



Southern Company Transmission Long-Term Transmission Service and Competing Requests Business Practice

The following business practice applies to the exercise of the reservation priority of long-term firm transmission service pursuant to Section 2.2 of the OATT.

Renewing long-term firm transmission service

A Transmission Customer shall have the right to continue taking long-term firm transmission service in accordance with FERC policy and the Transmission Provider's Tariff.¹ Transmission service agreements eligible for rollover must be for a term of at least five years, unless otherwise restricted in accordance with FERC policy.

An existing long-term firm Transmission Customer with the right to rollover transmission service (a "Rollover Customer") must provide notice to the Transmission Provider regarding whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This notice shall be done by submitting a RENEWAL request on OASIS.

The transmission service must be renewed for at least five (5) years in order to maintain renewal/rollover rights. Transmission service can be renewed for less than five (5) years, but no renewal/rollover rights will attach to such service; provided further, transmission service can be renewed for a lesser amount of transmission capacity.

Competing Requests

If it has been determined that at the end of the term of a Rollover Customer's transmission service agreement, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the Rollover Customer must agree to accept a contract term and rate at least equal to a "competing request" submitted by any Eligible Customer (the "Competing Request Customer").

A "competing request" is defined herein as a request that (i) is a YEARLY long-term firm service request, (ii) is queued prior to the RENEWAL request, (iii) shares the same POR and/or POD with the Rollover Customer's long-term transmission service², (iv) has reached a CONFIRMED state³ on OASIS and (v) the Competing Request Customer makes a "bona fide" commitment to take and pay for the

¹ Rollover rights related to redirected service shall be determined in accordance with FERC policy.

² For purposes of this provision, the POR/POD values for the Florida Interface (i.e., FPC, FPL, JEA, TAL) shall be considered the same POR/POD.

³ In this circumstance, the use of the CONFIRMED state does not mean that the Competing Request Customer has been granted the long-term transmission service. Instead, the request shall be processed in accordance with this



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transmission service by executing a contingent service agreement. Upon submission, the Competing Request Customer must declare that it intends to be a competing request by entering the following in the Customer Comments field of its request on OASIS:

- the phrase “COMPETING REQUEST”, and
- the assignment reference number(s) of the reservation(s) with which it would like to compete.

In addition, the Competing Request Customer will note in its application that it is seeking to be deemed a competing request. This declaration will provide notice to the Transmission Provider that the Competing Request Customer is requesting that this reservation be evaluated as a competing request. This request will be processed in accordance with the Transmission Provider’s Tariff and will be studied in lieu of the service with which it is competing. The Transmission Provider will determine whether the request is a competing request based on the identified constraints (common facilities to the Rollover Customer) and will verify that the request meets the requirements. If the request is determined by the Transmission Provider to be a competing request (i.e., the request meets the requirements set forth herein) prior to close of business on the Rollover Customer’s “Rollover Exercise Date”⁴, the Competing Request Customer shall be deemed to be a “Confirmed Competitor.”⁵

Competing Request Processing

As stated above, the Rollover Customer must provide notice to the Transmission Provider regarding whether it will exercise its right of first refusal no less than one year prior to the expiration date of its long-term transmission service agreement. This notice shall be done by submitting a RENEWAL request on OASIS. This request shall be CONFIRMED on OASIS.⁶

business practice and the Transmission Provider’s Tariff and service will be granted accordingly after the evaluation of the requests. In addition, the request shall be flagged as a COMPETING REQUEST on OASIS.

⁴ For purposes of this business practice, the term “Rollover Exercise Date” shall be the calendar day one year prior to the expiration date of the Rollover Customer’s transmission service agreement.

⁵ In order to permit the Transmission Provider to process the Competing Request Customer’s competing request in accordance with the Tariff and determine if it can be deemed a Confirmed Competitor on or before the Rollover Exercise Date, the Competing Request Customer must submit its request at a time prior to the Rollover Exercise Date that will permit such processing.

⁶ In this circumstance, the use of the CONFIRMED state does not mean that the Rollover Customer has been granted the long-term transmission service. Instead, the request shall be processed in accordance with this business practice and the Transmission Provider’s Tariff and service will be granted accordingly after the evaluation of the requests.



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Once the Competing Request Customer has been determined to be a Confirmed

Competitor (to occur no later than close of business on the Rollover Exercise Date), the Transmission Provider shall evaluate the requests in accordance with FERC policy, the Transmission Provider's Tariff, and these business practices.

The Transmission Provider will evaluate the requests by comparing the Rollover Customer's RENEWAL request with the Confirmed Competitor's reservation with regard to duration and rate.

- If the Confirmed Competitor's reservation has a longer duration or higher rate than the Rollover Customer's RENEWAL request, the Rollover Customer will have fifteen (15) calendar days to determine whether to match the Confirmed Competitor's reservation.
 - If the Rollover Customer does choose to match the Confirmed Competitor's reservation, then the Rollover Customer must submit a new MATCHING request on OASIS with duration and rate that, at a minimum, matches the Confirmed Competitor's reservation. The Rollover Customer must CONFIRM this reservation within three (3) business days of the Transmission Provider accepting the request, or the capacity will be granted to the Confirmed Competitor. Upon confirmation from the Rollover Customer, the Rollover Customer will be granted the transmission service.⁷
 - If the Rollover Customer does not choose to match the Confirmed Competitor's reservation, the Confirmed Competitor will be granted the capacity.
- If the Confirmed Competitor's reservation **does not** have a longer duration or higher rate than the Rollover Customer's RENEWAL request, then the Rollover Customer will be granted the transmission service.

Subsequent to the evaluation of the requests, appropriate adjustments shall be made on OASIS, including, but not limited to, annulment of previously confirmed reservations.

Treatment of Multiple Competing Requests

⁷ In the event the Rollover Customer elects to rollover less than its full amount of long-term transmission service, the Confirmed Competitor shall have a right to receive such "released" capacity in accordance with the Transmission Provider's Tariff.



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FERC policy provides that there would be “only one potential competitor for rollover customers seeking long-term service” (i.e., the first customer in the queue requesting competing service). However, the Rollover Customer may be required to

“compete” with multiple Confirmed Competitors for all of the transmission service being rolled over. For example, the Rollover Customer may seek to rollover 100 MW, while Confirmed Competitor “A” is seeking 75 MW, and Confirmed Competitor “B” is seeking 25 MW. In such event, the Rollover Customer will “compete” with Confirmed Competitor “A” (for the first 75 MW), and with Confirmed Competitor “B” (for the remaining 25 MW).

In order to maintain all of its transmission service, the Rollover Customer must match the contract rate and term of all Confirmed Competitors, in order of queue priority, that cumulatively equal the capacity for which renewal is being proposed.

Subsequent to the evaluation of the requests, appropriate adjustments shall be made on OASIS, including, but not limited to, annulment of previously confirmed reservations.

Election to not Rollover Transmission Service

In the event the Rollover Customer elects to not rollover some or all of the transmission service, the transmission capacity made available will be awarded on a first come, first served basis in accordance with the Tariff. Confirmed Competitors that are not awarded transmission capacity as part of the evaluation shall remain in the queue and may receive available transmission capacity in accordance with the Tariff.