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Planning Update OATT Reform & Regional Planning Process

Network Customer Meeting

August 24, 2006

Successful Planning is Local Planning

- ATCLLC's experience with all stages of completing transmission projects repeatedly demonstrates that all transmission is local and that good transmission planning requires coordination, openness and transparency. Transmission projects that address local needs are much more likely to gain local acceptance necessary to be built.

- ATCLLC has found that effective planning for upgrades to the transmission system whereby both a bottom up process (taking into account local needs and realities), and a top down process (taking into account large market impacts and spanning multiple Transmission Owners) results in the construction of transmission projects that have both local and regional benefits



Role Clarity is Necessary

- ATC believes OATT should distinguish between “transmission owners” and “transmission providers” in an RTO/ISO and their planning roles. The authority that entities are given in assigned planning roles should be aligned with the accountability and knowledge of the entities. However, ultimately the transmission owner (ATC) is the entity accountable to its customers, the state commission, regional operator and NERC, for ensuring both the reliability and availability of transmission service to serve the needs of customers in the state.



Process Evolve

- Planning practices should be allowed to evolve and be based on transmission system needs and preferences of local and regional stakeholders

Successful Planning is Multi-Level

- ATCLLC in its planning process integrates requests for new transmission service and for interconnection of new power producers and consumers, as well as the needs to support continued safe and reliable service and accommodate growth for existing customers.



Multi-Level cont.

- In assessing its system, ATCLLC looks at singular issues or transmission customer requests, and then studies how those needs interact on the system in a broader planning area, then overall on the entire ATCLLC system

Transparency & Stakeholder input is Critical

- ATCLLC makes its transmission plans publicly available. Furthermore, the company engages in such public outreach efforts as participating in collaborative groups with local stakeholders to address local transmission needs and conducting public open houses prior to filing construction applications with state regulators

Dispute Resolution

- Any dispute resolution processes for planning purposes should recognize which entity is ultimately responsible for building transmission projects and should align that accountability with the role of authorizing which projects are developed

Use Available Data

- There are adequate sources of information that identify transmission congestion, without requiring transmission owners to conduct additional studies

MSAT Model Works

- Unlike joint ownership of transmission lines, joint ownership of stand-alone transmission companies is an option for providing joint ownership opportunities that will not further balkanize the transmission system and that will provide advantages from the economies of scale of a large transmission company.