

**North Carolina Transmission Planning Collaborative
Oversight/Steering Committee (OSC)
Meeting Highlights
August 14, 2007
Raleigh, NC
10:00 AM EPT**

Attendees

David Beam

Ed Ernst, Chair

Bob Pierce

Clay Norris

Rich Wodyka

Andy Fusco

Nina McLaurin

Bryan Guy

Jeff Trepel

Art Hubert

Diane Huis

Shelton Cannon (on phone for Cost Allocation discussion)

Tony Ingram (on phone for Cost Allocation discussion)

Kim Jones (Cost Allocation discussion)

Jennifer Key Stoptoe & Johnson for

Pam Kozlowski

Rick Feathers

Sam Waters

Mark Byrd

NCEMC

Duke Energy

Duke Energy

ElectriCities

Gestalt

ElectriCities

Progress Energy

Progress Energy

Duke Energy

ElectriCities

NCEMC

FERC

FERC

NCUC

Duke Energy

Gestalt

NCEMC

Progress Energy

Progress Energy

1. Administrative

- The OSC Chair called the meeting to order at 10:05 AM.
- Mr. Ernst requested revisions to meeting minutes. The July 17, 2007 minutes and highlights were approved with minor revisions.
- Diane Huis will replace RB Sloan as OSC rep from NCEMC. Charles Askey (NCEMC consultant) will be removed from both the OSC and the PWG. These changes were approved.
- NCEMC will host future Raleigh OSC meetings starting with the October, 2007 meeting.
- The TAG meeting was rescheduled for the afternoon of Monday September 17 in Raleigh (NCEMC). The purpose of this meeting is to present the draft Attachment K that will be posted and gather feedback. The status of the PWG studies for 2007 will also be presented.

2. FERC Order 890

- Cost Allocation Principle Discussion
Shelton Cannon and Tony Ingram of FERC joined the meeting via conference call for a discussion on the Transmission Cost Allocation and Regional Planning proposals being

considered for the Attachment K filings. Mr. Trepel summarized “NCTPC Transmission Cost Allocation Methodology for Economic Upgrades”. Mr. Cannon gave positive feedback based on what FERC is looking for and what others are considering. Mr. Cannon encouraged the NCTPC to define the process in as much detail as possible and to work with neighbors outside the NCTPC such as Southern and TVA to come to agreement on resolution of these issues across a larger regional footprint. Mr. Cannon said that the worst outcome that he envisions is that a project will be identified that makes a lot of economic sense but a resolution can not be reached on the details that would allow it to move forward. Mr. Shelton does expect the cost allocation work to be an ongoing, maturing task. In general, the message is that FERC wants up-front certainty on cost allocation and they want it to be as formulaic and detailed as possible.

A sub-team consisting of one representative from each company with Ms. Key and Mr. Wodyka will continue adding detail to the NCTPC Transmission Cost Allocation Methodology for Economic Upgrades. They will also refine the Cost Allocation Methodology for Reliability Projects as time permits.

- Southeastern Region Planning Update
Progress and Duke met in Atlanta last week with Southern, TVA, Santee, SCEG, GTC, AEI, and Entergy – essentially transmission owners in the Southeast. The meeting started with a general discussion of the SEARUC technical conference in Little Rock. The consensus was that the parties needed to do something in the broader regional area (“super regional”). Discussed participation and how it related to regional processes. There is a process within SERC that assesses reliability constraints. Solutions and economic studies with stakeholder input with respect to Attachment K will need to be developed in a different forum.
- Order 890 Attachment K Filing Plan
September 14, 2007 is the posting/filing deadline.

3. OSC Items

- Discussed change in scope of VACAR Powerflow Studies. Instead of simple transfer studies proposing doing more detailed assessments. Proposal to investigate more fully study assumptions of individual companies and addressing solutions not accepted. Brian Moss (VACAR PWG chair) is refining scope.

4. PWG Update

- Status Report of Current Activities
The PWG is continuing to work on assumptions for the 2008 study and will report in October. Appendix B is being developed based on study results and proposed solutions.
- Order 890 Planning Reporting Requirements – tabled until next meeting

5. Meeting Adjourned at 2:43 PM