrangements for sharing information. The Commission's CEII regulations do not affect an entity's ability to reach appropriate arrangements for sharing CEII and the Commission in fact encourages such arrangements. In many cases, companies and persons that have had dealings with one another in the past will be in a better position than the Commission to judge the security of such an arrangement. There is nothing in the CEII regulations that would, for example, prevent a regional council from obtaining data from member companies or from sharing it both with member and non-member companies.²⁰

22. In addition, the Commission has previously stated that the Form 715 Requirement unreasonably restricts the ability of affected stakeholders to participate fully in transmission planning meetings and that transmission providers may develop mechanisms, such as confidentiality agreements and password-protected access to information, in order to manage confidentiality and CEII concerns.²¹ Finally, if a dispute does arise with respect to providing confidential and CEII information, that dispute may be brought to the Commission for resolution.

23. For these reasons, we find that the Form 715 Requirement as proposed by SCE&G is unjust, unreasonable, unduly discriminatory or preferential in the context of the

¹⁸ *Id.* P 460.

¹⁹ *Amendments to Conform Regulations With Order No. 630 (Critical Energy Infrastructure Information Final Rule)*, Order No. 643, FERC Stats. & Regs. ¶ 31,149, (2003).

²⁰ Order No. 643, FERC Stats. & Regs. ¶ 31,149, at P 16.

²¹ *See Duke Energy Carolinas, LLC*, 124 FERC ¶ 61,267, at P 23 (2008).

transmission planning process and that its removal will yield a just and reasonable result. Therefore, we direct SCE&G, in a compliance filing to be submitted within 60 days of the date of this order, to modify the relevant OATT provisions to remove any Form 715 Requirement.

24. In addition, SCE&G must revise the tariff language related to SIRPP so that non-public utility transmission providers do not have more confidentiality protections than public utility transmission providers in the transmission planning process. Specifically, the SIRPP tariff language requires a Participating Transmission Owner not to disclose information supplied by an entity that is not a public utility under section 201(e) of the FPA.²² In Order No. 890, the Commission stated that a coordinated, open and transparent regional planning process cannot succeed unless all transmission owners participate. The Commission also stated that it expects all non-public utility transmission providers will fully participate in the transmission planning processes required by Order No. 890. The Commission added that reciprocity dictates that non-public utility transmission providers that take advantage of open access due to improved planning should be subject to the same requirements of openness and transparency as public utilities.²³ Therefore, we direct SCE&G to revise its OATT, in a compliance filing due within 60 days of the date of this order, so that information provided by non-public utility transmission providers is subject to the same information disclosure and confidentiality protections that are applied to public utility transmission providers and other stakeholders in SIRPP.

25. Further, we find that the SIRPP provision that forbids Participating Transmission Owners from disclosing certain resource-specific data unreasonably restricts access to data that stakeholders may need for participation in or evaluation of studies produced by the SIRPP.²⁴ As written, the provision requires Participating Transmission Owners to exempt from disclosure any resource-specific data that can be used to determine security

²² Appendix K-3 (SIRPP) of SCE&G's Attachment K.

²³ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 441.

²⁴ Appendix K-3 states:

Resource-specific data shall not be made available by the Participating Transmission Owners if the data has been designated confidential by the data provider or if the data can be used to (a) determine security constrained unit commitment or economic dispatch of resources or (b) perform an economic evaluation of costs and benefits.

constrained unit commitment and economic dispatch or to perform an economic evaluation of costs and benefits, even if that data would not otherwise be considered confidential. In addition, even if the resource-specific data is confidential, it is not clear why all such data must be exempt from disclosure, even under appropriate confidentiality protections that are already in the tariff. Moreover, this provision conflicts with the requirement that stakeholders have sufficient information to replicate all transmission planning studies,²⁵ and is unduly discriminatory. Therefore, we will direct SCE&G to revise the provision, within 60 days of the date of this order, to require that resource-specific data in the planning process be disclosed by Participating Transmission Owners, under applicable confidentiality provisions, if the information is needed to participate in the transmission planning process and/or to replicate transmission planning studies.²⁶

3. Information Exchange

26. The September 18 Order found that SCE&G's December 7, 2007, filing partially complied with the information exchange principle and directed SCE&G to revise its Attachment K to: (1) identify the particular information customers and other stakeholders are to provide at the Fall Stakeholder Meeting; and (2) include guidelines for submitting planning-related information.

Commission Determination

27. We find that SCE&G's Attachment K proposal satisfies Order No. 890's information exchange principle. Under SCE&G's revised Attachment K, stakeholders will provide, at the Fall Stakeholder Meeting, input on key assumptions and modeling data used in the Reliability Transmission Planning process, including, but not limited to, network customers' 10-year load and resource forecasts and point-to-point customers' forecasts in the form of customer expectations over the next 10 years. Stakeholders will also provide any updates to the information submitted in the customer's application for

²⁵ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 471. The Commission also noted, that without certain generator dispatch and economic information, it becomes difficult or impossible to conduct meaningful load flow studies for some transmission planning purposes. The Commission therefore required disclosure of criteria, assumptions, data and other information that underlie transmission plans. *Id.* P 478.

²⁶ We note that the Commission previously accepted an identical provision in the SPP OATT. However, the Commission is addressing the SPP provision in an order on rehearing being issued concurrently with this order. *See Southwest Power Pool, Inc.*, 127 FERC ¶ 61,271 (2009). Other issues related to the SIRPP will be discussed below in the section on Economic Planning Studies.

service by October 31 of each year by e-mail or hardcopy to SCE&G Transmission.²⁷ Therefore, we find that SCE&G's Attachment K provisions satisfy Order No. 890's information exchange requirements.

4. Comparability

28. In the September 18, 2008, Order, the Commission found that SCE&G's Attachment K complied with Order No. 890's comparability. The Commission found that SCE&G's annual transmission plan is designed to meet the needs of all customers. All participants will have input and will be able to participate in the reliability and economic transmission planning processes through the SCSG, ensuring that SCE&G complies with its obligation to provide comparable treatment in transmission planning.²⁸ However, the Commission also found that, because Order No. 890-A was issued on December 28, 2007, subsequent to SCE&G submitting its Order No. 890 Attachment K compliance filing, SCG&E did not have an opportunity to demonstrate that it complies with the comparability requirement of Order No. 890-A.²⁹ Specifically, Order No. 890-A required that the transmission provider needs to identify as part of its Attachment K planning process "how it will treat resources on a comparable basis and, therefore, should identify how it will determine comparability for purposes of transmission planning."³⁰ Therefore, the Commission directed SCE&G to make a compliance filing addressing the necessary demonstration required by Order No. 890-A.

Commission Determination

29. We find that SCE&G has sufficiently described how it will treat resources on a comparable basis in its planning process. SCE&G's planning provisions clearly indicate when and where in the planning process stakeholders have an opportunity to provide input on key assumptions and modeling data used in the reliability transmission planning studies. As discussed above, at the Fall Stakeholder Meeting, a stakeholder (which includes any individual or entity) can provide input to SCE&G about key assumptions and modeling data. There, stakeholders will also provide any updates to the information submitted in the customer's application for service by October 31 of each year.

30. Also, as discussed above, at the Fall Stakeholder Meeting, which is scheduled to occur prior to the initiation of SCE&G's annual reliability transmission planning studies,

²⁷ SCE&G Attachment K, section III.C. (Fall Stakeholder Meeting).

²⁸ September 18, 2008 Order, 124 FERC ¶ 61,266 at P 33.

²⁹ *Id.* P 34.

³⁰ *Id.* (citing Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 216).

SCE&G will review and have a discussion with stakeholders on the key assumptions and data used for internal model development for the reliability transmission plan. SCE&G will review its transmission expansion plan and the status of upgrades identified in its transmission expansion plan. There, stakeholders have the opportunity to discuss and provide comments on the latest transmission plans and upgrades in order to provide feedback for the development of the next plan.

31. At the Winter Stakeholder Meeting, stakeholders can discuss possible alternatives to upgrades proposed by SCE&G. SCE&G will review the initial study results (for stakeholder input) of its reliability planning process studies, which include studies conducted to measure the performance of the SCE&G transmission system against the applicable reliability standards and criteria. Stakeholders will have the opportunity to provide comments and feedback on these results as discussed in section II. D (The Transmission Planning Cycle) any and all comments and feedback will be considered in the ongoing and perpetual planning process.

32. A similar review process is also included for two-party and multi-party reliability transmission planning studies conducted with interconnected and other Eastern Interconnection transmission owners. These reviews will identify any upgrades being considered and stakeholders can discuss possible alternatives to the proposed upgrades. These alternatives may be in the form of other transmission expansion solutions, generation solutions or demand resources.³¹ In addition, under SCE&G's planning process alternative solutions to proposed upgrades are considered in the ongoing and perpetual planning process.³² After the modeling and assessment process is conducted, a transmission expansion plan is produced that reflects consideration of alternatives to transmission expansion as submitted by stakeholders or anyone else.³³

33. SCE&G's planning provisions ensure that all solutions that satisfactorily resolve an identified problem would be given consideration. Under SCE&G's planning process, it conducts a cost/benefit analysis in order to treat all resources on a comparable basis and will give consideration to every viable alternative solution to identified transmission needs on a technologically neutral basis. These alternative solutions may include new transmission facilities, modifications to existing facilities, generation siting or demand resource opportunities. The SCE&G planning process will consider these alternative options in determining if and when transmission expansion is needed.³⁴ Therefore, we

³¹ SCE&G Attachment K, section III. C. (Winter Stakeholder Meeting).

³² SCE&G Attachment K, section II. D. (The Transmission Planning Cycle).

³³ SCE&G Attachment K, section II. E. (Transmission Plan Approval).

³⁴ SCE&G Attachment K, section II. B. d. (Cost/Benefit Analyses).

find that SCE&G's planning process complies with the comparability requirements of the September 18 Order.

5. Dispute Resolution

34. The September 18 Order found that SCE&G's proposed dispute resolution process may inappropriately affect the ability of a party to exercise its rights under section 206 of the FPA. In the September 18 Order, the Commission directed SCE&G to revise its dispute resolution provision to preserve the rights of a party to exercise its rights under section 206 of the FPA.³⁵

Commission Determination

35. The revised Attachment K provides that any affected party may refer a disputed matter to the Commission at any time by filing a complaint with the Commission under section 206 of the FPA, a request for declaratory order, or a change in rate under section 205 of the FPA.³⁶ Therefore, we find that the Attachment K, as modified, is in compliance with the September 18 Order.

6. Regional Participation

36. The September 18 Order found that SCE&G's proposed Attachment K partially complied with the regional participation principle but it did not: (1) identify the timelines and milestones for the coordination of models by the Southeast Reliability Corporation (SERC); (2) describe how stakeholders can participate in the regional participation processes; and (3) describe how these various processes will interact with each other and SCE&G's own planning activities. As a result, the September 18 Order directed SCE&G to describe in detail its process for coordinating with interconnected systems to share system plans to ensure they are simultaneously feasible and otherwise use consistent assumptions and data and identify enhancements that could relieve congestion or integrate new resources.

Commission Determination

37. We find that SCE&G's Attachment K revisions satisfy Order No. 890's requirements, with the modifications discussed below. SCE&G explains that it coordinates model development and conducts assessments of the planned systems in Virginia and the Carolinas, within the Southeast and outside the Southeast, and within the Eastern Interconnection. SCE&G's revised Attachment K also added language to

³⁵ September 18 Order, 124 FERC ¶ 61,266 at P 16.

³⁶ Section III.E.(Dispute Resolution) of SCE&G's Attachment K.

sections II C. 1. (Coordinated Assessment) and II. C. 2. (Joint Planning) providing that its coordinated assessment process includes two or more systems that agree to exchange data and plans and follow a set of criteria and guidelines such as national and utility reliability standards. The process also ensures that interconnection systems share plans and that analyses of these plans are conducted to assess if these plans are simultaneously feasible and otherwise use consistent assumptions and data. When these coordinated assessments determine that system plans are not simultaneously feasible, joint planning efforts among two or more systems or additional local planning efforts are required.³⁷

38. Additionally, SCE&G's revised Attachment K provides that the joint planning process takes place with neighboring systems where detailed assessments are conducted and negotiations under Interchange Agreements are used to agree on, commit to and implement detailed plans.³⁸ SCE&G further explains that it has Interchange Agreements with Santee Cooper, Duke, Progress and Southern.³⁹ SCE&G explains that these agreements are longstanding and require SCE&G and each of its neighboring transmission owners to conduct coordinated assessments and to conduct local planning or joint planning to address and resolve any and all issues discovered as a result of coordinated assessments. We find that SCE&G's description of its reliability agreements with its neighboring transmission owners involving the facilitation of local planning, the coordination of assessments, or joint planning activities satisfies Order No. 890's requirement that it coordinate with interconnected systems to share system plans to ensure they are simultaneously feasible and otherwise use consistent assumptions and data and identify enhancements that could relieve congestion or integrate new resources.

39. SCE&G's revised Attachment K also allows stakeholder participation in the regional planning processes by providing that the schedule for stakeholder meetings tracks the regional planning process timeline, in order to allow SCE&G to communicate information to its stakeholders at each stage of the planning process. According to SCE&G, this will allow stakeholder input at the beginning stage when the prior year's plan is reviewed and new issues are identified to be modeled and studied as the planning cycle starts over. Stakeholders are then updated at various times during the year regarding the studies, and they are afforded the opportunity to ask questions about studies, offer input and request additional studies.⁴⁰ The Commission finds that

³⁷ SCE&G Attachment K, section II.C.1. (Coordinated Assessments).

³⁸ According to SCE&G, the joint planning process includes two or more systems planning as if they were a single system.

³⁹ SCE&G Attachment K, section II.C.2. (Joint Planning).

⁴⁰ SCE&G Attachment K, section III.C. (Stakeholder Meetings).

SCE&G's provisions describing how stakeholders can participate in the regional participation processes, how these various processes will interact with each other, and SCE&G's planning activities satisfy Order No. 890's regional participation principle.

40. With respect to the identification of timelines and milestones for the coordination of models by SERC, Section II.D. (The Transmission Planning Cycle) of SCE&G's revised Attachment K provides that its appended timeline illustrates how the SCE&G planning processes take place over the course of a year, including timelines and milestones for the coordination of models by SERC.

41. Although the Transmission Planning Cycle of SCE&G's Attachment K includes provisions describing the identification of timelines and milestones in its Appendix K-2 (SCE&G Transmission Planning Process Timeline), the proposal does not describe in detail how SCE&G's transmission planning process interacts with SERC's process. Accordingly, we direct SCE&G, in a compliance filing to be made within 60 days of the date of this order, to include a description of the SERC process consistent with section 10 (Interregional Coordination) of Duke's and Progress' Attachment Ks.⁴¹

7. Economic Planning Studies

42. With respect to the SCRTP, the September 18 Order found that the proposed Attachment K partially complied with the economic planning studies principle. However, with regard to the SCRTP process, the September 18 Order directed SCE&G to: (1) identify how the SCRTP process and SCSG will cluster or batch economic studies in its economic planning process; (2) clearly identify the processes being used to perform economic planning studies on a local and sub-regional basis; (3) include a discussion whether economic studies not involving transfers to another system will be performed by SCE&G individually; and (4) identify whether the sub-regional process used to study transfers involving Santee Cooper is the SCRTP process.

43. As to the SIRPP, the September 18 Order directed SCE&G to revise Attachment K-3 to provide for: (1) participation by any interested party in the SIRPP Stakeholder Group;⁴² (2) the distribution of information to be discussed at a stakeholder meeting

⁴¹ See the concurrently issued order in *Duke*, 127 FERC ¶ 61,281 (2009). Duke and Progress, Attachment Ks section 10 (Interregional Coordination) Docket Nos. OA08-50-001 and OA08-51-002 issued concurrently with this order.

⁴² SCE&G notes that, in Docket No. OA08-37, Southern sought rehearing of this language (which is identical for Southern Company and SCE&G). SCE&G also notes that it reserves the right to submit revised tariff language based on the outcome of Southern's rehearing. We deny Southern's request for rehearing on this issue in an order issued concurrently with this order. See *Southern Company Services, Inc.*, 127 FERC

sufficiently in advance of that meeting to provide for meaningful stakeholder review; (3) the ability of the SIRPP stakeholders to cluster or batch requests for economic studies; and (4) to address how disputes between stakeholders would be addressed when SCE&G is not a party to the dispute.

Commission Determination

44. We find that SCE&G has adequately addressed the Commission's concerns in the September 18 Order regarding the SCRTP economic planning studies process. For example, SCE&G's Attachment K revisions provide that stakeholders will consider clustering similar Economic Transmission Planning Studies requests. SCE&G's Attachment K further provides that, if two or more of these studies are similar in nature, and it concludes clustering is appropriate, it may, following communications with stakeholders, cluster those studies for the purpose of the Economic Transmission Planning Study and Report. Additionally, up to five economic power transfer sensitivities identified and requested by stakeholders will be considered per year, except sensitivities that specify specific generation resources.⁴³ If more than five sensitivities are requested, stakeholders will vote to select priorities. Additional sensitivities will be studied only if requestors pay for the associated studies.

45. Under SCE&G's Attachment K, requested economic power transfers with the source(s) and the sink(s) within its transmission system will be studied by SCE&G. In addition, requested economic power transfers with the source(s) and the sink(s) within the SCRTP process areas will be jointly studied by SCE&G and Santee Cooper. Requested economic transfer studies with the source(s) and/or sink(s) outside the SCRTP process area that are studied by SCE&G and Santee Cooper will only include the results for the SCRTP process area. To the extent stakeholders want the results from other areas included, the request will be advanced to the SIRPP.

46. We also find that SCE&G has adequately addressed the Commission's concerns in the September 18 Order regarding the SIRPP inter-regional economic planning studies process.⁴⁴ SCE&G has revised its SIRPP (Appendix K-3) to provide that the SIRPP Stakeholder Group membership and the ability to attend meetings are open to any interested party. As to the distribution of information prior to stakeholder meetings, the SIRPP (Appendix K-3) has been revised to provide that the information to be discussed at such meetings will be made available in final draft form for review prior to any such

¶ 61, 282 (2009).

⁴³ SCE&G Attachment K, section III.C. (Spring Stakeholder Meeting).

⁴⁴ In the section above on the Openness principle, we already addressed issues related to the SIRPP information disclosure provisions.

meeting by posting on the SIRPP website and/or electronic mail to SIRPP Stakeholder Group members. The Participating Transmission Owners will use reasonable efforts to make information available at least 10 calendar days prior to the meeting.

47. With respect to the clustering of economic studies, SCE&G's SIRPP (Appendix K-3) provides that that SIRPP Stakeholder Group should consider clustering similar Economic Planning Study requests. SCE&G explains that if two or more of the Economic Planning Study requests are similar in nature and the Participating Transmission Owners conclude clustering or such requests and studies is appropriate, the Participating Transmission Owners may, following communications with the SIRPP Stakeholder Group, cluster those studies for the purposes of the transmission evaluation.

48. Lastly, the SIRPP provisions of SCE&G's Attachment K provides that any procedural or substantive dispute between a SCE&G stakeholder and a Participating Transmission Owner that arises from the SIRPP will be addressed pursuant to the dispute resolution provisions of the Participating Transmission Owner's regional planning process. Disputes among stakeholders may be resolved by the stakeholders using the Commission's alternative dispute resolution services. SCE&G's SIRPP provisions further provide that should dispute resolution procedures occur in multiple regional planning processes involving a single dispute among multiple Participating Transmissions Owners, the affected Participating Transmission Owners, in consultation with the affected stakeholders, will use reasonable efforts to consolidate the resolution of the dispute such that it will be resolved pursuant to the dispute resolution provisions of a single regional planning process. Therefore, we find that Attachment K, including Appendix K-3, comply with the September 18 Order.

8. Cost Allocation

49. The September 18 Order found that SCE&G had failed to identify the cost allocation methodology that will be used for economic upgrades identified through a SIRPP study and directed SCE&G to address this in this compliance filing.⁴⁵

Commission Determination

50. We find that SCE&G's revisions comply with the cost allocation requirements of Order 890 and the September 18 Order. Under the SIRPP provisions, costs will be allocated to the transmission owner that builds the facilities. Therefore, we find that SCE&G's commitment to utilize the cost allocation procedures in the SIRPP complies with the cost allocation requirements of the September 18 Order.

⁴⁵ September 18 Order, 124 FERC ¶ 61,266 at P 78.

C. Recovery of Transmission Planning Costs

51. In the September 18 Order the Commission noted that SCE&G did not identify how it will recover the costs it incurs in conducting planning activities and required SCE&G to address that issue in this filing.

Commission Determination

52. We find that SCE&G's proposed Attachment K complies with Order No. 890's recovery of planning costs requirement. SCE&G states that it will recover its planning costs in its transmission rates and/or bundled retail rates in accordance with the policies of this Commission and State Commissions that have jurisdiction over SCE&G's rates.

D. SCE&G's December 12 Amendment (Attachment L)

53. In the September 18 Order, the Commission directed SCE&G to submit a compliance filing reflecting the same language as that accepted in Docket No. OA07-37-001 (relating to specific criteria as to when it would reevaluate a customer's creditworthiness). SCE&G has satisfactorily made the required revisions to its Attachment L and corrected the respective pagination. Therefore, we find that SCE&G's Attachment L as submitted complies with the September 18 Order.

The Commission orders:

(A) SCE&G's Attachment K compliance filing is hereby accepted, effective December 7, 2007, subject to a further compliance filing, as discussed in the body of this order.

(B) SCE&G's Attachment L compliance filing is hereby accepted, effective December 12, 2007, as discussed in the body of this order.

(C) SCE&G is hereby directed to submit a compliance filing, within 60 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

