

**Firm Transmission Service
“Rights for Resale
or Secondary Use”**

**Cost Allocation
Working Group
(CAWG)**

DFW Hyatt – Irving, TX

September 27, 2005

1

Having strategically purchased
firm transmission service,
you find yourself with
some if it not being
fully utilized....

What else can you do with it?...

2

Options for Firm Transmission Service

1. Secondary Use

(e.g. “Modification on Non-Firm Basis”)

2. Modification on Firm Basis

3. Sale or Assignment

-- Limits on Sale/Assignment/Transfer of Service

3

OATT Section 22.1

1. SECONDARY USE

- **Alternate or Secondary POR(s) and/or POD(s)**
 - non-firm
 - as available
 - no additional charge
- **Total usage can't exceed original reservation.**
(Total usage = original firm + secondary non-firm(s))
- **Pay incremental cost, if any, for higher cost path.**
(only for duration of such usage).
- **Firm TS holder maintains firm scheduling rights throughout original PTP TS agreement.**

4

2. MODIFICATION on FIRM BASIS

- **Change POR and/or POD or other term or specification on firm basis.**
- **Treated as a new request.**
- **Placed into appropriate queue.**
- **Existing TS priority retained while new request pending.**

3. SALE or ASSIGNMENT

- **May sell, assign or transfer all or a portion of rights.**
- **Compensation to reseller can't exceed higher of...**
 - (i) original rate paid by Reseller,
 - (ii) maximum rate on file under SPP OATT,
 - (iii) Reseller's opportunity cost capped at SPP's cost of expansion.
- **Assignee receives same services and priority of service as did Reseller.**
 - provided Assignee does not request POR/POD change

LIMITS -- Sale or Assignment

- **If Assignee requests change in POR/POD or other specification in TS Agreement or Application...**
 - ...SPP will consent subject to OATT provisions & agreement by Assigner or Assignee to pay added charges per Section 22.
- **Assignee...**
 - pays for any needed Impact Studies
 - remains liable for performance obligations

7

BONUS

- Resellers may use SPP OASIS to post transmission capacity available for resale.

8