UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Preventing Undue Discrimination and Preference in Transmission Service	**)** **)** **)**	**Docket No. RM05-17-000** **and** **Docket No. RM05-25-000**

NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION'S WORK PLAN AND STATUS REPORT FOR ORDER NO. 890

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TABLE OF CONTENTS

I. INTRODUCTION

This filing is submitted by the North American Energy Reliability Corporation (NERC)[1] in response to the Commission's request for a work plan and status report for the development of NERC reliability standards to address Order No. 890[2] and Order No. 693.[3] In a separate but coordinated filing, the North American Energy Standards Board (NAESB) will provide a work plan and status report for the development of the associated business practice standards to complement the NERC standards. This filing is the first of two expected status report filings. An additional update filing will be made on September 3, 2007, pursuant to the directive specified in Order No. 693.[4]

In this filing, NERC sets forth its work plan to address the items in Order Nos. 890 and 693 in which industry stakeholders were directed to work with NERC to develop specific Reliability Standards; the manner in which NERC will coordinate its efforts with those of the NAESB to address Order Nos. 890 and/or 693; and the expected schedule for future filings. This filing is being made in conjunction with the submission of similar NAESB work plans pursuant to the directives in Order No. 890. The NAESB and NERC filings have been coordinated to ensure consistent understandings of and approaches to the items in Order No. 890.

[1] NERC was formed to serve as the electric reliability organization ("ERO") authorized by § 215 of the Federal Power Act. The Commission certified NERC as the ERO in its order issued July 20, 2006 in Docket No. RR06-1-000. 116 FERC ¶61,062 (July 20, 2006).

[2] *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 693 (2007), at PP 141 and 223.

[3] *Mandatory Reliability Standards for the Bulk Power System*, Order No. 693 (2007), at PP 1012 and 1015.

[4] Order No. 693 at P 206.

II. NOTICES AND COMMUNICATIONS

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III. DISCUSSION

The Commission ordered NERC to submit a status report and work plan for the Available Transfer Capability (ATC)-related items in Order No. 890 90 days after publication of Order No. 890 in the *Federal Register* (which occurred on March 15, 2007). This filing fulfills that directive. NAESB is also scheduled to submit its plan for the development of ATC and OASIS Business Practice Standards, contemporaneously with NERC's filing. NERC and NAESB coordinated the development of these work plan and status report filings for the ATC-related items. Due to the inter-related nature of reliability needs and commercial needs with regard to ATC, NERC and NAESB have implemented a joint development procedure for this effort, which provides for close coordination between the two organizations to ensure both consistency in the work products and that the work products complement each other.

A. Work Plan and Status Report to Address ATC-Related Issues in Order Nos. 890 and 693

By December 2007, NERC plans to file Reliability Standards addressing Order No. 890 for Commission approval. The filing will meet the required filing deadline of 270 days after publication of the Final Rule in the *Federal Register*.[5] NAESB will provide the Commission with a status report that includes the Business Practice Standards developed to complement the NERC standards, as well as those written to enhance or improve the OASIS, within 360 days after the publication of the Final Rule in the *Federal Register*, as requested by the Commission in Order No. 890.[6] **Appendix A** to this filing provides a table indicating how NERC and NAESB will be responding to the various directives in Order No. 890.

The NERC Available Transfer Capability, Total Transfer Capability, Capacity Benefit Margin, and Transmission Reliability Margin (ATCT) drafting team is working in cooperation with the NAESB Wholesale Electric Quadrant (WEQ) Business Practices Subcommittee (BPS), Electronic Scheduling Subcommittee (ESS), and Information Technology Subcommittee (ITS) to develop the ATC-related standards to address Order No. 890. Due to the need for close coordination on the development of these standards, NERC and NAESB have implemented the Joint Development Procedure developed by NERC and NAESB and submitted to the Commission by NAESB on February 17, 2006 in Docket No. RM05-25-000.[7] The Joint Development Procedure requires that the NERC and NAESB subcommittees and standards drafting teams meet jointly to provide updates on the progress of each organization's standards development and to provide input on the content of those standards. The subcommittees and

[5] Order No. 890 at P 223.

[6] *Id*.

[7] *Progress Report on NAESB Activities impacting Docket No. RM05-5-000*, available at http://www.naesb.org/doc_view2.asp?doc=ferc021706.pdf.

drafting teams also meet jointly to reply to comments as needed. Though the members of each organization work together on the drafting of the standards, each set of standards (Reliability Standards or Business Practice Standards) will go through the NERC and NAESB processes, respectively, as appropriate to become full standards for each organization.

B. Development of Work Plan for the ATC-Related Issues in Order Nos. 890 and 693

Prior to the issuance of Order No. 890, NERC assembled a drafting team to begin working on Reliability Standards related to ATC. This team – the ATC, TTC, CBM, and TRM drafting team (ATCTDT) – is now charged with responding to the reliability needs specified in Order No. 890. The ATCTDT identified the following Reliability Standards needs:

- Definition, clarification, and standardization of the manner in which flowgates and Available Flowgate Capability (AFC) are used to determine ATC;
- Standardization of the conceptual elements that comprise the calculation of ATC, for both Firm and Non-Firm uses of the transmission system;
- Definition, clarification, and standardization of the manner in which Total Transfer Capability (TTC) is calculated;
- Definition, clarification, and standardization of the elements that comprise "existing transmission commitments" (ETC) for use in the ATC calculation;
- Standardization of the treatment of reservations with a common generation source, when the sum of the capacity of those reservations exceeds the generation capabilities of the equipment specified as the source;
- Definition, clarification, and standardization of the elements that are used in the calculation of ATC, with a clear requirement that those elements used be equivalent to those used in the planning and operations processes;
- Definition, clarification, and standardization of the manner in which counterflows are addressed in the ATC process;
- Definition, clarification, and standardization of the manner in which the impact of generation dispatch is accounted for in the ATC process;
- Definition, clarification, and standardization of the manner in which the impact of point-to-point transmission reservations are accounted for in the ATC process, including those with unknown sources and sinks;
- Definition and standardization of the time intervals at which ATC is calculated;

- Definition, clarification, and standardization of data to be exchanged between transmission service providers in order to ensure accurate ATC calculations;
- Definition, clarification, and standardization of the treatment of unscheduled transmission in the calculation of Non-Firm ATC;
- Definition, clarification, and standardization of:
    - the elements that comprise Capacity Benefit Margin (CBM),
    - the manner in which CBM is allocated across transmission facilities,
    - the manner in which CBM is used,
    - the appropriate schedule for re-determination of CBM, and
    - the use of CBM in Firm and Non-Firm ATC determination; and
- Definition, clarification, and standardization of:
    - the elements that comprise Transmission Reliability Margin (TRM),
    - the use of TRM in Firm and Non-Firm ATC determination, and
    - the maximum allowable TRM that can be specified.

Similarly, NAESB has worked to identify (both from Order No. 693 and through collaboration with NERC) the areas where Business Practice Standards must be developed to support the ATC process. Development of many of the ATC-related Business Practice Standards will depend not only on the content of the complementary NERC Reliability Standards, but also on when those particular standards have completed the NERC standards process. NAESB will submit Business Practice Standards to address the following topics in the first quarter of 2008:

- Business Practice Standards to complement NERC Reliability Standards for Existing Transfer Capability (ETC) to create a "consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses", including the elements of ETC for full implementation of the NERC MOD-001 Reliability Standard.[8]
- Capacity Benefit Margin (CBM) Business Practices[9]
    - Business Practice Standards to set forth "how the CBM value shall be determined, allocated across transmission paths, and used" and how transmission providers will "reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service."

[8] Order No. 890 at PP 243 and 246.

[9] Order No. 890 at PP 257 and 262.

- Business Practice Standards that include an OASIS mechanism to "allow for auditing of CBM usage."
- Any additional Business Practice Standards needed to complement the NERC CBM Reliability Standards (MOD-004) created as a result of this effort.

- Business Practice Standards to complement the NERC Reliability Standards for Transmission Reliability Margin (TRM):[10]
  - The Business Practice Standards will include specification of the appropriate uses of TRM and when transmission providers may set aside TRM.
  - Any additional Business Practice Standards needed to complement the NERC TRM Reliability Standards (MOD-008) created as a result of this effort.
- Business Practice Standards for ATC and AFC Calculation Methodologies to complement the NERC Reliability Standards created for ATC and AFC Methodologies (MOD-001 (Available Transfer Capability); MOD-028 (Network Response Available Transfer Capability); MOD-029 (Rated System Path Available Transfer Capability); and MOD-030 (Flowgate Network Response Available Transfer Capability))[11], including:
  - Business Practice Standards to address the frequency and posting requirements for all ATC components that are complementary to the related NERC Reliability Standards.[12]
  - Business Practice Standards for data exchange for ATC modeling complementary to the related NERC Reliability Standards including any OASIS posting requirements to achieve the data exchange.[13]
  - Business Practice Standards that will set forth how transmission providers will post "explanations of the reason for a change in monthly and yearly ATC values on a constrained path." The standards will include a requirement that the transmission provider post the reason for the change in a narrative form. The posted information will include "the (1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network)."[14]
  - Business Practice Standards for posting on OASIS of the "underlying load forecast assumptions for all ATC calculations."
  - Business Practice Standards for posting on OASIS of the "actual daily peak load for the prior day."[15]

[10] Order No. 890 at PP 272 and 273.

[11] Order No. 890 at P 246.

[12] Order No. 890 at P 301.

[13] Order No. 890 at P 310.

[14] Order No. 890 at P 369.

[15] Order No. 890 at P 413.

- Business Practice Standards for accounting for counterflows. These standards will be included in the ATC Business Practice Standards. [16]

- Business Practice Standards to complement NERC Reliability Standards for Transfer Capability in response to a new NERC Supplemental Standards Authorization Request: Revisions to Existing Standards MOD-001 – MOD-009, FAC-012 – 013.
- Business Practice Standards to set forth the procedure for input on TTC and ATC methodologies and values.[17]

C. Estimated Schedule of Work

The following table identifies the anticipated timeline and schedule of work for the standards efforts described above, based on the level of difficulty and achievability of consensus. Should these assumptions prove to be incorrect, it may be necessary to shift milestone dates accordingly. However, at this time, NERC and NAESB believe the dates shown in the table provide an accurate estimation of the delivery dates.

<table>
<tr><th>NERC PROCESS MILESTONES</th><th>NERC ATC Standards</th><th>NERC CBM Standards</th><th>NERC TRM Standards</th><th>NAESB ATC Standards</th><th>NAESB CBM Standards</th><th>NAESB TRM Standards</th><th>NAESB PROCESS MILESTONES</th></tr>
<tr><td>First Draft Complete</td><td>February 14, 2007</td><td colspan="2">May 25, 2007</td><td colspan="3" rowspan="2">Q3 2007</td><td rowspan="2">Drafting Complete</td></tr>
<tr><td>First Draft Comment Period</td><td>February 15 - March 16</td><td colspan="2">May 25 - June 25</td></tr>
<tr><td>Second Draft Complete</td><td>May 25, 2007</td><td colspan="2">July 20, 2007</td><td colspan="3" rowspan="2">Q3 2007</td><td rowspan="2">Industry Review Posting</td></tr>
<tr><td>Second Draft Comment Period</td><td>May 25 - June 25</td><td colspan="2">July 21 - September 3</td></tr>
<tr><td>Third Draft Complete</td><td>July 20, 2007</td><td colspan="2">N/A</td><td colspan="3" rowspan="2">Q4 2007</td><td rowspan="2">WEQ Executive Committee Voting</td></tr>
<tr><td>Third Draft Comment Period</td><td>July 21 - September 3</td><td colspan="2">N/A</td></tr>
<tr><td>Posting for Balloting</td><td colspan="3">September 18, 2007</td><td colspan="3" rowspan="2">Q4 2007</td><td rowspan="2">WEQ Member Ratification</td></tr>
<tr><td>Balloting Complete</td><td colspan="3">November 19, 2007</td></tr>
<tr><td>Board Approval Complete</td><td colspan="3">November 30, 2007</td><td colspan="3" rowspan="2">February 13, 2008</td><td rowspan="2">Submission to Commission</td></tr>
<tr><td>Compliance Filing</td><td colspan="3">December 10, 2007</td></tr>
</table>

[16] Order No. 890 at P 293.

[17] The Procedure for Input on TTC and ATC Methodologies and Values is currently a NERC Reliability Standard, MOD-003-0. During the Order No. 890 NERC – NAESB joint standards development effort, it was determined that the standards contained in MOD-003-0 should be Business Practice Standards instead of Reliability Standards. On May 4, 2007, NERC provided official notice to NAESB that NERC intends to retire MOD-003-0 when NAESB provides notice that the Business Practice Standards have been adopted to replace MOD-003.

D. Status Report for the ATC-Related Issues in Order Nos. 890 and 693

Currently, NERC and NAESB are in the process of developing a series of standards intended to address the needs specified in Order Nos. 890 and 693. Those standards are as follows:

- Available Transfer Capability (ATC)
    - NERC MOD-001: An umbrella standard that specifies requirements that apply to all Transmission Service Providers, regardless of methodology selected for calculating ATC.
    - The NAESB ESS/ITS and BPS are in the process of reviewing the draft of NERC MOD-001 to determine what Business Practice Standards will be needed to complement the Reliability Standards set forth in the NERC standard for ATC. The Business Practice Standards developed will include any posting requirements, including the frequency of the postings, set forth in the Reliability Standards and will also include the procedure for input on TTC and ATC methodologies and values.
- Capacity Benefit Margin (CBM)
    - NERC MOD-004: A standard specifying the requirements for determination, use, and treatment of CBM.
    - The NAESB ESS/ITS and BPS are in the process of reviewing the draft of NERC MOD-004 to determine what Business Practice Standards will be needed to complement the Reliability Standards set forth in the NERC standard for CBM. The Business Practice Standards developed will include any posting requirements, including the frequency of the postings, set forth in the Reliability Standards. The NAESB Business Practice Standards drafted for CBM will also include how the CBM value shall be determined, allocated across transmission paths, and used, and how transmission providers will "reflect the set-aside of transfer capability as CBM in the development of the rate for point-to-point transmission service;" as well as Business Practice Standards that include an OASIS mechanism to "allow for auditing of CBM usage," as requested by the Commission in Order No. 890.
- Transmission Reliability Margin (TRM)
    - NERC MOD-008: A standard specifying the requirements for determination, use, and treatment of TRM.
    - The NAESB ESS/ITS and BPS are in the process of reviewing the draft of NERC MOD-008 to determine what Business Practice Standards will be needed to complement the Reliability Standards set forth in the NERC standard for TRM. The Business Practice Standards developed will include any posting requirements, including the frequency of the postings, set forth in the Reliability Standards. The NAESB Business Practice Standards drafted for TRM will also include

specification of the appropriate uses of TRM and when transmission providers may set aside TRM, as requested by the Commission in Order No. 890.

- Network Response Available Transfer Capability
    - NERC MOD-028: A standard specifying the requirements for determination, use, and treatment of TTC, ETC, and ATC for entities using the Network Response method in combination with path-based analysis.
    - The NAESB ESS/ITS and BPS are in the process of reviewing the draft of NERC MOD-028 to determine what Business Practice Standards will be needed to complement the Reliability Standards set forth in the NERC standard for Network Response ATC. The Business Practice Standards developed will include any posting requirements, including the frequency of the postings, set forth in the Reliability Standards.
- Rated System Path Available Transfer Capability
    - NERC MOD-029: A standard specifying the requirements for determination, use, and treatment of TTC, ETC, and ATC for entities using the Rated System Path method.
    - The NAESB ESS/ITS and BPS are in the process of reviewing the draft of NERC MOD-029 to determine what Business Practice Standards will be needed to complement the Reliability Standards set forth in the NERC standard for Rated System Path ATC. The Business Practice Standards developed will include any posting requirements, including the frequency of the postings, set forth in the Reliability Standards.
- Flowgate Network Response Available Transfer Capability
    - NERC MOD-030: A standard specifying the requirements for determination, use, and treatment of TFC, AFC, ETC, and ATC for entities using the Network Response method in combination with flowgate-based analysis.
    - The NAESB ESS/ITS and BPS are in the process of reviewing the draft of NERC MOD-030 to determine what Business Practice Standards will be needed to complement the Reliability Standards set forth in the NERC standard for Flowgate Response ATC. The Business Practice Standards developed will include any posting requirements, including the frequency of the postings, set forth in the Reliability Standards.

NERC Reliability Standards MOD-002, MOD-003, MOD-005, MOD-006, MOD-007, and MOD-009 are all expected to be retired, as their content is either being moved to NAESB Business Practice Standards or incorporated into the other NERC Reliability Standards mentioned previously. Additionally, the NERC ATCT drafting team is considering transfer of the content of FAC-012 and FAC-013 into the MOD standards, as described further below.

The current drafts of the NERC ATC, CBM, and TRM Reliability Standards were posted for industry comment on May 25, 2007. The comment period will close on June 24, 2007. Currently, the draft ATC standards do not address all the requirements of Order No. 890, as the makeup of the drafting team was not sufficiently broad to respond to all the Commission's directives. On May 24, 2007, the NERC Standards Committee expanded the scope of the drafting team's work and authorized solicitation of additional team members for this work to address outstanding items in Order No. 890. **Appendix A** to this filing provides a detailed listing of the manner in which the standards are intended to meet the requirements of Order No. 890.

NAESB plans to post the recommendations that include the Business Practice Standards for all the ATC-related items by the end of the third quarter of 2007. The WEQ Executive Committee would vote on the recommendations during the fourth quarter of 2007 and the recommendations adopted by the WEQ Executive Committee would be posted for WEQ member ratification, with ballots due by the end of the fourth quarter of 2007.

Regarding the Commission's directives pertaining to NERC Reliability Standards MOD-010 through MOD-025, NERC will address these items in its Reliability Standards Work Plan 2007-2009 that will be updated by September 2007 pursuant to the Commission directive in Order No. 693. NERC believes this timing to be consistent with the expectations of the Commission that the Order No. 890 compliance filing address "approximately nine MOD Reliability Standards and one FAC Reliability Standard."[18]

In Order No. 693, the Commission directed NERC to insert all TTC related calculations into the Facility Design, Connections, and Maintenance (FAC) family of the NERC Reliability

[18] Order No. 693 at P 206.

Standards.[19] The ATCT drafting team discussed this directive and identified several concerns with this approach:

- While the methodologies in use today comply with the principles specified in the Commission definition of ETC, some of the actual calculations used in two of the methodologies are actually performed in the calculation of TTC, and must remain in the TTC standard based on the manner in which power flow models are produced and solved.
- Due to the inter-related nature of the processes for ATC/AFC and TTC/TFC, entities attempting to comply with the standards would be unable to view all their requirements and compliance elements in a single document, possibly resulting in incorrect or inconsistent implementation.
- The complexities of each methodology would require each standard to have sub-sections for each methodology, resulting in duplicative requirements, explanations, and compliance measures across the standards.
- TTC and TFC are mathematical processes for estimating the potential of the transmission system, based on assumptions and modeling techniques. Placing these calculations within the FAC family of Reliability Standards is not consistent with the goals of these standards, which are modeling and analysis based.

Accordingly, NERC has proposed to the industry that the current Transfer Capability standards be moved to the Modeling, Data, and Analysis (MOD) family of the NERC Reliability Standards and incorporated into the specific methodologies that use them. This would also further ensure that modeling assumptions used in the planning and operations process are consistently applied within the ATC process as well. When the Transfer Capability standards

[19] Order No. 693 at P 1057.

have been moved to the MOD family of standards, NERC will file the revised standards for Commission approval. NERC's plan is to file these revised standards as part of its anticipated December 2007 filing of Reliability Standards addressing Order No. 890.

Regarding the Commission's request to standardize the treatment of Counterflows[20], the NERC ATCT drafting team found there is no "best practice" within the industry today for addressing Counterflows. Several different variables go into the determination of how an entity accounts for Counterflows, including the choice of ATC methodology, risk tolerance/aversion, historical flow patterns, and overall system robustness. Accordingly, the currently proposed draft standards do not specify the exact manner in which transmission providers should handle Counterflows, but would require transmission providers to document how they do so.

With regard to exchange of information for use in the ATC calculation[21], several entities have indicated a belief that their local system topology or choice of ATC methodology would not benefit from the use of third-party information in their ATC calculation. Therefore, the currently proposed draft NERC standards provide that all parties be required to make the information specified in Order No. 890 available to other parties who request it; however, the use of third party information in the ATC calculation would only be required by those methodologies that explicitly require the use of third party information.

Similarly, regarding modeling of reservation impacts when no source or sink has been specified[22], not all methodologies for ATC determination utilize source-sink analysis. Therefore, in the current draft NERC standards, only those methodologies that utilize this information have

[20] Order No. 890 at P 293.

[21] Order No. 890 at P 310.

[22] Order No. 890 at P 297.

requirements detailing the treatment of reservations in which the source and/or sink is not specified.

IV. CONCLUSION

NERC will continue to closely coordinate the development of the Reliability Standards and Business Practice Standards for the ATC-related items in Order Nos. 890 and 693 with NAESB's business practice development so that the timelines in Order No. 890[23] are met. NERC plans to submit the completed Reliability Standards adopted for the ATC-related items in Order Nos. 890 and 693 for Commission approval in the fourth quarter, 2007. NERC will continue to work with NAESB on developing the associated Business Practice Standards as necessary. NERC will also continue to work closely with Commission Staff throughout this process to ensure the Commission's expectations are met.

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[23] Order No. 890 at P 290.

Appendix A – NERC and NAESB Response Strategy for Order Nos. 890 and 693

Order Citation	NERC Response	NAESB Response
890-211. As TDU Systems note, there is neither a definition of AFC in NERC's Glossary nor an existing reliability standard that discusses the AFC method. **In order to achieve consistency in each component of the ATC calculation (discussed below), we direct public utilities, working through NERC, to develop an AFC definition and requirements used to identify a particular set of transmission facilities as a flowgate.** However, we remind transmission providers that our regulations require the posting of ATC values associated with a particular path, not AFC values associated with a flowgate. Transmission providers using an AFC methodology must therefore convert flowgate (AFC) values into path (ATC) values for OASIS posting. **In order to have consistent posting of the ATC, TTC, CBM, and TRM values on OASIS, we direct public utilities, working through NERC, to develop in the MOD-001 standard a rule to convert AFC into ATC values to be used by transmission providers that currently use the flowgate methodology.**	NERC is developing both the definition of a flowgate and the process for converting AFCs into ATCs as part of its MOD-030 Standard, which describes the use of the Flowgate Network Response methodology.	RELIABLITY STANDARD ONLY

Order Citation	NERC Response	NAESB Response
890-212. The Commission also believes that further clarification is necessary regarding the calculation algorithms for firm and non-firm ATC. Currently, NERC has no standards for calculating non-firm ATC. We find that the same potential for discrimination exists for non-firm transmission service as for firm service and that greater uniformity in both firm and non-firm ATC calculations will substantially reduce the remaining potential for undue discrimination. **Therefore, we direct public utilities, working through NERC, to modify related ATC standards by implementing the following principles for firm and non-firm ATC calculations: (1) for firm ATC calculations, the transmission provider shall account only for firm commitments; and (2) for non-firm ATC calculations, the transmission provider shall account for both firm and non-firm commitments, postbacks of redirected services, unscheduled service, and counterflows.** We understand that these principles are currently followed by most transmission providers and believe they should be clearly set forth in the ATC-related reliability standards. As described below, each transmission provider's Attachment C must include a detailed formula for both firm and non-firm ATC, consistent with the modified ATC-related reliability standards.	NERC is incorporating these requirements into its MOD-028, MOD-029, and MOD-030 standards.	RELIABLITY STANDARD ONLY

Order Citation	NERC Response	NAESB Response
890-223. With respect to a timeline for completion, the Commission concurs with NERC that a significant amount of work remains to be done on ATC-related reliability standards development. We also agree with the many commenters who state that the NOPR's proposed six-month timeline is too short for such a complex assignment. Although NERC projects that it may be able to complete the process by the summer of 2007 (which is approximately six months from the date of the Final Rule), we believe NERC should have additional flexibility with respect to its timeline. **Accordingly, we direct public utilities, working through NERC, to modify the ATC-related reliability standards within 270 days after the publication of the Final Rule in the Federal Register. We also direct public utilities to work through NAESB to develop business practices that complement NERC's new reliability standards within 360 days after the publication of the Final Rule in the Federal Register. Finally, we direct NERC and NAESB to file, within 90 days of publication of the Final Rule in the Federal Register, a joint status report on standards and business practices development and a work plan for completion of this task within the timeframe established above.**	Both parties are working on their appropriate deliverables, and this filing represents the requested Status Report.	
890-237. **The Commission adopts the NOPR proposal and directs public utilities, working through NERC, to develop consistent practices for calculating TTC/TFC. We direct public utilities, working through NERC, to address, through the reliability standards process, any differences in developing TTC/TFC for transmission provided under the pro forma OATT and for transfer capability for native load and reliability assessment studies.**	NERC is developing processes for determining TTC or TFC in each of the three methodologies currently under development (MOD-028, MOD-029, and MOD-030).	NAESB is working to determine what complementary business practices are necessary.

Order Citation	NERC Response	NAESB Response
890-243. **To achieve greater consistency in ETC calculations and further reduce the potential for undue discrimination, the Commission adopts the NOPR proposal and directs public utilities, working through NERC and NAESB, to develop a consistent approach for determining the amount of transfer capability a transmission provider may set aside for its native load and other committed uses. We expect that NERC will address ETC through the MOD-001 reliability standard rather than through a separate reliability standard. By using MOD-001, the ETC calculation can be adjusted to be applicable to each of the three ATC methodologies under development by NERC**.	NERC is developing processes for determining the impact of Native Load in each of the three methodologies currently under development (MOD-028, MOD-029, and MOD-030). This is due to the fact that each method treats native load, and consequently the remaining portions of ETC, differently.	NAESB is working to determine what complementary business practices are necessary.
890-244. **In order to provide specific direction to public utilities and NERC, we determine that ETC should be defined to include committed uses of the transmission system, including (1) native load commitments (including network service), (2) grandfathered transmission rights, (3) appropriate point-to-point reservations, (4) rollover rights associated with long-term firm service, and (5) other uses identified through the NERC process. ETC should not be used to set aside transfer capability for any type of planning or contingency reserve, which are to be addressed through CBM and TRM. In addition, in the short-term ATC calculation, all reserved but unused transfer capability (non-scheduled) shall be released as non-firm ATC.**	NERC is developing definitions of ETC in each of the three methodologies currently under development (MOD-028, MOD-029, and MOD-030).	NAESB is working to determine what complementary business practices are necessary.

Order Citation	NERC Response	NAESB Response
890-245. We agree with TDU Systems that inclusion of all requests for transmission service in ETC would likely overstate usage of the system and understate ATC. **We therefore find that reservations that have the same point of receipt (POR) (generator) but different point of delivery (POD) (load), for the same time frame, should not be modeled in the ETC calculation simultaneously if their combined reserved transmission capacity exceeds the generator's nameplate capacity at POR. This will prevent overly unrealistic utilization of transmission capacity associated with power output from a generator identified as a POR. We direct public utilities, working through NERC, to develop requirements in MOD-001 that lay out clear instructions on how these reservations should be accounted.** One approach that could be used is examining historical patterns of actual reservation use during a particular season, month, or time of day.	NERC is developing mechanisms to address this in each of the three methodologies currently under development (MOD-028, MOD-029, and MOD-030).	NAESB is working to determine what complementary business practices are necessary.
890-246. We agree with NERC that some elements of ETC are candidates for business practices rather than reliability standards. Accordingly, we direct public utilities, working through NAESB, to develop business practices necessary for full implementation of the developed MOD-001 reliability standard.	NERC is developing definitions of ETC in each of the three methodologies currently under development (MOD-028, MOD-029, and MOD-030). As we identify areas in which coordination with NAESB is required, we will do so.	NAESB is working to determine what complementary business practices are necessary.
890-257. The Commission therefore adopts a combination of the NOPR options one and two, and declines to adopt option three. **First, we require public utilities, working through NERC and NAESB, to develop clear standards for how the CBM value shall be determined, allocated across transmission paths, and used.** We understand that NERC has already begun the process of modifying several of the CBM-related reliability standards and that the drafting process is a joint project with NAESB.	NERC is currently developing MOD-004 to address the determination of CBM, as well as allocation of CBM across paths and usage of CBM.	NAESB is working to determine what complementary business practices are necessary.

Order Citation	NERC Response	NAESB Response
890-259. **To ensure CBM is used for its intended purpose, CBM shall only be used to allow an LSE to meet its generation reliability criteria.** Consistent with Duke's statement, we clarify that each LSE within a transmission provider's control area has the right to request the transmission provider to set aside transfer capability as CBM for the LSE to meet its historical, state, RTO, or regional generation reliability criteria requirement such as reserve margin, loss of load probability (LOLP), the loss of largest units, etc.	NERC is currently developing MOD-004 to state this requirement clearly.	NAESB is working to determine what complementary business practices are necessary.
890-260. **We direct public utilities, working through NERC, to develop clear requirements for allocating CBM over transmission paths and flowgates.** While we do not mandate a particular methodology for allocating CBM to paths and flowgates, one approach could be based on the location of the outside resources or spot market hubs that an LSE has historically relied on during emergencies resulting from an energy deficiency.	NERC is currently developing MOD-004 to address the as allocation of CBM across paths.	NAESB is working to determine what complementary business practices are necessary.
890-262. Concerning TAPS' proposal to remove the reservation decision from the sole discretion of transmission providers, we determine that LSEs should be permitted to call for use of CBM, if they do so pursuant to conditions established in the reliability standards development process. **We direct public utilities working through NERC to modify the CBM-related standards to specify the generation deficiency conditions during which an LSE will be allowed to use the transfer capability reserved as CBM. In addition, we direct that transmission set aside as CBM shall be zero in non-firm ATC calculations. Finally, we order public utilities to work with NAESB to develop an OASIS mechanism that will allow for auditing of CBM usage.**	NERC is currently developing MOD-004 to specify the generation deficiency conditions during which an LSE can utilize CBM. NERC's MOD-004 Standard, as well as MOD-028, MOD-029, and MOD-030, contain explicit statements that CBM should not be considered ETC in non-firm calculations.	NAESB is developing appropriate Business Practices and S&CP Changes to support the auditing of CBM usage.

Order Citation	NERC Response	NAESB Response
890-272. **The Commission adopts the NOPR proposal and requires public utilities, working through NERC, to complete the ongoing process of modifying TRM standards MOD-008 and MOD-009.** We understand that the standard drafting process is underway as a joint project with NAESB.	NERC is continuing to develop MOD-008. We currently believe that MOD-009 will be incorporated into MOD-008.	NAESB is working to determine what complementary business practices are necessary.
890-273. **The Commission also adopts the NOPR proposal to establish standards specifying the appropriate uses of TRM to guide NERC and NAESB in the drafting process. Transmission providers may set aside TRM for (1) load forecast and load distribution error, (2) variations in facility loadings, (3) uncertainty in transmission system topology, (4) loop flow impact, (5) variations in generation dispatch, (6) automatic sharing of reserves, and (7) other uncertainties as identified through the NERC reliability standards development process. Because load, facility loading and other uncertainties constantly deviate, we will not require that TRM set aside capacity be set at zero in the non-firm ATC calculation. In other words, we will not require transfer capability that is set aside as TRM to be sold on a non-firm basis.** We find that clear specification in this Final Rule of the permitted purposes for which entities may reserve CBM and TRM will virtually eliminate double-counting of TRM and CBM.	NERC is developing the MOD-008 standard to meet these requirements.	NAESB is working to determine what complementary business practices are necessary.
890-275. **In addition, we direct public utilities, working through NERC, to establish an appropriate maximum TRM.** One acceptable method may be to use a percentage of ratings reduction, i.e., model the system assuming all facility ratings are reduced by a specific percentage. This is a relatively simple method and, if adopted as the reliability standard's method, should not restrict a transmission provider from using a more sophisticated method that may allow for greater ATC without reducing overall reliability.	NERC is developing the MOD-008 standard to meet these requirements.	NAESB is working to determine what complementary business practices are necessary.

Order Citation	NERC Response	NAESB Response
890-290. **The Commission directs public utilities, working through NERC, to modify the reliability standards MOD-010 through MOD-025 to incorporate a requirement for the periodic review and modification of models for (1) load flow base cases with contingency, subsystem, and monitoring files, (2) short circuit data, and (3) transient and dynamic stability simulation data, in order to ensure that they are up to date. This means that the models should be updated and benchmarked to actual events.** We find that this requirement is essential in order to have an accurate simulation of the performance of the grid and from which to comparably calculate ATC, therefore increasing transparency and decreasing the potential for undue discrimination by transmission providers.	NERC has already identified these items on its Reliability Standards Work Plan, and will address them along with the associated requirements specified in order 693.	RELIABILITY STANDARD ONLY
890-292. T**he Commission also adopts the NOPR proposal to require transmission providers to use data and modeling assumptions for the short- and long-term ATC calculations that are consistent with that used for the planning of operations and system expansion, respectively, to the maximum extent practicable. This includes, for example: (1) load levels, (2) generation dispatch, (3) transmission and generation facilities maintenance schedules, (4) contingency outages, (5) topology, (6) transmission reservations, (7) assumptions regarding transmission and generation facilities additions and retirements, and (8) counterflows.** We find that requiring consistency in the data and modeling assumptions used for ATC calculations will remedy the potential for undue discrimination by eliminating discretion and ensuring comparability in the manner in which a transmission provider operates and plans its system to serve native load and the manner in which it calculates ATC for service to third parties. **The Commission directs public utilities, working through NERC, to modify ATC standards to achieve this consistency.**	NERC is developing MOD-001, MOD-028, MOD-029, and MOD-030 to specify these requirements.	NAESB is working to determine what complementary business practices are necessary.

Order Citation	NERC Response	NAESB Response
890-293. With regard to EPSA's request for the standardization of additional data inputs, we believe they are already captured in the Commission's proposal as adopted in this Final Rule. Xcel asks the Commission to require consistency in the determination of counterflows in the calculation of ATC. Counterflows are included in the list of assumptions that public utilities, working through NERC, are required to make consistent. We believe that counterflows, if treated inconsistently, can adversely affect reliability and competition, depending on how they are accounted for. Accordingly, **we reiterate that public utilities, working through NERC and NAESB, are directed to develop an approach for accounting for counterflows, in the relevant ATC standards and business practices.** We find unnecessary Xcel's request that we require a date certain for specific issues in the Western Interconnection to be addressed. Above we require public utilities, working through NERC, to modify the ATC standards within 270 days after the publication of the Final Rule in the Federal Register.	NERC has currently specified in its draft standards that utilities must make public the manner in which they account for counterflows.	NAESB is working to determine what complementary business practices are necessary.
890-295. We offer the following clarifications. In response to Southern, we clarify that we require consistent use of assumptions underlying operational planning for short-term ATC and expansion planning for long-term ATC calculation. We also clarify that there must be a consistent basis or approach to determining load levels. For example, one approach may be for transmission providers to calculate load levels using an on- and offpeak model for each month when evaluating yearly service requests and calculating yearly ATC. The same (peak- and off-peak) or alternative approaches may be used for monthly, weekly, daily and hourly ATC calculations. Regardless of the ultimate choice of approach, it is imperative that all transmission providers use the same approach to modeling load levels to enable the meaningful exchange of data among transmission providers. Accordingly, **we direct public utilities, working through NERC, to develop consistent requirements for modeling load levels in MOD-001 for the services offered under the pro forma OATT.**	NERC is developing MOD-001, MOD-028, MOD-029, and MOD-030 to specify these requirements.	NAESB is working to determine what complementary business practices are necessary.

Order Citation	NERC Response	NAESB Response
890-296. **With respect to modeling of generation dispatch, we direct public utilities, working through NERC, to develop requirements in NERC's MOD-001 reliability standard specifying how transmission providers shall determine which generators should be modeled in service, including guidance on how independent generation should be considered.** We agree with Ameren that any modeling of base generation dispatch must model generators, including merchant generators, as they are expected to run. **Accordingly, we direct public utilities, working through NERC, to revise reliability standard MOD-001 by specifying that base generation dispatch will model (1) all designated network resources and other resources that are committed or have the legal obligation to run, as they are expected to run and (2) uncommitted resources that are deliverable within the control area, economically dispatched as necessary to meet balancing requirements.**	NERC is developing MOD-001, MOD-028, MOD-029, and MOD-030 to specify these requirements.	NAESB is working to determine what complementary business practices are necessary.
890-297. **Regarding transmission reservations modeling, we direct public utilities, working through NERC, to develop requirements in reliability standard MOD-001 that specify (1) a consistent approach on how to simulate reservations from points of receipt to points of delivery when sources and sinks are unknown and (2) how to model existing reservations.**	NERC is developing MOD-001, MOD-028, MOD-029, and MOD-030 to specify these requirements.	NAESB is working to determine what complementary business practices are necessary.
890-301. The Commission adopts the NOPR proposal and requires the development of reliability standards that ensure ATC is calculated at consistent intervals among transmission providers. **The Commission thus directs public utilities, working through NERC and NAESB, to revise reliability standard MOD-001 to require ATC to be recalculated by all transmission providers on a consistent time interval and in a manner that closely reflects the actual topology of the system, e.g., generation and transmission outages, load forecast, interchange schedules, transmission reservations, facility ratings, and other necessary data. This process must also consider whether ATC should be calculated more frequently for constrained facilities**. ATC-related requirements for OASIS posting are discussed below.	NERC is specifying the minimum schedule for calculation of ATC in MOD-001; providers will be allowed to update more frequently if desired.	NAESB will be developing complementary business practices, specifying when providers must post ATC information on the OASIS.

Order Citation	NERC Response	NAESB Response
890-310. The Commission adopts the NOPR proposal and **directs public utilities, working through NERC, to revise the related MOD reliability standards to require the exchange of data and coordination among transmission providers and, working through NAESB, to develop complementary business practices. The following data shall, at a minimum, be exchanged among transmission providers for the purposes of ATC modeling: (1) load levels; (2) transmission planned and contingency outages; (3) generation planned and contingency outages; (4) base generation dispatch; (5) existing transmission reservations, including counterflows; (6) ATC recalculation frequency and times; and (7) source/sink modeling identification.** The Commission concludes that the exchange of such data is necessary to support the reforms requiring consistency in the determination of ATC adopted in this Final Rule. As explained above, transmission providers are required to coordinate the calculation of TTC/TFC and ATC/AFC with others and this requires a standard means of exchanging data.	NERC is specifying in MOD-001 that all provider must make this data available for ATC coordination. However, not all methodologies currently require the use of the information.	NAESB will work to develop the data exchange mechanisms for this information.
890-354. The Commission adopts the CBM posting requirements proposed in the NOPR. In doing so, we amend our OASIS regulations to incorporate the directives established in the CBM Order. Accordingly, we require transmission providers to post (and update) the CBM amount for each path. In addition, **the Commission requires transmission providers to make any transfer capability set aside for CBM but unused for such purpose available on a non-firm basis and to post this availability on OASIS. Furthermore, the Commission requires transmission providers to post (and update) the TRM values for the paths on which the transmission provider already posts ATC, TTC, and CBM.**	NERC's MOD-004 Standard, as well as MOD-028, MOD-029, and MOD-030, contain explicit statements that CBM should not be considered ETC in non-firm calculations.	NAESB will develop the associated OASIS Business Practices and S&CP changes to support this need.

Order Citation	NERC Response	NAESB Response
890-358. **The Commission incorporates into its regulations the requirement in the CBM Order for a transmission provider to periodically reevaluate its transfer capability setaside for CBM.** With respect to TAPS' concerns over the effort involved in the reevaluation process, **we will require CBM studies to be performed at least every year.** This requirement is consistent with the CBM Order, in which the Commission stated that the level of ATC set aside for CBM should be reevaluated periodically to take into account more certain information (such as assumptions that may not have, in fact, materialized). While changes requiring a reevaluation of CBM are longer-term in nature (e.g., installation of a new generator or a long-term outage), quarterly may be too frequent, though two years may be too long and may prevent a portion of the CBM setaside from being released as ATC. Moreover, annual reevaluation is consistent with the current NERC standard being developed in MOD-005. The requirement to evaluate CBM at least every year also is consistent with the CBM Order in that the Commission directed transmission providers to periodically reevaluate their generation reliability needs so as to make known the need for CBM and to post on OASIS their practices in this regard.	NERC will specify this requirement in MOD-004.	RELIABILTY STANDARD ONLY

Order Citation	NERC Response	NAESB Response
890-369. **The Commission adopts the NOPR proposal, with the modifications discussed below, to require that the transmission provider post a brief, but specific, narrative explanation of the reason for a change in monthly and yearly ATC values on a constrained path. Rather than requiring a narrative when a monthly or yearly ATC value changes as a result of transactions being reserved, service ending, or the TTC estimate for the path changing by more than 10 percent, we will require a narrative when a monthly or yearly ATC value changes only as a result of a 10 percent change in TTC.** This will reduce the number of ATC changes for which a narrative will be required and address concerns that the new requirement unduly burdens transmission providers. Any remaining burden is justified by the benefit to transmission customers of receiving timely information regarding changes in TTC that result in changes to ATC. **In addition, we adopt NAESB's suggestion that posted information include the (1) specific events which gave rise to the change and (2) new values for ATC on that path (as opposed to all points on the network).**	BUSINESS PRACTICE ONLY	NAESB will develop Business Practice Standards to set forth how transmission providers will post "explanations of the reason for a change in monthly and yearly ATC values on a constrained path as set forth in Paragraph 369.
890-385. **The Commission adopts the NOPR proposal and requires transmission providers and network customers to use OASIS to request designation of new network resources and to terminate designation of network resources. This information shall be posted on OASIS for 90 days and available for audit for a five-year period.** Transmission customers thus shall be able to query requests to designate and terminate a network resource. This requirement adds valuable transparency without undue burden, since it is nothing more than maintaining a database of designation requests made and responded to electronically. **The Commission orders public utilities, working through NAESB, to develop appropriate templates for OASIS.**	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs for the posting of designation of new network resources and termination of designation of network resources.

Order Citation	NERC Response	NAESB Response
890-389. **We affirm our statement in the NOPR proposal acknowledging that transfer capability associated with transmission reservations that are not scheduled in real time is required to be made available as non-firm, and posted on OASIS.**	NERC is developing MOD-028, MOD-029, and MOD-030 to specify this requirement.	NAESB is working to determine what complementary business practices are necessary.
890-413. **The Commission adopts the proposed requirement to post on OASIS metrics related to the provision of transmission service under the OATT. Specifically, transmission providers must post (1) the number of affiliate versus non-affiliate requests for transmission service that have been rejected and (2) the number of affiliate versus non-affiliate requests for transmission service that have been made. This posting must detail the length of service request (e.g., short-term or long-term) and the type of service requested (e.g., firm point-to-point, non-firm point-to-point or network service). The Commission also will require transmission providers to post their underlying load forecast assumptions for all ATC calculations and, to post on a daily basis, their actual daily peak load for the prior day. The Commission directs transmission providers to work through NAESB to develop standards for consistent methods of posting the new requirements on OASIS.**	BUSINESS PRACTICE ONLY	NAESB will develop Business Practice Standards for posting on OASIS of the requirements set forth in Paragraph 413 for the posting of affiliate and non-affiliate request information as well as the underlying load forecast assumptions for all ATC calculations..

Order Citation	NERC Response	NAESB Response
890-416. With regard to posting of load forecasts and actual daily peak load, we conclude that such postings are necessary to provide transparency for transmission customers. We agree with E.ON that RTO and ISO load data needs to be posted at a sufficient granularity to allow for meaningful comparison of control area and LSE load levels. Most RTOs and ISOs post load data for the entire footprint, but few post it on an LSE or control area basis. We therefore direct ISOs and RTOs to post load data for the entire ISO/RTO footprint and for each LSE or control area footprint within the ISO/RTO. This will not create an undue burden on ISOs and RTOs, since the load data for the entire footprint is an aggregation of load data across the LSEs or control areas in the footprint. We also agree with EEI that the peak load applies to system-wide load, including native load. We direct transmission providers to post load forecasts and actual daily peak load for both system-wide load (including native load) and native load, as this data will be useful to customers and regulators. We deny EEI's request for a guarantee that transmission providers will not be held accountable for producing a reasonable load forecast. While we do not intend to penalize transmission providers for failing to account for unforeseen circumstances, we retain our ability to investigate any allegations of manipulation of load forecasts, as this could be used as a means of inappropriately denying requested transmission service.	NERC is developing MOD-001 to address this requirement.	NAESB will develop OASIS Business Practices and S&CPs for the posting requirements set forth in Paragraph 416 for posting of load forecasts and actual daily peak load.

Order Citation	NERC Response	NAESB Response
890-815. As with any innovative rate program, however, the Commission will monitor the secondary capacity market to ensure that participants are not exercising market power. To enhance oversight and monitoring by the Commission, we adopt reforms to the underlying rules governing capacity reassignments. **First, we require that all sales or assignments of capacity be conducted through or otherwise posted on the transmission provider's OASIS on or before the date the reassigned service commences. The Commission thus eliminates the current ability of transmission customers to assign the transmission rights to another party with subsequent notification to the transmission provider. The mechanisms for negotiating a reassignment remain the same. The transmission customer may either request that the transmission provider make the capacity available on its OASIS or the transmission customer may negotiate the terms of an assignment bilaterally. In either instance, however, the resulting sale or assignment must be posted by the transmission provider on its OASIS prior to the date the reassigned service commences. We require transmission providers working through NAESB to develop appropriate OASIS functionality to allow such postings.** Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards.	BUSINESS PRACTICE ONLY	NAESB will revise the existing Resales standards to align with Order 890, paragraph 815 and Footnote 496.

Order Citation	NERC Response	NAESB Response
890-1005. The Commission will not mandate the use of network customer resources or other third party resources in the provision of planning redispatch. If they choose, network customers and third parties may voluntarily provide planning redispatch services. A seller is free to post its price to relieve a specific congested transmission facility and its ability to relieve the congestion. **To facilitate provision of such service by third parties, we direct transmission providers to modify their OASIS sites to allow for posting of these third party offers. Accordingly, we direct transmission providers to work in conjunction with NAESB to develop this new OASIS functionality and any necessary business practice standards.** Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards.	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs to address Paragraph 1005 for redispatch services.
890-1078. Finally, we address requests to allow for automatic assignment of short-term firm point-to-point service to conditional firm customers. We agree that transmission providers must take into account the conditional firm service in evaluating the availability of short-term firm service. Because conditional firm is a long-term firm use of the system, it should not be interrupted prior to short-term firm service. However, short-term firm service reserved prior to the reservation of conditional firm service should maintain priority over conditional firm service in the periods when conditional firm service is conditional, i.e., when specified system conditions exist or conditional curtailment hours apply. Because the assignment proposal meets both of these objectives, we direct transmission providers to assign short-term firm service to conditional firm customers as the service becomes available. Accordingly, we direct transmission providers to work with NAESB to develop the appropriate communications protocols to implement this attribute of conditional firm service. Transmission providers need not implement this requirement until NAESB develops appropriate communications protocols.	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs to address Paragraph 1078 for the communication protocols to implement conditional firm service.

Order Citation	NERC Response	NAESB Response
890-1162. Accordingly, to provide greater availability of redispatch information, the Commission adopts certain additional posting requirements for transmission providers. **Specifically, we direct each transmission provider to post on OASIS its monthly average cost of redispatch for each internal congested transmission facility or interface over which it provides redispatch service using planning redispatch or reliability redispatch under the pro forma OATT. Additionally, to demonstrate the range of redispatch costs each month, the Commission directs transmission providers to post a high and low redispatch cost for the month for each of these same transmission constraints. The transmission provider shall calculate the monthly average cost in $/MWh for each congested transmission facility by dividing monthly total redispatch costs (at the facility) by the total MWhs that would otherwise be curtailed (at the facility) in the month absent the redispatch. Transmission providers shall post internal constraint or interface data for the month if any planning redispatch or reliability redispatch is provided during the month, regardless of whether the transmission customer is required to reimburse the transmission provider for those exact costs. T**hus, if the transmission customer pays for redispatch pursuant to a negotiated fixed rate, the transmission provider is required to post and calculate the monthly average redispatch costs and the high and low costs in the month even though the transmission provider will bill the customer the fixed rate. The same posting requirement applies if the customer is paying a monthly "higher of" rate. **The transmission provider shall post this data on OASIS as soon as practical after the end of each month, but no later than when it sends invoices to transmission customers for redispatch-related services. We direct transmission providers to work in conjunction with NAESB to develop this new OASIS functionality and any necessary business practice standards.**	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs to address Paragraph 1162 for redispatch postings.

Order Citation	NERC Response	NAESB Response
890-1269. In Order No. 676, the Commission adopted the "Standards for Business Practices and Communication Protocols for Public Utilities" developed by the NAESB's Wholesale Electric Quadrant (WEQ). Order No. 676 incorporated the aforementioned standards by reference into the Commission's regulations, required public utilities to implement the standards by July 1, 2006, and required public utilities to file revisions to their OATTs to include these standards. The WEQ Standards include a number of standards addressing requirements for dealing with redirects on both a firm and non-firm basis. All of the WEQ Standards dealing with redirects were adopted by the Commission in Order No. 676, except for WEQ Standard 001-9.7, which addresses the impact of a firm redirect on a long-term firm transmission customer's rollover rights under section 2.2 of the pro forma OATT. The Commission directed the WEQ to reconsider WEQ Standard 001-9.7 and to adopt a revised standard consistent with the Commission's policies. The Commission also offered guidance to assist the WEQ in developing a standard that is consistent with Commission policy	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs to address Paragraph 1269 and will revise WEQ Standard 001-9.7.
890-1318. We agree, however, with EEI's recommendation that the Commission delegate to NAESB the responsibility for developing the Standard and Communications Protocols, business practices and OASIS modifications that will be necessary to provide the performance metrics adopted above. NAESB is in the best position to develop the standards and the processes by which the performance metrics are posted	BUSINESS PRACTICE ONLY	NAESB will develop S&CPs and necessary OASIS Business Practice Standards to implement the standard performance metrics set forth in Order 890, Paragraphs 1308-1317.

Order Citation	NERC Response	NAESB Response
890-1377. **The Commission agrees that transmission requests across multiple transmission systems should be coordinated by the relevant transmission providers. We will not, however, amend the pro forma OATT to require such coordination. Rather, we require transmission providers working through NAESB to develop business practice standards related to coordination of requests across multiple transmission systems. In order to provide guidance to NAESB, we will articulate the principles that should govern processing across multiple systems. All the transmission providers involved in a request across multiple systems should consider a request that requires studies across multiple systems to be a single application for purposes of establishing the deadlines for rendering an agreement for service, revising queue status, eliciting deposits and commencing service. In order to preserve the rights of other transmission customers with studies in the queue, the priority for the single application should be based on the latest priority across the transmission providers involved in the multiple system request.** We note that regional entities like wesTTrans are already coordinating requests across multiple transmission systems and we believe such coordination is an acceptable solution to this issue.	While it appears this is primarily a business practice, NERC awaits further development on the NAESB Business Practices, to determine what, if any, complementary Reliability Standards are necessary.	NAESB will develop OASIS Business Practice Standards and S&CPs to Paragraph 1377 regarding coordination of transmission requests across multiple systems.

Order Citation	NERC Response	NAESB Response
890-1378. We interpret Exelon's request that we require all transmission providers to allow transmission customers to link consecutive requests for firm point-to-point transmission service and to evaluate such requests as a single request as asking us to (1) allow transmission customers to require the transmission provider to either grant service for the entire period, deny service for the entire period, or offer the same partial quantity for the entire period and (2) require the transmission provider to consider the full duration of the linked requests when determining reservation priority pursuant to sections 13.2 of the pro forma OATT (short-term firm point-to-point transmission service). **We require transmission providers working through NAESB to develop business practice standards to allow a transmission customer to rebid a counteroffer of partial service so the transmission customer is allowed to take the same quantity of service across all linked transmission service requests.** Transmission providers need not implement these business practice standards until NAESB develops appropriate standards. We note that the transmission customer should not be required to take the same quantity of service across consecutive transmission service requests, it should simply have the option to do so. On the second issue, we reiterate that, according to existing NAESB business practice standard 001-4.16, the transmission provider is required to consider the full duration of the linked requests when determining reservation priority pursuant to section 13.2 of the pro forma OATT.	BUSINESS PRACTICE ONLY	NAESB will develop OASIS Business Practice Standards and S&CPs for the posting requirements set forth in Paragraph 1378 regarding rebid of partial service.

Order Citation	NERC Response	NAESB Response
890-1390. We will not modify the pro forma OATT to address requests to allow the transmission provider to terminate idle transmission service requests. NAESB's business practice 001-4.11 allows the transmission provider to retract a request if the transmission customer does not respond to an acceptance within the time established in NAESB business practice standard 001-4.13. Therefore, we interpret TDU Systems comments to refer to circumstances when a transmission customer fails to respond to the transmission provider's request for additional information during the course of a request study. As discussed above, by the time the transmission provider offers a system impact study agreement, it should have all of the information that it needs to complete the study. Pursuant to section 17.4 of the pro forma OATT, the transmission provider can deem a transmission service request deficient if the transmission customer does not provide all of the information the transmission provider needs to evaluate the request for service. We will revise section 17.7 of the pro forma OATT so that the transmission provider is able to terminate a request for transmission service if a transmission customer that is extending the commencement of service does not pay the required annual reservation fee within 15 days of notifying the transmission provider that it would like to extend the commencement of service. We will not change the pro forma OATT to allow the transmission provider to terminate a transmission service request if the transmission customer changes its application for service. We believe the existing pro forma OATT is sufficient to allow a transmission provider to manage situations where the transmission customer modifies its application for service to the point that the customer is requesting transmission service that is meaningfully different than its initial request	BUSINESS PRACTICE ONLY	NAESB will review existing NAESB Business Practice Standards to determine if modifications should be made to align the standards with Paragraph 1390.

Order Citation	NERC Response	NAESB Response
890-1392. **Commenters also suggest changes to the OASIS protocols, including prohibiting transmission customers from changing a request into a pre-confirmed request and requiring OASIS platforms to be accessible on non-Windows/Explorer computers. We believe these issues are best addressed by NAESB.**	BUSINESS PRACTICE ONLY	NAESB will develop the OASIS Business Practice Standards and S&CPs to address Paragraph 1392 to prohibit transmission customer from changing a request into a pre-confirmed request and regarding requiring OASIS platforms to be accessible on non-Windows/Explorer computers..

Order Citation	NERC Response	NAESB Response
890-1401. The Commission generally agrees with those commenters that argue that giving a priority to pre-confirmed requests can increase the efficient utilization of the system by giving priority to customers who are committed to purchase service over those who have not so committed, including customers that submit multiple requests without any intent to take service if each request is granted. However, we are mindful of concerns that doing so could undermine the Commission's desire to promote longer-term uses of the transmission system, disrupt the study process, or disadvantage transmission customers that are not in the position to pre-confirm their requests. As a result, we will modify the NOPR proposal and give priority only to pre-confirmed non-firm point-to-point transmission service requests and short-term firm point-to-point transmission service requests. In addition, longer duration requests for transmission service will continue to have priority over shorter duration requests for transmission service, with preconfirmation serving as a tie-breaker for requests of equal duration. This policy will still give an advantage to pre-confirmed requests without imposing substantial implementation difficulties or undermining the Commission's goals to encourage longer term uses of the transmission system. Our revised policy on priority for pre-confirmed requests thus addresses the comments that we should preserve the priority of longer duration requests for transmission service over shorter duration requests for transmission service. For instance, a pre-confirmed daily or hourly request will not preempt a weekly request that has not been pre-confirmed. Pre-confirmed short-term service requests therefore will not have a priority superior to that of long-term service requests that have not been pre-confirmed.	BUSINESS PRACTICE ONLY	NAESB will develop OASIS Business Practice Standards and S&CPs to address the pre-confirmation priority policy set forth in Paragraph 1401 regarding pre-confirmation of priority.

Order Citation	NERC Response	NAESB Response
890-1407. In response to requests for clarification from MidAmerican and TranServ, we clarify that a new pre-confirmed request for transmission service would preempt a request of equal duration that has been accepted by the transmission provider but not yet confirmed by the transmission customer. Thus, we decline to adopt TDU Systems' suggestion that the Commission include a time window between acceptance of a request and confirmation of the request, during which a request can not be preempted by a pre-confirmed request for transmission service. This is consistent with our desire to give transmission service first to those customers that are committed to taking the transmission service if it is granted. In the case of monthly firm point-to-point transmission service, the transmission customer has up to four days to confirm an accepted request. This is a potentially long delay when there is another transmission customer that is willing to commit to take the same service. Moreover, this policy is consistent with NAESB business standard 001-4.25, which allows a pre-confirmed request for non-firm point-to-point transmission service to preempt a request of equal duration and lower price that has been accepted but not confirmed.	BUSINESS PRACTICE ONLY	NAESB will develop OASIS Business Practice Standards and S&CPs to address Paragraph 1407 regarding pre-confirmation.

Order Citation	NERC Response	NAESB Response
890-1477. **We direct transmission providers to develop OASIS functionality to (1) allow all of the information required for a request to designate network resources to be provided electronically, (2) mask information about operating restrictions and generating cost on OASIS, and (3) allow for queries of all information provided with designation requests in accordance with section 37.6 of the Commission's regulations.871 As provided in paragraph 385, we also direct transmission providers to work in conjunction with NAESB to develop business practice standards describing procedural requirements for submitting designations over any new OASIS functionality.** Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards. **Prior to implementation of this new OASIS functionality, any information that cannot be provided electronically may be submitted by transmitting the information to the transmission provider by telefax or providing the information by telephone over the transmission provider's time recorded telephone line.**	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs to address Paragraph 1477 regarding designation of network resources.
890-1504. **In response to South Carolina E&G's request, we reiterate that not all of the information required by section 29.2 of the pro forma OATT for designation of a network resource will be made publicly available on OASIS.** As discussed above, information about operating restrictions and generating cost will be masked to protect commercially sensitive information. South Carolina E&G has also requested clarification of the Commission's intent with respect to how designated network resource information is posted. **Our existing regulations specify the view, download, and query requirements for information posted regarding network resource designations. The details of how those informational postings are accomplished are best left to be determined as part of the NAESB standards development process.**	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs to address Paragraph 1504 for designation of network resources.

Order Citation	NERC Response	NAESB Response
890-1532. In response to TranServ's request that the exact nature of how the customer would make an attestation should be determined in the NAESB forum, we note that the contents and the specific information that is required to be provided with the attestation are specified in the pro forma OATT, a**nd we are requiring that the attestation be submitted through OASIS with each request to designate a new network resource. The appropriate subject for transmission providers to coordinate with NAESB to resolve is limited to the appropriate formatting of such information to be provided in OASIS.** In response to TranServ's request that NAESB should also determine the treatment of OASIS requests where the customer fails to provide the necessary attestation, we point out that we have already directed that such requests are to be found deficient by the transmission provider and treated in accordance with the procedures in section 29.2 of the pro forma OATT.	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs to address Paragraph 1532 requiring attestation on OASIS for designation of network resources.

Order Citation	NERC Response	NAESB Response
890-1541. **We direct transmission providers to develop OASIS functionality and, working through NAESB, business practice standards describing the procedural requirements for submitting both temporary and indefinite terminations of network resources, to allow network customers to provide all required information for such terminations. Such OASIS functionality should allow for electronic submittal of the type of termination (temporary or indefinite), the effective date and time of the termination, and identification and capacity of resource(s) or portions thereof to be terminated. For temporary terminations, such OASIS functionality should also allow for electronic submittal of (1) effective date and time of redesignation, following the period of temporary termination; (2) information and attestation for redesignating the network resource following the temporary termination, in accordance with section 30.2 of the pro forma OATT; and (3) identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination. In response to TranServ's request, we clarify that the request for temporary termination of the resource and the requests for the related transmission service identified in item (3), if any, should be evaluated as a single request, and approved or disapproved as such. We specifically direct transmission providers, working through NAESB, to develop business standards describing the procedures for submitting and processing requests for concomitant evaluations of transmission requests and temporary terminations. When processing such requests, the evaluation of the transmission service requests identified in item (3) should take into account the undesignation of the network resources identified in the request for termination. However, the evaluation of the transmission service requests in item (3) should be processed taking proper account of all competing transmission service requests of higher priority.**	BUSINESS PRACTICE ONLY	NAESB will develop the necessary OASIS Business Practice Standards and S&CPs to address Paragraph 1541 regarding termination and undesignation of network resources.

Order Citation	NERC Response	NAESB Response
890-1627. **We agree with suggestions for the posting of additional curtailment information on OASIS and, therefore, require transmission providers, working through NAESB, to develop a detailed template for the posting of additional information on OASIS regarding firm transmission curtailments.** Transmission providers need not implement this new OASIS functionality and any related business practices until NAESB develops appropriate standards. **These postings must include all circumstances and events contributing to the need for a firm service curtailment, specific services and customers curtailed (including the transmission provider's own retail loads), and the duration of the curtailment. This information is in addition to the Commission's existing requirements: (1) when any transmission is curtailed or interrupted, the transmission provider must post notice of the curtailment or interruption on OASIS, and the transmission provider must state on OASIS the reason why the transaction could not be continued or completed; (2) information to support any such curtailment or interruption, including the operating status of facilities involved in the constraint or interruption, must be maintained for three years and made available upon request to the curtailed or interrupted customer, the Commission's Staff, and any other person who requests it; and, (3) any offer to adjust the operation of the transmission provider's system to restore a curtailed or interrupted transaction must be posted and made available to all curtailed and interrupted transmission customers at the same time.**	BUSINESS PRACTICE ONLY	NAESB will develop the OASIS Business Practice Standards and S&CPs to address Paragraph 1627 regarding posting of curtailment information.

Order Citation	NERC Response	NAESB Response
693-206. In Order No. 890, the Commission directed public utilities, working through NERC, to modify the ATC-related Reliability Standards within 270 days of publication of Order No. 890 in the Federal Register.98 Our action there affects approximately nine MOD Reliability Standards and one FAC Reliability Standard that are before us in this proceeding. **The ERO must submit its revised Work Plan within 90 days of the effective date of the Reliability Standards approved in this order as an informational filing to:** (1) reflect modification directives contained in the Final Rule; **(2) include the timeline for completion of ATC-related Reliability Standards as ordered in Order No. 890** and (3) account for the views of its stakeholders, including those raised in this proceeding.	NERC will develop an additional status report for the commission, detailing this information, at the time specified.	RELIABILITY STANDARD ONLY
693-1047. In order to increase the transparency of ATC calculations, **we adopt the NOPR's proposal and direct the ERO to develop in MOD-001-0 a requirement that each transmission service provider provide on OASIS its OATT Attachment C, in which Order No. 890 requires transmission providers to include a detailed description of the specific mathematical algorithm the transmission provider uses to calculate both firm and nonfirm ATC for various time frames such as: (1) the scheduling horizon (same day and realtime), (2) operating horizon (day ahead and pre-schedule) and (3) planning horizon (beyond the operating horizon). In addition, a transmission provider must include a process flow diagram that describes the various steps that it takes in performing the ATC calculation.**	NERC is currently specifying that information used in the ATC process must be made available for posting. However, we are currently proposing to leave the actual posting requirement to NAESB as a business practice.	NAESB is developing business practices requiring posting of these items.

Order Citation	NERC Response	NAESB Response
693-1057. Accordingly, the Commission neither accepts nor remands MOD-001-0 until the ERO submits additional information. Although the Commission does not propose any action with regard to MOD-001-0, we address above a number of concerns regarding the Reliability Standard, consistent with those set forth in Order No. 890. **We direct the ERO to develop modifications to the Reliability Standard through the Reliability Standards development process that: (1) provide a framework for ATC, TTC and ETC calculation, developing industry-wide consistency of all ATC components; (2) require disclosure of algorithms, for both firm and non-firm ATC and processes used in the ATC calculation; (3) identify a detailed list of information to be exchanged among transmission providers for the purposes of ATC modeling; (4) include a requirement that the assumptions used in ATC and AFC calculations should be consistent with those used for planning the expansion or operation of the Bulk-Power System to the maximum extent practicable; (5) include a requirement that ATC be updated by all transmission providers on a consistent time interval; (6) include a requirement that applicable entities make available assumptions and contingencies underlying ATC and TTC calculations; (7) address only ATC/AFC while TTC/TFC should be addressed under transfer capability standards such as FAC-012-1 and (8) identify the applicable entities in terms of users, owners and operators of the Bulk-Power System.**	NERC is currently proposing to address all of these items in MOD-001, MOD-028, MOD-029, and MOD-030.	NAESB awaits further development on the NERC standards, to determine what complementary business practices are necessary.
693-1081. **We agree with TAPS that there is a need for clearer requirements in the standard regarding to whom and how to submit a request for CBM set-aside, and what the transmission service provider should do if the sum of all CBM requirements exceeds the amount of available transfer capability. We direct the ERO to address the reliability aspects in the Reliability Standards development process and explore with NAESB whether business practices would be required.**	NERC is specifying this information in MOD-004.	NAESB is currently developing the mechanisms through which CBM may be requested.

Order Citation	NERC Response	NAESB Response
693-1082. Accordingly, the Commission neither accepts nor remands MOD-004-0 until the ERO submits additional information. In the interim, compliance with MOD-004-0 should continue on a voluntary basis, and the Commission considers compliance with the Reliability Standard to be a matter of good utility practice. Although the Commission did not propose any action with regard to MOD-004-0, it addressed above a number of concerns regarding the Reliability Standard, consistent with those set forth in Order No. 890. **Therefore, we direct the ERO to develop modifications to the Reliability Standard through the Reliability Standards development process to: (1) clarify that CBM shall be set aside upon request of any LSE within a balancing area to meet its verifiable historical, state, RTO or regional generation reliability criteria; (2) develop requirements regarding transparency of the generation planning studies used to determine CBM value; (3) modify the current Requirements to make clear the process for how CBM is allocated across transmission paths or flowgates; (3) modify its standard in order to prevent setting aside CBM and TRM for the same purposes; (4) modify the standard by adding LSE as an applicable entity and (5) coordinate with NAESB business practice standards.**	NERC is specifying this information in MOD-004.	NAESB is working to determine what complementary business practices are necessary. NAESB is currently developing the mechanisms through which CBM may be requested.
693-1105. The Commission approves MOD-006-0 as mandatory and enforceable. **In addition, the Commission directs the ERO to develop a modification to Reliability Standard MOD-006-0 through the Reliability Standards development process that: (1) includes a provision that will ensure that CBM and TRM are not used for the same purpose; (2) provides that CBM should be used for emergency generation deficiencies; (3) modifies Requirement R1.2 to define "generation deficiency" based on a specific energy emergency alert level; (4) includes a provision that CBM should have a zero value in the calculation of non-firm ATC and (5) expands the applicability section to include the entities that actually use CBM, such as LSEs.**	NERC is specifying this information in MOD-004.	RELIABILITY STANDARD ONLY

Order Citation	NERC Response	NAESB Response
693-1122. **Consistent with the NOPR proposal and Order No. 890, the Commission directs the ERO to modify standard MOD-008-0 to clarify how TRM should be calculated and allocated across paths or flowgates.** We understand that the standards drafting process is underway as a joint project with NAESB. We agree with International Transmission, MidAmerican and MISO about the need for more uniformity and transparency in TRM calculation methodology and use, in order to eliminate potential reliability and discrimination concerns. **Consistent with Order No. 890, the Commission directs the ERO to specify the parameters for entities to use in determining uncertainties for which TRM can be set aside and used, such as: (1) load forecast and load distribution error; (2) variations in facility loadings; (3) uncertainty in transmission system topology; (4) loop flow impact; (5) variations in generation dispatch; (6) automatic reserve sharing and (7) other uncertainties as identified through the NERC Reliability Standards development process.** We find that clear specification in this Final Rule of the permitted purposes for which entities may reserve CBM and TRM will also virtually eliminate double-counting of TRM and CBM. **Therefore, we direct the ERO to determine clear requirements regarding permitted uses for TRM through its Reliability Standards development process.**	NERC is specifying this information in MOD-008.	RELIABILITY STANDARD ONLY

Order Citation	NERC Response	NAESB Response
693-1126. The Commission neither accepts nor remands MOD-008-0 until the ERO submits additional information. In the interim, compliance with MOD-008-0 should continue on a voluntary basis, and the Commission considers compliance with the Reliability Standard to be a matter of good utility practice. Although the Commission did not propose any action with regard to MOD-008-0, it addressed above a number of concerns regarding the Reliability Standard, consistent with those proposed in Order No. 890. **Accordingly, we direct the ERO to develop modifications to the Reliability Standard through the Reliability Standards development process including: (1) clear requirements on how TRM should be calculated, including a methodology for determining the maximum TRM value, and allocated across paths; (2) clear requirements for permitted purposes for which TRM can be set aside and used; (3) clear requirements for availability of documentation that supports TRM determination and (4) expanding the applicability to add planning authorities and reliability coordinators and any other appropriate entity identified in the Reliability Standards development process.**	NERC is specifying this information in MOD-008.	RELIABILITY STANDARD ONLY

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Chicago, Illinois this 13th day of June, 2007.

/s/ Owen E. MacBride
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