Louisville Gas & Electric Co./Kentucky Utilities Co.

OPEN ACCESS TRANSMISSION TARIFF BUSINESS PRACTICES

MAINTAINED BY: The Independent Transmission Organization
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1 Business Practices

These Business Practices describe the procedures and protocols employed by the ITO to provide transmission service on the EON-US system on a non-discriminatory basis. In a non-emergency situation, proposed changes to these practices will be posted for 30 days. Comments, if any, must be submitted to the ITO in writing during this period. Following the 30 day notice period, the ITO will post the final changes taking into consideration the comments and they will become effective upon posting. If conditions arise that necessitate an emergency change to these business practices, then the change posting process may be omitted or abbreviated, as necessary, to remedy the emergency condition.

2 General Requirements

2.1 Transmission Service

Transmission service on the systems of the E.ON Operating subsidiaries, Louisville Gas & Electric Company ("LG&E") and Kentucky Utilities ("KU") is provided in accordance with the provisions and requirements of the E.ON Operating Companies, Open Access Transmission Tariff ("OATT"). As described in the OATT, transmission service requests must be submitted for approval to the Independent Transmission Organization ("ITO") via LG&E/KU and KU's OASIS website. Schedules for transfers using Approved and Confirmed reservations must also be submitted to the ITO via the OATI electronic tagging service. Questions regarding transmission service on the LG&E/KU system should be submitted to:

Manager, Independent Transmission Organization
Southwest Power Pool
415 N. McKinley, Suite 140
Little Rock, AR 72205-3020
501-614-3200

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To submit a request for transmission service on the LG&E/KU systems, Transmission Customers must obtain access to the LGEE OASIS node at:

http://sppoasis.spp.org/OASIS/LGEE

User authentication requires a digital certificate from DST or OATI. To obtain access to the LGEE OASIS node, go to:

http://sppoasis.spp.org/documents/lgee/uploads/Dig_Cert_Info.htm

Requests for service may be submitted by completing the electronic form in accordance with the Standards and Communication Protocols (http://sppoasis.spp.org/documents/lgee/uploads/OASIS_1_4_SCP.pdf) the provisions of the E.ON Operating Companies, Open Access Transmission Tariff (http://sppoasis.spp.org/documents/lgee/uploads/Tariff.pdf) and these Business Practices.

Transmission customers may request a joint meeting with the ITO and Transmission Owner regarding customer service issues and procedures under the OATT by providing a written request for such meeting to both ITO (Manager, ITO) and Transmission Owner (Manager of Transmission Strategy & Planning).

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2.2 Types of Service

LG&E/KU's OATT offers Point-to-Point and Network Integration Transmission Service. The timing requirements for submission of Transmission Service requests are specified in Section 2.3.

2.3 Feasibility Analysis Service

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Any Eligible Customer (as defined in the LG&E/KU OATT) may request that the ITO perform or cause to be performed a Feasibility Analysis. Such analysis may be performed by the ITO or its delegee at the ITO's sole discretion.

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The Feasibility Analysis is limited to an informal assessment of the nature of, costs of and timeline for the direct assignment facilities or network upgrades necessary to provide Network Integration Transmission Service or Point to Point Transmission Service. **SUCH COST AND TIME ESTIMATES ARE A HIGH-LEVEL ESTIMATE ONLY AND ARE EXPRESSLY NON-BINDING ON ANY OF THE PARTIES. THE ITO IS NOT BOUND TO THE FAS RESULTS WHEN PERFORMING SYSTEM IMPACT STUDIES AND THE ITO WILL NOT PERFORM ANY RECONCILIATOIN OF SYSTEM IMPACT STUDY RESULTS WITH ANY ASSOCIATED FAS RESULTS. THE ITO RETAINS ITS FULL AND SOLE AUTHORITY TO CONDUCT A FORMAL SIS AND TO EVALUATE REQUESTS FOR SERVICE.**

The Feasibility Analysis will analyze, using engineering judgment, the request based on the existing state of the system, as comprised by the base case and the Transmission Expansion Plan (as approved by the ITO) for the year in which the FAS request is made. The Feasibility Analysis will not take into account either pending requests for transmission service or pending FAS requests. The FAS will not address conditional firm or planning redispatch services.

To make an FAS request, an Eligible Customer must complete a FAS Request Form and must provide all information specified in the FAS Request Form. Within seven (7) days of the receipt of (1) a completed FAS Request Form and (2) submission of all required (as determined by the ITO or its delegee) information, the ITO will send to the requesting customer a FAS Agreement; an FAS Agreement will NOT be sent prior to receipt by the ITO of both of the items mentioned.

The fee for the FAS service is $5,000. The FAS Agreement and $5,000 fee must be signed and returned within fifteen (15) days of receipt by fax of the FAS Agreement by the requestor in order for the FAS request to remain valid. If either the executed Agreement or the fee is not received by the ITO within 15 days, the ITO will notify the requestor that the request has been invalidated, and a new, complete request must be submitted.

The Feasibility Analysis will be completed within 30 days of the latter of the receipt of the executed Agreement or receipt of the fee. If the Feasibility Analysis is not completed within 30 days, the requestor will be notified of the estimated completion date and an explanation of the delay.

If the requestor subsequently requests a System Impact Study from the ITO associated with the same request as the FAS request, the Feasibility Analysis fee will be credited back to the requestor, up to the amount of the cost of such System Impact Study.

2.4 Initial Application for Network Integration Transmission Service

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The initial request for Network Integration Transmission Service ("NITS") must be at least one year in length and must be submitted no later than 60 days prior to start of service. The capacity requested should be the anticipated summer and winter peaks for Network Load for a period of 10 years.

To initiate new NITS, the customer must contact the ITO to request the registration of a new Sink on the OASIS node and then submit written application containing the data specified in Section 30.2 of the OATT to the ITO. When the application is received and the new Sink has been created, the customer must submit an OASIS request for the NITS agreement and an OASIS request for each Designated Network Resource. The NITS request must specify the expected peak load for the first year of service; the service type must specify "Initial NITS Request" and the new NITS Sink.

The ITO must acknowledge receipt of the request within 10 days (unless the parties agree to another time frame). If an application fails to meet the requirements of Section 30.2 of the Tariff, the ITO will notify the NITS customer requesting service within 15 days of receipt and specify the reasons for such failure. Whenever possible, the ITO will attempt to remedy deficiencies through informal communications with the customer.

Prior to receiving NITS, the Transmission Owner ("TO") and Network Customer, or a third party, must complete the technical arrangements set forth in Sections 30.3 and 30.4 of the Tariff. These sections require the completion of equipment installation and any additional requirements. The Network Customer is responsible for the construction, maintenance, and operation of the facilities on its side of each delivery point or interconnection necessary for reliable delivery of capacity and energy from the TO's transmission system to the Network Customer.

NITS shall not commence until all equipment installation and any additional requirements have been completed by the TO and Network Customer or third party. The TO and Network Customer shall exercise reasonable efforts to complete such arrangements as soon as practicable, taking into consideration the Service Commencement Date.

In order to receive NITS, the Network Customer must construct, maintain and operate facilities on its side of each delivery point or interconnection necessary for the reliable delivery of capacity and energy from the TO's Transmission System to the Network Customer. The Network Customer is responsible for the construction and installation of facilities on its side of each delivery point or interconnection.

NITS customers wishing to make changes to designated loads must submit the desired changes to the ITO.

The TO is not responsible for charges pursuant to Schedules 1 through 6, 9 or 10 to the extent that the TO takes NITS to serve its bundled load. Annually, NITS customers must submit to the ITO the following information: (1) updates of Network Load and Network Resource Forecasts consistent with those included in its NITS Application under Part III of the Tariff, and (2) timely written notice of material changes in any other information provided in its Application relating to Network Customer's Network Load, Network Resources, its Transmission System, or other aspects of its facilities or operations affecting the TO's ability to provide reliable service.

2.5 FORGIVENESS OF TRANSMISSION SERVICE CHARGES

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The following describes LG&E/KU's business practice concerning forgiveness of transmission service charges. Forgiveness is the term commonly used to describe the billing credit for transmission service charges in situations where transmission service reserved by a customer cannot be used.

All charges associated with the provision of confirmed Point-to-Point transmission service will be rebated by LG&E/KU's for a period of curtailment if:

1. The Point-to-Point transmission service is scheduled on-time per the Interchange Distribution Calculator ("IDC"), and
2. The service is curtailed or halted due to Transmission Loading Relief ("TLR") issued for a constraint on the LG&E/KU's transmission system.

Transmission service charges will not be forgiven if:

1. LG&E/KU's transmission service is curtailed due to a TLR issued for a constraint external to LG&E/KU's,
2. A schedule is refused for being late,
3. A schedule is held by the IDC,
4. A schedule is curtailed due to generator imbalance, or
5. The customer otherwise fails to use the transmission service.

3 Reserving Transmission Service

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3.1 Available Transfer Capability

The ITO shall post and update on OASIS the Available Transfer Capability ("ATC") for each path on the LGEE system. These values are derived from the Transfer Distribution Factors and Available Flowgate Capacity ("AFC") values for the most limiting flowgates applicable. The ITO shall post and update the TTC, TFC, TRM, and CBM for the flowgates as well. The ITO will make available upon request and in electronic format, all information related to the calculation of ATC and TTC for any constrained path. In addition, the new values for ATC on the constrained path shall be posted on OASIS. Further, the ITO will post the underlying load forecast assumptions for all ATC calculations, and on a daily basis, the ITO will post the actual daily peak load for the prior day.

Order 890 requires transmission service providers to post specific narrative explanations when the ATC on any constrained path changes by 10% or more as a result of a change in TTC. The ITO calculates the effective ATC for each path on the EON transmission system based on the transfer capability available on the limiting system flowgates. This process does not calculate TTC values. The analogous value calculated in the AFC methodology employed by the ITO is the Initial AFC value.

The AFC calculation begins with a base case model that incorporates operational assumptions regarding unit dispatch, load, and system topology for each time period. The Initial AFC values and the Transfer Distribution Factors calculated from these models determine the maximum amount of electric power that can be moved reliably on each path for each time period. Each time the ITO updates the AFC/TDF calculations, new Initial AFC and TDF values will be determined. The ITO will divide the Initial AFC value for every flowgate by the applicable TDF value. The most limiting value calculated for each path will define the maximum amount of power that could be transferred reliably.

Depending on how the system conditions have changed since the last calculation, the available capacity on the most limiting flowgate may change significantly or a different facility may become the most limiting flowgate. The ITO monitoring process will be able to determine when the calculated maximum transfer capability has changed by 10% or more. In those instances, the ITO will update the OASIS page to identify the model assumption changes that have resulted in significant changes in ATC. This process will achieve the desired transparency and provide customers with specific information about changes in the underlying operational assumptions that produce significant changes in posted ATC values.

Additionally, the ITO will draft and post a narrative explanation of the cause when the Monthly Firm ATC value posted for a specific path and month remains zero for six consecutive months.

3.2 Point-to-Point Service

Firm Transmission Service - Firm Point-to-Point service is sold in fixed daily, weekly, monthly, and yearly increments.

Requests for Daily Firm service must start at 00:00 on the first day of the service period and end at 24:00 on the last day of the service period. Daily Firm service may be requested for up to 7 days.

Requests for Weekly Firm service must start at 00:00 on Sunday of the first week of the service period and end at 24:00 on Saturday of the last week of the service period. Weekly Firm service may be requested for up to 4 weeks.

Requests for Monthly Firm service must start at 00:00 on the first day of the first month of the service period and end at 24:00 on the last day of the last month of the service period. Monthly Firm service may be requested for up to 12 months.

Requests for Yearly Firm service must start at 00:00 on the first day of the first month of the service period and end at 24:00 on the last day of the last month of the service period. Yearly Firm service must be reserved for a minimum of 1 year. There is no maximum allowed term for Yearly Firm service.

Long-Term Firm Transmission Service - Firm transmission service requested in yearly service increments.

Short-Term Firm Transmission Service - Firm transmission service requested in increments of less than one year.

Conditional Firm Transmission Service - Transmission service which can be curtailed under certain conditions or for a certain number of hours, but which will be firm service in all other conditions or hours. The procedures for requesting Conditional Firm Transmission Service are detailed in Section 4.2 of these business practices.

Planning Redispatch – Transmission service which involves relief of system constraints by redispatching the Transmission Owner's resources, provided that the customer agrees to compensate the Transmission Owner pursuant to the terms of Section 27 of the LG&E/KU OATT and agrees to either (i) compensate the Transmission Owner for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the ITO of redispatch requirements as described in Section 15.4 of the LG&E/KU OATT. The procedures for requesting Planning Redispatch service are detailed in Section 4.2 of these business practices.

Point-to-Point transmission service on the LG&E/KU system may be obtained through the ITO between valid Points of Receipt ("POR") and Points of Delivery ("POD") under Part II of the OATT.

Non-Firm Transmission Service - Non-firm Transmission Service is available in hourly, daily, weekly, and monthly increments. Prior to submitting a request for Non-Firm Point-to-Point service, eligible customers must execute a Transmission Service Agreement ("TSA") for non-firm service

Fixed Hourly - The service starts at the beginning of a clock hour and stops at the end of a clock hour. Non-Firm Hourly service may be requested for up to 24 hours.

Current Hour - *The service starts within the current hour or within the next hour but requested less than 30 minutes prior to the start of the hour.*

Fixed Daily - The service starts at 00:00 and stops exactly at 24:00 on the last day. Non-Firm Daily service may be requested for up to 7 days.

Fixed Weekly - The service starts at 00:00 on Sunday and stops at 24:00 on a subsequent Saturday. Non-Firm Weekly service may be requested for up to 4 weeks.

Fixed Monthly - The service starts at 00:00 on the first day of the month and stops at 24:00 on the last day of the last month of service. Non-Firm Monthly service may be requested for up to 12 months.

Customers must submit requests for Non-Firm service according to the following timing requirements:

Monthly service	Must be submitted by 14:00 EST of the day prior to the start of service, but no earlier than 60 days prior to the start of service.
Weekly Service	Must be submitted by 14:00 EST of the day prior to the start of service, but no earlier than 14 days prior to the start of service.
Daily Service	Must be submitted by 14:00 EST of the day prior to the start of service, but no earlier than 48 hours prior to the start of service.
Hourly Service	No earlier than 12:00 EST the day before service is to commence*

*Any non-firm hourly service requests submitted later than 14:00 EST on the day prior to the start of service will be accommodated as practicable. Requests for hourly service for the next hour may be submitted by phone or fax; however, the customer must submit a pre-confirmed request on OASIS prior to one hour after the start of service.

Current-Hour Transmission Service - Current-hour transmission service is non-firm hourly or secondary transmission service to be utilized within the current hour or within the next hour but submitted less than 30 minutes prior to the start of the hour. The following describes SPP's business practice concerning the provision of current-hour transmission service.

Requests for current-hour transmission service:

1. Must be pre-confirmed on the OASIS.
2. Are limited to a single hour.
3. Must be made for a full hour, even if the intent is to schedule the service for a partial hour.
4. Must be scheduled and tagged and are subject to applicable scheduling timing requirements and approvals.
5. Are not to be used by the transmission customer to request service for transmission usage after the fact.

Linked Transmission Service Requests

If a transmission customer makes consecutive requests for Point-to-Point service (e.g., monthly firm service requests for December, January and February), the customer may, upon written request to the ITO, require that the ITO either grant service for the entire period, deny service for the entire period, or offer the same partial quantity for the entire period. If the service requests are made at different times, the linked request will be given the queue priority of the last request made. Additionally, the customer may require that the ITO consider the full duration of the linked requests when determining reservation priority pursuant to Section 13.2 of the OATT.

3.3 Network Integrated Transmission Service (NITS)

Network Integration Transmission Service is offered in accordance with Part III of the OATT. NITS is available after a load serving customer interconnected to the LGEE system submits an initial application and executes a Network Operating Agreement. The NITS application can be downloaded from:

http://sppoasis.spp.org/documents/lgee/studies/LGEE_Network_Service_Application.xls

NITS is available on a firm basis for delivery of capacity and energy from designated Network Resources to Network load and on a non-firm basis to deliver energy to Network Load from resources not designated as Network Resources.

Customers must submit a valid request on the ITO OASIS along with the initial application for NITS. The duration of the request should adhere to the following guidelines.

- For finite-term requests, customers should "profile" the OASIS request in order to adhere to the load forecast submitted in the NITS application.
- Requests for ongoing service should be submitted for a period of ten years or greater.

A new request for NITS from designated Network Resources must be submitted on the LG&E/KU OASIS for each new resource.

The capacity reserved should be the capacity being designated on the new Network Resource to serve the designated Network Load.

Additional Network Resources may be designated to serve Network Load for a term of one day or greater. Network customers are required to use the transmission providers' OASIS to request designation of a new network resource and to terminate the designation of an existing network resource. If the OASIS function allowing designation or termination of a network resource is unavailable, Network customers should use the form posted on the OASIS website, and fax such form to the ITO for processing by hand. The forms are posted on the OASIS at the following locations:

- DNR Designation: https://sppoasis.spp.org/documents/LGEE/uploads/Form%20DNR%20_2_.pdf
- DNR Undesignation: https://sppoasis.spp.org/documents/LGEE/uploads/Form%20UNR%20_2_.pdf

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For any request to designate or terminate a network resource, the ITO (at the time the request is received) must post on the OASIS for at least 90 days (and make available for download) information describing the request, including:

- Name of requestor;
- Identification of the resource
- Effective time for the designation or termination;
- For temporary undesignations, the start and end time for the undesignation
- Identification of whether the transaction involves the transmission provider's wholesale merchant function or any affiliate; and
- Any other relevant terms and conditions.

Network customers must include a statement with each application for network service that attests, for each network resource identified that, (1) the transmission customer owns or has committed to purchase the designated network resource and (2) the designated network resource comports with the requirements for designated network resources. If the attestation is not included, the ITO will notify the network customer within 15 days of confirmation that its request is deficient. The attestation must be submitted through OASIS or by fax with each request to designate a network resource. A network customer may properly designate resources from system purchases not linked to a specific unit, provided the purchases cannot be interrupted for economic reasons.

To designate an off-system resource, network customers must include the following information with its request to be posted on OASIS:

- Identification of the Network Resource as an off-system resource;
- Amount of Power to which the customer has rights;
- Identification of the control area(s) from which the power will originate;
- Delivery points to the Transmission Provider's Transmission System; and
- Transmission arrangements on the external transmission system(s). (Firm PTP transmission service provided on a conditional firm basis is deemed sufficiently firm to be used to import an off-system designated network resource.)

Network customers must also include the following information with request to designate off-system resources. This information will be masked on OASIS to prevent the release of commercially sensitive information, including:

- Any operating restrictions (such as any periods of restricted operations throughout the year, maintenance schedules, minimum loading level of unit, normal operating level of unit); and
- Approximate variable generating cost ($/MWH) for redispatch communications.

To undesignate a network resource, a representative of the network customer identified on the existing reservation for firm network service must submit a completed request by facsimile to the ITO. The request must be signed by a representative of the transmission customer identified on the existing reservation. When the request to undesignate a network resource is approved, the associated capacity will be released for posting on OASIS. Incomplete requests will not be accepted.

Power purchase agreements designated as network resources may only contain LD provisions that are of the "make whole" type. The "make whole" LD clauses must require the seller to pay the full cost of replacement power. Power purchase agreements containing LD provisions that provide penalties of a fixed amount, that are capped at a fixed amount, or that otherwise do not require the seller to pay an aggrieved buyer the full cost of replacing interrupted power, are not acceptable as DNRs.

Any contract which contains an unacceptable LD provision, but otherwise qualifies for designation as a network resource and has been properly designated as a network resource prior to the effective date of the Final Rule, will be grandfathered only until the earlier of (1) the expiration of the current term of the power purchase agreement or (2) an indefinite termination of the power purchase agreement as a designated network resource. Termination of network resource status may either be temporary or indefinite. A firm LD contract that does not have a "make whole" LD provision and which is grandfathered here may continue to be temporarily terminated in order to make third-party sales without jeopardizing its eligibility to be redesignated after a third-party sale. However, once a network resource is indefinitely terminated, it must comport with the requirements for LD provisions, and all other requirements for designation of network resources, before it can be redesignated.

Network customers and the transmission provider's merchant function must undesignate network resources or portions thereof in order to make certain firm, third-party sales from those resources. Network customers not are not permitted to make firm third-party sales from any designated network resource without undesignating that resource for the period of the third-party sale pursuant to pro forma OATT section 30.3. Firm third-party sales may be made from an undesignated portion of a network customer's network resources (i.e., a "slice-of-system" sale), so long as all of the applicable requirements are met. In particular, the network customer must submit undesignations for each portion of each resource supporting the third-party sale. When the undesignation takes effect the network customer must update the capacities specified in its list of designated network resources posted on OASIS. Requests to undesignate network resources that are submitted concurrently with a request to redesignate those network resources at a specific point in time shall be considered temporary terminations. Conversely, requests to undesignate network resources submitted without any concurrent request to redesignate those network resources shall be considered a request for indefinite termination of those network resources. The request for temporary termination of the resource and the requests for the related transmission service, if any, shall be evaluated as a single request, and approved or disapproved as such. When processing requests for temporary termination of network resource designation with a concomitant transmission service request, the evaluation of the transmission service request shall take into account the undesignation of the network resource identified in the request for termination. However, the evaluation of the related request for firm point to point transmission service shall be processed simultaneously taking proper account of all competing transmission service requests of higher priority.

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Network customers and the transmission provider's merchant function may only enter into a third party power sale from a designated network resource if the third-party power purchase agreement allows the seller to interrupt power sales to the third party in order to serve the designated network load. Such interruption must be permitted without penalty, to avoid imposing financial incentives that compete with the network resource's obligation to serve its network load.

A request for termination of a network resource that is concurrently paired with a request to redesignate that resource at a specific point in time will not result in the network customer permanently forfeiting rights to use that resource as a designated network resource. Any change in ATC that resulted from the temporary termination shall be posted on OASIS during this temporary period.

After an indefinite termination of a resource, the network customer has no continuing rights to the use of such resource and future requests to designate that resource would be processed as a designation of new network resource.

In the event that the transmission provider or any other network customer designates a network resource that it does not own or that does not comport with the requirements for designated network resources, the network customer will be in violation of the OATT, and the Commission may consider assessing civil penalties.

A request for NITS from non-designated Network Resources must be submitted on the LG&E/KU OASIS for each resource not designated to serve the customer's Network Load. NITS from non-designated Network Resources may be used on an hourly, daily, weekly, or monthly basis.

Only the customer with the confirmed network service for the load, or a designated agent acting on its behalf, can request network service from non-designated network resources for that load.

The capacity reserved should be the maximum energy to be utilized to serve the designated network load in the specified service increment from the non-designated network resource.

Reciprocal NITS is provided for transactions with sinks and sources in the MISO and PJM areas on a reciprocal basis, as provided in Schedules 7 and 8 of the Tariff.

To make a third party sale from a designated network resource, the capacity of the resource to be committed to the sale must be de-listed as a Designated Network Resource (DNR). To de-list a portion of a DNR, the customer must submit a written request to the ITO. Upon approval, the customer must submit an OASIS request for transmission service to accommodate the third party sale.

Secondary service for network customers must be requested in accordance with section 18, including the timing restrictions set forth in section 18.3, of the pro forma OATT. Secondary service is on an as-available basis, and network customers should not be permitted to lock in such service in advance of other non-firm uses of available transmission.

Network customers may not redirect network service in a manner comparable to the way customers redirect point-to-point service.

3.4 Timing Requirements

SERVICE TYPE (PTP & NITS)	**REQUEST SUBMITTAL TIMING REQUIREMENTS**
Non-Firm Hourly Service	Request should be submitted by 14:00 EST on the day prior to the start of service, but not before 12:00 EST the day prior to the start of service. Requests received after 14:00 EST will be accommodated if practicable.
Non-Firm Daily Service	Request should be submitted by 14:00 EST on the day prior to the start of service, but not more than 2 days prior to the start of service. Requests received after 14:00 EST will be accommodated if practicable.
Non-Firm Weekly Service	Request should be submitted by 14:00 EST on the day prior to the start of service, but not more than two weeks prior to the start of service. Requests received after 14:00 EST will be accommodated if practicable.
Non-Firm Monthly Service	Request should be submitted by 14:00 EST on the day prior to the start of service, but not more than 60 days prior to the start of service. Requests received after 14:00 EST will be accommodated if practicable.
Non-Firm Current Hour Service	Request must be submitted within 60 minutes of the start of service.
Firm Daily Service	Request should be submitted by 10:00 EST on the day prior to the start of service.
Firm Weekly Service	Request should be submitted by10:00 EST on the day prior to the start of service.
Firm Monthly Service	Request should be submitted by 10:00 EST on the day prior to the start of service.
Firm Yearly Service	Request should be submitted at least 60 days prior to the start of service.

3.5 Service Request Validation

OASIS allows customers to submit a varying profile on a transmission service request for multiple periods of the same service increment. For example, a customer may submit a monthly request for 3 months with a capacity of 1 MW for the first two months and 100 MW for the third month. A request with a varying profile is allowed with the following condition.

A multiple-period hourly non-firm or yearly firm transmission service request may be submitted with a varying profile. All other multi-period requests will be required to have a constant profile. Transmission capacity withheld for rollover rights associated with a multi-year, yearly firm request approved with a varying profile will be the capacity granted for the last year of the request.

The ITO Tariff Administrator will validate transmission service requests by confirming that the:

1. Source and Sink information is correct,
2. POR & POD are valid,
3. Service Type is correct,
4. Service duration is correct,
5. Start & Stop times are valid for the specified service increment and type,
6. Customer is eligible to receive the requested service,
7. Company name and DUNS # are registered transmission customers,
8. Reference numbers are valid, and
9. Capacity is profiled correctly.

The ITO uses a flow-based approach to determine ATC. It is, therefore, important to system reliability that sources and sinks represent the intended use of system capacity, reflecting the two ends of the flow path.

3.6 Service Request Evaluation

All requests for Transmission Service are evaluated by the ITO Tariff Administrator. Short-Term requests for transmission service within the next 18 months are evaluated using a flow-based analysis. Short-Term Firm service requests will be evaluated based on the Available Flowgate Capacity (AFC) and the Available Share of Total Flowgate Capacity (ASTFC), as described in the PJM/MISO/TVA Joint Reliability Coordination Agreement and Congestion Management Process.

Non-Firm service requests will be evaluated based on the Non-Firm ATC derived from the Non-Firm AFC. Capacity Benefit Margin (CBM) is available for sale as Non-Firm capacity at any time. In addition, Firm capacity that is reserved but not scheduled is available for sale as Non-Firm capacity at noon on the day prior to the start of service. Accordingly, before 12:00 pm EST on the day prior to the start of service, the Non-Firm AFC will be equal to the Firm AFC plus the Capacity Benefit Margin (CBM) allocated on the flowgate. After 12:00 pm EST, the Non-Firm AFC values for the next day will be equal to the Firm AFC plus the CBM allocated to the flowgate, plus the unscheduled Firm and Non-Firm reserved flowgate capacity.

Long-Term Service Requests will be evaluated through the System Impact Study process.

3.7 Service Request Preemption

If the ASTFC is not adequate to accommodate a Firm Transmission Service request, the ITO Operator will review previously approved conditional requests to determine whether the requests are eligible to be preempted in accordance with the business practices prescribed in FERC Order 638. If time permits, the ITO Operator will notify the customers who submitted the preempted service requests and, when appropriate, offer to those customers the right of first refusal.

3.8 Partial Service

If a request for transmission service cannot be accepted in its entirety, the ITO will offer the portion of the transmission service that it can provide for the term or service increment of the service requested. If the portion(s) of service that can be provided is/are of the same service increment as originally requested, the ITO will counteroffer to the customer the portion or portions of service that can be accepted. If the portion(s) of service available is/are of a lesser service increment than originally requested, the customer will be notified that the lesser increment service is available with the appropriate comments on the OASIS. The customer may then submit a new request for the available service increment. The reservation priority of the new request will be established pursuant to OATT requirements, based on its submission time and service increment.

3.9 SERVICE REQUEST RESPONSE TIME

SERVICE TYPE (PTP & NITS)	RESPONSE TIMING REQUIREMENTS
Non-Firm Hourly Service	30 minutes
Non-Firm Daily Service	30 minutes
Non-Firm Weekly Service	4 hours
Non-Firm Monthly Service	2 days
Non-Firm Current Hour Service	30 minutes
Firm Daily Service	30 minutes
Firm Weekly Service	4 hours
Firm Monthly Service	2 days
Firm Yearly Service	30 days, unless a system impact study is required

3.10 SERVICE REQUEST RENEWAL

The following practices apply to the exercise of the reservation priority of long-term transmission service pursuant to Section 2.2 of the OATT for the renewal of service.

The conditions for granting the original service will also apply to renewal service, unless conditions are no longer warranted. Long-Term Firm Transmission Service can be renewed for less than the originally confirmed amount of capacity. If service is renewed for less than one year, no renewal rights will remain at the end of the service.

The status of a competing request will not be changed to "accepted" prior to the earlier of: the submittal of the renewal request or 60 days prior to the expiration of service. Customers renewing service must accept a contract term for the renewal that is, at least, as long as the longest-term confirmed competing request if, at the end of the contract term, the transmission system cannot accommodate all of the requests for transmission service. A confirmed competing request is defined as a request for yearly transmission service queued prior to the renewal request, of a greater term than the renewal request, and sharing the same POR and POD, sharing a POR or POD of a DC Tie, or constrained by limited contract path capacity on the same external interface. To match the term of a confirmed competing request, the renewal customer must submit a matching term request within 15 days of the competing request being confirmed. (SPP will notify the renewal customer as soon as possible that the competing request has been confirmed. Notice will be given by phone, e-mail and via a message posted in the provider comments section of the renewal request.) If the matching renewal request is confirmed, the competing request will be annulled. Otherwise, the renewal customer loses its reservation priority, and its renewal request will be treated as an original service request.

Long-Term Firm service that is redirected in yearly service increments, but is not redirected for the remaining duration of the prior request, will retain its reservation priority on the path of the original service request. Service that is redirected through the remaining duration of the prior requests will receive reservation priority on the new path of the redirected service request and forfeit the associated reservation priority on the original service path.

3.11 REASSIGNING A SERVICE REQUEST

If a customer resells or reassigns service to another eligible customer, and the assignee requests changes in the service, the ITO must determine the priority of the reservation pursuant to Section 13.2 of the Tariff. In general, long-term firm Point-to-Point service will be available on a first-come, first-served basis, and short-term firm Point-to-Point service will be conditional based upon the length of the requested transaction. Firm Point-to-Point service will have reservation priority over non-firm Point-to-Point service under the Tariff; long-term Point-to-Point service will have equal reservation priority with native load customers and network customers; and existing firm service customers (wholesale requirements and transmission-only, with a contract of one-year or more) will have reservation priority upon the expiration, rollover or renewal of the applicable Service Agreement.

The ITO will consent to any change in POR, POD or any other specification in the original reservation, provided that the change will not impair the operation and reliability of the TO's generation, transmission, or distribution system. The assignee shall be billed for any costs incurred to perform a System Impact Study (SIS) (as specified in Section 3) to evaluate the capability to accommodate the proposed change and any additional costs resulting from the change.

If the request is a new non-competing Long-Term request, system capacity must be sufficient to accommodate the new request. If system capacity is insufficient as determined by the SIS, a Facilities Study Agreement shall be tendered to the Eligible Customer (consistent with Section 19.4 of the OATT).

The ITO must post all sales or assignments of capacity on or before the date the reassigned service commences. The transmission customer may either request that the ITO make the capacity available on OASIS or the transmission customers may negotiate the terms of an assignment bilaterally

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3.12 Evaluation Response Time

Requests for firm Point-to-Point transmission service on LG&E/KU's OASIS shall be answered within the time frames specified in the OATT unless there are extenuating circumstances. If there is adequate ATC, the ITO will promptly accept the service requests, even if the request is in the System Impact Study Process.

Evaluation of the applicable ATC is to be made as soon as reasonably practicable after the receipt of a tendered service request, but not later than:

Hourly Service	30 Minutes
Daily Service	30 Minutes
Weekly Service	4 Hours
Monthly Service	2 Days

3.13 Service Request Retraction

The OATT contains timing requirements that specify when a customer must respond to an accepted request for transmission service. If a customer withdraws or fails to confirm a request by the specified time limit, the ITO will retract acceptance of the request.

3.14 Service Request Annulment

Once a service request is confirmed, the Tariff Coordinator will only annul the request to preserve system reliability or to reverse an evaluation or validation error made by the Tariff Coordinator that violates the OATT or an established business practice.

The ITO will annul a NITS reservation if the network service customer requests that it be annulled.

3.15 Rejection of Service Request

If a request for service has been denied (fully or partially), the ITO will post the reason for the denial of service, and will retain this information for a period of five years. Additionally, the ITO will 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. The posting will detail the length of the service request and the type of service requested.

3.16 Redirecting Service

A customer may redirect firm Point-to-Point and Reciprocity Firm service to a Non-Firm secondary POR and/or POD without additional charges on an as-available basis. If a customer elects to redirect service on a Non-Firm basis, the customer retains the right to schedule firm service over the original path, but the total firm and non-firm service cannot exceed the original reservation capacity. Redirect requests must contain the OASIS number of the original request in the Related Reference field. Requests to redirect an existing Firm service request on a Non-Firm basis will be approved subject to the following conditions:

1. The redirect request is submitted with an OASIS Request Type of "Redirect," and the original firm request is listed in the Related Reference field.
2. Secondary service can be displaced by any firm or non-firm reserved or scheduled service.
3. Transfer capability is available to accept the new service path.

A transmission customer may also redirect Firm Point-to-Point service on a firm basis. Requests to redirect Point-to-Point service on a firm basis are treated as new requests. The customer's rights on the original path are revoked upon approval of the redirect service request. To redirect service on a firm basis, the transmission customer must submit the REDIRECT request over OASIS prior to 10:00 am EST on the day prior to the start of the redirected service.

To redirect Firm Point-to-Point service on a Firm basis, a customer must submit a new Firm Point-to-Point request via OASIS with a Request Type of "Redirect." The redirect request must list the original request being redirected in the Related Reference field. The new request must be submitted and processed in accordance with the OATT timing requirements for the appropriate class and service increment desired. The start and stop times of the new reservation must be contained within the start and stop times of the original reservation. Partial redirects of the previous reservation quantity or period are allowed.

Sufficient ATC must exist to accommodate the new request. For purposes of evaluation, the impacts of the redirected service will be replaced by the impacts of the new request during the overlapping period.

Once the new request is confirmed, the capacity of the original reservation becomes available to the Market, subject to any limitations created by flow impacts of the changed POR and/or POD. The portion of a firm reservation not replaced by redirected service will remain in effect.

Any Original Yearly service that is redirected on a shorter duration Service Increment will maintain its rollover rights at the POR/POD of the original service reservation. Any Yearly service that is redirected in Yearly increments but is not redirected through the end of the remaining term of the original request will retain its reservation priority and rollover rights on the original path. Any Yearly service that is redirected in Yearly increments through the end of the remaining term of the original request will receive reservation priority and rollover rights on the new path of the redirected service. The Renewal of a Yearly service Redirect is prohibited unless the Redirect being renewed extended to the end of the Original Yearly service term.

4 SYSTEM IMPACT STUDY

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4.1 Initiating a System Impact Study

If the ITO determines that AFC on a coordinated flowgate is not adequate to accommodate a request for Firm Monthly or Yearly service received 90 days prior to the start of service, the ITO will assess whether a SIS is needed. If the ITO determines that a SIS is necessary, the ITO will inform the customer as soon as practicable and tender a System Impact Study Agreement within 30 days of receipt of the customer's completed application. In the SIS Agreement, the customer shall agree to reimburse the ITO for actual study costs incurred by the ITO and TO.

After Receipt of a Service Request	ITO to determine on a non-discriminatory basis whether a SIS is needed
Upon ITO determination that a Study is necessary	ITO to inform the eligible customer as soon as practicable
Within 30 days of the receipt of a Completed Application	ITO to tender a SIS Agreement
For a Service Request to remain a Completed Application	ITO must receive executed SIS Agreement from the customer within 15 days
If the customer fails to execute the Agreement	ITO to withdraw the request and return the deposit with interest

If the SIS indicates that transmission system additions or upgrades are necessary, the ITO has 30 days from the SIS completion date to tender to the customer a Facilities Study Agreement by which the customer agrees to reimburse the ITO and TO for actual facilities study costs.

The customer must execute and return the Facilities Study Agreement to the ITO within 15 days, or the customer's Application shall be deemed withdrawn and the customer's deposit returned with interest.

Upon receipt of an executed Facilities Study Agreement, the TO shall use due diligence to complete the required Facilities Study within 60 days. If the TO is unable to complete the Facilities Study within this time frame, the ITO must notify the eligible customer, provide an estimate of the time necessary to reach a final determination and explain why additional time is required for study completion.

Within 30 days of completion of the Facilities Study, the customer must execute a Service Agreement or request filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security acceptable to the TO equivalent to the costs of new facilities or upgrades (consistent with commercial practices as established by the UCC). Failure by the customer to act accordingly will result in the termination and withdrawal of the customer's Application.

If capacity exists to accommodate a portion of the requested firm Point-to-Point service without upgrades and through redispatch, the TO must offer the available service; however, the TO is not obligated to offer service that requires the addition of facilities or upgrades until such facilities or upgrades are in service.

The ITO will undertake reasonable effort to assist the customer in obtaining arrangements for any necessary engineering, permitting, and construction on the systems of other utilities or for obtaining any regulatory approval of such facilities.

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4.2 PROCESS FOR CONDITIONAL FIRM ("CF) AND PLANNING REDISPATCH ("PR")

If the ITO determines that a customer requesting long-term point to point service (*i.e.*, over a year) requires a system impact study to evaluate the service request, and that the service request cannot be satisfied with existing capacity, the customer may request that the ITO include a study of CF and PR options as well. If the start date for the service request will occur more than one year after the date the customer submitted its service request, then the customer is ineligible for CF and PR evaluation.

The system impact study agreement will include an option for the CF/PR study requests. If the customer wishes CF/PR to be studied, the customer should indicate such request on the system impact study agreement. The requesting customer must indicate whether it wants the ITO to study CF, PR, or both. The customer shall be responsible for paying for any additional studies indicated on the system impact study agreement.

The ITO will perform the system impact study, and, if requested by the customer, will include an analysis of CF/PR options. The ITO will not offer CF/PR to the customer to the extent such service would harm reliability of service to firm service customers (including reserves). The CF analysis will identify the conditions under which curtailment may apply and the annual hours under which curtailment may apply (annual hours subject to a cap). The PR analysis identifies available redispatch options, the flowgates for which redispatch will be applied, and a non-binding estimate of the incremental redispatch costs.

The Transmission Owner will obtain information from its affiliated generators identified in the ITO's system impact study as having impact on flowgate regarding their cost of redispatch from the identified generators. The Transmission Owner will provide this information to ITO. ITO will also identify third-party generators in the control area if they are able to impact the flowgate, and may identify any third-party generators outside the control area if aware of any that could provide redispatch to resolve the constrained flowgate. However, ITO is only required to facilitate the customer and the third party generator entering into a bilateral agreement for redispatch, but is not obligated to purchase redispatch from the third party on behalf of the transmission customer.

The ITO will review the results of the system impact study, including the CF/PR analysis, with the Transmission Owner. The ITO will modify the system impact study report as appropriate to address operational viability. The ITO will then transmit the system impact study, together with the CF/PR analysis to the customer, and will concurrently post the results on OASIS. The estimated costs provided for PR are non-binding on either the customer or the ITO.

If the system impact study indicates that upgrades or direct assignment facilities are necessary to provide the requested service (without CF or PR), the customer will be presented with a Facilities Study Agreement ("FSA"). If the customer executes the FSA, the Transmission Owner will perform the Facilities Study and identify any upgrades or direct assignment facilities required to provide the requested service on a firm basis. If the customer agrees to the upgrades or the direct assignment facilities, the Transmission Owner will commence construction of the facilities, and will bill the customer for such facilities in accordance with the OATT.

The customer may select either CF or PR service while the construction of the facilities is pending. If the customer does not choose to move forward with construction of the facilities, it may elect to take service subject to CF or PR. CF/PR service is subject to bi-annual reassessments.

If the customer selects to take CF the customer then executes a service agreement specifying conditional firm and indicating CF periods in terms of conditions or hours. If the customer selects to take PR, the customer then executes a service agreement indicating PR, and indicating whether PR will be priced at (1) the higher of (a) actual incremental costs of redispatch or (b) the applicable embedded cost transmission rate on file with the Commission or (2) a fixed rate for redispatch to be negotiated by the Transmission Owner and customer and subject to a cap representing the total fixed and variable costs of the resources expected to provide the service. If the customer selects the higher of incremental cost or the embedded-cost rate, the transmission provider shall calculate the costs of redispatch monthly and charge the higher of redispatch or the embedded cost rate each month. The agreement is filed with FERC as a non-conforming contract and rates, terms and conditions of service must be approved by the Commission. If the Transmission Owner intends to recover opportunity costs through its redispatch charges, it will indicate such in the Service agreement, and will provide to the customer all information necessary to calculate and verify opportunity costs.

4.3 POSTING REQUIREMENTS FOR REDISPATCH

The ITO will post on OASIS the 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. The ITO will post a high and low redispatch cost for the month for each of these same transmission constraints. The ITO will calculate the monthly average cost in $/MWh for each congested transmission facility by dividing monthly total redispatch costs (at the facility) by total MWhs that would otherwise be curtailed (at the facility) in the month absent the redispatch. The ITO shall post internal constraint 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 Owner for those exact costs. The ITO 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.

Additionally, the ITO will post third party offers to supply planning redispatch. The ITO is not obligated to incorporate bids from third parties into redispatch; rather, posting of third party offers to provide redispatch may be used by transmission customers to secure planning redispatch provided the appropriate agreements are reached between the customer, third party redispatch provider, Transmission Owner, ITO and Reliability Coordinator.

4.4 SERVICE REQUESTS CORRESPONDING TO INCOMPLETE LGIP APPLICATIONS

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Requests for transmission service that specify a generation source for which the interconnection process is incomplete, will be accepted for the purpose of establishing queue priority. However, the ITO will not tender the system impact study agreement for the requested transmission service until sufficient information is available to begin the study.

If a customer submits a request to designate as a network resource, a generator that is currently in the interconnection process, for which NRIS interconnection service has been requested, and for which there is not sufficient information available to assess the impact of the requested transmission service, the ITO will perform the SIS for the NRIS Request and the SIS for the Request for NITS simultaneously and combine such efforts in a single study.

Similarly, if a customer submits a request for PTP service from a generator that is currently in the interconnection process and for which there is not sufficient information available to assess the impact of the requested transmission service, the ITO will perform the SIS for the interconnection service and the SIS for the request for PTP service simultaneously and combine such efforts in a single study.

In both instances, the ITO will inform the transmission customer by formal letter that the SIS for the requested transmission service will be performed in combination with the SIS for the requested interconnection service and will provide an estimated completion date. The notification will include an explanation of the reasons for the delay in the completion of the SIS and a request that the customer acknowledge receipt of the notice.

For subsequent requests for transmission service, the ITO will use its independent engineering judgment to derive the necessary assumptions regarding the topology of the transmission system including any changes that will be necessitated by the generator interconnection. If these assumptions are proven to be incorrect after the completion of the interconnection study, the ITO will notify the customers who requested the affected subsequent studies that a re-study of their service requests will be required.

4.5 POSTING REQUIREMENTS FOR PERFORMANCE METRICS

The ITO will post the following set of performance metrics on a quarterly basis:

• Process time from initial service request to offer of system impact study agreement pursuant to sections 17.5, 19.1 and 32.1 of the *pro forma* OATT

- Number of new System Impact Study Agreements delivered to transmission customers
- Number of new System Impact Study Agreements delivered to the transmission customer more than 30 days after the transmission customer submitted its request
- Average time (days) from request submittal to change in request status
- Average time (days) from request submittal to delivery of System Impact Study Agreement
- Number of new System Impact Study Agreements executed

• System impact study processing time pursuant to sections 19.3 and 32.3 of the *pro forma* OATT

- Number of SIS completed
- Number of SIS completed more than 60 days after receipt of executed System Impact Study Agreement
- Average time (days) from receipt of executed System Impact Study Agreement to date when completed SIS made available to the transmission customer
- Average cost of system impact studies completed during the period

• Service requests withdrawn from SIS queue

- Number of requests withdrawn from the SIS queue
- Number of system impact studies withdrawn more than 60 days after receipt of executed System Impact Study Agreement
- Average time (days) from receipt of executed System Impact Study Agreement to date when request was withdrawn from the SIS queue
- For all system impact studies completed more than 60 days after receipt of executed System Impact Study Agreement, average number of days study was delayed due to transmission customer's actions (e.g., delays in providing needed data)

• Process time from completed system impact study to offer of facilities study pursuant to sections 19.4 and 32.4 of the pro forma OATT

- Number of new Facilities Study Agreements delivered to transmission customers
- Number of new Facilities Study Agreements delivered to transmission customers more than 30 days after the completion of the SIS
- Average time (days) from completion of SIS to delivery of Facilities Study Agreement
- Number of new Facilities Study Agreements executed

• Facilities study processing time pursuant to sections 19.4 and 32.4

- Number of facilities studies completed
- Number of facilities studies completed more than 60 days after receipt of executed Facilities Study Agreement
- Average time (days) from receipt of executed Facilities Study Agreement to date when completed facilities study made available to the transmission customer
- Average cost of Facilities Studies completed during the period
- Average cost of recommended upgrades for Facilities Studies completed during the period

• Service requests withdrawn from facilities study queue

- Number of requests withdrawn from the Facilities Study queue
- Number of Facilities Studies withdrawn more than 60 days after receipt of executed Facilities Study Agreement
- Average time (days) from receipt of executed Facilities Study Agreement to date when request was withdrawn from the Facilities Study queue

5 SCHEDULING

The ITO validates all schedules. The ITO will deny schedules that do not meet the requirements stated in Section 4.4. Further, the ITO will post the reason for denial of service and a description of whether the requested service was firm or non-firm. The ITO will also maintain records detailing the reasons for denying service for five years and will keep an ongoing record of service requests and responses.

5.1 SCHEDULE TIMING REQUIREMENTS

SPP requirements for submission and processing of schedules are listed in sections 13.8 and 14.6 of the LG&E/KU OATT.

Schedules for Firm transmission service must be submitted before 10:00 am EST on the day prior to the start of service. A late Firm Schedule will be allowed even if the unscheduled Firm has been sold on a Non-Firm basis. The Late Firm Schedule must be received at least 1 hour prior to start to displace Non-Firm.

Schedules for Non-Firm transmission service must be submitted before 02:00 pm EST on the day prior to the start of service. Schedules submitted after 2:00 p.m. EST will be accommodated, if practicable.

5.2 TAGE DENIAL CRITERIA

The ITO will validate all tags against the referenced reservation.

The ITO will deny a tag if:

1. The required information (per the latest NERC E-Tag specification) is not provided,
2. The referenced OASIS reservation is not confirmed and approved,
3. The appropriate scheduling control areas are not listed in the correct order in the CA column on the tag,
4. The Transmission Product Code(s) on the tag does not match the Reservation(s),
5. The tag's Start/Stop times do not fall within the term of service of the reservation,
6. The PSE on the Tag does not match the Reservation Customer,
7. The scheduled capacity does not exceed the reserved capacity, less any other tags scheduled against the reservation,
8. The POR & POD on the tag do not match POR/POD on the reservation,
9. The tag is for zero MW,
10. The source/sink on the tag does not match the source/sink on the reservation, or
11. The tag is submitted late.

5.3 LATE SCHEDULES

Tags received less than 20 minutes prior to the start of the schedule will be denied.

The ITO will approve a late schedule for Firm service, although the unscheduled firm transfer capability has already been sold on a Non-Firm basis, if the Late Firm Schedule is received at least 1 hour prior to start.

If displacement of Non-Firm service is required, the ITO will notify the Reliability Coordinator (RC) who will implement the curtailment according to NERC TLR procedures.

5.4 LOSS PROVISIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

Transmission customers may self-supply losses by scheduling 3% of the delivered energy at the POR or by submitting a separate "Loss" schedule with a POD of LGEE and a sink of LGEE-LOSSES. LG&E/KU does not accept financial losses. For each hour, the losses calculated for each schedule will be based on 3% of the energy taken at the POD rounded up to the next whole MW.

5.5 SCHEDULES THROUGH FIRST-TIER CONTROL AREAS

A first-tier control area is defined as any control area outside the LG&E/KU Transmission System with direct ties to the LG&E/KU control area. A second-tier control area is defined as a control area that does not have direct ties to the LG&E/KU control area. When a schedule is received with a source or sink that is different from that originally specified on the transmission reservation, the ITO will evaluate the change to determine whether or not a change to the POR or POD is required. If a change to the POR or POD is required, the schedule will not be approved. Schedules that change source and/or sink information will be evaluated according to the following criteria:

1. If the source (or sink) changes from a first tier control area to another first tier control area, the schedule will be refused.
2. If the source (or sink) changes from a first tier control area to a second tier control area, the schedule will be accepted.
3. If the source (or sink) changes from a second-tier control area to another second-tier control area, the schedule will be accepted.
4. If the source (or sink) changes from a second-tier control area to a first tier control area that is also the POR (or POD) control area on the reservation, the schedule will be accepted.
5. If the source (or sink) changes from a second-tier control area to a first-tier control area other than the POR (or POD) control area on the reservation, the schedule will be refused.
6. If the source (or sink) changes from a first or second tier control area to a bus within the LG&E/KU control area, the schedule will be refused.
7. If the source (or sink) changes from a bus within the LG&E/KU control area to a first or second tier control area, the schedule will be refused.
8. If the source (or sink) changes from a bus within the LG&E/KU control area to a different bus within the LG&E/KU control area, the schedule will be refused.

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6 Backup Systems

There may be times when either the Internet or OASIS is unavailable. During these times, the ITO Tariff Coordinator will receive Transmission Service Requests by fax (501-664-6907). The Tariff Coordinator will respond to requests received by fax as soon as possible.

If OASIS is unavailable to one or more transmission customers, and the Tariff Coordinator still has access, the Tariff Coordinator will enter the faxed requests into OASIS and notify the transmission customer(s) of status changes.

If the ITO does not have access to OASIS, the Tariff Coordinator will either: (1) act on the request (if time for responding is less than the time when OASIS is expected to be available) or (2) hold the request (if the time limit for responding is greater than the time when OASIS is expected to be available). Upon the occurrence of such an event, the Tariff Coordinator will notify the transmission customer(s) by telephone.

The ITO will follow NERC Appendix 3A3 - Electronic Tagging Service Failure Procedures when the E-Tag system is not functioning properly. If a Purchasing Selling Entity (PSE) is experiencing technical problems with its E-Tagging system such that it cannot deliver tags via the electronic process, the PSE should first attempt to find another PSE to submit the tag on its behalf. If the PSE cannot find another PSE to submit the tag, SPP will accept a faxed tag, provided that the tag is received by the submission deadline. (Fax 501/664-6907)

The NERC E-Tag Backup Form can be found at:

http://reg.tsin.com/Tagging/e-tag/TagBackupForm4.xls.

The SPP E-Tag Backup Form can be found at:

http://sppoasis.spp.org/documents/SWPP/uploads/SPPBackupFaxTag.xls.

Tag Authority Failure

If the ITO temporarily loses its ability to receive electronic tags, tags will be accepted by fax (501/664-6907). When the ITO is the Tag Authority, the ITO Scheduling Coordinator will respond to the Tag Agent by voice communication, acknowledging receipt of the faxed tag.

The ITO will then fax the tag to all involved parties. If the ITO Scheduling Coordinator requires assistance to meet tag submission deadlines, the Coordinator, as the Tag Authority, will request that the issuing Tag Agent (PSE) fax the tag to other parties involved. Receipt of the transaction tag fax by each party will be confirmed by voice communication.

7 Miscellaneous

The ITO reserves the right, at its sole discretion or at the direction of the Transmission Owner and subject to Section 1 above, to make changes to any part of the business practices, referenced herein. It is the customer's responsibility to regularly review information posted online to obtain timely notice of such changes.

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