



**Alcoa Power  
Generating Inc.  
Tapoco Division**

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APGI Tapoco Open Access Transmission Tariff, Attachment K, Section VIII-X, Economic Planning Studies, Cost Allocation and Cost Recovery.

Recognizing that planning involves the reliability of the Transmission Provider system and taking into account the economic considerations, for the Transmission Provider's parent company, as well as any future customers, the Transmission Provider will consider proposed upgrades or other investments that can reduce the overall cost of serving future customer's need.

To the extent that the Transmission Provider should experience load growth, the Transmission Provider will develop the principles of economic planning, cost allocation, and recovery of planning costs reflecting the notion that the beneficiary of an expansion or upgrade should be responsible for the costs associated with it.

To the extent, however, that upgrades or other modifications in neighboring systems result in additional energy flows on the Transmission Provider's transmission systems, the Transmission Provider may be required to plan upgrades or other modification to its own system to accommodate such flows. In that event, the Transmission Provider intends to utilize the regional process described in the preceding items of Attachment K to attempt to resolve any such issues with neighboring systems, including but not limited to seeking to impose the cost responsibility for such upgrades on users giving rise to the need for them, while reserving its right to follow any other appropriate procedures including, but not limited to, submissions to the FERC.

Matthew Fullerton

Power System Manager