

Southern Company Energy Auction

December 2, 2009

Participant Conference Call Notes

Introduction

Southern Company and TranServ International, Inc. hosted a Southern Company Energy Auction Participant Conference Call on the implementation of Phase II of the Energy Auction on December 2, 2009. TranServ was introduced as the Independent Auction Administrator (IAA). In its IAA role, TranServ will assist participant companies with registration and participation in Phase II of the energy auction and can be contacted by phone at 763-205-7099 or by e-mail at support@transervinternational.net. Additional contact information can be found at the following web site: www.southerncompany.com/energyauction/contactus.aspx

Phase II Implementation Reminder

1. Southern Company reminded call participants that the formal start of Phase II of the Energy Auction --- the inclusion of third-party sellers --- will be at the direction of the FERC. FERC originally directed Southern Companies to have the Auction expanded to include third-party sellers by mid-December. Southern Company has requested FERC to allow the start date to be pushed to the week of January 4, 2010. Once FERC has issued a formal go-ahead regarding Phase II, Southern Company will notify all Participants of the start date. If for some reason FERC issues alternative instruction regarding the start of Phase II, Southern Company will notify Participants as well. Southern Company is, however, moving forward and intend to be ready to start Phase II by whatever time table FERC directs.

Energy Auction Phase II Implementation Schedule

1. Phase II Registration begins December 2, 2009
 - a. Registration process is documented on the Energy Auction website, including the new, official Participant Agreement (PA)
 - b. Everyone must sign Phase II Participant Agreement, including entities that previously signed the Phase I agreement
 - i. Phase I Participant Agreement will be canceled effective with the implementation of Phase II
 - ii. Existing Phase I participants that do not sign the new PA will have their company and UserID's disabled on January 5th.
 - iii. Entities that already signed an OATI NDA for Phase I participation do not need to re-sign OATI NDA
 - c. Note: There will be a change in the Company Administrators permissions and the Company Administrator will no longer be allowed to also have trader roles

2. Energy Auction Phase II Mock Auction (12/15 and 12/16)
 - a. Types and Number of Mock Auctions
 - i. Two Day Ahead Mock Auctions (with modified bid periods so as to not interfere with normal business)
 - ii. Four Hour Ahead Mock Auctions
 - b. Details for Mock Auction Participation
 - i. Participants in the Phase I Mock Auctions may recall that the Mock Auctions took place in the Production System and used official user IDs. Because Phase I is still in production until the cutover, Phase II Mock Auctions cannot take place in the production system, but rather will be held in the development system
 - ii. Mock Auctions will utilize temporary Companies and UserIDs that will be assigned out to those indicating participation in the Mock Auction
 1. Entities must have completed the Phase II registration process by 12/11 to participate in the Mock Auction
 2. Interested entities may sign up with TranServ beginning Dec 2
 3. Notifications with login credentials and conference call information will go out by the end of the day on 12/14
 4. Logins will be disabled after the Mock Auctions have been concluded on 12/16
 - c. Mock Auction Schedule (12/15 and 12/16)
 - i. Day Ahead Mock Auction #1: Tuesday (12/15) for Wednesday "Mock Delivery"
 1. For purposes of Mock Auction: Bid Period will open at 8:00AM and close at 8:45AM
 2. Open Conf Call line from 8:00-9:00 for assistance and questions
 - ii. Hour Ahead Mock Auction #1: Tuesday (12/15) for HE 12 "Mock Delivery"
 1. Bid Period will open at 9:45 AM and close at 10:00 AM
 2. Open Conf Call Line from 9:45-10:15 for assistance and questions
 - iii. Hour Ahead Mock Auction #2: Tuesday (12/15) for HE 13 "Mock Delivery"
 1. Bid Period will open at 10:45 AM and close at 11:00 AM
 2. Open Conf Call Line from 10:45-11:15 for assistance and questions
 - iv. Day Ahead Mock Auction #2: Wednesday (12/16) for Thursday "Mock Delivery"
 1. For purposes of Mock Auction: Bid Period will open at 8:00AM and close at 7:45AM
 2. Open Conf Call line from 8:00-9:00 for assistance and questions
 - v. Hour Ahead Mock Auction #3: Wednesday (12/16) for HE 12 "Mock Delivery"
 1. Bid Period will open at 9:45 AM and close at 10:00 AM
 2. Open Conf Call Line from 9:45-10:15 for assistance and questions
 - vi. Hour Ahead Mock Auction #4: Wednesday (12/16) for HE 13 "Mock Delivery"
 1. Bid Period will open at 10:45 AM and close at 11:00 AM
 2. Open Conf Call Line from 10:45-11:15 for assistance and questions

3. Phase I to Phase II Cutover – scheduled for Jan. 5-6, 2010
 - a. Shut down Phase I for transition (Jan 5 7AM -Jan 5 12N)
 - i. Last Daily for Phase I clears at 6:30AM Jan 5 for Jan 6 delivery
 - ii. Last Hourly for Phase I clears on Jan 5 at 6:15 for HE 8
 - iii. OATI to port new system to Production 7 AM-Noon
 - iv. Company and UserIDs disabled immediately thereafter for entities that have not executed new PA
 - b. System becomes available for configuration Jan 5 @ 12 noon
 - i. Companies settings will be changed by Auction Administrator to allow their users to be configured as seller traders
 - ii. Auctions will be configured to new time schedule
 - iii. System available to company administrators for configure UserIDs to permit sales
 - c. Implement Phase II 11:45AM Jan 6
 - i. First Daily for Phase II opens Noon Jan 6, closes 6:45 Jan 7 for delivery Jan 8
 - ii. First Hourly for Phase II opens 11:45 Jan 6 for delivery HE 14

Instructions to New Sellers

1. Upon cutover, all existing IDs will be ported to new system “as is”, meaning they will be configured for “buyer-only” status
2. Once the Phase II production system becomes available, TranServ will reconfigure all Phase II registered companies so that they can be both a buyer and a seller and disable companies that have not signed the Phase II PA.
3. Once TranServ completes company reconfiguration, company administrators will need to re-configure their traders UserIDs to be both buyers and/or sellers as desired
4. Before the Phase II auctions are initiated on January 6, company administrators wishing to participate as sellers must set up Counterparty Authorizations
5. In the webMarket system, this is referred to as “Match Blocking” and it disables Trading with counterparties for which you specify you cannot do business
6. Company administrators must set up credit limits for all companies – these credit limits must be kept reasonably up to date because the webMarket system decrements credit for matched transactions – the default credit limit is zero.
7. Company administrators can also set up resource plans so that scheduling sources are automatically provided when a transaction match is created. This is not required, but a failure to provide this results in a “TBD” scheduling source (i.e., the seller must manually notify buyer of scheduling source)

Data upload/download automation

1. Data upload/download automation in WebMarket is accomplished via “Web Services”.
 - a. A Web Services user manual will be available online once the production system becomes available (if you need a copy prior to then, contact TranServ for a copy – you will be allowed to have a copy only after you have completed the registration process).

Training Materials

1. Energy Auction Phase II Training Materials
 - a. Simple Bid/Offer Entry examples posted to website by 12/14
 - b. Additional training information will be posted to the website by 12/31
 - c. For user support questions not covered by the training, contact TranServ directly