

ATTACHMENT U

Process For The Use Of Network Resources Outside Of The Transmission Provider And Resolving Competing Requests For Transmission Service Among Network Customers And Between Long-term Point-To-Point And Network Customers

1. Requests by a Network Customer to Designate Network Resources Located Outside of the Transmission Provider Transmission System

Requests by a Network Customer to designate a Network Resource that is located outside of the Transmission Provider Transmission System must be submitted on the Transmission Provider OASIS in the same manner, and including the same information as requests to designate a Network Resource within the Transmission Provider Transmission System. The queue position for a Network Resource will be determined by the earlier of the date of the first ten (10)-year forecast applicable to such a resource under this Tariff, or the time of the OASIS request seeking to designate the Network Resource. Network Resources do not have to be designated at the time of providing the forecasts. In order to make available to other customers capacity that will not be needed on a short-term basis (*i.e.*, within the next twelve (12) months) to serve Network Customer load from Forecast Network Resources (FNRs), a Network Customer must designate Network Resources to be used within the next twelve (12) months by an OASIS request for such designation. The twelve (12)-month designation period is to be made on the variable date consistent with the applicable timing requirements of Attachment J of this Tariff for like term Firm Point-To-Point Transmission Service. Designation of a new Network Resource that has not previously been identified as an FNR in the annual forecast submittals by Network Customers

will be evaluated for available capacity, and if available, the designation will be accepted. As per Section 30.2 of this Tariff, the Network Customer must provide the Transmission Provider with as much advance notice as practicable when designating a new Network Resource.

Requests by a Network Customer to utilize resources located outside of the Transmission Provider Transmission System on a non-firm basis (*i.e.* non-designated resources) must also be submitted on the Transmission Provider OASIS and shall be made in accordance with the timing requirements for a like term of Non-Firm Point-To-Point Transmission Service as specified in Attachment J to this Tariff. For example, if a customer desires to arrange for the utilization of a non-designated resource for a day, the customer would make a request on the Transmission Provider OASIS for this type of service (*e.g.* daily non-firm network, non-designated) in accordance with the same timing requirements specified in Attachment J to this Tariff for Non-Firm Daily Point-To-Point Transmission Service (*i.e.*, no later than 1200 hrs day/no earlier than three (3) days prior). When making a request to designate a Network Resource located outside of the Transmission Provider Transmission System, the Network Customer must specify the information required in Section 29.2¹ and consistent with Sections 30.1 and 30.7 of this Tariff. Customer must specify in the OASIS request the Point of Receipt (“POR”) and source. The POR and source must reflect the location of the Network Resource that is to be utilized.

The POR should indicate the Control Area that contains the Network Resource. The source should indicate the source Balancing Authority Area or the aggregation of units within the specified Balancing Authority Area if the Network Resource is from system purchased power, or otherwise should indicate the specific unit or generating station that is being designated. In

addition, the capacity field on the OASIS request must include the capacity of the Network Resource. When utilizing the Transmission Provider Request to Designate a Network Resource form, the Network Customer must also certify that all Commission requirements² for Network Resource have been met (or expect to be met before the request is accepted) at the time a request is submitted on the Transmission Provider OASIS. The request for designation will not be accepted until the Transmission Provider receives all required information.

The only additional information required for Network Resources located outside of the Transmission Provider Transmission System as compared to those located within the Transmission Provider Transmission System, is certification to the Transmission Provider that Firm Transmission Service for facilities not within the Transmission Provider has been obtained (or has been submitted by other Transmission Providers). The Network Customer also agrees to notify the Transmission Provider when these requests are confirmed. The Transmission Provider reserves the right to retract its approval of the designation of a resource in the event that the customer fails to provide this notification or if the transmission service request submitted by other Transmission Providers is denied.

2. Resolving Competing Requests for Transmission Service Between Long-term Point-To-Point and Network Customers

This section applies to long-term (one year or longer) Point-To-Point Transmission Service. For the treatment of competing request for Transmission Service between short-term Firm Point-To-Point and Network Customers, tariff section 13.2 applies.

All existing Network Customers and Point-To-Point Customers with Firm Transmission Service

contract terms of one year or more have an ongoing right to such service. The Transmission Provider will ensure that transmission capacity exists to reliably meet these obligations by planning the system based on the Firm Point-To-Point Transmission Service obligations and the ten (10) year forecasts of Network Resources and Network Load, including all information required of Network Customers in Section 29.2 of this Tariff. In planning to meet the Point-To-Point Transmission Service obligations, the Transmission Provider will provide for the continuing right of eligible Point-To-Point Customers to continue their service in the capacity and with the source and sink specified in the original contract. Planning to meet the needs of the Network Customers is based on the information requirements for current and Forecasted Network Resources (“FNRs”) (Section 29.2 (v and vi) of this Tariff) that include specific unit information, including location on the transmission system or description of purchased power forecasted as a Network Resource. The Transmission Provider will resolve competing requests for transmission service among Network Customers as provided for in Section 3 of this Attachment U. Network Resources do not have to be designated at the time of providing the forecasts. In order to make available to other customers capacity that will not be needed on a short-term basis (*i.e.*, within the next twelve months) to serve Network Customer load from FNRs, a Network Customer must designate Network Resources to be used within the next twelve months by an OASIS request for such designation. Specifically, the twelve-month designation period is to be made on the variable date consistent with the applicable timing requirements of Attachment J of this Tariff for like term Point-To-Point Transmission Service.

The capacity reservation associated with previous FNRs is queued at the time of the forecast submittal, but is released for use by other customers in the short-term, only if the Network

Customer does not designate the previous FNR within the timing requirements of Attachment J.

The Transmission Provider will decrement Available Flowgate Capability (“AFC”) for each rolling twelve-month period to reflect only those previously identified FNRs that are needed.

Designation of a new Network Resource that has not previously been identified as a FNR in the annual forecast submittals by Network Customers will be evaluated for available capacity, and if available, the designation will be accepted. However, neither the newly designated Network Resource, nor a new FNR, need be a resource specifically identified in previous 10-year forecasts. As per Section 30.2 of the Transmission Provider OATT, the Network Customer must provide the Transmission Provider with as much advance notice as practicable when designating a new Network Resource.

When evaluating new requests for Firm Point-To-Point Transmission Service on the Transmission Provider Transmission System, the Transmission Provider will make transmission capacity available to Point-To-Point Transmission Service Customers until such time as that capacity is needed to serve existing Network Customer load. The determination of available capacity will be based on the annual submittals by Network Customers of forecasted network load and FNRs. If at the time of a request for new Firm Point-To-Point Transmission Service, the Transmission Provider determines that sufficient capacity will not be available to accommodate both the forecasted load growth of existing Network Customers, and the new request for Point-To-Point Transmission Service, the Service Agreement for the Point-To-Point Transmission Service request will reflect this limitation to the roll-over rights of the new service.

3. Planning for Forecasted Load Growth and Forecasted Network Resources of Network Customers and Resolving Competing Requests for Transmission Service

Among Network Customers

Network Customers are required under section 29.2 of this Tariff to provide an annual forecast of network load growth and Network Resources. Because these annual forecasts could annually identify a different set of FNRs and an updated load forecast, the Transmission Provider will perform an annual evaluation of the capability of the Transmission System to reliably accommodate these new forecasts in addition to ongoing Firm Point-To-Point Transmission Service obligations. In the event that this evaluation determines that there is not sufficient capacity to meet the annually changing forecast needs of all Network Customers along with the ongoing rights of existing Firm Point-To-Point Transmission Service customers, the Transmission Provider will use the following process to resolve these competing requests by existing Network Customers for Transmission Service to serve reasonably forecasted needs:

1. The Transmission Provider will annually request 10-year load forecasts and FNRs in accordance with section 29.2 of this Tariff.
2. The Transmission Provider will model reasonable forecast loads and FNRs in base cases covering the planning horizon (5-10 years).
3. The Transmission Provider will model in this base case Firm Point-To-Point Transmission Service commitments, including roll-over rights, where not previously limited.
4. The Transmission Provider will calculate available capacity for future periods within the planning horizon based on these existing and forecasted commitments.
5. If the Transmission System is over-committed based upon applicable reliability criteria as defined by the local system reliability criteria filed annually with the

Commission on Form No. 715, the Transmission Provider will determine in an open stakeholder planning process Network Upgrades needed to reliably meet commitments, by performing a baseline needs a Facilities Study in collaboration with Transmission Owners.

6. The Transmission Provider will determine the contributions of each FNR as indicated in the annual forecasts of the Network Customers, to any violation of applicable reliability criteria.
7. The costs of Network Upgrades will be recovered in accordance with Attachment N to this Tariff. Where Network Upgrades are charged to Network Customers as provided for under Attachment N, Network Customers will share in the charge according to the contributions of each FNR to the reliability criteria violations causing the Network Upgrade.
8. A Network Customer will have an opportunity to make reasonable adjustments to its load forecast and FNRs in order to relieve its contribution to reliability criteria violations (*i.e.*, to correct errors in load forecast, or to withdraw a specified FNR). These adjustments may be made after the annual reliability evaluation, but must be made before the annual needs Facility Study commences.
9. If the Transmission Provider determines that facilities will be over committed before appropriate Network Upgrades can be constructed (*e.g.*, a new FNR appears in the first or second year of the annual forecast for the first time and

requires a significant Network Upgrade that cannot be completed within the 1-2 year available lead-time) the Transmission Provider will inform the Network Customer that designation of the FNR will not be possible until the Network Upgrade can be completed.

- ¹ With the exception that the approximate variable generating cost for redispatch computations is not required because MISO will be applying a bid-based redispatch for congestion management purposes.
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