Transmission Services

Open Access Transmission Tariff (OATT)

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BONNEVILLE POWER ADMINISTRATION
TRANSMISSION BUSINESS LINE

OPEN ACCESS TRANSMISSION TARIFF

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I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Affiliate

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs (Intentionally Omitted)

1.4 Application

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.4.1 Cluster Study

A process for studying a group of transmission service requests in the aggregate. A Cluster Study may be used for a System Impact Study, Facilities Study, environmental review, or other study or analysis that is necessary to determine system modifications needed to provide service.

1.5 Commission

The Federal Energy Regulatory Commission.

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1.6 Completed Application

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.7 Control Area

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

(1) Match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

(2) Maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

(3) Maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

(4) Provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.8 Curtailment

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.9 Delivering Party

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.10 Designated Agent

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

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1.11 Direct Assignment Facilities

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff, the costs of which may be directly assigned to the Transmission Customer in accordance with applicable Commission policy. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer.

1.12 Eligible Customer

(i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided to such entity's customer that qualifies as an Eligible Customer pursuant to subsections (ii) or (iii) below.

(ii) Pursuant to a voluntary offer by the Transmission Provider, a retail customer of a distribution utility taking unbundled transmission service pursuant to a state retail access program (or taking unbundled transmission service as offered service by its distribution utility) or any Federal entity eligible under law to purchase Federal power is an Eligible Customer under the Tariff.

(iii) A direct service industry to which the Bonneville Power Administration is authorized to sell power under the Pacific Northwest Electric Power Planning and Conservation Act shall be an Eligible Customer under the Tariff.

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1.13 Facilities Study

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.14 Firm Point-To-Point Transmission Service

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.15 Good Utility Practice

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.16 Interruption

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

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1.17 Load Ratio Share (Intentionally Omitted)

1.18 Load Shedding

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.19 Long-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.20 Native Load Customers

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.21 Network Customer

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.22 Network Integration Transmission Service

The transmission service provided under Part III of the Tariff.

1.23 Network Load

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has

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elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.24 Network Operating Agreement

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.25 Network Operating Committee

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.26 Network Resource

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale of one year or more to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.27 Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

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1.28 Non-Firm Point-To-Point Transmission Service

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.29 Non-Firm Sale (Intentionally Omitted)

1.30 Open Access Same-Time Information System (OASIS)

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.31 Part I

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.32 Part II

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.33 Part III

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.34 Parties

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

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1.35 Point(s) of Delivery

Point(s) on the Transmission Provider's Transmission System, or points on other utility systems, where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Parts II and III of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-to-Point and Network Integration Transmission Service.

1.36 Point(s) of Receipt

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Parts II and III of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-to-Point and Network Integration Transmission Service.

1.37 Point-To-Point Transmission Service

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.38 Power Purchaser

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.38.1 Precedent Transmission Service Agreement

An agreement under which an Eligible Customer that has submitted a transmission service request agrees to take and pay for the transmission service requested if the Transmission Provider satisfies conditions identified in the agreement.

1.39 Pre-Confirmed Application

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the full amount of requested Transmission Service.

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1.40 Receiving Party

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.41 Regional Transmission Group (RTG)

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.42 Reserved Capacity

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.43 Service Agreement

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.44 Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.45 Short-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year. Short Term Firm Point-To-Point Transmission Service of duration of one calendar day or less is sometimes referred to as Hourly Firm Point-To- Point Transmission Service.

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1.46 System Condition

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service or Network Integration Transmission Service using the curtailment priority pursuant to Section 13.6 or Section 33.4. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.47 System Impact Study

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.48 Third-Party Sale

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.49 Transmission Customer

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.50 Transmission Provider

The Bonneville Power Administration, which owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

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1.51 Transmission Provider's Monthly Transmission System Peak (Intentionally Omitted)

1.52 Transmission Service

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.53 Transmission System

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

2 Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability (Intentionally Omitted)

2.2 Reservation Priority For Existing Firm Service Customers

(a) Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more other than customers that have signed a Precedent Transmission Service Agreement under sections 19.10 or 32.6), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. Existing firm service customers whose Service Agreement includes service requested under a Precedent Transmission Service Agreement with a contract term of five years or more for the service requested under a Precedent Transmission Service Agreement, have the right to continue to take transmission service from the Transmission Provider when such contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier.

(b) If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service the existing firm service

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customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more.

(c) The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to October 3, 2008, or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after October 3, 2008; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of October 3, 2008.

(d) Sections 2.2(a), (b) and (c) do not apply to transmission service that was requested prior to October 1, 2001, except as provided in sections 2.2(d)(i), (ii), and (iii) below.

(i) Sections 2.2(a), (b) and (c) apply to BPA's historic wholesale full and partial requirements customers, direct service industry customers, and transmission-only customers served by transmission capacity supplied under pre-Order 888 FPT, IR and BPA Power Sales contracts with a contract term of one year or more over the Integrated Network ("Historic Transmission Service"). Such Historic Transmission Service shall also include transmission service that has been converted from transmission capacity supplied under such pre-Order 888 FPT, IR and BPA Power Sales contracts to (1) long-term firm transmission service

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under Parts II and III of this Tariff or other transmission agreement with the Transmission Provider; or (2) long-term firm transmission service under Parts II and III of this Tariff, or other transmission agreement with the Transmission Provider, where such capacity was used by a third party to serve the Transmission Customer's historic load. Sections 2.2(a), (b) and (c) apply to the amount of long-term firm transmission capacity held under such contract(s) or converted contract(s) at the time that the right is exercised. Sections 2.2(a), (b) and (c) apply whether such conversion occurred in the past or occurs in the future.

(ii) Sections 2.2(a), (b) and (c) also apply to service with a Service Commencement Date on or after October 1, 2001, unless such service was requested between April 20, 2000 and the day before the "Designated Day" referred to in section 2.2(d)(iii) below. For Transmission Customers with advance reservations with a Service Commencement Date on or after October 1, 2001 that were requested prior to April 20, 2000, rights under sections 2.2(a), (b) and (c) are limited to three (3) consecutive rollovers of one (1) year each following the termination of such advance reservations. This paragraph does not apply to contracts or converted contracts referred to under section 2.2(d)(i) above.

(iii) Sections 2.2(a), (b) and (c) apply to long-term firm transmission service reservations with a Service Commencement Date on or after October 1, 2001, that were submitted on the Designated Day, September 25, 2000.

2.3 Reduction in Transmission Demand and Termination of Service

(a) With respect to Service Agreements that do not qualify for rights under section 2.2 above in accordance with the Transmission Provider's transitional business practices implementing section 2.2 and that have a Service Commencement Date on or before September 30, 2001 (only to the extent the request for service was made before April 20, 2000), a

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Transmission Customer may reduce Reserved Capacity or terminate firm transmission service under this Tariff upon the earlier of (i) 2 years after providing written notice to the Transmission Provider of the Transmission Customer's intention to terminate firm transmission service or reduce Reserved Capacity or (ii) the termination date incorporated in the Service Agreement.

(b) A Transmission Customer wishing to reduce or terminate service prior to the expiration of the term specified in the Service Agreement will be responsible for all charges related to the construction of facilities specified under the applicable Service Agreement and that are owed to the Transmission Provider as of the date of termination unless reassigned consistent with the reassignment provisions of this Tariff.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response and (ii) Energy Imbalance. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Provider is required to offer to provide (i) Operating Reserve -

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Spinning and (ii) Operating Reserve – Supplemental to the Transmission Customer to meet the Transmission Customer's Operating Reserve obligation determined in accordance with applicable standards of the ERO or regional reliability organization. The Transmission Customer with an Operating Reserve obligation is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area Operator as discussed below), to the extent it is physically feasible to do so from the amount of balancing reserve capacity established pursuant to Schedule 10, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

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If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6, and 9) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS; (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the Ancillary Services.

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3.1 Scheduling, System Control and Dispatch Service**:** The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service**:** The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service**:** Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service**:** Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service**:** Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service**:** Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service - Where applicable the rates and/or methodology are described in Schedule 9.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and 18 CFR § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

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The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and on its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

5 Local Furnishing Bonds (Intentionally Omitted)

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds (Intentionally Omitted)

5.2 Alternative Procedures for Requesting Transmission Service (Intentionally Omitted)

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes

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transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7 Billing and Payment

7.1 Billing Procedure

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately

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available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R.. 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may notify the Transmission Customer that it plans to terminate services in sixty (60) days. The Transmission Customer may use the dispute resolution procedures to contest such termination. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission

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Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Regulatory Filings

Nothing contained in the Tariff shall be construed as affecting in any way the right of the Transmission Provider to unilaterally propose a change in rates, terms and conditions, charges or classification of service. The Transmission Provider may, subject to the provisions of the applicable Service Agreement under this Tariff, change the rates that apply to transmission service under such Service Agreement pursuant to applicable law. The Transmission Provider may, subject to the provisions of the applicable Service Agreement under this Tariff, change the terms and conditions of this Tariff upon, and only upon, a determination by the Commission that (i) such change is just and reasonable and not unduly discriminatory or preferential, or (ii) such

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change meets the non-public utility reciprocity requirements pursuant to a request for declaratory order under 18 CFR § 35.28(e).

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 Force Majeure

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification

(a) The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its

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obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

(b) If the Transmission Provider and the Transmission Customer are Parties to the Agreement Limiting Liability Among Western Interconnected Systems, such agreement shall continue in full force and effect as between the Parties.

11 Creditworthiness

For the purposes of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider will require the Transmission Customer to complete credit review procedures. The Transmission Provider's credit review procedures are posted on its OASIS.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution, and excluding rate changes) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten

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(10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

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12.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

(A) The cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or

(B) One half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under The Federal Power Act

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery. If and to the extent that the Transmission Provider has established separate rates for Transmission Service over one or more segments, separate rates shall be charged for Transmission Service over such separate segments.

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term

The minimum term of Firm Point-To-Point Transmission Service shall be one hour and the maximum term shall be specified in the Service Agreement.

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13.2 Reservation Priority

(i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has requested service.

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: at 2:00 p.m. of the preschedule day for the day of delivery for the hourly service; at 2:00 p.m. of the preschedule day for daily service; one week before the commencement of weekly service; and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier

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if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

(iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 12, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements

The Transmission Provider shall offer a standard form Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed

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Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses the Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System

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pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. The Transmission Provider may elect to implement such Curtailments pursuant to the Procedures Addressing Parallel Flows specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be

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subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service

(a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

(c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm

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transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission

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Provider] of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hourly Firm Point-To-Point Transmission Service can be requested on the day of delivery up to twenty (20) minutes prior to the hour of delivery. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Intra-hour scheduling changes will also be permitted if the Delivering Party and the Receiving Party agree to the modification and if the change is made in accordance with the Transmission Provider's scheduling business practices. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-to-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request:

(a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and,

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(b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 12, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

14.5 Classification of Non-Firm Point-To-Point Transmission Service

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity

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for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider]. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider] before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification.

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The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Intra-hour scheduling changes will also be permitted if the Delivering Party and the Receiving Party agree to the modification and if the change is made in accordance with the Transmission Provider's scheduling business practices. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly or indirectly interconnected with Transmission Provider's Transmission System. The Transmission Provider may elect to implement such Curtailments pursuant to the Procedures Addressing Parallel Flows specified in Attachment J. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to

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the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

15.1 General Conditions

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is

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contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately approves, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of

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such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

(b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

(c)

(i) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide the Firm Transmission Service with the conditions that (1) the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Conditions, and (2) the Transmission Customer must submit schedules with Point(s) of Receipt and Point(s) of Delivery that are the same as the Point(s) of Receipt and Point(s) of Delivery included in the Transmission Customer's reservation.

(ii) If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (1) Network Upgrades are completed for the Transmission Customer, (2) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (3) the Transmission

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Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules

Eligible Customers receiving transmission service under other agreements may continue to receive transmission service under those agreements.

15.7 Real Power Losses

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider under Schedule 11.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

a. The Transmission Customer has pending a Completed Application for service;

b. The Transmission Customer meets the creditworthiness criteria set forth on the Transmission Provider's OASIS;

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c. The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

d. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

e. The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and

f. The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must be submitted over the Transmission Provider's OASIS at least sixty (60) days in advance of

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the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Until OASIS can accept all such information, any required information that OASIS cannot accept may be submitted by transmitting the required information to the Transmission Provider by telefax or by United States mail or other recognized delivery service. In appropriate cases, the Transmission Provider will accept all information by such means. In such cases, the Transmission Provider will post the request on OASIS.

17.2 Completed Application

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for

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reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

(ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service;

(x) Any additional information required by the Transmission Provider's planning process established in Attachment K; and

(xi) A statement of which Ancillary Services the Eligible Customer will purchase from the Transmission Provider.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

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17.3 Deposit

A Completed Application for Long-Term Firm Point-To-Point Transmission Service also shall include (i) a deposit of one month's charge for Reserved Capacity; and (ii) a non-refundable processing fee. Deposits shall be made either to the Transmission Provider (which deposit shall not earn interest) or into an escrow fund set up by the Transmission Customer. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), the Transmission Provider shall authorize the release of the escrow funds, or if the deposit is made with the Transmission Provider, shall return the deposit without interest. The Transmission Provider shall authorize the release of the escrow funds or, shall return the deposit, without interest if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the Transmission Provider shall authorize the release of the escrow funds or shall refund the deposit in full, without interest.

Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, without interest, will be returned or the release of the escrow funds authorized to the Transmission Customer within 30 calendar days of the date on which the executed Service Agreement is received by the Transmission Provider.

17.4 Notice of Deficient Application

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for

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such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, without interest, or authorize the release of any escrow funds. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application that (i) it will be able to provide service without performing a System Impact Study, (ii) such a study is needed to evaluate the impact of the Application pursuant to Section 19.1, or (iii) such a study is needed to evaluate the impact of the Application and that the Transmission Provider will perform a Cluster Study pursuant to Section 19.10 to evaluate such impact. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

If the Transmission Provider notifies the Eligible Customer that a System Impact Study is needed to evaluate the impact of the Application and that the Transmission Provider will perform a Cluster Study pursuant to Section 19.10 to evaluate such impact, the Eligible Customer may, at any time prior to the posting of the OASIS notice described in Section 19.10(i), request in

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writing that the Transmission Provider study the Application individually rather than in a Cluster Study, and the Transmission Provider will offer the Eligible Customer a System Impact Study Agreement pursuant to Section 19.1 and will otherwise process the Application on an individual basis.

17.6.1 Execution of Service Agreement

Except as provided in section 17.6.2 below, whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 (and, where applicable, section 17.6.2) will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded, without interest, or the release of any escrow funds authorized. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.6.2 Tender and Execution of Service Agreement Where Environmental Review Required

In the event that environmental review associated with a request is required, the Transmission Provider shall tender a Service Agreement as soon as possible after the completion of any necessary environmental review and development of any necessary environmental mitigation requirements. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a

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withdrawal and termination of the Application and any deposit submitted shall be refunded, without interest, or the release of any escrow funds authorized. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one month's charge for Firm Transmission Service for each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or

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(ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

(vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and

(vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is

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required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

(viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the full amount of the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than 10:00 a.m. on the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable [or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider].

18.4 Determination of Available Transfer Capability

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service,

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and (iv) two (2) days for monthly service. [Or such reasonable times that are generally accepted in the region and are consistently adhered to by the Transmission Provider].

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. If (i) the Transmission Provider notifies the Eligible Customer that it will be studying the service request individually rather than in a Cluster Study, or (ii) the Eligible Customer requests in writing to be studied individually, the Transmission Provider shall as soon as practicable, but no later than thirty (30) days from the notification under (i) or receipt of the written request under (ii), tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and, pursuant to

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Section 17.3, its deposit shall be returned, without interest, or the release of its escrow funds authorized.

19.1.1 Notice of Need for Environmental Review

If the Transmission Provider determines that environmental review is required in response to a request for service, the Transmission Provider shall tender an environmental review agreement as soon as practicable. Pursuant to such agreement the Eligible Customer shall agree to reimburse the Transmission Provider for performing the environmental review. The Eligible Customer shall execute and return the environmental review agreement within 30 days of receipt or its application shall be deemed withdrawn and its deposit, pursuant to Section 29.2, shall be returned, without interest, or the release of its escrow funds authorized.

19.2 System Impact Study Agreement and Cost Reimbursement

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

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(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

19.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use

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the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. Except as provided in section 17.6.2, in order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and pursuant to Section 17.3, its deposit shall be returned, without interest, or the release of its escrow funds authorized. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the

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Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Except as provided in section 17.6.2, the Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

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19.6 Due Diligence in Completing New Facilities

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility

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additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Study Metrics

Sections 19.3, 19.4 and 19.10(i) require a Transmission Provider to use due diligence to meet study completion deadlines for System Impact Studies, Facilities Studies, and Cluster Studies. For the purposes of calculating the percentage of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the study completion deadlines, the Transmission Provider shall consider all System Impact Studies, Facilities Studies, and Cluster Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies.

19.10 Cluster Study

(i) Cluster Study Procedures

The Transmission Provider may conduct a Cluster Study on its own initiative or in response to a written request by Eligible Customer(s) with pending service request(s). If Eligible Customer(s) request a Cluster Study, the Transmission Provider will determine, in its discretion, if it can reasonably accommodate the request(s) and will notify such Eligible Customers of its

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decision. If the Transmission Provider decides to conduct a Cluster Study, it will post notice of its decision on OASIS, and will provide reasonable advance notification to Eligible Customers, including the eligibility of Applications for the Cluster Study, the timing and process for conducting the Cluster Study, the reasons for the Cluster Study, and whether the Transmission Provider will require a Precedent Transmission Service Agreement. For purposes of a Cluster Study, the Transmission Provider may aggregate: (1) all Applications that are submitted within a set time period, including Applications that were submitted before the Transmission Provider notified Eligible Customers that it will conduct a Cluster Study, (2) all requests for service over a particular transmission path, (3) all requests for service of at least a certain amount of capacity, or (4) all requests that the Transmission Provider determines are suitable for aggregation based on other appropriate criteria, including a combination of criteria.

Except for Eligible Customers that have requested individual studies under Section 17.5, the Transmission Provider will require Eligible Customers with service request(s) that the Transmission Provider identifies for a Cluster Study to sign Cluster Study agreements or Precedent Transmission Service Agreements that provide that the System Impact Study, Facilities Study, or environmental review for the service request(s) will be performed as a Cluster Study. With respect to a clustered System Impact Study or Facilities Study, the study will be performed in accordance with the procedures set forth in section 19.3 and 19.4 with the exception that the timeline for performing the System Impact Study or Facilities Study will begin to run after the last date for any Eligible Customer with service request(s) that the Transmission Provider identifies for the Cluster Study to sign and return Cluster Study Agreements or Precedent Transmission Services Agreements. With respect to a Cluster Study that includes aggregate study of system impacts and needed facilities, the Transmission Provider will initiate

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the Cluster Study within 14 days of the later of (i) the due date for the Precedent Transmission Service Agreement (PTSA) or (ii) the due date for providing performance assurance as required by the PTSA. The Transmission Provider will use due diligence to complete the Cluster Study within 120 days from such date. If the Transmission Provider is unable to complete the Cluster Study within the applicable timeline, the Transmission Provider will notify the Eligible Customers in the Cluster Study and provide an estimate of the time needed to complete the study along with an explanation of the reasons that additional time is required.

(ii) Cluster Study Agreement

The Transmission Provider will require Eligible Customers with service request(s) that the Transmission Provider identifies for a Cluster Study to sign Cluster Study agreements for the service request(s) unless the Transmission Provider requires such Eligible Customers to sign Precedent Transmission Service Agreements for the service request(s) under Section 19.10(iii). The Transmission Provider may conduct a Cluster Study for which the Transmission Provider requires Eligible Customers to sign Cluster Study agreements when: (1) preliminary analysis indicates that constructing new facilities or upgrades that the study identifies would facilitate providing service to multiple pending service requests; (2) preliminary analysis indicates that the Cluster Study would benefit the integration of new renewable resources; (3) at least one Eligible Customer requests that the Transmission Provider perform a Cluster Study pursuant to Section 19.10(i); or (4) the Transmission Provider determines, based on other appropriate criteria, that conducting a Cluster Study will facilitate providing service.

The Cluster Study agreement will describe the scope of the Cluster Study. An Eligible Customer must sign and return the Cluster Study agreement within 15 days of receipt. If an Eligible Customer fails to sign and return the Cluster Study agreement by the deadline stated in

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this paragraph or to advance fund the study costs, the Eligible Customer's service request(s) will be deemed withdrawn, the Transmission Provider will give the request(s) no further consideration, and the Eligible Customer's deposit provided pursuant to section 17.3 will be returned, without interest, or the release of its escrow funds authorized.

A Cluster Study agreement will include the Transmission Provider's good faith estimate of the actual study costs and will require each Eligible Customer with service request(s) in the Cluster Study to advance fund a percentage of the study costs equal to the megawatts of the Eligible Customer's service request(s) divided by the total number of megawatts of all service requests included in the Cluster Study. Upon completing the Cluster Study, the Transmission Provider will determine the actual study costs. If the aggregate amount of the advance funding differs from the actual costs of the Cluster Study, the Transmission Provider will request additional funds from, or refund the excess amount to, the Eligible Customers with service request(s) in the Cluster Study, in proportion to the amounts previously advanced by each Eligible Customer. Eligible Customers must advance additional funds requested, if any, within 30 days of the request.

An Eligible Customer that has signed a Cluster Study agreement may opt out of a Cluster Study by withdrawing its service request(s) on OASIS. An Eligible Customer that withdraws service request(s) on OASIS after signing a Cluster Study agreement will remain liable for its percentage of the study costs and will be liable for any costs of re-study or analysis that result from the Eligible Customer opting out.

(iii) Precedent Transmission Service Agreement

The Transmission Provider may require Eligible Customers with service request(s) that the Transmission Provider identifies for a Cluster Study to sign Precedent Transmission Service

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Agreements for the service request(s). The Transmission Provider will bear the costs of a Cluster Study for service requests for which Eligible Customers sign Precedent Transmission Service Agreements, and the Transmission Provider will not require Eligible Customers to also sign Cluster Study agreements for such a study.

The Precedent Transmission Service Agreements will obligate the Eligible Customers to take transmission service at the rate for Long-Term Firm PTP Transmission Service in the Transmission Provider's Point-to-Point rate schedule if the Transmission Provider satisfies conditions in the agreement that will include, but will not necessarily be limited to (1) determining in its discretion that it may reasonably provide transmission service at such rate, after considering, without limitation, the amount of subscription under Precedent Transmission Service Agreements and the benefits to the Transmission System of any new facilities needed to provide service to the service requests in the Cluster Study, and (2) in the event that the Transmission Provider must construct new facilities or facility upgrades to provide the requested service, the Transmission Provider decides, after completing environmental review, to build such facilities.

The Transmission Provider will provide Eligible Customers at least 15 days to sign and return the Precedent Transmission Service Agreements. If an Eligible Customer fails to sign and return the Precedent Transmission Service Agreement by the deadline that the Transmission Provider establishes or to meet any requirement specified in such agreement, the Eligible Customer's service request(s) will be deemed withdrawn, the Transmission Provider will give the service request(s) no further consideration, and the Eligible Customer's deposit provided pursuant to section 17.3 will be returned, without interest, or the release of its escrow funds authorized.

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An Eligible Customer that signs a Precedent Transmission Service Agreement will provide security equivalent to the charges for twelve months of service for the Eligible Customer's service request(s). A security deposit provided pursuant to this paragraph will be made either (1) to the Transmission Provider (which shall not earn interest), or (2) into an escrow fund set up by the Transmission Customer consistent with the provisions of the Precedent Transmission Service Agreement.

The Transmission Provider will provide Eligible Customers that are offered a Precedent Transmission Service Agreement the option under such agreement to extend the term of service initially requested by the customers without filing a new Application. An extension of the term of service pursuant to this paragraph will not be subject to competition under section 2.2.

20 Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such

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alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned, without interest, or the release of its escrow funds authorized. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The

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Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary

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Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

(a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.

(b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

(c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.

(d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

(e) If and to the extent the Transmission Provider's rates for Transmission Service on its Transmission System are segmented, (i) the sum of the capacity provided at Primary and Secondary Points of Receipt for Transmission Service under a Service Agreement on any segment shall not exceed the firm capacity reservation at Primary Points of Receipt in such Service Agreement for such segment; and (ii) the sum of the capacity provided at Primary and

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Secondary Points of Delivery for Transmission Service under a Service Agreement on any segment shall not exceed the firm capacity reservation at Primary Points of Delivery in such Service Agreement for such segment.

22.2 Modification On a Firm Basis

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion; provided that, for service prior to October 1, 2010, compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same

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services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Point(s)

24.1 Transmission Customer Obligations

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for

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the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff and pursuant to Section 7 of the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Northwest Power Act).

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent

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with Commission policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff. If and to the extent that the Transmission Provider has established separate rates for Transmission Service over one or more intertie segments, Network Integration Transmission Service will not be available over such intertie segments, and the terms and conditions for Transmission Service over such intertie segments will be provided under Part II of this Tariff.

28 Nature of Network Integration Transmission Service

28.1 Scope of Service

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-

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designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers. The Service Agreement shall, when applicable, specify any conditional curtailment

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options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 28.7, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

28.4 Secondary Service

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable loss factors are listed under Schedule 11.

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28.6 Restrictions on Use of Service

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

28.7 Transmission Provider Obligation to Provide Network Integration Transmission Service that Requires Conditional Curtailment

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Network Integration Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide the Network Integration Transmission Service with the conditions that (i) the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or specified System Conditions, and (ii) the Transmission Customer must submit schedules with Point(s) of Receipt and Point(s) of Delivery that are the same as the Point(s) of Receipt and Point(s) of Delivery included in the Transmission Customer's reservation.

(b) If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial

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reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

29 Initiating Service

29.1 Condition Precedent for Receiving Service

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that

(i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff,

(ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4,

(iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and

(iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

29.2 Application Procedures

An Eligible Customer requesting service under Part III of the Tariff must submit (i) an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence; and (ii) a non-refundable processing fee. The deposit and non-refundable processing fee are not required for a Network Customer's Application to designate new Network Resources.

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Deposits shall be made either to the Transmission Provider, which deposit shall not earn interest, or into an escrow fund set up by the Transmission Customer. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received on OASIS, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Until OASIS can accept all such information, any required information that OASIS cannot accept may be submitted by transmitting the required information to the Transmission Provider by telefax or by United States mail or other recognized delivery service. In appropriate cases, the Transmission Provider will accept all information by such means. In such cases, the Transmission Provider will post the request on OASIS. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the party requesting service;

(ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

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(iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource

For each off-system Network Resource, such description shall include:

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- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWH) for redispatch computations;

(vi) Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources

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- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades
- Transmission System maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;

(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions:

(1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for a sale of one-year or more to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program;

(ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K; and

(x) A statement of which Ancillary Services the Eligible Customer will purchase from the Transmission Provider.

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Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

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29.4 Network Customer Facilities

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement (Intentionally Omitted)

29.6 Tender and Execution of Service Agreement Where Environmental Review is Required

In the event that environmental review associated with a request is required, the Transmission Provider shall tender a Service Agreement as soon as possible after the completion of any necessary environmental review and development of any necessary environmental mitigation requirements. Failure of an Eligible Customer to execute and return the Service Agreement within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be returned, without interest, or the release of its escrow funds authorized. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

30 Network Resources

30.1 Designation of Network Resources

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for a sale of one year or more to non-designated third party load or otherwise cannot be called upon to meet the Network

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Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for a sale of one year or more to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through

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OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

(i) Effective date and time of temporary termination;

(ii) Effective date and time of redesignation, following period of temporary termination;

(iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;

(iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and

(v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the

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Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus sales of less than one year delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

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30.5 Network Customer Redispatch Obligation

Except as provided in Attachment M, as a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases subject to section 28.4) with its Network Loads.

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However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities (Intentionally Omitted)

31 Designation of Network Load

31.1 Network Load

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding

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that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the

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Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed and whether the Transmission Provider will study the impact of the request in a Cluster Study. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable, and shall inform the Eligible Customer whether the Transmission Provider will study the impact of the service request in a Cluster Study. If the Transmission Provider notifies the Eligible Customer that a System Impact Study is needed to evaluate the impact of the Application and that the Transmission Provider will perform a Cluster Study pursuant to Section 32.6 to evaluate such impact, the Eligible Customer may, at any time prior to the posting of the OASIS notice described in section 32.6(i), request in writing that the Transmission Provider study the Application individually rather than in a Cluster Study, and the Transmission Provider will offer the Eligible Customer a System Impact Study Agreement pursuant to this Section and will otherwise process the Application on an individual basis.

If (i) the Transmission Provider notifies the Eligible Customer that it will be studying the service request individually rather than in a Cluster Study, or (ii) the Eligible Customer requests

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in writing to be studied individually, the Transmission Provider shall as soon as practicable, but no later than thirty (30) days from the notification under (i) or receipt of the written request under (ii), tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned, without interest, or the release of its escrow funds authorized.

32.1.1 Notice of Need for Environmental Review

If the Transmission Provider determines that environmental review is required in response to a request for service, the Transmission Provider shall tender an environmental review agreement as soon as practicable. Pursuant to such agreement the Eligible Customer shall agree to reimburse the Transmission Provider for performing the environmental review. The Eligible Customer shall execute and return the environmental review agreement within 30 days of receipt or its application shall be deemed withdrawn and its deposit, if any, pursuant to Section 29.2, shall be returned, without interest, or the release of its escrow funds authorized.

32.2 System Impact Study Agreement and Cost Reimbursement

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies;

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however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer), including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service, and (5) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint

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and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. Except as provided in section 29.6, in order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service

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request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned, without interest, or the release of its escrow funds authorized. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Except as provided in section 29.6, the Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

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32.5 Study Metrics

Section 19.9 defines how to calculate the percentage of non-Affiliates' System Impact Studies, Facilities Studies, and Cluster Studies processed outside the study completion due diligence deadlines under Part II of the Tariff. The same calculation applies to service under Part III of the Tariff.

32.6 Cluster Study

(i) Cluster Study Procedures

The Transmission Provider may conduct a Cluster Study on its own initiative or in response to a written request by Eligible Customer(s) with pending service request(s). If Eligible Customer(s) request a Cluster Study, the Transmission Provider will determine, in its discretion, if it can reasonably accommodate the request(s) and will notify such Eligible Customers of its decision. If the Transmission Provider decides to conduct a Cluster Study, it will post notice of its decision on OASIS, and will provide reasonable advance notification to Eligible Customers, including the eligibility of Applications for the Cluster Study, the timing and process for conducting the study, the reasons for the Cluster Study, and whether the Transmission Provider will require a Precedent Transmission Service Agreement. For purposes of a Cluster Study, the Transmission Provider may aggregate: (1) all Applications that are submitted within a set time period, including Applications that were submitted before the Transmission Provider notified Eligible Customers that it will perform a Cluster Study, (2) all requests for service over a particular transmission path, (3) all requests for service of at least a certain amount of capacity, or (4) all requests that the Transmission Provider determines are suitable for aggregation based on other appropriate criteria, including a combination of criteria.

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The Transmission Provider will require Eligible Customers with service request(s) that the Transmission Provider identifies for a Cluster Study to sign Cluster Study agreements or Precedent Transmission Service Agreements that provide that the System Impact Study, Facilities Study, or environmental review for the service request(s) will be performed as a Cluster Study. With respect to a clustered System Impact Study or Facilities Study, the study will be performed in accordance with the procedures set forth in section 32.3 and 32.4 with the exception that the timeline for performing the System Impact Study or Facilities Study will begin to run after the last date for any Eligible Customer with service request(s) that the Transmission Provider identifies for the Cluster Study to sign and return Cluster Study Agreements or Precedent Transmission Services Agreements. With respect to a Cluster Study that includes aggregate study of system impacts and needed facilities, the Transmission Provider will initiate the Cluster Study within 14 days of the later of (i) the due date for the Precedent Transmission Service Agreement (PTSA) or (ii) the due date for providing performance assurance as required by the PTSA. The Transmission Provider will use due diligence to complete the Cluster Study within 120 days from such date. If the Transmission Provider is unable to complete the Cluster Study within the applicable timeline, the Transmission Provider will notify the Eligible Customers in the Cluster Study and provide an estimate of the time needed to complete the study along with an explanation of the reasons that additional time is required.

(ii) Cluster Study Agreement

The Transmission Provider will require Eligible Customers with service request(s) that the Transmission Provider identifies for a Cluster Study to sign Cluster Study agreements for the service request(s) unless the Transmission Provider requires such Eligible customers to sign Precedent Transmission Service Agreements for the service request(s) under Section 32.6(iii).

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The Transmission Provider may conduct a Cluster Study for which the Transmission Provider requires Eligible Customers to sign Cluster Study agreements when: (1) preliminary analysis indicates that constructing new facilities or upgrades that the study identifies would facilitate providing service to multiple pending service requests; (2) preliminary analysis indicates that the Cluster Study would benefit the integration of new renewable resources; (3) at least one Eligible Customer requests that the Transmission Provider perform a Cluster Study pursuant to Section 32.6(i); or (4) the Transmission Provider determines based on other appropriate criteria that conducting a Cluster Study will facilitate providing service.

The Cluster Study agreement will describe the scope of the Cluster Study. An Eligible Customer must sign and return the Cluster Study agreement within 15 days of receipt. If an Eligible Customer fails to sign and return the Cluster Study agreement by the deadline stated in this paragraph or to advance fund the study costs, the Eligible Customer's service request(s) will be deemed withdrawn, the Transmission Provider will give the request(s) no further consideration, and the Eligible Customer's deposit provided pursuant to section 29.2 will be returned, without interest, or the release of its escrow funds authorized.

A Cluster Study agreement will include the Transmission Provider's good faith estimate of the actual study costs and will require each Eligible Customer with service request(s) in the Cluster Study to advance fund a percentage of the study costs equal to the megawatts of the Eligible Customer's service request(s) divided by the total number of megawatts of all service requests included in the Cluster Study. Upon completing the Cluster Study, the Transmission Provider will determine the actual study costs. If the aggregate amount of the advance funding differs from the actual costs of the Cluster Study, the Transmission Provider will request additional funds from, or refund the excess amount to, the Eligible Customers with service

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request(s) in the Cluster Study, in proportion to the amounts previously advanced by each Eligible Customer. Eligible Customers must advance additional funds requested, if any, within 30 days of the request.

An Eligible Customer that has signed a Cluster Study agreement may opt out of a Cluster Study by withdrawing its service request(s) on OASIS. An Eligible Customer that withdraws service request(s) on OASIS after signing a Cluster Study agreement will remain liable for its percentage of the study costs and will be liable for any costs of re-study or analysis that result from the Eligible Customer opting out.

(iii) Precedent Transmission Service Agreement

The Transmission Provider may require Eligible Customers with service request(s) that the Transmission Provider identifies for a Cluster Study to sign Precedent Transmission Service Agreements for the service request(s). The Transmission Provider will bear the costs of a Cluster Study for service requests for which Eligible Customers sign Precedent Transmission Service Agreements, and the Transmission Provider will not require Eligible Customers to also sign Cluster Study agreements for such a study.

The Precedent Transmission Service Agreements will obligate the Eligible Customers to take transmission service at the Base Charge in the Transmission Provider's Network Integration rate schedule if the Transmission Provider satisfies conditions in the agreement that will include, but will not necessarily be limited to (1) determining in its discretion that it may reasonably provide transmission service at such rate, after considering, without limitation, the amount of subscription under Precedent Transmission Service Agreements and the benefits to the Transmission System of any new facilities needed to provide service to the service requests in the Cluster Study, and (2) in the event that the Transmission Provider must construct new

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facilities or facility upgrades to provide the requested service, the Transmission Provider decides, after completing environmental review, to build such facilities.

The Transmission Provider will provide Eligible Customers at least 15 days to sign and return the Precedent Transmission Service Agreements. If an Eligible Customer fails to sign and return the Precedent Transmission Service Agreement by the deadline that the Transmission Provider establishes or to meet any requirement specified in such agreement, the Eligible Customer's service request(s) will be deemed withdrawn, the Transmission Provider will give the service request(s) no further consideration, and the Eligible Customer's deposit provided pursuant to section 29.2 will be returned, without interest, or the release of its escrow funds authorized.

An Eligible Customer that signs a Precedent Transmission Service Agreement will provide security equivalent to the charges for twelve months of service for the Eligible Customer's service request(s), except that the Eligible Customer will not provide security if the Eligible Customer has a Network Integration Transmission Service Agreement, the service request for which the Eligible Customer signs a Precedent Transmission Service Agreement is for transmission of a new Network Resource, and the Eligible Customer submits a statement signed by an authorized officer or agent of the Eligible Customer attesting that (1) the Eligible Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Eligible Customer's Network Load on a non-interruptible basis. A security deposit provided pursuant to

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this paragraph will be made either (1) to the Transmission Provider (which shall not earn interest), or (2) into an escrow fund set up by the Transmission Customer consistent with the provisions of the Precedent Transmission Service Agreement.

The Transmission Provider will provide Eligible Customers that are offered a Precedent Transmission Service Agreement the option under such agreement to extend the term of service initially requested by the customers without filing a new Application. An extension of the term of service pursuant to this paragraph will not be subject to competition under section 2.2.

33 Load Shedding and Curtailments

33.1 Procedures

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. Except as provided in Attachment M, to the extent the

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Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints

Except as provided in Attachment M, when the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Network Load.

33.4 Curtailments of Scheduled Deliveries

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Procedures Addressing Parallel Flows specified in Attachment J. Long-Term Network Integration Transmission Service subject to conditions described in section 28.7 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro-rata basis with other Firm Transmission Service.

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33.5 Allocation of Curtailments

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Network Load.

The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also

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may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34 Rates and Charges

The Transmission Customer shall pay for Network Integration Transmission Service and Ancillary Services provided under Part III of this Tariff as provided for in the rates determined pursuant to Section 7 of the Northwest Power Act. In addition, the Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, and applicable study costs, consistent with Commission policy.

34.1 Monthly Demand Charge (Intentionally Omitted)

34.2 Determination of Network Customer's Monthly Network Load (Intentionally Omitted)

34.3 Determination of Transmission Provider's Monthly Transmission System Load (Intentionally Omitted)

34.4 Redispatch Charge (Intentionally Omitted)

34.5 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff and pursuant to Section 7 of the Northwest Power Act.

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35 Operating Arrangements

35.1 Operation under The Network Operating Agreement

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to

(i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),

(ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data),

(iii) use software programs required for data links and constraint dispatching,

(iv) exchange data on forecasted loads and resources necessary for long-term planning, and

(v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols.

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The Network Operating Agreement will recognize that the Network Customer shall either

(i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, the regional reliability organization, and the Northwest Power Pool (NWPP),

(ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or

(iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO, the regional reliability organization, and the NWPP.

The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

IV MISCELLANEOUS PROVISIONS

36 Oversupply Management Protocol

The Oversupply Management Protocol will apply when Transmission Provider displaces generation in its Control Area with generation from the federal hydroelectric system in order to moderate total dissolved gas levels in the Columbia River. When Transmission Provider

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determines that it is probable that the total dissolved gas levels measured by the U.S. Army Corps of Engineers will exceed, or when they do exceed, Oregon and Washington water quality standards at projects that are spilling past unloaded turbines, the Transmission Provider has the right to initiate the Oversupply Management Protocol in Attachment P. All Transmission Customers that own or operate generating facilities in Transmission Provider's Control Area and all generators that own or operate generating facilities in Transmission Provider's Control Area shall act in accordance with the Oversupply Management Protocol in Attachment P. Attachment P shall not apply to curtailments under sections 13.6, 14.7, or 33.

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SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rate set forth in the Transmission Provider's Schedule ACS-12, Ancillary Services and Control Area Services Rate, or its successor. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

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SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rate set forth in the Transmission Provider's Schedule ACS-12, Ancillary Services and Control Area Services Rate, or its successor. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

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SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service are set forth in the Transmission Provider's Schedule ACS-12, Ancillary Services and Control Area Services Rate, or its successor. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

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SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a scheduling period. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The charges for Energy Imbalance Service are set forth in the Transmission Provider's Schedule ACS-12, Ancillary Services and Control Area Services Rate, or its successor.

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SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service to meet the Transmission Customer's Spinning Reserve Service obligation determined in accordance with applicable standards of the ERO or regional reliability organization. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth in the Transmission Provider's Schedule ACS-12, Ancillary Services and Control Area Services Rate, or its successor. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

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SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service to meet the Transmission Customer's Supplemental Reserve Service obligation determined in accordance with applicable standards of the ERO or regional reliability organization. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth in the Transmission Provider's Schedule ACS-12, Ancillary Services and Control Area Services Rate, or its successor. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

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SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

1) The Transmission Customer shall compensate the Transmission Provider pursuant to the Transmission Provider's 2012 Transmission and Ancillary Service Rate Schedules or successor rate schedules.

2) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

3) Resales: The rates and rules governing discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

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SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

1) The Transmission Customer shall compensate the Transmission Provider pursuant to the Transmission Provider's 2012 Transmission and Ancillary Service Rate Schedules or successor rate schedules.

2) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

3) Resales: The rates and rules governing discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

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SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a scheduling period. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from the amount of balancing reserve capacity that is available to it pursuant to Schedule 10, when Transmission Service is used to deliver energy from a generator located within its Control Area.

The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. The Transmission Customer may use dynamic transfer to remove a generator from the Transmission Provider's Control Area or for self-supply or third-party supply of Generator Imbalance Service if the Transmission Provider determines that it can accommodate the dynamic transfer.

Generator Imbalance Service is a Control Area Service subject to the Transmission Provider's Ancillary and Control Area Services and General Rate Schedule provisions, or their successor. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. For purposes of this Schedule 9, the Transmission Provider may bill a Generator owner or operator directly for this service in lieu of billing the Transmission Customer, pursuant to an interconnection agreement or

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other arrangement. In that case, the generator owner or operator will be deemed to be a "Transmission Customer" for the purposes of this schedule.

The Transmission Provider may charge the Transmission Customer a penalty for either generator imbalances under this Schedule or a penalty for energy imbalances under Schedule 4 for imbalances occurring during the same scheduling period, but not both unless the imbalances aggravate rather than offset each other.

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SCHEDULE 10

Determination of Amount of Capacity Available for Generator Imbalance Service

This schedule describes the Transmission Provider's obligation to determine the capacity available to provide energy for Generator Imbalance Service. It does not describe a capacity service.

In a Northwest Power Act section 7(i) rate proceeding, the Transmission Provider will establish the amount of balancing reserve capacity to provide energy for Generator Imbalance Service during the rate period to satisfy customer elections to take Generator Imbalance Service at the applicable rate or rates during the rate period. The amount of capacity may be a fixed quantity for the entire rate period, multiple quantities that vary by season or otherwise, or determined by a formula adopted in the rate proceeding. The amount of capacity the Transmission Provider establishes will be based on its assessment, at the conclusion of the section 7(i) rate proceeding, of

(i) federal capacity and

(ii) third-party resources

available for this purpose and on, among other factors, Transmission Provider's consideration of statutory and contractual rights and obligations, physical constraints, customer willingness to pay, and economic considerations. The Transmission Provider will offer to provide Generator Imbalance Service from its resources or from third-party resources or from both based on the amount of capacity it establishes.

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SCHEDULE 11

Real Power Loss Calculation

The applicable Real Power Loss factors are as follows:

a) for use of the Network Segment – 1.9 percent of kWh delivered;

b) for use of the Utility Delivery Segment – 0.6 percent of kWh delivered;

c) for use of the DSI Delivery Segment as specified in the Service Agreement; and

d) for use of the Southern Intertie Segment – 3.0 percent of kWh delivered.

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ATTACHMENT A

Form of Service Agreement for

Point-to-Point Transmission Service

SERVICE AGREEMENT
for
POINT-TO-POINT
TRANSMISSION SERVICE
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
And
(CUSTOMER NAME)

1. This Service Agreement is entered into, by and between the Bonneville Power Administration Transmission Services (Transmission Provider) and (Customer Name) (Transmission Customer).
2. The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Point-to-Point (PTP) Transmission Service under the Transmission Provider's Open Access Transmission Tariff (Tariff).
3. The Transmission Customer has provided to the Transmission Provider a deposit, if applicable, unless such deposit has been waived by the Transmission Provider, for Firm Point-to-Point Transmission Service in accordance with the provisions of Section 17.3 of the Tariff.
4. Service under this Service Agreement for a transaction shall commence on the later of (1) the Service Commencement Date as specified by the Transmission Customer in a subsequent request for transmission service, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. This Service Agreement shall terminate on such date as mutually agreed upon by the Parties.
5. The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Point-to-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

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6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated in Exhibit D.

7. The Tariff, Exhibit A (Transmission Service Request), Exhibit B (Direct Assignment and Use-of-Facilities Charges), Exhibit C (Ancillary Service Charges), Exhibit D (Notices), and Exhibit E (Creditworthiness and Prepayment) are incorporated herein and made a part hereof. Capitalized terms not defined in this Service Agreement are defined in the Tariff.

8. This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.

9. This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

10. The Transmission Customer and the Transmission Provider agree that provisions of Section 3201(i) of Public Law 104-134 (Bonneville Power Administration Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.

11. Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Transmission Customer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the Service Agreement the same as if the specific language had been written into the Service Agreement, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

(CUSTOMER NAME)	UNITED STATES OF AMERICA Department of Energy Bonneville Power Administration
By: _____	By: _____
Name: _____ *(Print/Type)*	Name: _____ *(Print/Type)*
Title: _____	Title: Transmission Account Executive
Date: _____	Date: _____

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EXHIBIT A
SPECIFICATIONS FOR LONG-TERM
FIRM POINT-TO-POINT TRANSMISSION SERVICE

TRANSMISSION SERVICE REQUEST
Assign Ref is:_____

1. TERM OF TRANSACTION

Service Commencement Date:
Termination Date:

2. DESCRIPTION OF CAPACITY AND ENERGY TO BE TRANSMITTED BY TRANSMISSION PROVIDER AND MAXIMUM AMOUNT OF CAPACITY AND ENERGY TO BE TRANSMITTED (RESERVED CAPACITY)

3. POINT(S) OF RECEIPT

4. POINT(S) OF DELIVERY

5. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE

6. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

7. SERVICE AGREEMENT CHARGES

Service under this Service Agreement will be subject to some combination of the charges detailed below and in Exhibits B and C. (The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff.)

7.1 Transmission Charge: *[all applicable charges or discounts shall be identified]*

7.2 System Impact and/or Facilities Study Charge(s):

7.3 Direct Assignment Facilities Charges:

7.4 Ancillary Service Charges:

8. OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT

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EXHIBIT B
DIRECT ASSIGNMENT AND USE-OF-FACILITIES CHARGES

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EXHIBIT C
ANCILLARY SERVICE CHARGES

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EXHIBIT D
NOTICES

1. NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice or other communication related to this Service Agreement, other than notices of an operating nature (section 2 below), shall be in writing and shall be deemed to have been received if delivered in person, by First Class mail, by facsimile or sent by overnight delivery service.

2. NOTICES OF AN OPERATING NATURE

Any notice, request, or demand of an operating nature by the Transmission Provider or the Transmission Customer shall be made either orally or in writing by First Class mail or by facsimile.

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EXHIBIT E
CREDITWORTHINESS AND PREPAYMENT

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ATTACHMENT B

Form of Service Agreement For

Non-Firm Point-To-Point Transmission Service

(Intentionally Omitted)

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ATTACHMENT C

Methodology To Calculate Available Transfer Capability and Available Flowgate Capability

The Transmission Provider will compute ATC and AFC consistent with applicable Commission, NERC, and WECC criteria and may modify its ATC and AFC methodologies from time to time. The Transmission Provider may require the Transmission Customer to submit forecasts of loads and generation that are reasonably necessary to enable the Transmission Provider to compute ATC and AFC. The Transmission Provider's ATC and AFC methodologies, which are referenced generally throughout this Attachment C, are described in detail in: (a) for the period that begins with the current hour and extending through month 13, the ATC Implementation Document; and (b) for the period beyond 13 months and extending through the posting period (planning time period), the ATC and AFC Methodologies for the Planning Time Period. These methodology documents and the process flow diagram are posted on the ATC Methodology Page of the Transmission Provider's web site at http://transmission.bpa.gov/business/atc_methodology/. The Transmission Provider's OASIS contains a link to this site.

The Transmission Provider uses a Rated System Path (contract path) methodology to calculate ATC on external interconnections, interties and some paths internal to BPA's network. Under this methodology, Firm ATC = TTC – ETC_{Firm} – TRM – CBM + Postbacks + Counterflows. Non-Firm ATC = TTC – ETC_{Firm} – $ETC_{NonFirm}$ – TRM – CBM + Postbacks + Counterflows. This methodology and a list of the paths for which ATC is calculated are described in the Transmission Provider's ATC methodology documents.

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The Transmission Provider uses a Flowgate methodology on the network flowgates. Under this methodology as well, Firm AFC = TFC – ETC_{Firm} – TRM – CBM + Postbacks + Counterflows. Non-Firm AFC = TFC – ETC_{Firm} – $ETC_{NonFirm}$ – TRM – CBM + Postbacks + Counterflows. This methodology and a list of the network flowgates are described in the Transmission Provider's AFC methodology documents.

BPA calculates the ATC and AFC components consistent with applicable NERC reliability standards. The explanation of the ATC and AFC components is as follows:

(1) Total Transfer Capability (TTC) and Total Flowgate Capability (TFC) are the amount of electric power that can be transferred over the interconnected transmission network in a reliable manner under specified system conditions. The Transmission Provider calculates TTC and TFC consistent with applicable NERC MOD Reliability Standards and the WECC Path Rating Process. The methodology and assumptions used to determine TTC and TFC are described in the Transmission Provider's ATC and AFC methodology documents.

(2) Existing Transmission Commitments (ETC) are the committed uses of the system, which include the firm and non-firm capacity set aside to serve Point-to-Point Service Agreements, Network Integration Service Agreements, pre-Order 888 grandfathered agreements, and other commitments made pursuant to the Transmission Provider's statutory and treaty obligations (such as the delivery of power from the Federal system to irrigation districts associated with the United States Bureau of Reclamation (USBR) projects and the return of energy to Canada under the Columbia River Treaty, described further below). The Transmission Provider assumes a Transmission Customer with a Transmission Service contract containing the right of first refusal

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will take or continue to take transmission service when that contract expires or is eligible for renewal, unless otherwise notified by the Transmission Customer. The methodology for determining ETC is described in the Transmission Provider's ATC and AFC methodology documents. For purposes of calculating firm ETC, the Transmission Provider:

(a) is obligated by statute and contract with USBR to provide power from the Federal system to several irrigation districts associated with USBR projects in the Pacific Northwest and considers the delivery of power to these irrigation districts to be a committed use.

(b) is obligated by the Columbia River Treaty, a treaty between the United States and Canada, to return energy to Canada and considers the return of energy to Canada under the Columbia River Treaty to be a committed use. If the Columbia River Treaty is amended, the Transmission Provider will continue to consider the return of energy to Canada under the amended Treaty to be a committed use. If the Columbia River Treaty is terminated, the Transmission Provider will continue to consider the return of energy to Canada to be a committed use, until either (i) a new or replacement treaty is in effect, or (ii) the Transmission Provider issues a notice that the Columbia River Treaty is no longer considered a committed use. If a new or replacement treaty is in effect, the ETC being held by the Transmission Provider for the Columbia River Treaty shall be assigned to the new or replacement treaty consistent with the terms of any return obligation in the new or replacement treaty. In that case, any ETC being held for the Columbia River Treaty in excess of what is

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needed for the new or replacement treaty will be released to ATC and AFC inventory.

(c) includes a margin (ATC Methodology Margin) for the network flowgates during the planning time period to address uncertainties for calculating ETC in the planning time period. The Transmission Provider no longer includes this margin during the period that begins with the current hour and extending through month 13. The ATC Methodology Margin is described in the Transmission Provider's ATC and AFC methodology documents.

(3) Transmission Reliability Margin (TRM) is the amount of transfer capability necessary to provide a reasonable level of assurance that the interconnected transmission network will be secure under a broad range of uncertainties in system conditions. The TRM methodology and assumptions for the paths and flowgates for which TRM is implemented are described in the Transmission Provider's TRM Implementation Document posted on the ATC Methodology Page of the Transmission Provider's web site.

(4) The Transmission Provider does not set aside transfer capability for Capacity Benefit Margin (CBM). Because the Transmission Provider does not implement CBM on any paths or flowgates, the Transmission Provider does not have procedures for reevaluating its CBM needs.

(5) Postbacks are changes to ATC and AFC due to a change in the use of a transmission reservation and are described in the Transmission Provider's ATC and AFC methodology documents.

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(6) Counterflows are changes to ATC and AFC and are described in the Transmission Provider's ATC and AFC methodology documents.

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ATTACHMENT D

Methodology for Completing a System Impact Study

The Transmission Provider will complete a System Impact Study (SIS) to assess the impact of a Transmission Service request on the Federal Columbia River Transmission System. The SIS will identify the need and approximate scope of system expansion to accommodate the requested service. The SIS may evaluate, using power flow analysis, the effect of the requested transmission service on the performance of the transmission system under plausible scenario(s), including varied operating condition(s), and season(s). The SIS will evaluate Transmission System performance against applicable criteria and standards. The SIS will rely on previous studies to the maximum extent possible.

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ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

A list of Point-to-Point Transmission Service customers and Service Agreements can be found on BPA's OASIS.

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ATTACHMENT F

Service Agreement For Network Integration Transmission Service

Service Agreement No. XXTX-XXXXX

SERVICE AGREEMENT
FOR
NETWORK INTEGRATION
TRANSMISSION SERVICE
EXECUTED BY THE
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
ACTING BY AND THROUGH THE
BONNEVILLE POWER ADMINISTRATION
AND
(CUSTOMER)

1. This Service Agreement is entered into, by and between the Bonneville Power Administration Transmission Services (Transmission Provider) and (Customer Name) (Transmission Customer).

2. The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Transmission Provider's Open Access Transmission Tariff (Tariff).

3. The Transmission Customer has provided to the Transmission Provider a deposit, unless such deposit has been waived by the Transmission Provider, for Transmission Service in accordance with the provisions of Section 29.2 of the Tariff.

4. Service under this agreement shall commence on the later of (1) the requested Service Commencement Date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5. The Transmission Provider agrees to provide and the Transmission Customer agrees to pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.

6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated in Exhibit D.

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7. The Tariff, Exhibit A (Specifications for Network Integration Transmission Service), Exhibit B (Direct Assignment and Use-of-Facilities Charges), Exhibit C (Ancillary Services), and Exhibit D (Notices) are incorporated herein and made a part hereof. Capitalized terms not defined in this agreement are defined in the Tariff.

8. This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.

9. This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors.

10. [Customer Option] The Transmission Customer and the Transmission Provider agree that provisions of Section 3201(i) of Public Law 104-134 (Bonneville Power Administration Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.

11. Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Transmission Customer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the Service Agreement the same as if the specific language had been written into the Service Agreement, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

(CUSTOMER NAME)	UNITED STATES OF AMERICA Department of Energy Bonneville Power Administration
By: _____	By: _____
Name: _____ *(Print/Type)*	Name: _____ *(Print/Type)*
Title: _____	Title: Transmission Account Executive
Date: _____	Date: _____

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EXHIBIT A
SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE

TRANSMISSION SERVICE REQUEST
Assign Ref is: _____

1. TERM OF TRANSACTION
Service Commencement Date:
Termination Date:

2. NETWORK RESOURCES

3. POINT(S) OF RECEIPT

4. POINT(S) OF DELIVERY

5. NETWORK LOAD

6. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE OBLIGATION

7. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE

8. SERVICE AGREEMENT CHARGES
Service under this Agreement may be subject to some combination of the charges detailed below and in Exhibits B and C. (The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charges:

8.4 Ancillary Service Charges:

9. OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT

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EXHIBIT B
DIRECT ASSIGNMENT AND USE-OF-FACILITIES CHARGES

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EXHIBIT C
ANCILLARY SERVICE CHARGES

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EXHIBIT D
NOTICES

1. NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice or other communication related to this Service Agreement, other than notices of an operating nature (section 2 below), shall be in writing and shall be deemed to have been received if delivered in person, by First Class mail, by telefax or sent by overnight delivery service.

2. NOTICES OF AN OPERATING NATURE

Any notice, request, or demand of an operating nature by the Transmission Provider or the Transmission Customer shall be made either orally or in writing by telefax or sent by first class mail.

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ATTACHMENT G

Network Operating Agreement

1. PURPOSE OF NETWORK OPERATING AGREEMENT

The purpose of this Agreement is to identify contractual requirements related to Network Integration Transmission Service over the Transmission Provider's Transmission System. The parties to this Agreement (Parties) agree to adhere to Good Utility Practice, including all applicable reliability criteria as observed in the region.

(a) This Agreement requires the Parties to recognize that:

(1) The Transmission Provider's Transmission System is directly or indirectly interconnected with transmission systems owned or operated by others;

(2) The flow of power and energy between such systems shall be controlled by the physical and electrical characteristics of the facilities involved and the manner in which they are operated; and

(3) Part of the power and energy being delivered under these Provisions may flow through such other systems rather than through the Transmission Provider facilities. The Parties shall determine methods and take appropriate actions to assure capability for delivery of power and energy at the points of receipt and delivery, and at additional or alternate points of receipt and delivery as established by the Parties.

(4) The provision of Ancillary Services will be addressed in the Network Customer's Network Integration Transmission Service Agreement.

(b) The Parties shall:

(1) Operate and maintain equipment[1] necessary for interconnecting the Transmission Customer with the Transmission Provider's Transmission System.

(2) Transfer data[2] between their respective control centers as required to maintain reliability of the Transmission System.

(3) Use software programs required for data links and constraint dispatching.

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[1] Necessary equipment includes, but is not limited to, remote terminal units, metering, communications, telemetering and relaying equipment.

[2] Data may include, but is not limited to, data pertaining to instantaneous Spinning and Non-Spinning Operating Reserves, heat rates, fuel costs and operational characteristics of Network Resources, generation schedules for Network Resources, interchange schedules, unit outputs for redispatch, voltage schedules, flows of real and reactive power, loss factors, switch status, breaker status, megawatt (MW)/megaVAr flow on lines, bus voltages, transformer taps and other Supervisory Control and Data Acquisition System (SCADA) and real-time data.

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(4) Exchange data on forecasted loads and resources necessary for planning and operation.

(5) Address other technical and operational considerations required for Tariff implementation, including scheduling protocols.

2. TERM

This Agreement shall remain effective through the term of the Service Agreement.

3. ADMINISTRATION OF THE PROVISIONS

In the event of any irreconcilable differences between the Tariff and this Agreement, the language of the Tariff shall govern.

4. NOTICE

Notices or requests made by either Party regarding these provisions shall be made to the representative of the other Party as indicated in the Service Agreement.

5. DEFINITIONS

Unless otherwise defined herein, capitalized terms refer to terms defined in the Tariff or in the Rate Schedules.

(a) Automatic Generation Control (AGC)
The real-time control scheme used by all Balancing Authorities to meet the NERC requirement that Balancing Authorities continually adjust generation, as necessary and within predetermined limits, to meet Balancing Authority load requirements and scheduled interchange commitments and its obligation to support interconnected frequency.

(b) Effective Control Action (ECA)
An action which results in a specific mitigating response at a location(s) in the power system related to the disturbances of concern, thereby providing acceptable power system performance.

(c) Hourly Data Reported Hourly (HDRH)
Hourly kilowatt hour (kWh) and kilovar hour (kVArh) data provided to the Transmission Provider at the end of each hour. HDRH is taken from sources such as the interchange kWh system.

(d) Hourly Data Reported Monthly (HDRM)
Hourly kWh and kVArh data provided at least monthly to the Transmission Provider. HDRM is taken from sources such as the Revenue Metering System.

(e) Operating Reserves
The sum of Contingency Reserves and Regulating Reserves plus any on-demand obligations plus any reserves required for interruptible imports.

(f) Operational Constraints
Limitations on the ability of the Transmission System to operate due to any system emergency, loading condition, or maintenance outage on the Transmission Provider facilities, or on facilities of an interconnected utility, that makes it

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prudent to reduce Transmission System loadings, whether or not all facilities are in service.

(g) Remedial Action Schemes (RAS)
Sets of fast automatic control actions employed to ensure acceptable power system performance following electrical disturbances as determined by the Transmission Provider power flows and/or stability studies. These may include generator dropping and load tripping.

(h) Revenue Metering System (RMS)
A data collection system that electronically measures hourly demand and energy quantities for both kilowatt (kW) and kiloVars. The Transmission Provider uses this data on a HDRM basis.

(i) Single Contingency
The loss of a single generator, transmission line, transformer, bus section or DC monopole under any operating condition or anticipated mode of operation.

(j) Technical Requirements For Interconnection To The BPA Transmission Grid
A document that includes the detailed technical requirements for connecting transmission lines, loads and generation resources into the BPA Grid. The Technical Requirements for the Connection of Transmission Lines and Loads and the Technical Requirements for the Interconnection of Generation Resources are posted on the Transmission Provider's OASIS.

(k) Telemetry
A data collection system that provides the Transmission Provider with kilowatt information on load, generation and powerflow, on a continuous, instantaneous basis.

(l) Transmission Customer Resource
Any Transmission Customer-owned resource, regardless of resource location, and any Third Party (consumer or independent power producer) resource directly connected to the Transmission Customer's transmission or distribution system.

6. INTERCONNECTED FACILITY REQUIREMENTS

(a) **Ownership**

(1) Equipment or salvageable facilities owned by one Party and installed on the property of the other Party shall remain the property of the owner, except as noted in this Agreement.

(2) A Party must identify its facilities installed on the other Party's property. Facilities include all movable equipment and other salvageable facilities which said Party installed on the other Party's property. Ownership of facilities must be made by affixing permanent suitable markers with the owner's name. The Parties shall jointly prepare an itemized list of the aforementioned equipment.

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(3) Each Party agrees to be responsible for the cost of complying with all applicable Federal, State and local environmental laws for its own facilities, regardless of where the facilities are located.

(b) Safety Design

The Transmission Provider requires clearance of equipment during maintenance, modification and testing. Facility interconnections between the Transmission Provider and the Transmission Customer are to be designed and constructed to allow clearance of equipment using isolation devices. Isolation devices must produce a visible air gap between the energized facilities and the equipment to be worked on. Operating procedures associated with this interconnection must comply with the Transmission Provider's Accident Prevention Manual and also with the Transmission Customer's safety manual as specified in writing by the Transmission Customer.

(c) Access to Interconnected Facilities

(1) Each Party agrees to grant permission to the other to enter its property to perform operations and maintenance, meter reading, inspection or removal of the other's equipment and facilities installed on the first Party's property.

(2) In providing the above permission, the first Party waives no rights or remedies with respect to any injury, loss or damage resulting from the other's activities on the first Party's property.

7. RESOURCE AND INTERCONNECTION PRINCIPLES AND REQUIREMENTS

(a) Remedial Action Schemes

(1) The Transmission Customer may be required (at its cost), to provide or assure the provision of it's pro rata share of RAS required to support the transmission capability of the transmission paths the Transmission Customer uses.

(2) If the Transmission Customer is required to provide RAS, then the Transmission Provider and the Transmission Customer shall jointly plan and coordinate the implementation of the RAS. No Party shall unduly withhold consent regarding the implementation of the RAS. The Transmission Customer may implement the required RAS where it chooses on its system, as long as the required level of ECA is obtained. The level of reliability of the RAS design on the Transmission Customer's system shall be at least equal to the level of reliability employed in the design of the overall RAS required to support the transmission capability of the transmission path the Transmission Customer uses.

(A) The Transmission Customer's contribution to the total operational responsibility for the RAS shall be the ratio of the Transmission Customer's usage of the Transmission Provider's share of the transmission path, to the total rating of the Transmission Provider's share of the transmission path.

(B) The Transmission Provider shall provide the appropriate control signals to the Transmission Customer.

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(C) The Transmission Customer shall provide the necessary equipment to receive and transmit control signals to and from its transmission, generation and control center facilities to arm and initiate the appropriate ECA or actions determined by the Transmission Provider.

(3) Additional information regarding RAS can be found in the Technical Requirements For Interconnection To The BPA Transmission Grid.

(b) Operation of Resources

(1) The Transmission Customer shall operate its generation resources that interconnect with the Transmission Provider's Transmission System or which are located in the Transmission Provider's Balancing Authority in a manner consistent with Good Utility Practice, and the standards, criteria and requirements of NERC, WECC, NWPP, the Transmission Provider and any applicable reliability authority.

(2) The Transmission Customer shall pay the cost of necessary communications installations, and modification of the Transmission Provider's computer hardware and software, including accommodating the Transmission Customer's decisions to change Balancing Authorities.

(3) Any resources used by the Transmission Customer to meet its Operating Reserve obligations to the Transmission Provider's Balancing Authority shall meet the same NERC, WECC, NWPP and other applicable requirements, practices and procedures as the Transmission Provider's generating resources providing these same services including, AGC capability, reserve availability, ramp rate, governor response, random testing and a monthly startup test.

(c) Interconnection with Third Parties

(1) Each Party shall cooperate with other interconnected systems in establishing arrangements or mitigation measures to minimize operational impacts on the other Party's system.

(2) Each Party recognizes that a Party's proposed new interconnection or modification of an existing interconnection between its system and the system of a Third Party, may cause adverse effects on the system of the other Party. The Party making such interconnection or modification shall minimize or otherwise compensate for adverse operational impacts to the other Party's system.

(d) Interconnection with the Transmission Provider

The Transmission Customer shall plan, construct, operate and maintain its facilities and system that interconnect with the Transmission Provider's Transmission System in accordance with Good Utility Practice, including, but not limited to, all applicable guidelines of NERC, WECC and NWPP, the Transmission Provider and any applicable reliability authority, and generally accepted regional practices.

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Additional information regarding Interconnection Requirements can be found in the Technical Requirements For Interconnection To The BPA Transmission Grid.

(e) Generation Integration

(1) Resources connected directly to the Transmission Provider's Transmission System or which are in the Transmission Provider's Balancing Authority are subject to compliance with the Transmission Provider's generation integration requirements, Good Utility Practice and all applicable standards of NERC, WECC, NWPP, the Transmission Provider and any applicable reliability authority, and any generally accepted regional practices that are adopted by the Transmission Provider.

All resources integrated into a Transmission Customer's system which, by virtue of their point of interconnection, are capable of energizing the Transmission Provider's facilities, must comply with safety requirements of the above standards, including those for relay protection, insulation coordination, switchgear and safety. This requirement typically applies to generators that are integrated into a system that is connected radially from a tapped Transmission Provider transmission line or Transmission Provider substation. With respect to other resources integrated into a Transmission Customer's network, all points of interconnection between the Transmission Provider and the Transmission Customer must be operated and maintained in a manner consistent with Good Utility Practice.

(2) The Transmission Customer agrees to notify the Transmission Provider a minimum of eighteen (18) months prior to energization of a resource if such resource is expected to impact the Transmission Provider's Transmission System.

(f) The Transmission Provider has the right to revise the Technical Requirements for Interconnection to the BPA Transmission Grid as it deems necessary or appropriate. Upon request, the Transmission Provider shall provide to the Transmission Customer a copy of the Technical Requirements, including any revisions thereto.

8. CUSTOMER INFORMATION REQUIREMENT

The Transmission Customer shall provide to the Transmission Provider load forecasts, generation forecasts, schedules and any other information necessary to implement Curtailment, Load Shedding and congestion management procedures, and for ATC computations when requested by the Transmission Provider.

9. POWER QUALITY

Requirements and information regarding Power Quality can be found in the Technical Requirements For Interconnection To The BPA Transmission Grid.

10. SERVICE INTERRUPTIONS

(a) Temporary Load Shifts and Maintenance Notification

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(1) The Parties may temporarily curtail, reduce or shift deliveries of electric power if any such Party determines that such Curtailment, reduction or load shift is necessary or desirable in case of system emergencies or operational constraints on the system of either Party, or to install equipment in, make repairs to, make replacement within, conduct investigations and inspections of, or perform other maintenance work on the Parties' facilities. To the extent reasonable or appropriate, the Parties shall use temporary facilities or equipment to minimize the effect of any such interruption, reduction or load shift.

(2) The Transmission Customer must submit a report concerning any such curtailment, reduction or load shift on its transmission system to the Transmission Provider within four (4) days of such curtailment, reduction or load shift. Reports may be made by telephone, mail or other electronic processes. The point of contact for each Party shall be designated pursuant to the Service Agreement. On receipt of the Transmission Customer's report, the Transmission Provider shall adjust the Transmission Customer's billing determinants pursuant to the Transmission Provider's billing procedures. If the Transmission Customer does not submit the report within four (4) days of the curtailment, reduction or load shift, the Transmission Provider shall assess charges based on available data.

(b) Additional information regarding Service Interruptions can be found in the Technical Requirements For Interconnection To The BPA Transmission Grid. See paragraph 5(j) above.

11. EMERGENCY PLANNING AND OPERATION

(a) The Transmission Provider shall be responsible for planning, coordinating and implementing emergency operation schemes. Examples of such schemes include the NWPP under- frequency Load Shedding program, the under- voltage Load Shedding program and the system restoration plan. There may be additional schemes that meet the NWPP, WECC and applicable reliability authority planning objectives. If the Transmission Provider identifies reliability objectives beyond the NWPP, WECC and applicable reliability authority planning objectives, they shall be communicated to the Transmission Customer(s). The need to identify additional objectives may involve anticipated reduction in system restoration time following blackout or brownout emergencies.

(b) The Transmission Customer shall:

(1) participate in the development and implementation of Load Shedding programs for system security;

(2) install and maintain the required Load Shedding relays, including under-frequency and under-voltage relays; and

(3) participate in system restoration planning. Disputes with any of the requirements specified by the Transmission Provider shall be resolved through the dispute resolution process described in the Tariff.

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Additional information regarding Emergency Planning and Operation can be found in the Technical Requirements For Interconnection To The BPA Transmission Grid.

12. INFORMATION AND METERING REQUIREMENTS

Requirements and information regarding Information and Metering Requirements can be found in the Technical Requirements For Interconnection To The BPA Transmission Grid.

13. METERING COSTS

(a) Metering of Existing Facilities

The Transmission Provider shall be responsible for costs of all Transmission Provider-required new meter installation or meter replacements at a Transmission Customer facility existing on the Effective Date of this Service Agreement.

The Transmission Customer shall be responsible for the costs of:

(1) Any meter replacement or new installation at points of delivery which are not required to achieve the best overall plan of service (convenience points of delivery); and

(2) Any meters needed because the Transmission Customer changes Balancing Authorities or is displacing transmission from the Transmission Provider; and/or meters requested by the Transmission Customers.

(b) Metering of New Transmission Customer Facilities

The Transmission Provider shall be responsible for costs associated with installation of the Transmission Provider-approved metering at new facilities established after the Effective Date of this Service Agreement that are connected to the Transmission Provider's Transmission System.

The Transmission Customer shall be responsible for the costs of the Transmission Provider approved metering for:

(1) all points of generation (resource) integration;

(2) all AGC interchange points; and

(3) all other points of electrical interconnection, including convenience points of delivery.

14. COMMUNICATIONS

Requirements and information regarding Communications can be found in the Technical Requirements For Interconnection To The BPA Transmission Grid.

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ATTACHMENT H

Annual Transmission Revenue Requirement

For Network Integration Transmission Service

(Intentionally Omitted)

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ATTACHMENT I

Index Of Network Integration Transmission Service Customers

A list of Network Integration Transmission Service customers and Service Agreements can be found on BPA's OASIS.

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ATTACHMENT J
Procedures for Addressing Parallel Flows

The North American Electric Reliability Corporation's ("NERC") Qualified Path Unscheduled Flow Relief for the Western Electricity Coordinating Council (WECC), Reliability Standard WECC-IRO-STD-006-0 filed by NERC in Docket No. RR07-11-000 on March 26, 2007, and approved by the Commission on June 8, 2007, and any amendments thereto, are hereby incorporated and made part of this Tariff. See www.nerc.com for the current version of the NERC's Qualified Path Unscheduled Flow Relief Procedures for WECC.

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ATTACHMENT K

TRANSMISSION PLANNING PROCESS

PART I

INTRODUCTION

The objective of the biennial Transmission Provider process is to develop a transmission plan that cost effectively meets safety, reliability, economic, environmental and other objectives. The Transmission Provider will conduct its planning process in an open, coordinated, and transparent manner.

The Transmission Provider's biennial transmission planning process will include a series of open planning meetings that will allow anyone, including network and point-to-point customers, interconnected neighbors, regulatory and state bodies and other Persons, to provide input into and comment on the Transmission Provider's development of a ten year plan for the Transmission Provider's Transmission System ("BPA Plan").

The Transmission Provider also will communicate regarding its transmission planning with neighboring transmission providers and Interested Persons in the ColumbiaGrid planning process, which is a process that is open to everyone. Part IV of this Attachment K is based on the ColumbiaGrid Planning and Expansion Functional Agreement (or "PEFA") which is posted on the ColumbiaGrid Website. Capitalized terms used in this Attachment K are defined in Appendix A to this Attachment K or elsewhere in this Tariff.

The Transmission Provider participates in coordinated planning throughout the Western Interconnection as a whole through its membership in the Western Electricity Coordinating Council ("WECC") and participation in the WECC Transmission Expansion Planning Policy Committee ("TEPPC"). TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs congestion studies at the Western Interconnection level.

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PART II

RESPONSIBLITIES UNDER ATTACHMENT K

The planning processes described in this Attachment K are intended to result in plans for the Transmission Provider's Transmission System which are updated biennially. This planning process will support the responsibilities of the Transmission Provider under other provisions of its OATT to provide transmission and interconnection service on its Transmission System.

This Attachment K describes the process by which the Transmission Provider intends to coordinate with its Transmission Customers, neighboring transmission providers, affected state authorities, and other stakeholders. Neither this Attachment K, nor the BPA Plan, dictates or establishes which investments identified in a BPA Plan should be made, or how costs of such investments should be recovered. The Transmission Provider will decide which of such identified investments it will make taking into consideration information gathered in the planning process described in this Attachment K, and any process required by the National Environmental Policy Act, but retains the discretion to make such decisions in accordance with applicable statutes and policies.

This Attachment K describes a planning process that contemplates actions by not only the Transmission Provider and its customers under this Tariff, but also others that may not be bound to comply with this Attachment K, such as other transmission providers (and their transmission or interconnection customers), States, Tribes, WECC, sub-regional planning groups, and other stakeholders and Interested Persons. The Transmission Provider may be obligated as specified elsewhere in this Attachment K to participate in planning activities, including providing data and notices of its activities, and soliciting and considering written comments of stakeholders and Interested Persons. However, this Attachment K contemplates cooperation and activities by entities that may not be bound by contract or regulation to perform the activities described for them. Failure by any entity or Person other than the Transmission Provider to cooperate or perform as contemplated under this Attachment K, may impede or prevent performance by the Transmission Provider of activities as described in this Attachment K. The Transmission Provider shall use reasonable efforts to secure the performance of other entities with respect to the planning activities described in this Attachment K, but shall have no other or additional obligation for, or for ensuring, the cooperation or performance by any other entity described in or contemplated by this Attachment K. For example, if and to the extent any Transmission Customer or other entity fails to provide suitable data or other information as required or contemplated by this Attachment K, the Transmission Provider cannot effectively include such customer and its needs in the Transmission Provider's planning.

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PART III

THE BPA PLANNING PROCESS

1. Overview

The Bonneville Power Administration (BPA) is a federal power marketing agency based in the Pacific Northwest and located within the Western Electricity Coordinating Council reliability region. BPA's service territory includes Idaho, Oregon, Washington, western Montana and certain adjacent parts of eastern Montana, California, Nevada, Utah and Wyoming, as described in 16 U.S.C. § 839a(14).

BPA's Planning Process is a biennial process by which BPA

- Assesses performance of its Transmission System.
- Develops system reinforcement plans expected to allow BPA's Transmission System to meet applicable Planning Criteria and standards (as defined in Section 3, below, for Part III of this Attachment K) throughout BPA's 10 year planning horizon.
- Addresses reliability needs and service requests on the Transmission Provider's system.
- Considers plans and proposed projects developed by neighboring systems, sub-regional and regional planning processes.
- Develops plans of service from a one-utility perspective.
- Meets economic, environmental and other objectives of the system.
- Informs customers and interested persons and its budget process of the need and timing for expenditure of funds necessary to meet its obligations to provide reliable transmission service to all of its customers.
- Provides customers, stakeholders, and interested parties meaningful opportunities to participate in the development of BPA's plans.
- Considers all resources on a comparable basis.

BPA will involve its customers and interested persons in its planning process through the following:

- Inviting customers and interested parties to participate in BPA's Planning Process, including meetings specifically designed to gather input and comment during the phases of the Planning Process.
- Sharing for comment planning studies and supporting assumptions throughout the Planning Process.
- Posting the BPA Plan and the availability of supporting studies and results on its OASIS System Planning website.
- Posting on its OASIS System Planning page contact information for planning related questions, including an e-mail address for interested persons to submit questions or provide comments; and, as available, posting contact information for specific projects.

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- Developing business practices with input from customers and stakeholders to facilitate implementation of this Attachment K.
- Participating in the ColumbiaGrid planning process.
- Participating in the WECC/TEPPC process.

2. Sequence of BPA Planning Process

The Transmission Provider's biennial planning cycle results from a 33 month Planning Process, the last nine months of which overlap the next 33 month Planning Process, resulting in a biennial BPA Plan. The first Planning Process will commence January 2008.

2.1 Year 1 (the first January 1 – December 31 period of the Planning Process). The Transmission Provider will:

2.1.1 Request and receive updated information from customers about loads, generation, and demand response resources during the planning horizon, as specified in section III.6, below. This information is due from customers by March 1.

2.1.2 Develop base cases using the customer information provided under section III.2.1.1 in preparation for performing the studies identified in section III.2.2, below.

2.1.3 Develop assumptions and methodologies, identify applicable Planning Criteria and standards for the Planning Process, post notice of the availability of such assumptions, methodologies, Planning Criteria and standards on the System Planning page of its OASIS website. The Transmission Provider will update the posting with revised information.

2.1.4 Customers and stakeholders may submit Economic Study requests as specified in section III.8.2 not later than October 31 for performance of studies in the following year.

2.1.5 The Transmission Provider will meet with stakeholders and interested persons to review the existing BPA Plan (during 2008 only this review will be of an existing Transmission Provider plan), discuss and receive comment on assumptions, methodologies, and criteria for future planning studies, and discuss the Economic Study requests submitted pursuant to section III.2.1.4 and possible Economic Studies.

2.1.6 As described in section III.8.2, below, the Transmission Provider will decide which Economic Study requests are priority requests to be performed by Transmission Provider, and subsequently forwarded to ColumbiaGrid, which requests will be forwarded to WECC/TEPPC, and which requests are not high priority requests, and post the decision on the Transmission Provider's System Planning page.

2.2 Year 2 (the second January 1 – December 31 period of the Planning Process). The Transmission Provider will:

2.2.1 After consideration of the input received from interested parties, the Transmission Provider will update and finalize planning assumptions, and post the availability of such assumptions on the System Planning page of its OASIS website.

2.2.2 Conduct system screening studies to identify potential violations of Planning Criteria on Transmission Provider's Transmission System during the planning horizon. The

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Transmission Provider will post the availability of a summary of the preliminary results of the screening studies on the System Planning page of its OASIS website.

2.2.3 Initiate high priority Economic Studies of Transmission Provider's system as specified in section III.8.2. Transmission Provider will post the availability of initial Economic Study results on the System Planning page of its OASIS website as specified in section III.8.3.

2.2.4 Meet with customers and interested persons to discuss results of system screening studies, possible system upgrade needs for Requested Service Projects, and to discuss initial Economic Study results as specified in section III.8.3 and invite their input.

2.2.5 Transmission Customers and interested persons may submit Economic Study requests as specified in section III.8.2 not later than October 31 for performance of studies in the following year.

2.3 Year 3 (the third January 1 – September 30 of the Planning Process). The Transmission Provider will:

2.3.1 Commence the next Planning Process in January, following the steps described above starting with section III.2.1.1.

2.3.2 Identify conceptual solutions to: (a) projected violations of Planning Criteria identified in the system screening studies conducted as provided in section III.2.2.2, above, and (b) satisfy new service requests. The Transmission Provider will post notice of the availability of such conceptual solutions on its System Planning page. For solutions that affect more systems than the Transmission Provider's Transmission System, Transmission Provider will advance the conceptual solutions in the ColumbiaGrid planning process.

2.3.3 Meet with customers and interested persons to discuss conceptual solutions that affect only the Transmission Provider's Transmission System and to discuss the Economic Study requests submitted pursuant to section III.2.2.5 and possible Economic Studies. If there is significant interest in any of the identified solutions that affect only the Transmission Provider's system, meet with interested persons to discuss such solutions and invite input.

2.3.4 As described in section III.8.2, decide which Economic Study requests are priority requests to be performed by Transmission Provider, which requests will be forwarded to ColumbiaGrid, and which requests are not high priority requests. Transmission Provider will post the decision on the Transmission Provider's OASIS System Planning page.

2.3.5 Initiate high priority Economic Studies of Transmission Provider's Transmission System. In accordance with section III.8.3, Transmission Provider will post initial study results on the System Planning page of its OASIS website.

2.3.6 Determine which conceptual solutions require development of draft plans of service in the current Planning Process and develop draft plans of service, cost estimates, and economic analyses for such draft plans. Post the availability of such plans, estimates, and analyses on the System Planning page of Transmission Provider's OASIS website. Posted draft plans of service that affect more than the Transmission Provider's Transmission System will be considered in coordination with the ColumbiaGrid planning process.

2.3.7 In coordination with the ColumbiaGrid planning process, meet with interested persons to present, discuss, and receive comments on the draft plans of service, cost estimates,

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and economic analyses developed pursuant to section III.2.3.6 and, in accordance with section III.8.3, to discuss the initial results of high priority Economic Studies performed pursuant to section III.2.3.5.

2.3.8 Develop preferred plans of service.

2.3.9 Adopt the BPA Plan. The Transmission Provider will post its finalized BPA Plan on the System Planning page of its OASIS website.

3. Planning Criteria

The Transmission Provider shall apply, as applicable, the then-current versions of the following as planning standards and criteria:

(i.) planning standards applicable to the Transmission Provider pursuant to law or regulation;

(ii.) NERC/WECC planning standards and criteria;

(iii.) BPA Reliability Criteria or other transmission planning criteria and guidelines adopted by the Transmission Provider.

The Transmission Provider will maintain an updated posting of a link to such planning standards and criteria on its OASIS System Planning page.

4. BPA Plan

4.1 Scope of BPA Plan

The BPA Plan will cover a 10 year planning horizon. The BPA Plan will include a brief narrative description of the Need, the preferred solution, an estimated cost, and estimated schedule for completion of the solution. The BPA Plan will also reflect any plans for facilities needed to provide requested interconnection or transmission service on the Transmission Provider's system. Transmission Provider will post a draft of its biennial plan on its OASIS System Planning page for comment, and shall consider such comments in developing its final BPA Plan. The assumptions, applicable Planning Criteria, and methodologies used in the Plan will be posted in accordance with section III.2.1.3.

4.2 Consideration of Alternatives

4.2.1 With respect to any alternative solution considered by the Transmission Provider for inclusion in the BPA Plan, including both transmission and non-transmission alternatives proposed by the Transmission Provider or by customers or interested persons, the Transmission Provider shall evaluate such alternative using criteria that include the following:

(i) degree of development of alternative;

(ii) relative economics and effectiveness of performance;

(iii) coordination with any affected Transmission Systems; and

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(iv) consistency with the planning standards and criteria listed in section III.3, above.

4.2.2 Customers and interested persons may propose alternatives to be considered by the Transmission Provider in developing the BPA Plan at any time after notice of availability of the screening study results pursuant to section III.2.2.2 until the end of the period for comments on the draft plans made available pursuant to section III.2.3.7.

5. Participation

Participation in the Planning Process described in section III of this Attachment K will be open to all interested parties, including but not limited to all transmission and interconnection customers, state authorities, tribal representatives, and other stakeholders.

5.1 BPA Transmission Planning Interested Persons List

The BPA Transmission Planning Interested Persons List includes all existing Network Transmission (NT), Point to Point (PTP), and customers receiving service under non-OATT transmission contracts ("Grandfathered Transmission Service Customers") and other persons who sign up on the Transmission provider's OASIS website to be on the list. The Transmission Provider will provide email notification to the BPA Transmission Planning Interested Persons List regarding the development of a new planning project or study effort that may arise as part of the planning process, or other significant events, and invite them to participate in related planning meetings.

5.2 Planning Meetings

The Transmission Provider provides opportunities for customers and interested persons to participate in the Planning Process by conducting a series of open public meetings throughout the Planning Process as described below. The Transmission Provider may hold additional planning meetings.

In addition to the purposes specifically described below, the purpose of the Planning Meetings is to discuss the Transmission Provider's anticipated planning studies, receive input to consider in evaluation and performance of the planning studies, and to inform customers and interested persons of the results of planning studies and the status of pending projects. The Transmission Provider will post information that it will make available at each meeting, and identify the analytical tools used to conduct studies made available, on its OASIS System Planning page prior to the meeting. Transmission Provider will receive comments submitted within five business days after the meeting, unless the Transmission Provider specifies a different comment period.

5.2.1 Planning Meeting I

Planning Meeting I will be held during the October-December quarter of the first year of the Planning Process.

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The Transmission Provider will present the BPA Plan from the Transmission Provider's previous biennial Planning Process. The Transmission Provider will also discuss updates to the data, assumptions, criteria, and methodologies to be used in the pending Planning Process and receive comment. Transmission Provider will also discuss the Economic Study requests previously submitted pursuant to section III.2.1.4 and possible Economic Studies.

The Transmission Provider encourages customers and interested persons to submit any proposed modifications to previously-provided customer data and assumptions so that such changes may be considered in the Transmission Provider's Planning Process; the Transmission Provider requires notification of any proposed changes, in writing.

5.2.2 Planning Meeting II

Planning Meeting II will be held during the April-June quarter of the second year of the Planning Process.

The Transmission Provider will present for discussion the results of its system screening studies. The Transmission Provider will make available its system screening study results, subject to CEII and confidentiality protections, for the upcoming 10-year planning horizon, answer questions, and take comments. In accordance with section III.8.3, the Transmission Provider will also present for discussion and comment the initial results of the high priority Economic Studies identified in section III.2.1.6.

5.2.3 Planning Meeting III

Planning Meeting III will be held during the January - March quarter of the third year of the Planning Process. Transmission Provider may coordinate this meeting with ColumbiaGrid planning meetings.

The Transmission Provider will present for discussion and comment alternative conceptual solutions for reliability needs and to meet transmission and interconnection service requests that affect its own system, and will identify for possible inclusion in the ColumbiaGrid planning process those alternative solutions that affect more than the Transmission Provider's system.

Transmission Provider will also discuss the Economic Study requests previously submitted pursuant to section III.2.2.5 and possible Economic Studies.

5.2.4 Planning Meeting IV

Planning Meeting IV will be held during the April-June or July- September quarters of the third year of the Planning Process. Planning Meeting IV may result in a series of meetings to present, discuss, and receive comments on the draft plans of service, cost estimates, and economic analyses developed pursuant to section III.2.3.6. In accordance with section III.8.3, the Transmission Provider will also present for discussion and comment the initial results of the high priority Economic Studies identified in section III.2.3.4.

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5.2.5 Additional Meetings

In addition to regularly scheduled meetings with interested parties described in this section III.5, Transmission Provider will provide additional opportunity for coordination and participation with interested parties. Such meetings may be held in coordination with the ColumbiaGrid planning process. It is anticipated that the Transmission Provider, either in conjunction with ColumbiaGrid or separately, will endeavor to meet no less frequently than annually with sub-regional planning groups and adjacent transmission providers that are not party to the PEFA.

5.2.6 Meeting Notification

No less than 15 calendar days prior to any Planning Meeting, the Transmission Provider will notify the BPA Transmission Planning Interested Persons List of the meeting by e-mail. The Transmission Provider will also post notice of the meeting on its OASIS System Planning page. Notification will include agenda, meeting location, date, time, and information about any telephone or web-based participation. The Transmission Provider will provide such notification to neighboring sub-regional planning groups and adjacent transmission providers. Transmission Provider will endeavor to post updates to meeting agendas on its OASIS System Planning page.

5.3 Access to and Use of Replication Data From Transmission Provider

Transmission Provider shall use reasonable efforts to provide, or have provided, Replication Data to any customer or interested person upon receipt by Transmission Provider of written request for such Replication Data. Access to and use of any Replication Data shall be subject to CEII restrictions, applicable legal restrictions, and any restrictions on access or use reasonably imposed by Transmission Provider. Further, such access by such entities to such data that Transmission Provider has received from any other entity may be subject to any restrictions on access to such data imposed by such entity. For example, any access to data such as Replication Data that constitutes WECC base case data by any entity is subject to any restrictions on access to data imposed by WECC.

Any customer or interested person that receives any Replication Data from Transmission Provider shall use such Replication Data only for the purpose of evaluating the results of Transmission Provider's planning studies performed pursuant to this Attachment K that underlie the BPA Plan.

6. Information Exchange

6.1 Customer Information

Customers will submit the following information to Transmission Provider by March 1 of Year 1 of each Planning Process. The Transmission Provider and any other entity providing projected or forecasted data with respect to any load, generating resource (or any addition, upgrade, retirement or environmental or other operating restriction with respect to such resource), demand response resource, or need for transmission service shall use reasonable efforts to provide a good faith projection or forecast thereof. Transmission Provider will establish a business practice regarding the format and procedures for submission of data, and other matters concerning the data to be submitted.

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6.1.1 Network Customer Data

Each Network Customer shall provide to Transmission Provider the following data:

(i) forecast information for load and resources for at least the following 10-year period. Such forecast information shall include the amount and location of projected load growth, load characteristics, and good faith estimates of resource size, location, and type of generation for resource requirements;

(ii) identification of projected demand response reductions; and

(iii) any other data reasonably requested by Transmission Provider from such Network Customer in connection with planning activities pursuant to this Attachment K.

Any data to be provided by a Network Customer pursuant to this section III.6.1.1 is in addition to and does not substitute for any data such Network Customer is otherwise required to provide to Transmission Provider pursuant to NERC Standards or under other sections of the Tariff, unless otherwise agreed in writing by the Transmission Provider.

6.1.2 Point-to-Point Customer Data

Any Point-to-Point Customer and any entity that receives Grandfathered Transmission Service from the Transmission Provider shall provide to Transmission Provider the following data:

(i) projections of need for Point-to-Point Transmission Service or other transmission service for at least the following 10-year period, including transmission capacity, duration, receipt and delivery points, and location of generation sources and sinks;

(ii) any other data reasonably requested by Transmission Provider from such Point-to-Point Transmission Customer or Grandfathered Transmission Service Customer in connection with planning activities pursuant to this Attachment K

Any data to be provided by a Point-to-Point Customer or Grandfathered Transmission Service Customer pursuant to this section III.6.1.2 is in addition to and does not substitute for any data such customer is otherwise required to provide to Transmission Provider pursuant to NERC Standards or under other sections of the Tariff, unless otherwise agreed in writing by the Transmission Provider.

6.2 Demand Response Resource Data

6.2.1 Customer Demand Resources

Any stakeholder may provide to Transmission Provider the following data ("Demand Response Resource Data") with respect to any demand response resource or Non-Transmission Alternative:

(i) existing and planned demand response resources and any other Non-Transmission Alternatives and their impacts on forecasted demand and peak demand reduction; and

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(ii) any other data reasonably requested from such stakeholder by Transmission Provider in connection with planning activities pursuant to this Attachment K.

Loads and resources submitted under sections III.6.1 and III.6.2 are modeled in base cases and are therefore included on a comparable basis in system assessments performed in accordance with section III.2.2.2., and in other studies.

6.2.2 Transmission Provider Demand Resources

As part of planning solutions for identified Needs on its system in accordance with section III.2.3.2(a), the Transmission Provider will conduct an Agency-level assessment of whether a Non-Transmission Alternative may be developed to address the Need. The Transmission Provider will determine, using the criteria listed in section III.4.2.1, above, whether to implement any such Non-Transmission Alternative.

6.3 Use of Data

Any data may be used by Transmission Provider without restriction (but subject to any applicable confidentiality and CEII restrictions) in its planning activities under this Attachment K and in Transmission Provider's other planning activities or studies, such as studies in response to requests for transmission service or interconnection.

Transmission Provider shall have no obligation under this Attachment K or the Tariff to evaluate the validity or accuracy of any data but may so evaluate the validity or accuracy of any such data if the Transmission Provider determines such evaluation to be appropriate and reasonable. Similarly, the Transmission Provider shall have no obligation to use any data for any purpose under this Attachment K that Transmission Provider determines to be inappropriate or unreasonable for such use and may, in lieu thereof, substitute data that the Transmission Provider determines to be appropriate and reasonable for such use.

6.4 Critical Energy Infrastructure Information and Confidential Information

The Transmission Provider will establish a business practice with input from customers and stakeholders regarding protection of critical energy infrastructure information ("CEII") and confidential information. The business practice will include requirements for customer and stakeholder access to CEII and confidential information in the Planning Process.

6.4.1 Nothing in this Section 6 shall require (i) any entity not to comply with any obligation imposed on it pursuant to Commission Order No. 890 to restrict disclosure of CEII, or (ii) the Transmission Provider not to comply with any confidentiality obligations imposed on Transmission Provider by WECC as a condition of receipt by Transmission Provider of any WECC Data.

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6.4.2 Transmission Provider CEII and Confidential Information

The BPA Plan and other Transmission Provider studies, data and assumptions may contain confidential information or that would be identified as CEII by the Commission. Such confidential information and CEII will be included in separate appendices so that the body of such studies and assumptions can be provided to all parties in an open manner.

7. Dispute Resolution

For disputes that arise in the Planning Process, the Transmission Provider will follow the provisions of Part VI of this Attachment K.

8. Economic Planning Studies

8.1 General

As described below, the Transmission Provider will perform or cause to be performed Economic Studies that are requested by a customer(s), interested person(s), or the Transmission Provider's transmission planning function to estimate the costs and benefits of transmission projects and that are selected for study under the procedures described below. Regional and sub-regional Economic Studies will be coordinated with other entities through ColumbiaGrid or WECC, as provided in section IV.13, below.

8.2 Requests for Economic Studies

Any customer, interested person, group of customers or interested persons, or the Transmission Provider's transmission planning function, may submit a request for an Economic Study to Transmission Provider. All requests shall be submitted to Transmission Provider electronically in accordance with a business practice established by the Transmission Provider. Transmission Provider will post each request for an Economic Study on Transmission Provider's OASIS System Planning page.

Not less frequently than twice during each Planning Process, Transmission Provider will hold or cause to be held a public meeting to review each request that has been received for an Economic Study and to receive input on such requests from interested persons. The Transmission Provider may review Economic Study Requests as part of its regularly scheduled Planning Meetings as outlined in section III.5.2 above.

After consideration of such review and input, Transmission Provider will determine

(i) whether, and to what extent, a requested Economic Study should be clustered with other Economic Study requests; and

(ii) whether a requested Economic Study should be considered a high priority. High priority Economic Studies will be funded by the Transmission Provider. Transmission Provider will give high priority to up to 2 Economic Studies per year. Such high priority studies may result from clustering Economic Study requests. Transmission Provider will give priority consideration to requests for Economic Studies: (1) to study the costs of modifications to existing paths on the Transmission Provider's Transmission

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System, or construction of new paths, needed to integrate either locally, sub-regionally, or regionally, aggregated new generation or load, (2) to requests including sufficient information about the locations, characteristics, and sizes of loads and resources to support feasibility of the study, and (3) to requests having broad support. One high priority Economic Study will be identified as a result of an Economic Study request submitted by the Transmission Provider's planning function. One additional Economic Study will be based upon Economic Study requests from customers or interested stakeholders. If the Transmission Provider determines that neither the stakeholders nor the Transmission Provider's transmission planning function has submitted new requests that are for high priority Economic Studies, the Transmission Provider will update the most recent priority Economic Studies.

(iii) Any Economic Studies determined not to be high priority will not be performed by Transmission Provider. However, the Transmission Provider may assist the requestor to find an alternate source for performing the studies and by providing planning information for use by the requestor or alternate source in performing the studies, at the requestor's expense.

(iv) High priority requests that affect transmission systems in addition to the Transmission Provider's system will be coordinated with other transmission owners through ColumbiaGrid. Transmission Provider will assume primary responsibility for leading and performing necessary analytical work at ColumbiaGrid for such studies.

(v) The Transmission Provider will forward Economic Study requests that require production cost analysis to ColumbiaGrid for review and prioritization, and forwarding to TEPPC for performance of studies, in accordance with section IV.13, below.

8.3 Economic Study Results

Transmission Provider will post the availability of initial Economic Study results on the System Planning page of its OASIS website and discuss such initial results at meetings identified for such purpose in section III.5, above. The Transmission Provider may subsequently provide updates or revisions to such study results.

9. Cost Allocation

9.1 For projects affecting the Transmission Provider's and other transmission systems, if the Transmission Provider and other affected transmission system owners are unable to reach agreement on cost allocation through negotiation, the Transmission Provider may use the ColumbiaGrid planning process under the PEFA, or another subregional planning process applicable to such project, to mediate, recommend, or develop a cost allocation. The ColumbiaGrid cost allocation process is described in section IV.11, below. Costs of such projects that are allocated to the Transmission Provider will be allocated to Customers in the Transmission Provider's transmission rates as appropriate in rate proceedings under section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i).

9.2 The costs of projects on the Transmission Provider's Transmission System are allocated to transmission rates in rate proceedings under section 7(i) of the Northwest Power Act,

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16 U.S.C. § 839e(i). The allocation of costs to transmission rates is described in documents filed by the Transmission Provider in such transmission rate proceedings, including the Administrator's Record of Decision in such proceedings.

10. Cost Recovery for BPA Planning Process Participation

For participants within the Transmission Provider's service area, meetings will be held in a central location with minimal costs to participants. If stakeholders are unable to participate in the local Planning Process, the Transmission Provider will provide electronic and hardcopies of all meeting materials upon request.

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PART IV

THE COLUMBIAGRID TRANSMISSION PLANNING PROCESS

1. Introduction

The Transmission Provider participates in regional planning as a party to the PEFA. ColumbiaGrid is a non-profit membership corporation whose purpose is to promote, in the public interest, coordinated and reliable planning, expansion, and operation of the interconnected transmission systems in the Pacific Northwest, taking into consideration environmental concerns, regional interests, and cost-effectiveness.

The PEFA provides that, each Planning Cycle, ColumbiaGrid is to develop and review a Draft Biennial Plan and is to adopt, by majority vote of the Board, a Biennial Plan. The PEFA also provides that the first Biennial Plan is to be adopted as soon as practicable, but in no event later than a date in the last quarter of 2009.

Although the planning process identified in the PEFA is described sequentially, it is anticipated that the planning activities under the PEFA will be performed on a flexible, iterative, and non-sequential basis. In the event of any conflict between (i) the description in this Attachment K of the PEFA and (ii) the PEFA on file with the Commission, the PEFA shall control.

2. Planning Criteria

Under section 2 of Appendix A of the PEFA, ColumbiaGrid shall apply the then current versions of the following as Planning Criteria for its system assessment, System Assessment Reports, and Needs Statements:

(i) planning standards applicable to TOPPs pursuant to law or regulation;

(ii) NERC/WECC planning standards;

(iii) recognized regional planning or other reliability or transmission adequacy criteria developed by the consensus of the TOPPs for use on the Transmission Systems (ColumbiaGrid may sponsor a process for development of such criteria); provided that a TOPP may have other planning criteria that are more stringent than the ColumbiaGrid standards for use on its own system; and

(iv) with respect to planning criteria applicable to any particular TOPP, such additional criteria then accepted by such TOPP and communicated to ColumbiaGrid by written notice; provided that any such additional criteria shall apply only to such TOPP.

By participating in a Study Team, ColumbiaGrid intends that Study Team participants will have access to specific Planning Criteria as they are being applied to the Project as it is developed by a Study Team.

In addition, with respect to any alternative proposed by a Study Team participant, including a Project being considered by such Study Team, ColumbiaGrid is to evaluate such alternative using criteria that include the following:

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(i) degree of development of alternative;

(ii) relative economics and effectiveness of performance;

(iii) coordination with any affected Transmission Systems; and

(iv) consistency with applicable state, regional and federal planning requirements and regulations.

3. System Assessment Report and Need Statements

Each year, ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, shall, consistent with section 3 of Appendix A of the PEFA, prepare a Draft System Assessment Report and Draft Need Statements for the Biennial Plan then being developed; provided that Draft Need Statements need not be prepared for a Draft System Assessment Report for the second year of a Planning Cycle for any Need already identified in the previous system assessment or for any Need that does not require a Near-Term EOP solution. Under the PEFA, the procedure for the preparation of the Draft System Assessment Report and Draft Need Statements is to be as follows:

(i) ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to perform a system assessment through screening studies of the RIS using the Planning Criteria to determine the ability of each TOPP to serve, consistent with the Planning Criteria, its network load and native load obligations, if any, and other existing long-term firm transmission obligations that are anticipated to occur during the Planning Horizon. ColumbiaGrid is to base such assessment on the then current and appropriate WECC planning base cases; provided that Planning Parties are to provide updates to the input previously provided to ColumbiaGrid pursuant to section 4.6 of the PEFA that was used by WECC to develop the planning base case. ColumbiaGrid is to update the then current WECC planning base case to reflect such updated information so that the system assessment reflects on-going transmission Projects on the RIS and the likely completion dates of such Projects to the extent such Projects and completion dates are reasonably forecasted to occur prior to the end of the Planning Horizon. ColumbiaGrid is to post drafts of the system assessment results as they become available during the system assessment process on its Website subject to any appropriate conditions to protect Confidential Information and CEII.

(ii) ColumbiaGrid, in coordination with Planning Parties and Interested Persons, is to prepare a Draft System Assessment Report. Such Draft Report is to identify Needs that the system assessment has projected to occur during the Planning Horizon.

(iii) ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to develop conceptual transmission solutions to any Need that is not expected to result in a Single System Project. ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to then identify which of such Needs and related conceptual solutions are likely to result in Near-Term EOPs.

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(iv) ColumbiaGrid, in coordination with the Planning Parties and Interested Persons, is to develop a Draft Need Statement for each such Need and its conceptual transmission solution so identified. Each such Draft Need Statement shall include the following information at a minimum:

(1) a narrative description of the Need and the assumptions, applicable Planning Criteria, and methodology used to determine the Need;

(2) one or more conceptual transmission-based solutions to meet the Need with estimated timelines and estimated costs to implement each such solution; and

(3) an indication of whether a non-transmission solution might be viable to eliminate or delay the necessity for such a transmission-based solution.

Under the PEFA, in the event that the Planning Parties, Affected Persons and ColumbiaGrid do not reach consensus on the content of any such Draft Need Statement, Staff is to determine the content of such Draft Need Statement; provided that in making its determination, Staff is to consider any comments and possible transmission solutions suggested by any Planning Party or Affected Person; provided further that ColumbiaGrid is to note in the Draft Need Statement that it determined the content of such statement and is to report the comments of Planning Parties and Affected Persons.

(v) ColumbiaGrid is to post drafts of the Draft Need Statements, as they become available, on the Website subject to any appropriate conditions to protect Confidential Information and CEII.

(vi) ColumbiaGrid, in coordination with the Planning Parties and Affected Persons, is to continue to work on Needs not likely to result in Near-Term EOPs as needed and appropriate over time notwithstanding the fact that Draft Need Statements for such Needs need not be prepared and included in the then current Draft System Assessment Report and Draft Need Statements.

(vii) ColumbiaGrid is to present the Draft System Assessment Report and Draft Need Statements to the Board for review and comment.

4. Study Teams

ColumbiaGrid, under section 4 of Appendix A of the PEFA, is to participate in and, as needed, facilitate and manage Study Teams. Planning Parties are to, and Affected Persons and Interested Persons may, actively participate in ColumbiaGrid planning activities through membership in Study Teams. ColumbiaGrid intends to post information regarding Study Team schedules and procedures for Interested Persons participation on its Website.

4.1.1 Scope of Study Team Activities

The objective of each Study Team for EOPs and Requested Service Projects is to collaboratively and timely develop a Project that, with respect to an EOP, addresses a Need Statement and, with respect to a Requested Service Project that affects more than a single Transmission System, serves the request for service in a manner that meets time constraints in developing a Requested Service Project. Study Teams for Capacity Increase Projects are to limit their activities to identifying and addressing Material Adverse Impacts resulting from such

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Project, if any; provided upon the request of such a Project's sponsor, Study Teams for such Projects may assist the Project's sponsor in the development of other elements of such Project.

As part of the Study Team process, any Study Team participant may propose a transmission or non-transmission alternative to the Project being developed by such Study Team and shall provide information regarding the proposed alternative to assist in the evaluation of such proposed alternative under the criteria in Section 2.

4.1.2 Notice to Potentially Interested Persons

ColumbiaGrid in consultation with each Study Team is to, under section 4.3 of the PEFA, endeavor to notify the following Persons of the formation and scope of activities of such Study Team with respect to a Project: (i) all Affected Persons with respect to such Project, (ii) all Persons potentially interested in such Study Team, and (iii) the Interested Persons List, including Pacific Northwest transmission owners and operators and State and Tribal representatives on the Interested Persons List. ColumbiaGrid is to develop a protocol regarding procedures designed to identify and notify States, including agencies responsible for facility siting, utility regulation, and general energy policy, Tribes, and Pacific Northwest transmission owners and operators that are potentially impacted by Needs or solutions regarding the activities of Study Teams addressing such Needs or solutions. For example, the protocol should include a provision stating that at such time as it becomes apparent to a Study Team that Tribal resources or lands may be impacted, the Study Team should make a reasonable attempt to notify potentially impacted Tribes of its work. ColumbiaGrid may work with the Planning Parties and Pacific Northwest Tribes to compile a database of Tribal lands and culturally significant areas for use under such a protocol.

4.1.3 Participation in Study Teams

Any Planning Party, Affected Person or Interested Person may participate in a Study Team, with the exception that participation in a Requested Service Project Study Team may be limited due to tariffs or applicable law. TOPP(s) that are potentially materially affected by a Need or a Proposed EOP are to participate in the Study Team relating to such Need or Proposed EOP. With respect to an EOP Study Team, the TOPP(s) primarily affected by the Need or a Proposed EOP is to assume primary responsibility for leading and performing necessary analytical work. With respect to a Requested Service Project Study Team, the TOPP(s) receiving a transmission service or interconnection request is to assume primary responsibility for leading and performing necessary analytical work. With respect to a Capacity Increase Project Study Team for which the Project sponsor has requested that the Study Team assist in the development of some or all of the elements of such Project, the Planning Party proposing the Project is to assume primary responsibility for leading and performing necessary analytical work.

At such time that ColumbiaGrid determines that a TOPP that is not involved may be materially affected by the Project being developed, ColumbiaGrid is to so notify such TOPP, and such TOPP is to participate in the Study Team.

ColumbiaGrid is to participate in each Study Team and, as needed, manage and facilitate the Study Team process. ColumbiaGrid is to post drafts of summaries of the progress of the Study Teams, including developing Plans of Service.

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5. Development of EOPs After Development of Needs Statements

5.1 Formation of Study Teams

Staff is to, under section 5.1 of Appendix A of the PEFA, hold a public meeting, with general notice to Planning Parties and Interested Persons and specific notice to those TOPPs that ColumbiaGrid anticipates may be affected, for the purpose of reviewing the Need Statements and soliciting participation in a Study Team to develop an EOP for each Need Statement. Staff is to also consider convening Study Teams that address more than one Need Statement. Staff is to monitor the progress of each Study Team and will, as appropriate, bring Study Teams together in order to resolve differences, gain planning efficiencies, or develop solutions that meet more than one Need Statement.

5.2 Elements of an EOP

Under the PEFA, the Study Team is to collaboratively develop a Proposed EOP. An EOP in a Biennial Plan (or Plan Update) is to include the following: a plan of service describing the modifications to the RIS to be made, list of Persons to make such modifications, estimated costs, schedule, cost allocation, allocation of transmission capacity increased or maintained by an EOP, and appropriate mitigation of Material Adverse Impacts resulting from such EOP; *provided* an EOP is to not impose unmitigated Material Adverse Impacts on the RIS.

5.3 Non-Transmission Alternatives

As part of the Study Team process, the Study Team is to evaluate, using criteria that include those identified in section 2 above, any Non-Transmission Alternative proposed by a Study Team participant. If the Study Team determines that such alternative has a reasonable degree of development, eliminates or defers the Need(s) being studied by the Study Team, and is reasonable and adequate under such criteria, the Non-Transmission Alternative should be noted in the Plan and, if adopted by the Person on whose Electric System it would be located, included in the assumptions used in future system assessments.

5.4 Completion of a Proposed EOP

With respect to a Near-Term EOP, a Proposed EOP is ready for inclusion in a Draft Biennial Plan when all of the following that have actively participated in the Study Team have consented to each element of such EOP: Persons who would be identified as a Designated Person in section 6.1 of the PEFA and any Person who would bear Material Adverse Impacts from such EOP if not for the mitigation included in the EOP.

In the event that such Affected Persons do not reach agreement on any element(s) of a Near-Term EOP, the Staff is to make a recommendation for any unresolved element(s) of a Near-Term EOP and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration. The Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among the Affected Persons, the Staff is to include its recommendation in the Draft Plan. In such event, ColumbiaGrid is to endeavor to make an equitable allocation of the costs of an EOP taking into account (i) the causation of the Need giving rise to such EOP or (ii) the delay or

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elimination during the Planning Horizon of any Need as a result of the EOP. Where there are two affected TOPPs, and one has a Need and the best way to meet that Need is to upgrade facilities on the other TOPP's system, ColumbiaGrid is to allocate costs in a form of a Facilities Agreement to the TOPP causing the Need. ColumbiaGrid may also allocate costs to a TOPP in a Facilities Agreement whose Need does not give rise to the Staff-Recommended EOP but that has a Need during the Planning Horizon that is met by such EOP; provided that ColumbiaGrid is not to allocate costs to such TOPP in an amount that exceeds the cost that would have been incurred by such TOPP had it met its Need with a separate EOP. The Staff is not to allocate costs based upon other potential future system benefits. When the Staff submits the Draft Plan to the Board for approval, the Staff is to identify such elements and shall include a summary analysis of minority positions on any aspect of such Staff-Recommended EOP.

6. Requested Service Projects

6.1 Receipt of Transmission Service or Interconnection Request

Each TOPP is to receive new transmission and interconnection requests in accordance with such TOPP's procedures; provided that if ColumbiaGrid offers a functional agreement to provide processing services for transmission or interconnection requests in addition to those provided in the PEFA, eligible TOPPs may sign such agreement. With respect to any request for transmission service or interconnection received by any Planning Party, nothing in this Attachment K shall preclude any Planning Party from responding if and as such Planning Party determines is appropriate under its Tariff.

6.2 Requested Service Assessment; Formation of Study Teams

When a TOPP has a completed transmission service application, determines that it does not have sufficient capacity to serve such request and reasonably believes that the requested service may impact a transmission system other than that of such TOPP, and the customer has indicated to the TOPP that it wants to pursue further study, such TOPP is to notify ColumbiaGrid that it has a request for a study. ColumbiaGrid is to perform a Requested Service Assessment to determine which transmission systems, including those of non-Planning Parties, are affected.

When a TOPP has received an interconnection request and reasonably believes that such request or a Project to satisfy the request will affect a transmission system other than that of such TOPP, such TOPP is to notify ColumbiaGrid of such request and such determination. ColumbiaGrid is to perform a Requested Service Assessment to determine which transmission systems, including those of non-Planning Parties, are affected.

In each such instance above, ColumbiaGrid is to notify those Persons it determines are potentially Affected Persons and convene a Study Team, which should develop a study agreement in accordance with the TOPP's policies and procedures; provided that participation in Study Teams convened for an interconnection request may, consistent with such TOPP's OATT, be limited to the requesting Person and Affected Persons. ColumbiaGrid, in consultation with

Planning Parties and Interested Persons, is to cluster requests for purposes of performing studies when practical. The TOPP with the request is to inform its transmission or interconnection

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requesting Person regarding the needed study and the estimated costs. If the transmission or interconnection requesting Person is willing to assume the costs of such study and instructs the TOPP to proceed, the Study Team is to develop a solution to provide sufficient capacity to serve the request.

Upon execution of a study agreement, ColumbiaGrid is to (subject to any applicable confidentiality requirements under the OATT under which the transmission or interconnection service request was submitted) post: the request, information concerning any clustering of the request, the identity of the parties to the study agreement, the study schedule, and, from time to time, is to update the posting to provide other pertinent information.

6.3 Elements of a Requested Service Project

The Study Team is to collaboratively develop a Proposed Requested Service Project. Each TOPP that receives a transmission service or interconnection request is to retain its obligation under its OATT to perform studies, with participation of the requestor as appropriate in accordance with the TOPP's procedures. A Requested Service Project in a Biennial Plan (or Plan Update) is to include a Plan of Service, estimated costs, transmission capacity allocation, cost and ownership allocation, and schedule.

6.4 Completion of a Proposed Requested Service Project

A Proposed Requested Service Project is ready for inclusion in a Draft Plan when (i) all of the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team have agreed to each element of such Requested Service Project, (ii) the Study Team has confirmed that such Project meets the request and has appropriately mitigated Material Adverse Impacts resulting from such Project on any transmission systems, and (iii) the requestor has agreed to pursue the Project. Such Requested Service Project may be memorialized in a project agreement prior to its inclusion in a Draft Plan and, in such instance, is being included in such Draft Plan for information purposes. In the event that such Affected Persons do not reach agreement on a Requested Service Project in whole or in part within a reasonable time, Staff is to make a recommendation for any unresolved element(s) and may, as the Staff finds appropriate, present fully-developed alternatives for the Board's consideration. The Staff is to inform the Study Team regarding its recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement amongst the Affected Persons, the Staff is to develop a recommended Plan of Service. If there is an accompanying Need which can be delayed or eliminated by the Requested Service Project within the Planning Horizon, ColumbiaGrid is to endeavor to make an equitable allocation of costs of such Staff-Recommended Requested Service Project based upon the affected TOPP's OATT requirements and the delay or elimination of the Need. ColumbiaGrid may allocate costs in a Facilities Agreement to a TOPP that has a Need during the Planning Horizon that is met by the Requested Service Project; provided that ColumbiaGrid is not to allocate costs in an amount that exceeds the cost that would have been incurred by such TOPP had it met its Need with a separate EOP. The Staff is to not allocate costs based upon other potential future system benefits. A Staff-Recommended Requested Service Project is to not have any unmitigated Material Adverse Impacts resulting from such Project on any transmission systems. The Staff may present more than one Recommended Requested Service Project for the Board to select from. When the Staff

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submits the Staff Recommended Project to the Board for approval, the Staff is to identify any unresolved element(s) and is to include a summary analysis of positions advanced by any Affected Persons on such unresolved element(s). If the Staff-Recommended Requested Service Project is approved by the Board and agreed upon by the requestor and all Affected Persons it is to be included in the Draft Plan.

7. Single System Projects

7.1 Notification of Single System Projects

Each Planning Party is to advise ColumbiaGrid of any Single System Projects that it is planning on its Transmission System.

If the system assessment performed by Staff under section 3 of Appendix A of the PEFA identifies a Need on a single Transmission System, Staff is to inform the subject TOPP of such Need and, if such TOPP concludes that such Need may be resolved on its Transmission System, the TOPP is to inform ColumbiaGrid of such resolution. In such instances, the Staff is to include such Need in the Draft System Assessment Report for information purposes. If any Affected Person requests a Study Team to evaluate Material Adverse Impacts resulting from a potential Single System Project at a "section 3 meeting" to discuss the Draft System Assessment Report and Need Statements, ColumbiaGrid is to convene such a Study Team.

The TOPP is to submit proposed Single System Projects to ColumbiaGrid. ColumbiaGrid is to inform the Planning Parties regarding any such Single System Project. If any Planning Party is concerned that such Single System Project will result in unmitigated Material Adverse Impacts, ColumbiaGrid is to convene a Study Team to evaluate whether there are unmitigated Material Adverse Impacts. If there are not unmitigated Material Adverse Impacts, ColumbiaGrid is to include such Single System Projects in the Plan for information purposes and include such Single System Project in future system assessments. If there are unmitigated Material Adverse Impacts, such Project is not a Single System Project and should be further developed through the ColumbiaGrid planning process as an EOP.

8. Capacity Increase Projects

8.1 Notification of Capacity Increase Projects

Each Planning Party is to advise ColumbiaGrid of any Capacity Increase Projects that it is planning or anticipates participating in on the RIS.

8.2 Formation of Study Team

If the Project's sponsor requests a Study Team for project development, ColumbiaGrid will determine whether there is sufficient interest and, if so, shall convene such Study Team for such purposes. If any Affected Person requests a Study Team to evaluate Material Adverse Impacts resulting from a Capacity Increase Project, ColumbiaGrid is to convene such a Study Team.

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8.3 Elements of Capacity Increase Project

A Capacity Increase Project in a Biennial Plan (or Plan Update) is to include the following: plan of service, estimated costs, the expected amount of transmission capacity added for each new or existing path, reasons for the Project, the Persons who are responsible for the costs and construction of the Project, the owners and operators of the added facilities, schedule, including estimated completion date, transmission rights allocation, Material Adverse Impacts, if any, and any mitigation of Material Adverse Impacts; provided that any unmitigated Material Adverse Impacts is to be subject to resolution in the WECC regional planning or path rating process. To the extent that any such details are included in a Draft Biennial Plan, Draft Plan Update, or Biennial Plan or a Plan Update, such inclusion is to be for information purposes only, and the Board may only note Material Adverse Impacts in accordance with section 10.4.1.3 of Appendix A of the PEFA.

8.4 Request for Cost Allocation for Capacity Increase Project

A Planning Party may request a cost allocation recommendation from ColumbiaGrid on a Capacity Increase Project if the related Study Team is unable to come to voluntary agreement on the cost allocation. This recommendation is non-binding but can be used by the Study Teams to facilitate agreement on cost allocation.

9. Expanded Scope Projects

9.1 Assessing Interest in Expanding the Scope of Project

Prior to including any Project in a Draft Biennial Plan or Draft Plan Update, the Staff is to determine, in an open process, whether there is interest in expanding the scope of such Project; provided absent agreement of the TOPP(s) whose Transmission System(s) has a projected Need, consideration of the request to expand the scope of an EOP may not unreasonably delay project development beyond the point where there is sufficient lead time for the original Project to be completed to meet the Need or as otherwise required.

9.2 Formation of Study Team

If there is interest, Staff is to establish a Study Team to evaluate and develop the expansion. Those Planning Parties or Interested Persons who are interested in becoming project sponsors are to assume primary responsibility for leading and performing necessary analytical work, and are to be responsible for the study costs of evaluating the expansion.

9.3 Completion of a Proposed Expanded Scope Project

The Staff is to assist the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team in resolving transmission capacity rights issues if such Persons are unable to reach agreement. An Expanded Scope Project is to be included in a Plan (or Draft Biennial Plan or Draft Plan Update) in lieu of the Project without expansion only when (i) the sponsors of the expansion have agreed to fund the incremental cost of such Expanded Scope Projects, (ii) each sponsor of the Project as originally configured would receive equivalent

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or better service (including meeting the Need) at no greater cost than it would have paid for the original Project, and (iii) such Project would not have unmitigated Material Adverse Impacts.

10. Process for Adoption of Plans

10.1 Draft Plan

10.1.1 Contents of Draft Plan

The Staff is to prepare a Draft Plan based upon the ColumbiaGrid planning process that contains:

(i) Recommended Projects

a. EOPs

i. Recommended Near-Term EOPs

A. Recommended Near-Term EOPs, including an analysis of how such Projects meet their respective Needs and a verification that each EOP does not result in unmitigated Material Adverse Impacts on any transmission system;

B. Staff-Recommended Near-Term EOPs, including an analysis of how such Projects meet their respective Needs, a verification that each such EOP does not result in unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff-recommended elements, such as cost or capacity allocation; *provided that* Staff may only submit recommendations for Near-Term EOPs for which the Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team have been unable to reach agreement in whole or in part; *provided further that* the Staff is to also provide for informational purposes the alternative opinions developed during the study process;

ii. Recommended EOPs that the Affected Parties agree are ready for implementation, including an analysis of how such Projects meet their underlying Needs and a verification that each such Project does not result in Material Adverse Impacts on any transmission system;

iii. A list of alternative plans of service for EOPs that were identified and considered in the ColumbiaGrid planning process for possible inclusion in the Draft Plan; and

iv. A list of Non-Transmission Alternatives that resulted in a delay or elimination of a Need.

b. Recommended Requested Service Projects

i. Recommended Requested Service Projects, including an analysis of how such Projects meet the underlying transmission service and interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system;

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ii. Staff-Recommended Requested Service Projects, including an analysis of how such Projects meet the underlying transmission service or interconnection requests and a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system, and an analysis supporting any other Staff-recommended elements; and

iii. A list of alternative plans of service that were identified and considered in the ColumbiaGrid planning process for possible inclusion in the Draft Plan;

c. Capacity Increase Projects, including an identification of unmitigated Material Adverse Impacts on any transmission system, if any;

d. Single System Projects;

e. Expanded Scope Projects; including a verification that each such Project does not result in any unmitigated Material Adverse Impacts on any transmission system;

f. System Assessment Report and Need Statements;

g. A list of Study Teams and their participants; and

h. Other information that the Board may find helpful in making its decision.

In preparing the Draft Plan, the Staff is to solicit and consider the comments of Interested Persons, Affected Persons, and Planning Parties. The Staff is to post a preliminary Draft Plan on the Website and obtain stakeholder comment prior to finalizing the Draft Plan and may include a summary of the comments received; *provided that* the Staff is to redact Confidential Information and CEII from the Draft Plan that is made public. The Staff is to include such redacted information in the Draft Plan submitted to the Board. The Staff is to include the documentation as the Staff finds appropriate for purposes of Board review and action; *provided* the documentation should be sufficient for subsequent review in an appropriate forum. The Draft Plan is to clearly identify which Projects (i) must be commenced in the upcoming Planning Cycle in order to have sufficient lead time for implementation or are ready for implementation, (ii) have planning underway but do not require commencement in the upcoming Planning Cycle yet are ready for implementation, or (iii) have planning at a conceptual or preliminary stage.

10.1.2 Timing

The Staff is to submit the Draft Plan for Board adoption at a time interval no greater than every two years.

10.2 Review Process

The Board is to review the Draft Plan in an open, public process. In doing so, the Board is to make available the draft Plan, study reports and electronic data files, subject to appropriate protection of Confidential Information and CEII to all Planning Parties and Interested Persons and provide the public an opportunity to supply information and provide written or oral comments to the Board. The Board may adopt additional procedures to carry out its review process.

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10.3 Basis for Plan Adoption

The Board is to base its review and adoption of the Plan on the technical merits of the Draft Plan, the consistency of the Projects listed in the Draft Plan with the Functional Agreement, and considering comments and information provided during the review process.

10.4 Plan Adoption

The Board is to review and take action regarding the Draft Plan as follows:

10.4.1 Recommended Projects

10.4.1.1 EOPs

10.4.1.1.1 Recommended Near-Term EOPs and Recommended EOPs

The Board is to review and may approve the following with respect to each Recommended EOP: the Study Team's determination that (i) it meets its underlying Need Statement(s) and (ii) does not impose unmitigated Material Adverse Impacts. Those elements that are not approved by the Board are to be remanded to the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further consideration and analysis and development.

10.4.1.1.2 Staff-Recommended EOPs

The Board is to review and may approve the following with respect to each Staff-Recommended EOP: the Staff determination that it meets its underlying Need Statement(s), its Plan of Service, sponsorship, schedule, cost allocation, transmission rights allocation, and mitigation of Material Adverse Impacts. Those elements that are not approved by the Board are to be remanded to the Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; *provided that* the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

10.4.1.2 Requested Service Projects

10.4.1.2.1 Recommended Requested Service Projects

The Board is to review and may approve the Study Team's determination that each Recommended Requested Service Project (i) serves its underlying transmission service or interconnection request and (ii) does not result in any unmitigated Material Adverse Impacts on any transmission system; *provided that* no Recommended Requested Service Project is to be included in any Plan unless the requestor and all Affected Persons agree upon such Requested Service Project. If the Board determines that there are unmitigated Material Adverse Impacts, such Project is to be remanded to the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis.

10.4.1.2.2 Staff-Recommended Requested Service Projects

The Board is to review and may approve the Staff's determination that each Staff-Recommended Requested Service Project serves the underlying transmission service

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or interconnection request, the Plan of Service, transmission capacity allocation, sponsorship, and mitigation of Material Adverse Impacts resulting from such Project on any transmission system; provided that no Staff-Recommended Requested Service Project is to be included in any Plan unless the requestor and all Affected Persons agree upon such Requested Service Project. Those elements that are not approved by the Board are to be remanded to the Staff which may, in cooperation with the Study Team, revise the recommendation and resubmit it to the Board; provided that the Board may modify a recommended cost allocation or transmission capacity allocation to the extent such modification is supported by the record.

10.4.1.3 Capacity Increase Projects

The Board is to review the Study Team's evaluation of Material Adverse Impacts resulting from each such Project on any transmission system. The Board is to not disapprove or modify project elements (developed by the Project sponsor(s) or a Study Team) as such information is only included in the Draft Plan for informational purposes. If the Board determines that there are unmitigated Material Adverse Impacts resulting from such a Project on any transmission system, the Board is to note such Material Adverse Impacts in the Plan and defer to the resolution of such Material Adverse Impacts in the WECC regional planning or path rating process.

10.4.1.4 Expanded Scope Projects

The Board is to review and may approve the Study Team's determination that there are no unmitigated Material Adverse Impacts resulting from each such Expanded Scope Project on any transmission system and, for Expanded Scope Projects that have an underlying EOP or Requested Service Project, the underlying Need or request is still met with an equivalent or better service at no greater cost than it would have paid for the underlying Project. The Board is to not disapprove or modify project elements associated with the project expansion (developed by the Project sponsor(s) or a Study Team) as such information is only included in the Draft Plan for informational purposes. If the Board determines that there are unmitigated Material Adverse Impacts resulting from such a Project on any transmission system or that the underlying Need or request is not met with an equivalent or better service at no greater cost than it would have paid for the underlying Project, the Board is to remand such Project to the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team for further analysis.

10.4.2 Other Information Included in the Draft Plan

The Board is to include in the Biennial Plan for informational purposes all of the other content in the Draft Biennial Plan that was provided for informational purposes unless the Board determines it has good cause not to include such content.

10.4.3 Remands

In the event that the Board remands an item to the Staff and the Study Teams for further analysis and discussion, the Board is to identify specific questions or concerns to be answered or further researched by the Staff and Affected Persons identified by ColumbiaGrid that have actively participated in a related Study Team before the Board approves or confirms the matter that has been remanded. If the Board determines that a transmission alternative submitted in the public review process or that a transmission alternative to a Staff-Recommended Project is potentially preferable to the proposed Staff-Recommended Project, the Board may remand such

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alternative to the Staff, Planning Parties, and Interested Persons for further analysis and discussion. The Board and Staff are to attempt to minimize the total number of times a Project is remanded.

10.4.4 Reconsideration Process

The Board is to develop and make available a reconsideration process that provides Persons who are materially impacted by such decision and did participate in any underlying Study Team to request within ten days that the Board reconsider a specific decision within the Board's approval. If reconsideration of a Board decision is sought by any such Person, ColumbiaGrid is to promptly convene a meeting, chaired by the ColumbiaGrid President, to which it invites the chief executive officer or equivalent executive of all Affected Persons to determine whether they can reach agreement on the disputed decision. If agreement is not reached, the Board is to pursue the reconsideration process. The reconsideration process is to provide for input from all involved Persons (including Planning Parties) and Staff, and the Board is to make its reconsidered decision known within 90 days from the date of the request. If, upon reconsideration, the Board modifies its decision, the modification is to also be subject to a petition for reconsideration.

10.4.5 Post-Board Approval Project Modifications

In the event that Project sponsor(s) discover during siting and environmental review processes that modifications are needed to an EOP in order for such EOP to receive needed regulatory approval or in order to implement such EOP, the Staff is to review the proposed modification(s) in a public process to determine whether the proposed modified Project continues to satisfy the Need and whether Material Adverse Impacts to transmission systems, if any, are mitigated. The Staff is to communicate the results of its findings to the Board as follows.

10.4.5.1 Summary Change Statement

Staff is to provide a summary change statement to the Board when such changes are found by Staff to resolve the problem, mitigate Material Adverse Impacts, if any, and have the support of Affected Persons. In these situations the Board is to not be required to take action for the revised plan to be included in the next Plan.

10.4.5.2 Staff Recommendation

Staff, when it finds any of the following,

(i) the Plan of Service being implemented does not resolve the Need,

(ii) there is disagreement between or among the sponsors and participants as to the Plan of Service, sponsorship, schedule, cost allocation, or transmission rights allocation, or

(iii) mitigation of Material Adverse Impacts is lacking,

is to provide a recommendation to the Board on what actions if any the Board should take. For example, the Staff recommendation could be one or a combination of the following: (i) withdraw Board approval or acceptance of the Project, (ii) address the situation in

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a subsequent system assessment, (iii) start a Study Team to look at alternatives, or (iv) bring the Affected Persons together to see if there is interest in having ColumbiaGrid mediate differences.

10.4.5.3 Board Consideration

In these situations, the Board is to consider the Staff recommendation and is to accept the recommendation or ask the Staff to reconsider its recommendation in light of additional factors that the Board may want included in the recommendation. No Project modification pursuant to section 10.4.5 of Appendix A to the PEFA is to be deemed to amend any Facilities Agreement, and any amendment to any Facilities Agreement is to be subject to and pursuant to the provisions of such Facilities Agreement for its amendment (and subject to the provisions of section 6.2 of the PEFA).

11. ColumbiaGrid Cost Allocation

Under the PEFA, ColumbiaGrid provides cost allocation recommendations, which facilitate the development of mutual agreement by parties on cost allocation. As discussed above, broad-based Study Teams are used extensively in the ColumbiaGrid processes, including the development of cost allocation recommendations. Study Teams are intended to be the primary tool for participation by Planning Parties, Affected Persons, and Interested Persons, in the development of Projects defined and included in the Plan of ColumbiaGrid. Cost allocation recommendations by ColumbiaGrid under the PEFA with respect to various types of Projects are discussed above and are summarized as set forth below in this section.

ColumbiaGrid will, subject to the PEFA, consider: (i) whether a cost allocation proposal fairly assigns costs among participants, including those who cause them to be incurred, and those who otherwise benefit from them; (ii) whether a cost allocation proposal provides adequate incentives to construct new transmission; and (iii) whether the proposal is generally supported by State authorities and participants across the region.

11.1 EOPs

11.1.1 An EOP must include an associated cost allocation to be included in a ColumbiaGrid Biennial Plan or Plan Update. In the event that Affected Persons do not reach agreement on cost allocations for a Near-Term EOP, ColumbiaGrid Staff will make a recommendation for such cost allocation. The Staff will inform the Study Team regarding Staff's recommendation and allow the Study Team the opportunity to comment. In the event there is still not agreement among the Affected Persons, the Staff will include its recommendation in the ColumbiaGrid Draft Plan. Where Affected Persons do not reach agreement on cost allocation for a Near-Term EOP, ColumbiaGrid will recommend Persons to bear the costs of the EOP and an allocation of the costs of the EOP to such Persons. ColumbiaGrid will endeavor to recommend an equitable allocation of such costs taking into account (i) the causation of the Need giving rise to the EOP or (ii) the delay or elimination during the Planning Horizon of any Need as a result of the EOP.

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11.1.2 Under the circumstances described in paragraph 11.1.1, where a TOPP has a Need and the best way to meet that Need is to upgrade facilities of another TOPP or other Person, ColumbiaGrid will endeavor to recommend an equitable allocation to Persons of the costs of an EOP taking into account (i) the causation of the Need giving rise to such EOP or (ii) the delay or elimination during the Planning Horizon of any Need of a TOPP as a result of the EOP. Further, the PEFA includes the following cost allocation provisions for specific circumstances:

(a) where there are two affected TOPPs, and one has a Need and the best way to meet that Need is to upgrade facilities on the other TOPP's system, ColumbiaGrid will allocate costs in a form of Facilities Agreement to the TOPP causing the Need,

(b) ColumbiaGrid may also allocate costs to a TOPP in a Facilities Agreement whose Need does not give rise to the Staff Recommended EOP but that has a Need during the Planning Horizon that is met by such EOP; provided that ColumbiaGrid shall not allocate costs to such TOPP in an amount that exceeds the cost that would have been incurred by such TOPP had it met its Need with a separate EOP, and

(c) the ColumbiaGrid Staff will not allocate costs based upon other potential future system benefits.

11.1.3 When the ColumbiaGrid Staff submits the Draft Plan to the ColumbiaGrid Board for approval, the Staff will make a recommendation for the cost allocation elements of any Near-Term EOP upon which Affected Persons have not reached agreement. The ColumbiaGrid Board shall review and may approve or remand to Staff a recommended cost-allocation for each Staff-Recommended EOP. Staff may, in cooperation with the Study Team, revise the remanded recommendation and resubmit it to the ColumbiaGrid Board. However, the ColumbiaGrid Board may also modify a recommendation by ColumbiaGrid Staff of cost allocation for the EOP to the extent such modification is supported by the record.

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11.2 Requested Service Projects

A Requested Service Project must include an associated cost allocation to be included in a ColumbiaGrid Biennial Plan or Plan Update. In the event that the Affected Persons do not reach agreement on cost allocations for a Requested Service Project within a reasonable time, ColumbiaGrid Staff will make a recommendation for such cost allocations. The Staff will inform the Study Team regarding Staff's recommendation and allow the Study Team the opportunity to comment. If there is an accompanying Need which can be delayed or eliminated by the Requested Service Project within the Planning Horizon, ColumbiaGrid will endeavor to make an equitable allocation of costs of such Staff-Recommended Requested Service Project based upon the affected TOPP's OATT requirements and the delay or elimination of the Need. ColumbiaGrid may allocate costs in a form of Facilities Agreement to a TOPP that has a Need during the Planning Horizon that is met by the Requested Service Project; provided that ColumbiaGrid will not allocate costs in an amount that exceeds the cost that would have been incurred by such TOPP had it met its Need with a separate EOP. The Staff will not allocate costs based upon other potential future system benefits.

11.3 Capacity Increase Project Cost Allocation

11.3.1 <u>ColumbiaGrid Cost Allocation Recommendation</u>. A Capacity Increase Project must include an associated cost allocation to be included in a Biennial Plan (or Plan Update). If a Planning Party sponsors a Capacity Increase Project and requests a Study Team for project development, ColumbiaGrid will determine if there is sufficient interest and, if so, will convene such Study Team for such purposes. A Planning Party may request a cost allocation recommendation from ColumbiaGrid on a Capacity Increase Project if the related Study Team is unable to come to voluntary agreement on the cost allocation. This recommendation is non-binding but can be used by the Study Teams to facilitate agreement on cost allocation. As indicated above, ColumbiaGrid has indicated that, when preparing cost allocation recommendations, it will, subject to the PEFA, consider: (i) whether a cost allocation proposal fairly assigns costs among participants, including those who cause them to be incurred, and those who otherwise benefit from them; (ii) whether a cost allocation proposal provides adequate incentives to construct new transmission; and (iii) whether the proposal is generally supported by State authorities and participants across the region. Further, the parties to the PEFA have developed a form of amendment to the PEFA under which, if ColumbiaGrid is otherwise unable to arrive at a non-binding recommendation for cost allocation as provided above in this section IV.11.3.1, ColumbiaGrid's non-binding recommendation shall be to allocate 100 percent of the costs of such Capacity Increase Project among the Persons participating in such Capacity Increase Project in proportion to the expected amount of added transmission capacity to be received by each such Person from such Capacity Increase Project. ColumbiaGrid has by resolution recommended the execution of such amendment to all Planning Parties. Upon the effective date of such amendment, ColumbiaGrid would follow the PEFA as so amended with respect to such non-binding recommendations for cost allocation.

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11.3.2 Solicitation of Interest. For any Project identified by a Planning Party as a Capacity Increase Project that it will sponsor, the Planning Party may elect to develop the Project through a ColumbiaGrid Study Team. If a Planning Party requests a Study Team to develop the Capacity Increase Project, ColumbiaGrid will determine whether there is sufficient interest in convening a Study Team for project development. If ColumbiaGrid determines that there is sufficient interest to develop the Project through a Study Team, ColumbiaGrid will convene a Study Team for project development.

a. ColumbiaGrid will provide notice of the Study Team to Interested Persons, Affected Persons, and Planning Parties. Any Planning Party, Affected Person or Interested Person may participate in the Study Team.

b. ColumbiaGrid will post drafts of summaries of the progress of the Study Team.

c. The Study Team process may develop all of the necessary elements of the Capacity Increase Projects, including a plan of service, estimated costs, the expected amounts of transmission capacity added for each new or existing path, reasons for the Project, the Persons who are responsible for the costs and construction of the Project, the owners and operators of the added facilities, schedule including estimated completion date, transmission rights allocation, Material Adverse Impacts, if any, and any mitigation of Material Adverse Impacts.

d. The scope of any Capacity Increase Project may be expanded as an Expanded Scope Project. Insofar as the Expanded Scope Project constitutes a Capacity Increase Project, ColumbiaGrid may, as set forth above, recommend a cost allocation.

11.4 Expanded Scope Project

An Expanded Scope Project must include an associated cost allocation to be included in a Biennial Plan or Plan Update. Prior to including any Project in a Draft Biennial Plan or Draft Plan Update, the Staff shall determine, in an open process, whether there is interest in expanding the scope of such Project; provided absent agreement of the TOPP(s) whose Transmission System(s) has a projected Need, consideration of the request to expand the scope of an EOP may not unreasonably delay project development beyond the point where there is sufficient lead time for the original Project to be completed to meet the Need or as otherwise required. If there is interest, Staff shall establish a Study Team to evaluate and develop the expansion. An Expanded Scope Project may be a combination of one or more EOPs, Requested Service Projects, Capacity Increase Projects, and Single System Projects. The provisions governing ColumbiaGrid cost allocation recommendations for such types of Projects will be applied to the various portions of any Expanded Scope Project as applicable.

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12. Dispute Resolution

See Part VI below.

13. Regional or Sub-Regional Economic Studies

13.1 If a Planning Party forwards to ColumbiaGrid a request for an economic planning study that requires production cost modeling, ColumbiaGrid may forward the request to WECC. ColumbiaGrid will consider these requests during the last scheduled planning meeting of the year (typically held in November or December). The notification for this meeting will be posted on the ColumbiaGrid Website and widely distributed via e-mails. The agenda for this meeting will clearly state if an economic planning study request will be under consideration. The participants at the meeting may provide or receive input on any requested studies. Such input may include, without limitation, consideration of (i) the breadth of interest in, and support for, the requested economic planning study; (ii) the feasibility of the requested economic planning study; (iii) the relationship between the requested economic planning study and potential (a) congestion relief or (b) integration on an aggregated or regional (or sub-regional) basis of new resources or new loads. If the consensus of the participants at that meeting determines that any such request (or any request developed during any such meeting) has sufficient merit to be forwarded to WECC, ColumbiaGrid will submit the study request to WECC during the economic planning study request window, which is between November 1st and January 31st of each year. The TEPPC process and criteria for prioritization of economic planning studies are set forth in section 5 of the TEPPC Planning Protocol located on the ColumbiaGrid Website under the Planning and Expansion program under the Attachment K link at http://www.columbiagrid.org. ColumbiaGrid is a member of TEPPC and will participate in TEPPC processes.

13.2 ColumbiaGrid will treat requests received from a Planning Party for economic planning studies, not referred to WECC, as Capacity Increase Projects. Such requests will be processed pursuant to the provisions that govern Capacity Increase Projects of this Attachment K and the PEFA. The PEFA describes the process that ColumbiaGrid would use to form a Study Team. If a Study Team is formed to perform the economic planning study associated with the Capacity Increase Project, the Planning Party that submitted the economic planning study request will be deemed the Capacity Increase Project sponsoring party and will assume primary responsibility for leading and performing necessary analytical work.

14. Sub-Regional Coordination

ColumbiaGrid is a sub-regional planning group ("SPG") that coordinates with other SPGs for projects and studies that involve ColumbiaGrid and one or more other SPGs. In addition, ColumbiaGrid participates in the regional planning process through regular joint SPG meetings (which are held at least three times yearly). The purpose of these meetings is to review and coordinate work on development of WECC base case assumptions and requests, to share planning information, and to coordinate requests to WECC for economic studies. .

Participation by a non-PEFA party in the ColumbiaGrid planning process does not thereby make such party a party to PEFA.

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PART V

COORDINATION WITH THE REGIONAL PLANNING PROCESS (WECC)

WECC coordinates aspects of regional planning as follows:

a. WECC develops the Western Interconnection wide data bases for transmission planning analysis such as power flow and stability studies.
b. WECC also maintains a data base for reporting the status of significant planned projects throughout the Western Interconnection.
c. WECC promotes coordination of significant planned projects through its WECC Regional Planning Project Review procedures. These procedures are implemented by the project sponsor within its planning process or by a sub-regional planning group at the request of a project sponsor.
d. The WECC Procedure for Project Rating Review provides a process for coordination of path ratings, including consideration of adverse impacts on existing paths.

The primary planning coordination forums in WECC include the Planning Coordination Committee and the Transmission Expansion Planning Policy Committee. These committees are to meet at least three times each year and are responsible for developing materials for the WECC coordination activities listed above. Individual entities can participate in planning at the WECC level by attending meetings of these committees and reviewing and commenting on proposed transmission plans and policies. Individual entities can participate in the majority of WECC activities without being a member of WECC although there are many privileges that come with membership such as access to data bases and committee voting rights.

Western Interconnection wide economic studies are conducted by a committee formed by WECC, TEPPC, in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The TEPPC planning process is posted on the WECC website (*see* www.wecc.biz). ColumbiaGrid has a position on TEPPC and is active in the TEPPC study process. The Transmission Provider participates in the TEPPC planning processes, as appropriate, to ensure data and assumptions are coordinated. TEPPC provides the following functions in relation to Economic Studies in the Transmission Provider transmission planning process:

a. Development and maintenance of the west-wide economic study database.
b. Performance of economic congestion studies. TEPPC has an annual study cycle in which it will update databases, develop and approve a study plan that includes customer high priority economic study requests as determined by the open TEPPC stakeholder process and perform the studies and document the results in a report.

Additional discussion regarding WECC regional and subregional planning coordination may be found in the WECC document describing planning coordination, which is posted on the ColumbiaGrid website (*see* http://www.columbiagrid.org/AttachK-overview.cfm). ColumbiaGrid is to check the WECC materials at least once a year and post any revised versions of WECC's planning coordination document on the ColumbiaGrid website.

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PART VI.

DISPUTE RESOLUTION

Disputes among PEFA Parties within the scope of the arbitration provisions of section 16.1 of the PEFA shall be addressed through the provisions of that section. However, nothing in this Attachment K restricts the rights of any person to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Disputes that are not within the scope of PEFA dispute resolution procedures but that arise out of Attachment K between a Transmission Provider and one or more of its Transmission Customers shall be addressed pursuant to section 12 (Dispute Resolution Procedures) of the Tariff.

ColumbiaGrid is intended to provide a forum for resolving substantive and procedural disputes. Specifically, ColumbiaGrid is a separate and operationally independent entity that makes decisions or recommendations regarding multi-system planning issues, and thus provides a neutral forum through which transmission customers, transmission providers, Planning Parties, and other stakeholders can raise and address issues arising out of ColumbiaGrid planning activities. All interested persons have an additional opportunity to present their perspectives when the staff's recommendation is presented to the Board. When reviewing the draft Biennial Plan, the Board can remand items back to the staff for further work and public input.

Disputes that are not within the scope of the foregoing dispute resolution processes but that arise out of Attachment K in connection with the ColumbiaGrid planning processes may be addressed, with the agreement of all parties to the dispute, through non-binding mediation using the FERC Dispute Resolution Service or other non-binding mediation mechanism mutually agreeable to all parties to the dispute.

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APPENDIX A

DEFINITIONS

The following terms shall have the following definitions when used in this Attachment K. Other terms defined elsewhere in this Tariff and used in this Attachment K shall have the meanings set forth in the Tariff.

A.1 "Affected Persons" with respect to a Project means those Planning Parties and Persons that would bear Material Adverse Impacts from such Project or are otherwise materially affected by such Project.

A.2 "Biennial Plan" means each biennial transmission plan adopted by the Board pursuant to section 2 of the PEFA. A "Draft Biennial Plan" refers to a draft of a Biennial Plan presented by Staff to the Board for adoption pursuant to section 2 of the PEFA but not yet adopted by the Board.

A.3 "Board of Directors" or "Board" means the Board of Directors of ColumbiaGrid.

A.4 "BPA Plan" means the plan described in section III.4 of this Attachment K.

A.5 "BPA Transmission Planning Interested Persons List" means that list maintained pursuant to section III.5.1 of this Attachment K.

A.6 "Bylaws" means the then current bylaws of ColumbiaGrid.

A.7 "Capacity Increase Project" means a voluntary modification of the Regional Interconnected Systems that is

(i) for the purpose of increasing transmission capacity on the Regional Interconnected Systems;

(ii) voluntarily undertaken by one or more Planning Parties; and

(iii) not an Existing Obligation Project or Requested Service Project.

A "Proposed Capacity Increase Project" means a proposal for a Capacity Increase Project at such time as it is being discussed in the planning process, whether that be for purposes of identifying unmitigated Material Adverse Impacts of such Project or for purposes of developing the Project under section 9 of Appendix A of the PEFA.

A.8 "Commission" means the Federal Energy Regulatory Commission or any successor entity.

A.9 "Confidential Information" shall mean: all information, regardless of the manner in which it is furnished, marked as "Confidential Information" at the time of its furnishing; *provided that* Confidential Information shall not include information: (1) in the public domain or generally available or known to the public; (2) disclosed to a recipient by a Third Person who had a legal right to do so; (3) independently developed by the receiving Party or known to such Party prior to its disclosure under this Agreement; (4) normally disclosed by entities in the Western Interconnection without limitation; (5) disclosed in aggregate form; or (6) required to be disclosed without a protective order or

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confidentiality agreement by subpoena, law or other directive of a court, administrative agency or arbitration panel.

A.10 "Critical Energy Infrastructure Information" or "CEII" means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time, about existing and proposed systems or assets, whether physical or virtual, relating to the production, generation, transportation, transmission, or distribution of energy that could be useful to a person in planning an attack on such systems or assets, the incapacity or destruction of which would negatively affect security, economic security, or public health or safety.

A.11 "Demand Response Resource Data" has the meaning set forth in section III.6.2.

A.12 "Designated Person" with respect to a form of Facilities Agreement means each of the Persons designated as such pursuant to section 6.1 of the PEFA by ColumbiaGrid in such form.

A.13 "Economic Study" means a study of Transmission Provider's Transmission System, separately or in conjunction with study of other transmission systems, to evaluate (i) congestion or (ii) the integration on an aggregated local, regional (or sub-regional) basis of new generation resources or loads.

A.14 "Existing Obligation Project" or "EOP" means any modification to be made to the Regional Interconnected Systems that is

(i) for the purpose of meeting a Need on a TOPP's system;

(ii) not a Single System Project; and

(iii) approved by the Board and included as an EOP in a Plan.

A "Proposed Existing Obligation Project" or "Proposed EOP" means a proposal for an EOP at such time as it is being proposed in the planning process; a "Recommended Existing Obligation Project" or "Recommended EOP" means a recommendation, developed by the agreement of Affected Persons pursuant to section 5 of Appendix A of the PEFA, for an EOP that is included as such in a Draft Biennial Plan or Draft Plan Update; a "Staff-Recommended Existing Obligation Project" or "Staff-Recommended EOP" means a recommendation, made by Staff pursuant to section 5.4 of Appendix A of the PEFA, for a Near-Term Existing Obligation Project that is included as such in a Draft Biennial Plan or Draft Plan Update.

A.15 "Expanded Scope Project" means any Project that is expanded pursuant to section 9 of Appendix A of the PEFA.

A.16 "Facilities Agreement" means, for purposes of Part IV of this Attachment K, an agreement tendered by ColumbiaGrid to Designated Parties for purposes of effectuating an EOP pursuant to section 6 of the PEFA.

A.17 "Grandfathered Transmission Service" means transmission service provided under non-OATT transmission contracts.

A.18 "Interested Person" means, for purposes of Part IV of this Attachment K, any Person who has expressed an interest in the business of ColumbiaGrid and has requested notice of its public meetings. Such Interested Persons will be identified on the Interested Persons List compiled by ColumbiaGrid in accordance with section 4.2 of the ColumbiaGrid Bylaws.

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A.19 "Material Adverse Impacts," with respect to a Project means, for purposes of Part IV of this Attachment K, a reduction of transmission capacity on a transmission system (or other adverse impact on such transmission system that is generally considered in transmission planning in the Western Interconnection) due to such Project that is material, that would result from a Project, and that is unacceptable to the Person that owns or operates such transmission system. For purposes of this Agreement, Material Adverse Impacts of a Project are considered mitigated if there would not be any Material Adverse Impacts due to such Project.

A.20 "Near-Term Existing Obligation Project" or "Near-Term EOP" means, at any time, an Existing Obligation Project that must be commenced prior to the end of the then next Planning Cycle in order to have sufficient lead time for implementation to meet the Need giving rise to such Existing Obligation Project.

A.21 "Need" means any projected inability of a Transmission Owner or Operator Planning Party (anticipated to occur during the Planning Horizon) to serve, consistent with the Planning Criteria,

(i) its network load and native load customer obligations, if any, as those terms are defined in such Transmission Owner or Operator Planning Party's Open Access Transmission Tariff; and

(ii) other existing long-term firm transmission obligations.

A.22 "Need Statement" means, with respect to a Need, a statement developed by Staff pursuant to section 3 of Appendix A of the PEFA and included for informational purposes in a Plan. A "Draft Need Statement" means a proposal for a Need Statement presented by Staff to the Board for review and comment.

A.23 "NERC" means North America Electric Reliability Corporation or its successor.

A.24 "Non-Transmission Alternative" means a Non-Transmission Alternative that: (1) ColumbiaGrid has determined (i) results in the elimination or delay of a Need, (ii) results in a change in the loads or resources to be reflected in the system assessments, and (iii) is sponsored by one or more TOPPs; or (2) is considered by the Transmission Provider in planning for its own Transmission System. Examples of such alternatives that may constitute Non-Transmission Alternatives may include demand-side load reduction programs, peak-shaving projects, and distributed generation. The following examples are specifically excluded from Non-Transmission Alternatives: remedial action schemes, shunt capacitors, and reconductoring.

A.25 "Open Access Transmission Tariff" or "OATT" means, for each Transmission Owner or Operator Planning Party, such Transmission Owner or Operator Planning Party's open access transmission tariff and, if such Transmission Owner or Operator Planning Party does not have such a tariff, the Commission's pro forma open access transmission tariff.

A.26 "Or" shall be deemed to be disjunctive but not necessarily exclusive.

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A.27 "Pacific Northwest" means the (i) sub region within the Western Interconnection comprised of Alberta, British Columbia, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming and (ii) any portions of the area defined in 16 U.S.C. § 839a(14) that are not otherwise included in (i).

A.28 "Party" means, for purposes of Part IV of this Attachment K, a signatory to the PEFA.

A.29 "Person" means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States or Canada.

A.30 "Plan" means, for purposes of Part IV of this Attachment K, at any time the then current Biennial Plan, as then revised by any Plan Updates. A "Draft Plan" refers to a Draft Biennial Plan or a Draft Plan Update.

A.31 "Plan of Service" means the technical modifications to the Regional Interconnected Systems to be effected by a Project.

A.32 "Plan Update" means an update to the then current Plan adopted by the Board pursuant to section 2.4 of the PEFA. A "Draft Plan Update" means a plan update presented by Staff to the Board for adoption but not yet adopted by the Board.

A.33 "Planning and Expansion Functional Agreement" or "PEFA" means the ColumbiaGrid Planning and Expansion Functional Agreement on file with the Commission.

A.34 "Planning Criteria" means the then current planning standards that ColumbiaGrid shall apply, as provided in section 3 of the PEFA, in any system assessment, System Assessment Report, or Needs Statement.

A.35 "Planning Cycle" means a period of approximately 24 months during which a Draft Biennial Plan is to be prepared and presented to the Board for adoption and during which a Biennial Plan is to be subsequently adopted by the Board.

A.36 "Planning Horizon," for purposes of Part IV of this Attachment K, means, with respect to any Biennial Plan (or Plan Update), the period for which the system assessment for such Biennial Plan (or Plan Update) is made, which period shall be the longer of (i) ten years or (ii) the planning period required by the Commission in its pro forma OATT, as it may be amended from time to time.

A.37 "Planning Party" means, for purposes of Part IV of this Attachment K, each Party other than ColumbiaGrid.

A.38 "Planning Process" means the BPA biennial planning process described in Part III of this Attachment K.

A.39 "Project" means, for purposes of Part IV of this Attachment K, any of the following (including any expansion in the Plan of Service therefor pursuant to section 10 of the PEFA) included in a Plan: (i) Capacity Increase Project, (ii) Existing Obligation Project, (iii) Requested Service Project, or (iv) Single System Project.

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A.40 "Regional Interconnected Systems" or "RIS" means the interconnected transmission systems in the Pacific Northwest.

A.41 "Replication Data" means basic criteria, assumptions and data necessary to replicate the results of Transmission Provider's planning studies performed pursuant to this Attachment K that underlie the BPA Plan.

A.42 "Requested Service Assessment" means, with respect to a request to a TOPP for study related to a transmission service or interconnection, an assessment of the effect of such request on such TOPP's Transmission System and on other transmission systems.

A.43 "Requested Service Project" means any modification of the Regional Interconnected Systems that

(i) is for the purpose of providing service pursuant to a transmission service or interconnection request made to a TOPP; and

(ii) involves more than one Transmission System.

A "Proposed Requested Service Project" means a proposal for a Requested Service Project at such time as it is being proposed in the planning process under this Agreement; a "Recommended Requested Service Project" means a recommendation for a Requested Service Project that is developed by the agreement of Affected Persons and that is included in a Plan; a "Staff-Recommended Requested Service Project" means a recommendation by the Staff for a Requested Service Project following the inability of Affected Persons to reach agreement in a timely manner on a Recommended Requested Service Project.

A.44 "Single System Project" means any modification of a single Transmission System that

(i) is for the purpose of meeting a Need that impacts only such single Transmission System;

(ii) does not result in Material Adverse Impacts on any transmission system; and

(iii) is included as a Single System Project in a Plan.

A.45 "Staff" means, for purposes of Part IV of this Attachment K, the ColumbiaGrid staff, officers, or consultants hired or retained by ColumbiaGrid to perform the Staff's responsibilities under the PEFA. The activities of Staff under this Agreement are to be performed under the supervision and guidance of the ColumbiaGrid Board.

A.46 "Study Team" with respect to a Project being defined means a team that is comprised of ColumbiaGrid and the following that choose to participate in such team: (i) any Planning Parties, (ii) any Affected Persons identified with respect to such Project, and (iii) any Interested Persons; *provided that* the Study Team for a Requested Service Project is to include only ColumbiaGrid and Affected Persons identified with respect to such Project. The Study Team for an Existing Obligation Project is to develop solution(s) to meet the Need giving rise to such Existing Obligation Project. The Study Team for a Requested Service Project is to develop a Project to serve the request giving rise to such Requested Service Project. The Study Team for any other Project is to assist in either the identification or mitigation of Material Adverse Impacts, if any, resulting from such

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Project or, depending upon the type of Project and the election of the Project sponsor(s), participate in the planning of such Project.

A.47 "System Assessment Report" means each system assessment report developed by Staff pursuant to section 3 of Appendix A of the PEFA.

A.48 "TEPPC" means the WECC Transmission Expansion Planning Policy Committee.

A.49 "Third Person" means, for purposes of Part IV of this Attachment K, any Person other than a Party.

A.50 "Transmission Owner or Operator Planning Party" or "TOPP" means a Party that is a transmission owner or operator. For purposes of the PEFA an "owner" includes, but is not limited to, a Party that has a leasehold interest in or other beneficial use of the subject facilities, where, for financing purposes, legal title is held by another entity.

A.51 "Transmission System" means the transmission facilities in the Pacific Northwest owned or operated by a Transmission Owner or Operator Planning Party.

A.52 "Website" means, for purposes of Part IV of this Attachment K, the website maintained by ColumbiaGrid at www.columbiagrid.org.

A.53 "Western Electricity Coordinating Council" or "WECC" means the Western Electricity Coordinating Council or any successor entity.

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ATTACHMENT L

STANDARD LARGE GENERATOR INTERCONNECTION PROCEDURES (LGIP)

including

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

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Standard Large Generator

Interconnection Procedures (LGIP)

(Applicable to Generating Facilities that exceed 20 MW)

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Section 1. Definitions

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service

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necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

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Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

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In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

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Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

IRS shall mean the Internal Revenue Service.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

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Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as all other Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

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Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

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Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard

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Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

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Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.
Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability.
Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data.
Transmission Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in LGIP Section 13.1. Transmission Provider is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.
Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

Section 3. Interconnection Requests

3.1 General.
An Interconnection Customer shall submit to Transmission Provider an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of $10,000. Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

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At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection Feasibility Study Agreement.

3.2 Identification of Types of Interconnection Services.
At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service.

3.2.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study. The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service

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3.2.2.1 **The Product.** Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service Allows Interconnection Customer 's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 **The Study**. The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

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3.3 Valid Interconnection Request.

3.3.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a $10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of $10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.3.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit(s), additional and initial, become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.3.2 Acknowledgment of Interconnection Request.

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.3.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items in Section 3.3.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request.

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Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.3.3 shall be treated in accordance with Section 3.6.

3.3.4 Scoping Meeting.

Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.3.5 **Environmental Study Agreement**

As soon as practicable, Transmission Provider shall tender to Interconnection Customer an environmental study agreement authorizing Transmission Provider, at Interconnection Customer's expense, to perform environmental review of the proposed interconnection, including review under the National Environmental Policy Act (NEPA), and setting forth Interconnection Customer's responsibilities in connection with such environmental review. Interconnection Customer shall execute and return the environmental study agreement within 30 Calendar Days of receipt or its Interconnection Request shall be deemed withdrawn and the unexpended amount of its deposit, if any, shall be returned.

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3.4 OASIS Posting.

Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that Transmission Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5 Coordination with Affected Systems.

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.6 Withdrawal.

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the

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Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

Section 4. Queue Position

4.1 General.

Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.3.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost

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responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued. Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

4.2 Clustering.

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

4.3 Transferability of Queue Position.

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

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4.4 Modifications.

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request.

Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW), and (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer.

4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is

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a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures

5.1 Queue Position for Pending Requests.

5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position.

5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the LGIP, Transmission Provider must offer Interconnection Customer the option of either continuing under Transmission Provider's existing

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interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

5.1.1.3 If an LGIA has been executed by the Parties before the effective date of the LGIP, then the LGIA would be grandfathered.

5.1.2 Transition Period.
To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request (i.e., an Interconnection Request for which an LGIA has not been executed as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any Interconnection Request, on the effective date of this LGIP: (i) that has been submitted but not yet accepted by Transmission Provider; (ii) where the related interconnection agreement has not yet been executed or submitted to FERC for approval in unexecuted form, (iii) where the relevant Interconnection Study Agreements have not yet been executed, or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by Transmission Provider to the extent consistent with the intent and process provided for under this LGIP.

5.2 New Transmission Provider.
If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless

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otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

Section 6. Interconnection Feasibility Study

6.1 Interconnection Feasibility Study Agreement.

Simultaneously with the acknowledgement of a valid Interconnection Request Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a $10,000 deposit no later than thirty (30) Calendar Days after its receipt.

On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Transmission Provider and Interconnection

Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an

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Interconnection System Impact Study under Section 7 of this LGIP and apply the $10,000 deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study.
The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures.
Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

6.3.1 Meeting with Transmission Provider.
Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

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6.4 Re-Study.
If Re-Study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take not longer than forty-five (45) Calendar Days from the date of the notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 7. Interconnection System Impact Study

7.1 Interconnection System Impact Study Agreement.
Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.3.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement.
Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a $50,000 deposit.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such

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deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.

7.3 Scope of Interconnection System Impact Study.
The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures.
Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant

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to Section 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

7.5 Meeting with Transmission Provider.
Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study.
If Re-Study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 8. Interconnection Facilities Study

8.1 Interconnection Facilities Study Agreement.
Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection

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Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of $100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

8.1.1 Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days,

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with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

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8.4 Meeting with Transmission Provider.
Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study.
If Re-Study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 9. Engineering & Procurement ('E&P') Agreement.
Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and

it will not alter the Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of

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delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Section 10. Optional Interconnection Study.

10.1 Optional Interconnection Study Agreement.
On or after the date when Interconnection Customer receives Interconnection System Impact Study results, Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a $10,000 deposit to Transmission Provider.

10.2 Scope of Optional Interconnection Study.
The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network

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Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures.
The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.
Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted, Transmission Provider shall tender a draft LGIA, together with draft appendices completed to the extent practicable. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

11.2 Negotiation.
Notwithstanding Section 11.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer

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concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. The Transmission Provider will decide whether to offer a final LGIA after it completes a record of decision under NEPA, or other appropriate NEPA document, concerning the interconnection of the Large Generating Facility. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. If Transmission Provider decides to offer a final LGIA, Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the date on which i) the Transmission Provider has completed the record of decision or other NEPA document; or ii) the Parties have completed the negotiation process, whichever is later.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence of continued Site Control or (B) posting of $250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

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Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree.. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

11.4 Commencement of Interconnection Activities.
If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA. Upon submission of an unexecuted LGIA, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification by FERC.

Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades

12.1 Schedule.
Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing.

12.2.1 General.
In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.
An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network

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Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.
An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall

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be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection System Impact Study.
An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

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Section 13. Miscellaneous

13.1 Confidentiality.

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the

LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

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13.1.2 Release of Confidential Information.

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure.

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If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the

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information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when its is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

13.1.9 Subject to the exception in Section 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

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13.1.11 Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility.
Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.
Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

13.4 Third Parties Conducting Studies.
If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

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In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all work papers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to
it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

13.5.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration

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procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

13.5.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.5.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act.

13.5.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

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(1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

13.6 Local Furnishing Bonds.

13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.
This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Transmission Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.
If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider's OATT.

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APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.

2. This Interconnection Request is for (check one):
   _____ A proposed new Large Generating Facility.
   _____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.

3. The type of interconnection service requested (check one):
   _____ Energy Resource Interconnection Service
   _____ Network Resource Interconnection Service

4. _____ Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service

5. Interconnection Customer provides the following information:

   a. Address or location or the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;

   b. Maximum summer at ____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;

   c. General description of the equipment configuration;

   d. Commercial Operation Date (Day, Month, and Year);

   e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;

   f. Approximate location of the proposed Point of Interconnection (optional); and

   g. Interconnection Customer Data (set forth in Attachment A)

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6. Applicable deposit amount as specified in the LGIP.

7. Evidence of Site Control as specified in the LGIP (check one)
   ____ Is attached to this Interconnection Request
   ____ Will be provided at a later date in accordance with this LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

   [To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact:

   [To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

    Name of Interconnection Customer: _____

    By (signature): _____

    Name (type or print): _____

    Title: _____

    Date: _____

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Attachment A to Appendix 1
Interconnection Request

LARGE GENERATING FACILITY DATA

UNIT RATINGS

kVA _____ °F _____ Voltage _____
Power Factor _____
Speed (RPM) _____ Connection (e.g. Wye) _____
Short Circuit Ratio _____ Frequency, Hertz _____
Stator Amperes at Rated kVA _____ Field Volts _____
Max Turbine MW _____ °F _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
Moment-of-Inertia, WR^2 = _____ lb. $ft.^2$

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS		QUADRATURE AXIS	
Synchronous – saturated	X_{dv}	_____	X_{qv}	_____
Synchronous – unsaturated	X_{di}	_____	X_{qi}	_____
Transient – saturated	X'_{dv}	_____	X'_{qv}	_____
Transient – unsaturated	X'_{di}	_____	X'_{qi}	_____
Subtransient – saturated	X''_{dv}	_____	X''_{qv}	_____
Subtransient – unsaturated	X''_{di}	_____	X''_{qi}	_____
Negative Sequence – saturated	$X2_v$	_____		
Negative Sequence – unsaturated	$X2_i$	_____		
Zero Sequence – saturated	$X0_v$	_____		
Zero Sequence – unsaturated	$X0_i$	_____		
Leakage Reactance	Xl_m	_____		

FIELD TIME CONSTANT DATA (SEC)

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Open Circuit T'_{do} _____ T'_{qo} _____
Three-Phase Short Circuit Transient T'_{d3} _____ T'_{q} _____
Line to Line Short Circuit Transient T'_{d2} _____
Line to Neutral Short Circuit Transient T'_{d1}
Short Circuit Subtransient T''_{d} _____ T''_{q} _____ Open Circuit Subtransient
T''_{do}
T''_{qo}
_____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit T_{a3} _____
Line to Line Short Circuit T_{a2} _____
Line to Neutral Short Circuit T_{a1} _____

NOTE: If requested information is not applicable, indicate by marking "N/A."

MW CAPABILITY AND PLANT CONFIGURATION
LARGE GENERATING FACILITY DATA

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive R_1 _____
Negative R_2 _____
Zero R_0 _____

Rotor Short Time Thermal Capacity I_2^2t = _____
Field Current at Rated kVA, Armature Voltage and PF = _____ amps
Field Current at Rated kVA and Armature Voltage, 0 PF = _____ amps
Three Phase Armature Winding Capacitance = _____ microfarad
Field Winding Resistance = _____ ohms _____ °C
Armature Winding Resistance (Per Phase) = _____ ohms _____ °C

CURVES

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves.
Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

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GENERATOR STEP-UP TRANSFORMER DATA RATINGS

Capacity Self-cooled/
Maximum Nameplate
_____/_____kVA

Voltage Ratio(Generator Side/System side/Tertiary)
_____/_____/_____kV

Winding Connections (Low V/High V/Tertiary V (Delta or Wye))
_____/_____/_____

Fixed Taps Available _____

Present Tap Setting _____

IMPEDANCE

Positive Z_1 (on self-cooled kVA rating)_____ % _____ X/R

Zero Z_0 (on self-cooled kVA rating)_____ % _____ X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

WIND GENERATORS

Number of generators to be interconnected pursuant to this Interconnection Request:
_____

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Elevation: _____ _____ Single Phase _____ Three Phase

Inverter manufacturer, model name, number, and version:
_____

List of adjustable setpoints for the protective equipment or software:
_____

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

INDUCTION GENERATORS

(*) Field Volts: _____
(*) Field Amperes: _____
(*) Motoring Power (kW): _____
(*) Neutral Grounding Resistor (If Applicable): _____
(*) I_2^2t or K (Heating Time Constant): _____
(*) Rotor Resistance: _____
(*) Stator Resistance: _____
(*) Stator Reactance: _____
(*) Rotor Reactance: _____
(*) Magnetizing Reactance: _____
(*) Short Circuit Reactance: _____
(*) Exciting Current: _____
(*) Temperature Rise: _____
(*) Frame Size: _____
(*) Design Letter: _____
(*) Reactive Power Required In Vars (No Load): _____
(*) Reactive Power Required In Vars (Full Load): _____
(*) Total Rotating Inertia, H: _____Per Unit on KVA Base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

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APPENDIX 2 to LGIP
INTERCONNECTION FEASIBILITY STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20___ by and between_____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and the U.S. Department of Energy, acting by and through the Bonneville Power Administration ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____ ; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of this LGIP in accordance with the Tariff.

3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Interconnection

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Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.3.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.3.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.

5.0 The Interconnection Feasibility Study report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and

- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

6.0 In addition to the $10,000 deposit required by article 3.1 of the LGIP, Interconnection Customer shall provide a deposit of $10,000 for the performance of the Interconnection Feasibility Study.

Upon receipt of the Interconnection Feasibility Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

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Attachment A to Appendix 2
Interconnection Feasibility
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INTERCONNECTION FEASIBILITY STUDY

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on _____:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

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APPENDIX 3 to LGIP
INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20___ by and between_____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and the U.S. Department of Energy, acting by and through the Bonneville Power Administration, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to Interconnection Customer (This recital to be omitted if Transmission Provider does not require the Interconnection Feasibility Study.); and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.

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3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.

5.0 The Interconnection System Impact Study report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and

- description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

6.0 Interconnection Customer shall provide a deposit of $50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

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Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

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Attachment A To Appendix 3
Interconnection System Impact
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INTERCONNECTION SYSTEM IMPACT STUDY

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

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APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20___ by and between_____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and the U.S. Department of Energy, acting by and through the Bonneville Power Administration, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System;

WHEREAS, Transmission Provider has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.

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3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.

5.0 Interconnection Customer shall provide a deposit of $100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

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Attachment A To Appendix 4
Interconnection Facilities
Study Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10
- percent cost estimate contained in the report.
-

<u>INTERCONNECTION CUSTOMER CONTACTS</u>

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Attachment B to Appendix 4
Interconnection Facilities
Study Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE INTERCONNECTION FACILITIES STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?
_____Yes _____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____Yes _____No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

_____

What protocol does the control system or PLC use?

_____

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

_____

Bus length from generation to interconnection station:

_____

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Line length from interconnection station to Transmission Provider's transmission line.
_____

Tower number observed in the field. (Painted on tower leg)* _____

Number of third party easements required for transmission lines*:
_____

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

_____Yes _____No Local provider: _____

Please provide proposed schedule dates:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

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APPENDIX 5 to LGIP
OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20___ by and between_____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and the U.S. Department of Energy, acting by and through the Bonneville Power Administration, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.

3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

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4.0 The Optional Interconnection Study shall be performed solely for informational purposes.

5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.

6.0 Interconnection Customer shall provide a deposit of $10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

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Appendix 6 to the Standard Large Generator Interconnection Procedures

STANDARD LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATORINTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

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Article 1. Definitions.

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

Business Day shall mean Monday through Friday, excluding Federal Holidays.

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Calendar Day shall mean any day including Saturday, Sunday or a Federal Holiday.

Clustering shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

Distribution Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service

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necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

FERC shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

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Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

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In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

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Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Interconnection Study shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

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Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

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Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Small Generating Facility shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

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Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.

Standard Large Generator Interconnection Agreement (LGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission Provider's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use

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facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

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Article 2. Effective Date, Term, and Termination

2.1 Effective Date. This LGIA shall become effective upon execution by the Parties, or if filed unexecuted, upon the date specified by FERC..

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, for which it is responsible under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination.

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that

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Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 **Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

2.6 **Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 **Filing**. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request

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that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service.

4.1.1.1 The Product.. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady

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state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 **The Product.** Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 **Transmission Delivery Service Implications.** Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network

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Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large

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Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith.

4.3.1 COMPLIANCE WITH WECC RELIABILITY CRITERIA

4.3.1.1 Compliance.

Interconnection Customer shall comply with the provisions of the WECC Reliability Criteria Agreement that are applicable to generators. All provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein. Interconnection Customer shall for all purposes be considered a Participant as defined in the WECC Reliability Criteria Agreement, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a generator that is a Participant to that agreement, including but not limited to the rights, privileges and obligations set forth in sections 5 (Determination of Compliance), 6 (Review of RCC Determination), and 10 (Remedies) of the WECC Reliability Criteria Agreement.

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4.3.1.2 Payment of Sanctions.

Interconnection Customer shall be responsible for payment of any monetary sanction assessed against Customer by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

4.3.1.3 WECC Remedy.

Transmission Provider and Interconnection Customer expressly intend that WECC is a third-party beneficiary to this agreement for purposes of this Article 4.3.1. The WECC shall have the right to seek to enforce against Customer any provision of this Article 4.3.1, **provided** that specific performance shall be the sole remedy available to the WECC for enforcement of the provisions of this Article 4.3.1, other than payment to the WECC of monetary sanctions under the WECC Reliability Criteria Agreement.

4.3.1.4 Termination.

Interconnection Customer may terminate its obligations under this Article 4.3.1 (other than its obligations under Article 4.3.1.5):

(a) if after the effective date of this LGIA, the requirements of the WECC Reliability Criteria Agreement applicable to Customer are amended so as to adversely affect Interconnection Customer, **provided** that, within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, Interconnection Customer gives fifteen (15) days' written notice of such termination to Bonneville and the WECC; **and provided further** that such forty-five (45) day period may be extended by Interconnection Customer for an additional forty-five (45) days if Interconnection Customer gives written notice to Transmission Provider of such requested extension within the initial forty-five (45) day period; or

(b) for any reason on one year's written notice to Transmission Provider and the WECC.

4.3.1.5 Replacement Terms.

If Interconnection Customer exercises its right to terminate its obligations under this Article 4.3.1, Interconnection Customer and Transmission Provider shall use good faith efforts to negotiate an amendment to this LGIA imposing obligations on Interconnection Customer to meet reliability criteria satisfactory to Transmission Provider.

4.3.1.6 Consent.

Interconnection Customer consents to the release by the WECC of information related to Interconnection Customer's compliance with this LGIA, **provided** that such information is released in accordance with the WECC Reliability Criteria Agreement.

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4.3.1.7 Definitions

(a) WECC shall mean the Western Electricity Reliability Council or its successor.

(b) WECC Reliability Criteria Agreement shall mean the WECC Reliability Criteria Agreement dated June 18, 1999, among the WECC and certain of its Member transmission operators, as such may be amended or replaced from time to time.

4.4 No Transmission Delivery Service. The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

5.1 Options. Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified

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dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 **Alternate Option**. If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

5.1.3 **Option to Build**. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 **Negotiated Option**. If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection

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Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

(1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

(2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;

(5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

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(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

5.3 Liquidated Damages. The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

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No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 **Power System Stabilizers**. The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 **Equipment Procurement**. If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

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5.6 **Construction Commencement**. Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 **Work Progress**. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 **Information Exchange**. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 **Limited Operation**. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

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5.10 Interconnection Customer's Interconnection Facilities 'ICIF'. Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications. Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage

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regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities [include appropriate drawings and relay diagrams].

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners. If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with Federal law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits. Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and

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authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

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5.18 Tax Status. The Transmission Provider shall cooperate with the Interconnection Customer to maintain the Interconnection Customer's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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5.19.2 **Standards.** Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

5.19.3 **Modification Costs.** Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 **Pre-Commercial Operation Date Testing and Modifications**. Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

6.2 **Post-Commercial Operation Date Testing and Modifications**. Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 **Right to Observe Testing**. Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

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6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

7.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 Check Meters. Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

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7.4 Testing of Metering Equipment. Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and

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maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 **Remote Terminal Unit**. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 **No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

Article 9. Operations

9.1 **General.** Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 **Control Area Notification**. At least months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such

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agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

9.3 Transmission Provider Obligations. Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria).

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Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 **Governors and Regulators**. Whenever the Large Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 **Payment for Reactive Power.** Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be

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pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 **Outage Authority and Coordination**. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 **Outage Schedules.** Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

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9.7.1.3 **Outage Restoration**. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 **Interruption of Service**. If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using

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Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 **System Protection Facilities**. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

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9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

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9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties..

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

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9.10 Disturbance Analysis Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

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Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 Transmission Provider's Interconnection Facilities. Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades. Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated at the rate for ten-year bonds posted on Bloomberg, L.P., under the United States Government Agency fair market yield curve (yield curve number 84) as in effect on the first day of the month during which the Transmission Provider receives the first payment for Network Upgrades, such interest to accrue from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission

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Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 **Special Provisions for Affected Systems**. Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 **Provision of Security**. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection

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Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

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In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through

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netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

12.4 Disputes. In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

13.1 Definition. "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory

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manner) to cause a material adverse effect on the security of, or damage to**,** the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority.

13.5.1 General. Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

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Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 **Reduction and Disconnection**. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability

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of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by Federal law.

14.2.2 This LGIA is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with

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postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

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Article 17. Default

17.1 Default.

17.1.1 **General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 **Right to Terminate**. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

Article 18.1 applies only if, at the time of the action or inaction by a Party that gave rise to the Party's right to indemnification, either Transmission Provider or Interconnection Customer was not a party to the Agreement Limiting Liability Among Western Interconnected Electric Systems.

18.1 Indemnity. The Parties shall at all times indemnify and hold the other Party harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this

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LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person. **(INTENTIONALLY OMITTED)**

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

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18.3 Insurance. Interconnection Customer *[delete article 18.3 for Federal generators]* shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the Transmission Provider, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the Transmission Provider, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Transmission Provider Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Transmission Provider Group and provide thirty (30) Calendar Days

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advance written notice to the Transmission Provider Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the polices are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issues to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Interconnection Customer shall be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

18.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by Interconnection Customer are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by Interconnection Customer under this LGIA.

18.3.9 Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, Interconnection Customer shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, Interconnection Customer may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, Interconnection Customer has an issuer credit rating or a senior unsecured debt rating of investment grade or better as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that Interconnection Customer has no issuer credit rating and its senior unsecured debt is unrated by Standard & Poor's, or Interconnection

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Customer has an issuer credit rating or a senior unsecured debt rating of less than investment grade as rated by Standard & Poor's, Interconnection Customer shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that Interconnection Customer is permitted to self-insure pursuant to this article, it shall notify the Transmission Provider that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

20.1 Severability. If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission

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Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. Comparability

21.1 Comparability. **(INTENTIONALLY OMITTED)**

Article 22. Confidentiality

22.1 Confidentiality. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 **Term**. During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 **Scope**. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known,

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through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, including the Freedom of Information Act, 5 U.S.C. § 552, as amended, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 **Release of Confidential Information**. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.4 **Rights**. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 **No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 **Standard of Care**. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to

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fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

22.1.7 **Order of Disclosure**. If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 **Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 **Remedies**. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

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22.1.10 **Disclosure to FERC, its Staff, or a State**. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests to Interconnection Customer from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public

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disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1

Each Party shall remediate all releases of Hazardous Substances brought to, or created at, real property it owns underlying the Large Generating Facility or Interconnection Facilities, and any Hazardous Substances migrating from real property it owns at the Large Generating Facility site. The Party that caused the release shall bear the costs of the remediation, which shall meet applicable state and Federal environmental standards at the time of the remediation. Such costs may include, but are not limited to, state and Federal supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.

23.2 Each Party shall notify the other Party as promptly as practicable of any significant release of Hazardous Substances by the first Party. Each Party shall cooperate with the other Party in accommodating any necessary remedial activities of the other Party with respect to property occupied by such other Party.

23.3 The Parties agree to comply fully with the substantive requirements of all applicable Federal, state and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

Article 24. Information Requirements

24.1 Information Acquisition. Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the

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following information: (1) progress to date; (2) a description of the activities since the last report" (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to

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translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and
(ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency

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Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection

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Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

27.2 External Arbitration Procedures. Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

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27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Interconnection Customer is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located**;** and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

28.1.2 Authority. Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

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28.1.3 **No Conflict**. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 **Consent and Approval**. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

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Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

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30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts. In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

30.4 Entire Agreement. This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

30.5 No Third Party Beneficiaries. Except as provided in Article 4.3.1.3, this LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

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30.6 Waiver. The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

30.8 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

30.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

30.11 Reservation of Rights. (Intentionally Omitted)

30.12 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

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Appendix A to LGIA

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

(a) [insert Interconnection Customer's Interconnection Facilities]:

(b) [insert Transmission Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

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Appendix B to LGIA

Milestones

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Appendix C to LGIA

Interconnection Details

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Appendix D to LGIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

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Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date] [Interconnection Customer]** has completed Trial Operation of Unit No. ___. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. ___ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

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Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:.

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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Appendix G to LGIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind

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generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing

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generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

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4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

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iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

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Appendix H to LGIA

Annual Operation and Maintenance Charge:

Monthly Operation and Maintenance Charge:[3]

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[3] The monthly charge is one-twelfth of the annual charge.

APPENDIX 7 TO LGIP

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

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ATTACHMENT M

Procedures for Redispatch

This attachment establishes parameters and procedures for redispatch of the federal hydro system and alternative means for redispatch by BPA's Power Services (PS) at the request of BPA's Transmission Services (TS). TS may request redispatch during any period when TS determines that a transmission constraint exists on the Transmission System and such constraint may impair the reliability of the system. TS may not request redispatch under this Attachment M to make additional firm or non-firm transmission sales.

Definitions

Under this Attachment M, redispatch includes:

1) the intentional incrementing or decrementing of generating units or projects by PS, or the limitation of generation at specific locations by PS, at the request of TS, and
2) transmission purchases and/or power purchases or sales made by PS to respond to requests for redispatch.

There are three types of redispatch under this Attachment M:

A. Emergency Redispatch is redispatch requested by TS upon declaration of a "system emergency" as that term is defined by the North American Electric Reliability Council (NERC).
B. NT Firm Redispatch is redispatch requested by TS for the purpose of maintaining firm network transmission (NT) schedules after TS has curtailed non-firm point-to-point (PTP) schedules and secondary network schedules in a sequence consistent with the NERC curtailment priority. For NT Firm Redispatch, TS shall request redispatch from PS and shall curtail firm PTP schedules in amounts proportionate to the non-secondary NT and firm PTP flows on the affected transmission flowgates at the time of the request.
C. Discretionary Redispatch is redispatch requested by TS prior to its curtailment of any firm or non-firm PTP schedules or secondary NT schedules for the purpose of avoiding or ameliorating curtailments.

Provisions

1. PS must comply with requests for Emergency Redispatch even if PS must violate non-power constraints.
2. PS must comply with requests for NT Firm Redispatch to the extent that it can do so without violating non-power constraints.
3. PS may respond to requests for Discretionary Redispatch by offering, at each generating unit or project, either no redispatch or any amount of redispatch up to the amount requested at each generating unit or project.
4. TS may request redispatch for the following maximum time periods:
   a) If TS requests redispatch before twenty minutes after the hour, TS may request redispatch only for the remainder of the hour.

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b) If TS requests redispatch at or after twenty minutes after the hour, TS may request redispatch for the remainder of the hour and the next hour.
c) If TS requests Discretionary Redispatch and, before the expiration of the period for which it has requested Discretionary Redispatch, requests NT Firm Redispatch at the same generating units or projects, the amount of Discretionary Redispatch, if any, that PS provided shall be treated as having been provided in response to the request for NT Firm Redispatch for purposes of calculating the proportionate amounts of non-secondary NT Redispatch and firm PTP curtailments that must take place in response to the OTC violation that resulted in the need for redispatch.

5. In response to any redispatch request, including requests for redispatch specific to Network Load located either within or outside of the BPA control area, PS may provide redispatch through redispatch of federal generation, purchases and/or sales of energy, or purchases of transmission. PS will inform TS at the time of the request if it intends to implement the redispatch through purchases or sales.

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ATTACHMENT N

STANDARD SMALL GENERATOR INTERCONNECTION PROCEDURES (SGIP)

including

STANDARD SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

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SMALL GENERATOR INTERCONNECTION PROCEDURES (SGIP)

(For Generating Facilities No Larger Than 20 MW)

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Attachment 1 – Glossary of Terms
Attachment 2 – Small Generator Interconnection Request
Attachment 3 – Feasibility Study Agreement
Attachment 4 – System Impact Study Agreement
Attachment 5 – Facilities Study Agreement

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Section 1. Application

1.1 Applicability

1.1.1 A request to interconnect a Small Generating Facility shall be evaluated under the section 3 Study Process.

1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.

1.1.3 (Intentionally Omitted)

1.1.4 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall use Reasonable Efforts to respond within 15 Business Days.

1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application

The Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Transmission Provider shall comply with reasonable requests for such information.

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1.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Transmission Provider shall use Reasonable Efforts to notify the Interconnection Customer of receipt of the Interconnection Request within three Business Days of receiving the Interconnection Request. The Transmission Provider shall use Reasonable Efforts to notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Transmission Provider.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.5.2 An option to purchase or acquire a leasehold site for such purpose; or

1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

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1.6 Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. At the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

Section 2. (Intentionally omitted)

Section 3. Study Process

3.1 Applicability

Except as otherwise provided in the SGIP, the Section 3 Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

3.2 Scoping Meeting

3.2.1 The Transmission Provider shall use Reasonable Efforts to hold a scoping meeting with the Interconnection Customer within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Transmission Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.

3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the Transmission Provider should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the Transmission Provider shall use Reasonable Efforts to provide a feasibility study agreement (Attachment 3) to the Interconnection Customer

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within five Business Days after the scoping meeting, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, the Transmission Provider shall use Reasonable Efforts to provide a system impact study agreement (Attachment 4) to the Interconnection Customer within five Business Days after the scoping meeting, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.2.4 As soon as practicable after the scoping meeting, the Transmission Provider shall tender to the Interconnection Customer a NEPA study agreement authorizing the Transmission Provider, at the Interconnection Customer's expense, to perform environmental review of the proposed interconnection, and setting forth the Interconnection Customer's responsibilities in connection with such environmental review. The Interconnection Customer shall execute and return the NEPA study agreement within 30 days of receipt or its Interconnection Request shall be deemed withdrawn and the unexpended amount of its deposit, if any, shall be returned.

3.3 Feasibility Study

3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.

3.3.2 A deposit of the good faith estimated feasibility study costs or $5,000, whichever is greater, shall be required from the Interconnection Customer prior to the initiation of the study work.

3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 3).

3.3.4 If the feasibility study shows no potential for adverse system impacts, the Transmission Provider shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Transmission Provider shall decide whether to send the Interconnection Customer an executable interconnection agreement in accordance with section 3.5.7 of these procedures.

3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

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3.4 System Impact Study

3.4.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

3.4.2 If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. The Transmission Provider shall use Reasonable Efforts to send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.

3.4.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Transmission Provider shall use Reasonable Efforts to send the Interconnection Customer a transmission system impact study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.

3.4.4 If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.

3.4.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 5), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or shall decide whether to send the Interconnection Customer an executable interconnection agreement in accordance with section 3.5.7 of these procedures, as applicable.

3.4.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.

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3.4.7 A deposit of the good faith estimated costs for each system impact study shall be required from the Interconnection Customer prior to the initiation of the study work.

3.4.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.

3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5 Facilities Study

3.5.1 Once the required system impact study(s) is completed, the Transmission Provider shall use Reasonable Efforts to prepare and transmit within five Business Days a system impact study report to the Interconnection Customer along with a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.

3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.

3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s), as appropriate.

3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance

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with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

3.5.5 A deposit of the good faith estimated costs for the facilities study shall be required from the Interconnection Customer prior to the initiation of the study work.

3.5.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

3.5.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall decide whether to send the Interconnection Customer an executable interconnection agreement after completing necessary environmental documentation under the National Environmental Policy Act of 1969, 42 U.S.C. § 4321, et seq., as amended, concerning the interconnection of the Small Generating Facility; provided, that the Transmission Provider's decision shall not be subject to dispute resolution. If the Transmission Provider decides to send the Interconnection Customer an executable interconnection agreement, the Transmission Provider shall use Reasonable Efforts to send such agreement within five Business Days after rendering its decision.

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

The Transmission Provider shall make Reasonable Efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

4.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

4.2.2 In the event of a dispute, such Party ("the disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party.

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4.2.3 In the event the designated representatives are unable to resolve the claim or dispute through unassisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at http://www.ferc.gov/legal/adr.asp.

4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

4.2.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with the Transmission Provider's specifications.

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission Provider must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5. Confidentiality

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or is otherwise required to be disclosed by law or subpoena, including the Freedom of Information Act, 5 U.S.C. § 552, as amended, or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the

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prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The Transmission Provider shall use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by the Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

The Transmission Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

If the Transmission Provider decides to offer the Interconnection Customer an executable interconnection agreement in accordance with section 3.5.7 of these procedures, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement. If the Interconnection Customer does not sign the interconnection agreement, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

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4.9 Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

4.10 Capacity of the Small Generating Facility

4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.

4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

4.10.3 The Interconnection Request shall be evaluated using the maximum rated capacity of the Small Generating Facility.

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Attachment 1

Glossary of Terms

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Business Day – Monday through Friday, excluding Federal Holidays.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a

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Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Procedures, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request. The Small Generating Facility shall be no larger than 20 MW, and shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, feasibility study, system impact study, and facilities study.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

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Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

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Attachment 2

SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)

Transmission Provider: _____

Designated Contact Person: _____

Address: _____

Telephone Number: _____

Fax: _____

E-Mail Address: _____

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

Preamble and Instructions

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Deposit:

The Interconnection Customer shall submit to the Transmission Provider a deposit of $2,500 towards the costs of the scoping meeting and the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

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Fax: _____ E-Mail Address: _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

_____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: _____New Small Generating Facility
_____Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____
_____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___ No ___
To Supply Power to the Interconnection Customer? Yes ___No ___
To Supply Power to Others? Yes ____ No ____

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

_____ _____
(Local Electric Service Provider*) (Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: _____

Title: _____

Address: _____

_____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: _____

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Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information
Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ___ Solar ___ Wind ___ Hydro ___ Hydro Type (e.g. Run-of-River):_____
Diesel ___ Natural Gas ___ Fuel Oil ___ Other (state type) _____

Prime Mover: ___Fuel Cell ___Recip Engine ___Gas Turb ___Steam Turb
___Microturbine ___PV ___Other

Type of Generator: ____Synchronous ____Induction ____ Inverter

Generator Nameplate Rating: _____kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

Generator (or solar collector)
Manufacturer, Model Name & Number: _____
Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____
Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor
Rated Power Factor: Leading: _____Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this
Interconnection Request: _____ Elevation: _____ ___Single phase ___Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS? ___

Harmonics Characteristics: _____

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Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____
(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, Xd: _____ P.U.
Direct Axis Transient Reactance, X'_d: _____P.U.
Direct Axis Subtransient Reactance, X''_d: _____P.U.
Negative Sequence Reactance, X_2: _____ P.U.
Zero Sequence Reactance, X_0: _____ P.U.
KVA Base: _____
Field Volts: _____
Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____
I_2^2t or K (Heating Time Constant): _____
Rotor Resistance, Rr: _____
Stator Resistance, Rs: _____
Stator Reactance, Xs: _____
Rotor Reactance, Xr: _____
Magnetizing Reactance, Xm: _____
Short Circuit Reactance, Xd": _____
Exciting Current: _____
Temperature Rise: _____
Frame Size: _____
Design Letter: _____
Reactive Power Required In Vars (No Load): _____
Reactive Power Required In Vars (Full Load): _____
Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

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Will a transformer be used between the generator and the point of common coupling? ___Yes ___No

Will the transformer be provided by the Interconnection Customer? ____Yes ____No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ____single phase _____three phase? Size: _____kVA
Transformer Impedance: _____% on _____kVA Base

If Three Phase:
Transformer Primary: _____ Volts _____ Delta _____Wye _____ Wye Grounded
Transformer Secondary: _____ Volts _____ Delta _____Wye _____ Wye Grounded
Transformer Tertiary: _____ Volts _____ Delta _____Wye _____ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

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Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: ____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: ____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: ____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: ____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? ____Yes ____No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ___Yes ____No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? ___Yes ____No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: _____Date: _____

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Attachment 3

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this_____day of_____ 20___ by and between_____, a_____organized and existing under the laws of the State of _____, ("Interconnection Customer,") and ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on_____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent with the standard Small Generator Interconnection Procedures in accordance with the Transmission Provider's Open Access Transmission Tariff.

3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator

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Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.

6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:

6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;

6.3 Initial review of grounding requirements and electric system protection; and

6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.

7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.

8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.

9.0 A deposit of the good faith estimated feasibility study costs or $5,000, whichever is greater, shall be required from the Interconnection Customer prior to the initiation of study work.

10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. The Transmission Provider shall use Reasonable Efforts to complete the feasibility study and transmit the feasibility study report to the Interconnection Customer within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.

11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be

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invoiced to the Interconnection Customer along with a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall use Reasonable Efforts to refund such excess within 30 calendar days of the invoice without interest.

13.0 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law.as applicable. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts
This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

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This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider]
[Insert name of Interconnection Customer]

_____	_____
Signed_____	Signed_____
Name (Printed):	Name (Printed):
_____	_____
Title_____	Title_____

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Attachment A to
Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

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Attachment 4

System Impact Study Agreement

THIS AGREEMENT is made and entered into this_____day of_____ 20___ by and between_____, a_____organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, a_____ existing under the laws of the State of_____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on_____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, the Transmission Provider has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a system impact study(s) to assess the impact of interconnecting the Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Transmission Provider's Open Access Transmission Tariff.

3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.

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4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.

5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.

6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.

7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider shall use Reasonable Efforts to complete within 20 additional Business Days a system impact study requiring review by Affected Systems.

8.0 If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –

8.1 Are directly interconnected with the Transmission Provider's electric system; or

8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and

8.3 Have a pending higher queued Interconnection Request to interconnect with the Transmission Provider's electric system.

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9.0 If required to complete a distribution system impact study, the Transmission Provider shall use Reasonable Efforts to complete the study and transmit the results to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. If required to complete a transmission system impact study, the Transmission Provider shall use Reasonable Efforts to complete the study and transmit the results to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.

10.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the good faith estimated cost of a transmission system impact study shall be required from the Interconnection Customer prior to the initiation of study work.

11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer along with a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall use Reasonable Efforts to refund such excess within 30 calendar days of the invoice without interest.

13.0 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal Law. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

14.0 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.

15.0 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other

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failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider]	**[Insert name of Interconnection Customer]**
_____	_____
Signed_____	Signed_____
Name (Printed):	Name (Printed):
_____	_____
Title_____	Title_____

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Attachment A to System Impact Study Agreement

Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration. (CHECK)

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

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Attachment 5

Facilities Study Agreement

THIS AGREEMENT is made and entered into this_____day of_____ 20___ by and between_____, a_____organized and existing under the laws of the State of _____, ("Interconnection Customer,") and ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on_____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Transmission Provider’s Open Access Transmission Tariff.

3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.

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4.0 The facilities study shall specify and provide a non-binding good faith estimate of the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

6.0 A deposit of the good faith estimated facilities study costs shall be required from the Interconnection Customer prior to the initiation of study work.

7.0 In cases where Upgrades are required, the Transmission Provider shall use Reasonable Efforts to complete the facilities study within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the Transmission Provider shall use Reasonable Efforts to complete the facilities study within 30 Business Days.

8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. The Transmission Provider shall use Reasonable Efforts to complete the facilities study and transmit the facilities study report to the Interconnection Customer within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.

9.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer along with a summary of professional time.

10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall use Reasonable Efforts to refund such excess within 30 calendar days of the invoice without interest.

11.0 <u>Governing Law, Regulatory Authority, and Rules</u>
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal Law. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.0 <u>Amendment</u>

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The Parties may amend this Agreement by a written instrument duly executed by both Parties.

13.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

14.0 Waiver

14.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

14.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

15.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

16.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

17.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

18.0 Subcontractors

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Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement;

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provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

18.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

18.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider]	**[Insert name of Interconnection Customer]**
_____	_____
Signed_____	Signed_____
Name (Printed):	Name (Printed):
_____	_____
Title_____	Title_____

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Attachment A to
Facilities Study Agreement

Data to Be Provided by the Interconnection Customer with the Facilities Study Agreement

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes ____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____
(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

_____

_____

What protocol does the control system or PLC use?

_____

_____

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

_____

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Bus length from generation to interconnection station:

_____

Line length from interconnection station to Transmission Provider's Transmission System.

_____

Tower number observed in the field. (Painted on tower leg)*:

_____

Number of third party easements required for transmission lines*:

_____

* To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider's service area?

Yes _____ No _____ If No, please provide name of local provider:

_____

Please provide the following proposed schedule dates:

Begin Construction Date:_____

Generator step-up transformers receive back feed power Date:_____

Generation Testing Date:_____

Commercial Operation Date:_____

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The revisions to this document take effect August 26, 2006, per FERC Order No. 2006-B issued July 20, 2006, which was published in the Federal Register July 27, 2006 (71 FR 42587)

SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)

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THIS SMALL GENERATOR INTERCONNECTION AGREEMENT
("Agreement") is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Small Generating Facility), and _____ _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Small Generating Facility;

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Small Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Small Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Transmission Provider Information

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____
Interconnection Customer Application No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

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Article 1. Scope and Limitations of Agreement

1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP).

1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.

1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.

1.4 Nothing in this Agreement is intended to affect any other agreement between the Transmission Provider and the Interconnection Customer.

1.5 <u>Responsibilities of the Parties</u>

1.5.1 Compliance with WECC Reliability Criteria

1.5.1.1 Compliance.

Interconnection Customer shall comply with the provisions of the WECC Reliability Criteria Agreement that are applicable to generators. All provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Agreement as though set forth fully herein. Interconnection Customer shall for all purposes be considered a Participant as defined in the WECC Reliability Criteria Agreement, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a generator that is a Participant to that agreement, including but not limited to the rights, privileges and obligations set forth in sections 5 (Determination of Compliance), 6 (Review of RCC Determination), and 10 (Remedies) of the WECC Reliability Criteria Agreement.

1.5.1.2 Payment of Sanctions.

Interconnection Customer shall be responsible for payment of any monetary sanction assessed against Customer by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

1.5.1.3 WECC Remedy.

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Transmission Provider and Interconnection Customer expressly intend that WECC is a third-party beneficiary to this agreement for purposes of this Article 4.3.1. The WECC shall have the right to seek to enforce against Customer any provision of this Article 4.3.1, **provided** that specific performance shall be the sole remedy available to the WECC for enforcement of the provisions of this Article 4.3.1, other than payment to the WECC of monetary sanctions under the WECC Reliability Criteria Agreement.

1.5.1.4 Termination.

Interconnection Customer may terminate its obligations under this Article 4.3.1 (other than its obligations under Article 4.3.1.5):

(a) if after the effective date of this LGIA, the requirements of the WECC

Reliability Criteria Agreement applicable to Customer are amended so as to adversely affect Interconnection Customer, **provided** that, within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, Interconnection Customer gives fifteen (15) days' written notice of such termination to Bonneville and the WECC; **and provided further** that such forty-five (45) day period may be extended by Interconnection Customer for an additional forty-five (45) days if Interconnection Customer gives written notice to Transmission Provider of such requested extension within the initial forty-five (45) day period; or

(b) for any reason on one year's written notice to Transmission Provider and the WECC.

1.5.1.5 Replacement Terms.

If Interconnection Customer exercises its right to terminate its obligations under this Article 4.3.1, Interconnection Customer and Transmission Provider shall use good faith efforts to negotiate an amendment to this LGIA imposing obligations on Interconnection Customer to meet reliability criteria satisfactory to Transmission Provider.

1.5.1.6 Consent.
Interconnection Customer consents to the release by the WECC of information related to Interconnection Customer's compliance with this LGIA, **provided** that such information is released in accordance with the WECC Reliability Criteria Agreement.

1.5.1.7 Definitions

(a) WECC shall mean the Western Electricity Reliability Council or its

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successor.

(b) WECC Reliability Criteria Agreement shall mean the WECC Reliability Criteria Agreement dated June 18, 1999, among the WECC and certain of its Member transmission operators, as such may be amended or replaced from time to time.

1.5.2 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.3 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.5 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected Systems.

1.5.6 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.7 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.

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1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

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Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at the Interconnection Customer's expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.

2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

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2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date
This Agreement shall become effective upon execution by the Parties.

3.2 Term of Agreement
This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination
No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 The Transmission Provider may terminate this Agreement if the Small Generating Facility has ceased operation for three consecutive years, beginning on the last date of operation for the Small Generating Facility, after giving the Interconnection Customer 20 Business Days advance written notice.

3.3.3 Either Party may terminate this Agreement after Default pursuant to article 7.6.

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3.3.4 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.5 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination

3.3.6 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission

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Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

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Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades
The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability
No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades
The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades
The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System Operator, if any, for Network Upgrades, to be paid to the Interconnection Customer on a

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dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff or Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated at the rate for ten-year bonds posted on Bloomberg, L.P. under the United States Government Agency fair market yield curve (yield curve number 84) as in effect on the first day of the month during which the Transmission Provider receives the first payment for Network Upgrades, such interest to accrue from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

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5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to

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meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Transmission Provider of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

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7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

Article 7.3 applies only if, at the time of the action or inaction by a Party that gave rise to the Party's right to indemnification, either Transmission Provider or Interconnection Customer was not a party to the Agreement Limiting Liability Among Western Interconnected Electric Systems.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.1 The Parties shall at all times indemnify and hold the other Party harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.2 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.3 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification

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obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such

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Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 8. Insurance

8.1 *[Delete article 8.1 for Federal generators]* The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

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9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or is otherwise required to be disclosed by law or subpoena, including the Freedom of Information Act, 5 U.S.C. § 552, as amended, or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, such Party ("the disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an

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informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party.

10.3 In the event the designated representatives are unable to resolve the claim or dispute through unassisted negotiations within thirty (30) calendar days of the other Party's receipt of the Notice of Dispute, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at http://www.ferc.gov/legal/adr.asp.

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 11. Taxes

11.1 The Interconnection Customer agrees to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2 Transmission Provider shall cooperate with the Interconnection Customer to maintain the Interconnection Customer's tax status.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal Law. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment
The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

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12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

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Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall remediate all releases of hazardous substances brought to, or created at, real property it owns underlying the Small Generating Facility or Interconnection Facilities, and any hazardous substances migrating from real property it owns at the Small Generating Facility site. The Party that caused the release shall bear the costs of remediation, which shall meet applicable state and Federal environmental standards at the time of the remediation. Such costs may include, but are not limited to, state and Federal supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.

12.10.1 Each Party shall notify the other Party as promptly as practicable of any significant release of hazardous substances by the first Party. Each Party shall cooperate with the other Party in accommodating any necessary remedial activities of the other Party with respect to property occupied by such other Party.

12.10.2 The Parties agree to comply fully with the substantive requirements of all applicable Federal, state and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or

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inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights (intentionally omitted

Article 13. Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:
Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State:_____ Zip:_____
Phone: _____ Fax: _____

If to the Transmission Provider:
Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State:_____ Zip:_____
Phone: _____ Fax: _____

13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State:_____ Zip:_____

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State:_____ Zip:_____

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13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State:_____ Zip:_____
Phone: _____ Fax: _____

If to the Transmission Provider:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State:_____ Zip:_____
Phone: _____ Fax: _____

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State:_____ Zip:_____
Phone: _____ Fax: _____

Transmission Provider's Operating Representative:

Transmission Provider: _____
Attention: _____
Address: _____
City: _____ State:_____ Zip:_____
Phone: _____ Fax: _____

13.5 Changes to the Notice Information

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Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____

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Attachment 1

Glossary of Terms

Affected System – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

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Interconnection Customer – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request. The Small Generating Facility shall be no larger than 20 MW, and shall not include the Interconnection Customer's Interconnection Facilities.

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Tariff – The Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

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Attachment 2

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

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Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

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Attachment 4

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For the Transmission Provider_____ Date_____

For the Transmission Owner (If Applicable) _____ Date_____

For the Interconnection Customer_____ Date_____

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Attachment 5

Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

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Attachment 6

Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

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ATTACHMENT O

Agreement No. _____

[*insert year*] NETWORK OPEN SEASON
PRECEDENT TRANSMISSION SERVICE AGREEMENT
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
CUSTOMER NAME

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Exhibit A Table (Specifications for Long-Term Firm PTP or NT Transmission Service)
Exhibit B Customer Information Required for Cluster Study

This PRECEDENT TRANSMISSION SERVICE AGREEMENT (PTSA or Agreement) is entered into by and between the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (Bonneville), and CUSTOMER NAME (Customer), collectively referred to as "Parties" and individually as "Party".

WHEREAS, the Customer has requested Long-Term Firm Point-to-Point (PTP) Transmission Service, or has requested the addition of a new Network Resource or new Network Load under its Network Integration (NT) Transmission Service Agreement, and has one or more eligible transmission service request(s) (TSR) pending in Bonneville's Open Access Same-Time Information System (OASIS) queue; and

WHEREAS, modifications or additions to the Federal Columbia River Transmission System (FCRTS) facilities may be required before Bonneville can provide the requested PTP or NT Transmission Service; and

WHEREAS, Bonneville has provided notice to the Customer that it will conduct a Network Open Season process to obtain commitments for the purchase of Transmission Service, and will conduct a Cluster Study as necessary to determine the required system additions, modifications or upgrades needed in order to provide such service; and

WHEREAS, Bonneville will be responsible for and will conduct all studies associated with achieving compliance under the National Environmental Policy Act (NEPA), completing such studies prior to decisions related to the construction of facilities; and

WHEREAS, the Customer by signing this Agreement and the attached Table is committing to purchase Long-Term Firm Transmission Service from Bonneville, contingent upon Bonneville satisfying certain requirements or conditions precedent, all as specified in this Agreement.

NOW THEREFORE, the Parties do hereby enter into the following:

1. TERM

This Agreement, having been previously signed by Bonneville, is effective when the Customer has signed this Agreement pursuant to section 3(a) and returned it to Bonneville and has satisfied the requirements in section 3(b) and 3(e). In the event the Customer does not satisfy the requirements of sections 3(a), 3(b) and 3(e), this Agreement shall not become effective, and the status of the Customer's TSR will be changed to 'DECLINED.' After the Effective Date, this Agreement shall remain in effect until the earlier of this section 1(a) or 1(b):

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(a) **Termination upon Release of Performance Assurance or Service Commencement Date**
At the later of:

(1) the release of the full amount of the Performance Assurance to the Customer pursuant to section 7(a) or 7(b); or

(2) the Service Commencement Date for Transmission Service pursuant to section 6(b) or 6(c);

this Agreement shall terminate.

(b) **Termination for Bonneville Failure to Satisfy Requirements or Meet Deadlines, Direct Assignment, or upon Conditions of FERC Approval**
If any of the following occurs:

(1) **Bonneville is Unable to Satisfy Requirements**
Bonneville determines that it is unable to satisfy, or fails to satisfy, the requirements as described in sections 5(b)(1), or 5(d);

(2) **Bonneville is Unable to meet Deadlines**
Bonneville determines that it is unable to meet, or fails to meet, either of the dates specified in sections 5(e)(1). In such event, Bonneville shall notify the Customer, and no later than 15 days from the receipt of Bonneville's notice, the Customer elects to exercise its termination right in writing to Bonneville;

(3) **Direct Assignment**
Bonneville determines pursuant to section 5(a)(3) that costs for Expansion Facilities should be directly assigned to the Customer; or

(4) **Conditions of FERC Approval**
If either Party exercises its termination rights pursuant to section 10;

then this Agreement shall terminate and the Table as previously signed by the Customer shall be null and void. Bonneville shall promptly release all of the Customer's Performance Assurance and the Customer's original TSR, as existing prior to the Customer signing this Agreement, shall remain in Bonneville's long-term OASIS queue.

2. DEFINITIONS

Unless otherwise defined herein, capitalized terms are defined in Bonneville's Open Access Transmission Tariff (OATT), Transmission and Ancillary Service Rate Schedules and General Rate Schedule Provisions, and/or External Business Practices or Bulletins.

(a) "Bridge" means a type of Conditional Firm Service that Bonneville offers and the Customer accepts until Transmission Service becomes available upon the

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energization of Expansion Facilities or upon an earlier determination by Bonneville pursuant to this Agreement.

(b) "Cluster Study" means a process for studying a group of TSRs in the aggregate. A Cluster Study process may be used to complete a System Impact Study, System Facilities Study, NEPA analysis or other study or analysis necessary to determine system modifications required to provide Transmission Service.

(c) "Conditional Firm Service" means a form of less-than-firm service which Bonneville may offer under a separate arrangement as a Bridge.

(d) "Direct Assignment" or "Direct Assignment Facilities" means the facilities or portions of facilities that are constructed by Bonneville that directly benefit the Customer, and that are either: (i) not integrated with the Integrated Network, as defined in Bonneville's General Rate Schedule Provisions, or (ii) not supporting the reliability or efficiency of the Integrated Network for the general benefit of the users of such system. The costs of such facilities may be proportionately directly assigned to the Customer.

(e) "Effective Date" means the date this Agreement, having been previously signed by Bonneville, is signed by the Customer and returned to Bonneville pursuant to section 3(a) and the Customer has satisfied the requirements of sections 3(b) and 3(e).

(f) "Eligible TSR" means a network TSR in the OASIS queue by 5:00 pm PDT on the date established in a notice from Bonneville pursuant to OATT section 19.10, except that a TSR is not an Eligible TSR if any of the following applies: (i) the TSR is associated with an effective PTSA, or (ii) Bonneville has determined, as of the start of the Network Open Season window stated in such notice, that it is able to provide Transmission Service for the TSR using existing system infrastructure, or (iii) the Customer requests, consistent with instructions in a notice from Bonneville, that the TSR be excluded from the Network Open Season. Eligible TSR excludes any requests on the Northwest AC Intertie, Pacific DC Intertie, and Montana Intertie.

(g) "Expansion Facilities" means those FCRTS modifications or additions that Bonneville determines are required to provide Transmission Service to the Customer and to other Open Season Participants in aggregate.

(h) "FERC" means the Federal Energy Regulatory Commission.

(i) "Network Open Season" means the process Bonneville undertakes to contractually and financially secure a long-term firm commitment from customers with Eligible TSRs to purchase Transmission Service.

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(j) "Open Season Deadline" means 5:00 pm PDT on the date specified in a notice from Bonneville. Such date shall be the deadline for the Customer to comply with the requirements of section 3.

(k) "Open Season Participant(s)" means all customers determined by Bonneville to have one or more Eligible TSRs, who sign a PTSA and the associated Table and comply with the requirements of section 3.

(l) "Participating TSR" means any Eligible TSR for which the Customer executes a PTSA and the associated Table.

(m) "Performance Assurance" means one of the following: (i) a Letter of Credit, (ii) a deposit into an escrow account, (iii) a cash deposit provided directly to Bonneville by the Customer, or (iv) a prepayment of Transmission Service which may be either made directly to Bonneville or to the account of Bonneville in escrow.

(n) "Service Commencement Date" means the date as described in sections 6(b) or 6(c), on which Bonneville will start Transmission Service to the Customer.

(o) "Service Duration" means the period of time between the Start Date and Termination Date (as defined in the Table) originally requested by the Customer in section 1(a) of the Table, unless modified in accordance with this Agreement.

(p) "Table" means the Specifications for Long-Term Firm PTP or NT Transmission Service associated with the Customer's TSR and attached to this Agreement as Exhibit A. Upon Bonneville determination of its ability to provide Transmission Service, conformance of the Customer's TSR, and revision and signing of the Table by Bonneville, the Table will be attached to the appropriate exhibit of the Customer's Transmission Service Agreement.

(q) "Tariff" or "OATT" means Bonneville's Open Access Transmission Tariff, dated October 2008, or its successor, unless otherwise specified herein.

(r) "Transmission Service" means the Long-Term Firm PTP Service or NT Service requested on Bonneville's OASIS in accordance with Bonneville's OATT.

3. CUSTOMER REQUIREMENTS AND OPTION TO INCREASE CONTRACT TERM

(a) **Precedent Transmission Service Agreement**
The Customer shall be required to sign and submit a separate PTSA, including completion of Exhibit B, for each Eligible TSR in OASIS prior to the Open Season Deadline.

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(b) **Table**

For each Eligible TSR in OASIS, the Customer shall be required to sign the Table attached to each PTSA submitted to Bonneville prior to the Open Season Deadline.

(c) **Table and TSR Contract Term**

The Customer may elect to increase its Service Duration as currently defined by the duration between the Start Date and the Termination Date included in the Customer's original TSR and section 1(a) of the Table. If the Customer desires to increase its Service Duration, it shall specify and initial the new Service Duration in section 1(b)(2) of the Table.

(d) **Customer Election for Requested Minimum Partial Service Demand**

If the Customer desires a minimum threshold in whole megawatts below which the Customer does not desire Bonneville to make an award of partial Transmission Service, the Customer shall fill in the minimum threshold and initial on the line in section 1(b)(3) of its Table. In the event the Customer does not make an election, Bonneville will not make any partial service awards to the Customer for less than the Customer's full requested megawatt demand. Any Bonneville offer of Conditional Firm Service will be made independently of this Customer election related to partial Transmission Service.

(e) **Performance Assurance Requirement**

Not later than the Open Season Deadline, the Customer shall provide Performance Assurance: (i) in the case of requested PTP transmission service, equal to the requested PTP Reserved Capacity times the long-term firm PTP transmission service rate in section II.A. of Bonneville's PTP rate schedule (in effect at the time of the Open Season Deadline) for one year, or, (ii) in the case of requested NT transmission service, the charge in section II.A. of Bonneville's NT rate schedule (in effect at the time of the Open Season Deadline) applied to the projected transmission service for one year. The Customer shall provide Performance Assurance in an amount in U.S. dollars by means of: (A) a Letter of Credit, (B) a security deposit into an escrow account, (C) a non-interest bearing cash security deposit with Bonneville, or (D) a prepayment of transmission service paid directly to Bonneville or to the account of Bonneville under an escrow. Each of (A) through (D) shall be established and maintained in accordance with Bonneville's Network Open Season Bulletin or its successor as in effect on the Open Season Deadline.

(1) **Attestation Statement**

Notwithstanding the foregoing, no Performance Assurance requirement will be required for the Customer's TSR if the Customer has an NT Transmission Service Agreement, the Customer's Eligible TSR is for transmission of a new Network Resource, and the Customer submits a statement attesting to the resource and generation conditions specified in section 29.2(viii) of the OATT.

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(2) **Outside Counsel Opinion**
Not later than the Open Season Deadline, state and local governmental entities (including, but not limited to, municipal corporations, joint operating agencies, joint powers authorities, and utility districts) seeking to provide Performance Assurance other than a letter of credit shall provide from outside counsel selected by the Customer and reasonably acceptable to Bonneville, a legal opinion addressed to Bonneville to the effect that Bonneville's right to funds under the Performance Assurance is valid and enforceable in accordance with its terms.

4. ABILITY TO PROVIDE TRANSMISSION SERVICE WITHOUT CONSTRUCTION OF EXPANSION FACILITIES

(a) **Satisfaction of Customer Requirements and Determination of Ability to Provide Transmission Service without Construction of Expansion Facilities**
After Bonneville determines that the Customer has satisfied the requirements in section 3(a), 3(b), and 3(e), Bonneville shall, on a continuing basis, determine whether it can provide Transmission Service for the Table associated with this Agreement without construction of Expansion Facilities.

(b) **Determination of Ability to Provide Transmission Service for the Customer's Entire Demand**
If, consistent with OASIS queue priority, Bonneville determines that it can provide Transmission Service to serve the entire transmission demand associated with the Customer's TSR without construction of Expansion Facilities, then: (i) Bonneville shall notify the Customer, (ii) shall specify the Service Commencement Date consistent with section 6(b) of this Agreement, (iii) the Customer and Bonneville shall conform the Customer's TSR pursuant to section 6(d), and (iv) Bonneville shall sign the Table.

(c) **Determination of Ability to Provide Transmission Service for a Portion of the Customer's Demand**
If, consistent with OASIS queue priority, Bonneville determines that it can provide Transmission Service for a portion of the Customer's requested demand equal to or exceeding the requested minimum partial demand established pursuant to section 3(d): (i) Bonneville shall notify the Customer and (ii) shall specify the Service Commencement Date consistent with section 6(b) of this Agreement. The Customer and Bonneville shall conform the Customer's TSR pursuant to section 6(d), and Bonneville shall sign the Table with such partial demand. Bonneville will prepare a new Exhibit A Table for this Agreement with the remaining transmission demand, which the Customer shall sign. Bonneville will not make a partial service award for any term less than the Service Duration requested by the Customer unless made upon agreement by the Customer.

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(d) **Determination that Construction of Expansion Facilities Is Necessary to Provide Transmission Service**
If Bonneville determines that it is unable to provide Transmission Service for part or all of the Customer's transmission demand without construction of Expansion Facilities, section 5 shall apply to such part.

(e) **Extensions for Commencement of Service and Treatment of Competitions under Section 17.7 of the OATT**

(1) If, prior to the Customer's commencement of service, Bonneville releases to the Customer Reserved Capacity of another Transmission Customer pursuant to section 17.7 of the OATT, the Customer must commence service for the Reserved Capacity in the Table without future commencement of service extensions.

(2) If, pursuant to section 17.7 of the OATT, the Customer requests to extend the commencement of service for the Reserved Capacity in the Table and, as a result, all or part of the Customer's Reserved Capacity would need to be released in order to satisfy a competing request for Transmission Service, the Customer shall commence service for the entire Reserved Capacity in the Table on the Start Date of the competing request.

5. BONNEVILLE REQUIREMENTS PRIOR TO CONSTRUCTION OF EXPANSION FACILITIES

(a) **Cluster Study**

(1) **Bonneville Obligation to Conduct Cluster Study**
In order to achieve the maximum efficiencies from its planning processes and in the identification and design of Expansion Facilities, Bonneville shall aggregate Participating TSRs and study those requests in a cluster. Such Cluster Study shall identify and design a proposed plan of service to supply the aggregate transmission needs of the Participating TSRs, and shall also identify the projected cost of any facilities and the proposed schedule to complete construction. Bonneville shall use due diligence to perform the Cluster Study or cause such study to be performed. Bonneville shall not separately charge any Cluster Study costs to Open Season Participants, except to the extent those costs may be included in Bonneville's embedded cost transmission rates and the Customer takes service under such rates.

(2) **Customer Obligation to Provide Information for Cluster Study**
At the time the Customer returns this signed Agreement to Bonneville, the Customer will provide Bonneville with the information required in Exhibit B for use in the Cluster Study. The Customer will provide the most current available information, and will update

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Bonneville in the event such information is revised. Bonneville will treat such information as confidential.

(3) **Direct Assignment**
All Expansion Facilities resulting from the Cluster Study are subject to a determination of Direct Assignment of costs. If Bonneville determines that costs for Expansion Facilities should be directly assigned to the Customer, then Bonneville will: (i) exclude such costs from consideration for rolled-in rate treatment under the Commercial Infrastructure Financing Proposal (CIFP) evaluation pursuant to section 5(b), (ii) notify the Customer that this Agreement shall terminate pursuant to section 1(b)(3), and (iii) process the Customer's TSR in accordance with the OATT.

(b) **Determination of Rate Treatment Applicable to Transmission Service**
Bonneville shall evaluate the projected cost and benefits of proposed Expansion Facilities consistent with its CIFP posted on Bonneville's website to determine in its discretion whether Transmission Service can reasonably be provided under the applicable PTP or NT rate schedule (Bonneville's "rolled-in" or "embedded" rate).

(1) **Transmission Service at Rolled-in Rates**
If Bonneville so determines that Transmission Service may be provided at rolled-in rates, Bonneville shall notify the Customer and proceed to complete its decision whether to build pursuant to section 5(d).

(2) **Transmission Service not at Rolled-in Rates**
If Bonneville determines that Transmission Service cannot be provided at rolled-in rates, Bonneville shall notify the Customer, this Agreement shall terminate pursuant to section 1(b)(1), and Bonneville will process the Customer's TSR in accordance with the OATT.

(c) **National Environmental Policy Act (NEPA) Compliance**
Bonneville shall be responsible for all workload, including studies, as necessary to achieve its NEPA compliance associated with Expansion Facilities for TSRs for which Bonneville determines that Transmission Service may reasonably be provided at rolled-in rates. There shall be no additional compensation required of the Customer under this Agreement associated with such NEPA compliance. Bonneville reserves the absolute right to choose any alternatives considered in the NEPA process, including the no-action alternative. Nothing in this Agreement or the Table shall be construed as obligating Bonneville to choose an alternative that involves constructing facilities or to proceed with construction work under this Agreement or the Table before Bonneville has completed the NEPA review process.

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(d) **Decision to Build**

In the event that Bonneville makes a determination pursuant to section 5(b)(1) that Transmission Service for the TSR associated with this Agreement may reasonably be provided at rolled-in rates and after completing the NEPA review pursuant to section 5(c), Bonneville will then make a determination, in its sole discretion and in accordance with the Administrator's statutory authorities, whether to build Expansion Facilities.

(e) **Bonneville Deadlines and Customer Option if Bonneville Requirements are not Met**

Bonneville shall use due diligence to satisfy all of its requirements set forth in sections 5(b)(1) and 5(d).

(1) **Bonneville Deadlines**

The following deadlines, unless a later date is agreed to by the Customer, shall apply to Bonneville:

(i) **Rate Treatment Deadline**

No later than 11 months after the Open Season Deadline, Bonneville shall either: confirm the rolled-in rate treatment and notify the Customer pursuant to section 5(b)(1), or have made the Customer an offer of Conditional Firm service pursuant to section 8.

(ii) **Decision to Build Deadline**

No later than 39 months after the date of the notice given pursuant to section 5(b)(1), Bonneville shall either: notify the Customer pursuant to section 5(f), or have made the Customer an offer of Conditional Firm service pursuant to section 8.

(2) **Delay in Bonneville Determinations**

If Bonneville determines that it may not meet either the Rate Treatment or the Decision to Build deadline described in section 5(e)(1), and does not expect to make the Customer an offer of Conditional Firm service by such deadlines, Bonneville shall notify the Customer and shall specify in such notice(s) when Bonneville expects to make the determination(s) in sections 5(b)(1) or 5(d). In such case, the Customer shall have the right to terminate this Agreement pursuant to section 1(b)(2).

(3) **Termination if Bonneville Requirements Are Not Met**

If Bonneville cannot satisfy the requirements of either section 5(b)(1) or 5(d), Bonneville shall notify the Customer and this Agreement shall terminate pursuant to section 1(b)(1).

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(f) **Bonneville Requirements Completed; Notification of Projected Service Commencement Date**
Upon Bonneville successfully completing its requirements pursuant to sections 5(b)(1) and 5(d), and no later than the deadlines specified in or agreed to pursuant to section 5(e): (i) Bonneville shall notify the Customer, (ii) Bonneville and the Customer shall conform the Customer's TSR, and (iii) Bonneville shall sign the Table. Such notice shall include a reasonable estimate of the Service Commencement Date, which will be after Bonneville completes construction activities required for the Expansion Facilities.

6. SERVICE DURATION AND COMMENCEMENT OF SERVICE

(a) **Provisions Affecting Service Duration**

(1) **Conditional Firm Service**
Any period during which the Customer has taken Conditional Firm Service as a Bridge arrangement prior to the Service Commencement Date will be applied to the Customer's Service Duration obligation.

(2) **Delay of Construction of Expansion Facilities**
If, due to delays in the construction of Expansion Facilities, the Customer's Service Commencement Date occurs subsequent to the estimated Service Commencement Date provided in Bonneville's notice pursuant to section 5(f), the Customer may elect to shorten its Service Duration by a period not exceeding the delay. The election must be upon written notice to Bonneville no later than 15 days prior to the Service Commencement Date, and excluding any coinciding period under section 6(a)(1).

(b) **Service Commencement Date if Expansion Facilities Are Not Required**
If Bonneville determines, pursuant to section 4(b) or 4(c), that it can provide Transmission Service without construction of Expansion Facilities, the actual Service Commencement Date shall be the later of:

(1) the first day of the month occurring at least 15 days from the date of receipt by the Customer of the executed Table; or

(2) the Start Date as originally requested by the Customer.

This Service Commencement Date will become the Start Date in the Customer's Table and the Service Commencement Date extended by the Service Duration will become the Termination Date.

(c) **Service Commencement Date if Expansion Facilities are Required**
In addition to its initial notice pursuant to section 5(f), Bonneville shall notify the Customer on a regular basis of the progress of its construction activities, and in the event of a delay, provide a revised estimate of the Service

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Commencement Date. The actual Service Commencement Date shall be the later of:

(1) the first day of the month occurring at least 15 days from the date on which the Expansion Facilities are available to provide Transmission Service to the Customer, or

(2) the Start Date as originally requested by the Customer.

The Service Commencement Date will become the Start Date in the Customer's Table and the Service Commencement Date extended by the Service Duration will become the Termination Date.

(d) **TSR Conformance**
Upon determination of the Service Commencement Date or Service Duration pursuant to sections 4(e), 6(b) or 6(c) above, Bonneville will, if necessary, provide the Customer instructions, and the Customer shall comply in modifying or 'conforming' its TSR in OASIS, and in the Table, based on the Service Commencement Date, Service Duration and any other pertinent information. The Customer and Bonneville shall thereupon initial and date section 2 of the Table, and Bonneville shall thereupon sign the Table.

7. DISPOSITION OF PERFORMANCE ASSURANCE

(a) Release of Performance Assurance – Security Deposit
If the Performance Assurance is provided as a security deposit under sections 3(e)(A), 3(e)(B), or 3(e)(C) of this Agreement, Bonneville shall, within 180 calendar days following the commencement of either Transmission Service or Conditional Firm service as a Bridge arrangement, serving the full transmission demand associated with the Customer's TSR, release to the Customer the Performance Assurance provided by the Customer under section 3(e). In the event of partial demand service that is equal to or exceeds the minimum partial demand specified pursuant to section 3(d), Bonneville shall, within 180 calendar days following the commencement of either Transmission Service or Conditional Firm service as a Bridge arrangement, release to the Customer a pro-rated share of the Performance Assurance based on the ratio that the partial service in megawatts bears to the total transmission demand requested by the Customer in megawatts.

(b) **Release of Performance Assurance – Prepayment**
If the Performance Assurance obligation is provided as a prepayment under section 3(e)(D) of this Agreement, each month beginning upon the commencement of either Transmission Service or Conditional Firm service as a Bridge arrangement, the Customer's obligation for services under this Agreement and the Table attached as Exhibit A will be satisfied by disbursements to Bonneville from the related escrow account or cash deposit with Bonneville. Such disbursements will continue until the total amount of the Customer's Performance Assurance balance is exhausted.

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(c) **Potential Forfeiture of Performance Assurance**
In the event of a material breach of this Agreement by the Customer: (i) an amount equal to the Performance Assurance shall become immediately due and payable to Bonneville, without setoff, offset or adjustment, and Bonneville shall be entitled to receive or retain any amounts provided by the Customer as Performance Assurance, and (ii) the Customer's TSR with attached Table shall be changed to 'DECLINED' status. The receipt of funds by Bonneville from Performance Assurance shall not be construed to be and is not a limitation of damages and shall not preclude Bonneville from seeking or obtaining additional damages, compensation or other remedies.

8. CONDITIONAL FIRM OFFER

At any time during the term of this Agreement, Bonneville may at its discretion, and consistent with OASIS queue priority, offer Conditional Firm service to the Customer. In this event, the terms of service of the Conditional Firm offer, although developed to interface with this Agreement, shall be implemented and administered independently from this Agreement. If the Customer elects not to accept a Conditional Firm offer on a TSR associated with this Agreement, Bonneville shall have no obligation to make a subsequent Conditional Firm offer. If the Customer elects to accept a Conditional Firm Service offer on a TSR associated with this Agreement, Bonneville shall unilaterally update the TSR by means of a pen and ink change to the Table, and provide the Customer with a copy of the updated Table containing the new TSR Assign Ref Number.

9. CREDITWORTHINESS REQUIREMENTS

The Customer agrees to comply with Bonneville's credit support requirements throughout the term of this Agreement, as set forth in Bonneville's Creditworthiness Business Practice, as amended from time to time, and in accordance with section 11 of the OATT. Based on such credit support requirements, at the time Bonneville establishes the Service Commencement Date, Bonneville will determine whether the Customer has an obligation to post additional credit assurances.

10. FERC APPROVAL

Bonneville has filed with FERC certain Tariff revisions regarding the Network Open Season, including a form of PTSA that includes substantially the same terms and conditions as this Agreement. If FERC issues a final order rejecting all or any part of the Tariff revisions, or adding any conditions to the Tariff or to the form of this Agreement that are material to the Network Open Season or to this Agreement and that are unacceptable to either Party, within 30 days of issuance of FERC's final order, such Party will have the right to terminate this Agreement upon 30 days' written notice specifying the reasons for termination. Such termination shall be pursuant to section 1(b).

11. NO DEDICATION OF FACILITIES

No undertaking by the Customer or Bonneville under or pursuant to any provision of this Agreement shall constitute or be deemed to constitute a dedication of all or any portion of the FCRTS to the Transmission Customer or to the public.

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12. ASSIGNMENT

The Customer shall not assign this Agreement or any of its rights hereunder unless it obtains consent in writing from Bonneville; such consent shall not be unreasonably withheld.

13. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the Parties with respect to the Network Open Season, and supersedes any and all previous understanding(s) between the Parties with respect to the Network Open Season and binds and inures to the benefit of the Parties and their successors and assignees.

14. CHOICE OF LAW

This Agreement shall be interpreted, construed, enforced and implemented pursuant to Federal law.

15. SECTION HEADINGS

Section headings and subheadings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

16. INCORPORATION OF EXHIBITS

Exhibits A and B are hereby incorporated into and made part of this Agreement.

17. NOTICES

Unless otherwise specified any notice or other communication related to this Agreement, shall be in writing and shall be deemed to have been received if delivered in person, by First Class mail, by facsimile or sent by overnight delivery service.

If to the Customer:

(Customer Name)
(Customer Address)
(Customer City, State, Zip)
Attention: *(Customer Contact)*
Title: *(Customer Title)*
Phone:
Fax:

If to Bonneville:

Attention: Transmission Account Executive for *(Customer Name)* – TSE/TPP-2
Phone: (360) 619-6016
Fax: (360) 619-6940

If by First Class Mail:
Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

If by Overnight Delivery Service:

Bonneville Power Administration – TSE/TPP-2
7500 NE 41st Street, Suite 130
Vancouver, WA 98662-7905

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18. SIGNATURES

Each Party represents that its signatory named below is duly authorized to execute this Agreement on its behalf.

CUSTOMER NAME

By: _____

Name: _____
(Print/Type)

Title: _____

Date: _____

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: _____

Name: _____
(Print/Type)

Title: Transmission Account Executive

Date: _____

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EXHIBIT [A or C]
SPECIFICATIONS FOR LONG-TERM
FIRM POINT-TO-POINT TRANSMISSION SERVICE

TABLE *[insert No. or letter]*
REQUEST FOR TRANSMISSION SERVICES

Associated with Precedent Transmission Service Agreement No.: [insert No.]

1. TERM OF TRANSACTION

(a) Originally Specified Contract Term

The Assign Ref is: *[insert Assign Ref]*
Start Date: at 0000 hours on *[insert date, ex. October 1, 2009]*.
Termination Date: at 0000 hours on *[insert date, ex. October 1, 2014]*.

(b) Customer Election for Contract Term and Partial Service

(1) Original Contract Term: *[insert term, ex. 5 years]*.

(2) Requested Contract Term: _____ _____
(Initial)

[If TSR is a Redirect, Enter: Not Applicable for a Redirect TSR on line above, remove "initial space" and remove the following paragraph]
If the Customer desires a Contract Term longer than the Original Contract Term as specified above, the Customer may fill in and initial on the line above, in whole year increments, and not exceeding a period of 30 years. Such longer term shall retain the original Start Date specified in section 1(a) above.

(3) Requested minimum threshold for partial service: _____ _____
(Initial)

If the Customer desires a minimum threshold in whole megawatts below which the Customer does not desire Bonneville to make an award of partial service, the Customer shall fill in the minimum threshold and initial on the line above.

2. TSR CONFORMANCE

Pursuant to section 6(d) of the Precedent Transmission Service Agreement (PTSA), Bonneville will fill in all applicable information below, based upon the Customer's original TSR, or as may be revised and described in a 'conformed' TSR submitted by the Customer. The Parties shall initial in the space provided.

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The new Assign Ref is: _____ (Bonneville will insert Assign Ref or N/A)
Start Date at 0000 hours on: _____ (Bonneville will insert date)
Termination Date at 0000 hours on: _____ (Bonneville will insert date)
In the event of a Partial Service award: _____ (Bonneville will insert MW demand)

_____ _____
Customer Initial/Date Bonneville Initial/Date

3. DESCRIPTION OF CAPACITY AND ENERGY TO BE TRANSMITTED BY TRANSMISSION PROVIDER

Contract POR (Source)	Reservation - Scheduling (POR)	POR Balancing Authority	Contract POD (Sink)	Reservation - Scheduling (POD)	POD Balancing Authority	Reserved Capacity (MW)

4. POINT OF RECEIPT
[Include Delivering Party/Resource if known]
Add additional PORs if necessary.

5. POINT OF DELIVERY
[Include Receiving Party if known]

6. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE
[Transmission Customer]

7. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE
[If not applicable insert "None"]

8. SERVICE AGREEMENT CHARGES
Service will be subject to some combination of the charges detailed in the Service Agreement Exhibits, including but not limited to:

(a) Transmission Charge
PTP-08 Rate Schedule or successor rate schedules.

(1) **Reservation Fee**
Not Applicable

(2) **Short Distance Discount (SDD)**
0.6+ (0.4 x ___/75) (formula for PTP) =____ or Not Applicable.

(b) Direct Assignment and Use of Facility Charges

(c) Ancillary Service Charges

9. OTHER PROVISIONS SPECIFIC TO THIS TABLE

(a) Creditworthiness

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The Customer agrees to comply with Bonneville's credit support requirements throughout the term of this Table, as set forth in Bonneville's Creditworthiness Business Practice, as amended from time to time, and in accordance with section 11 of the OATT. Based on such credit support requirements, at the time Bonneville establishes the Service Commencement Date, Bonneville will determine whether the Customer has an obligation to post additional credit assurances.

(b) Redirect Rights

Bonneville agrees that changes or modifications to its ATC Methodology as used to evaluate Redirect or Network Integration Modification of Service Requests by the Customer will be subject to the notice requirements pursuant to Bonneville's Network Open Season Bulletin as effective on the Open Season Deadline.

[Include this section for Newpoint TSRs]

(c) Reservation-Scheduling POR Newpoint Conformance

If the Customer's TSR requires the designation of Newpoint, the Customer will comply with the provisions governing Newpoint set forth in Bonneville's Requesting Transmission Service Business Practice. This includes procedures related to TSR conformance by the Customer, and at the time a valid Scheduling Point is designated, for the submittal of a Redirect Request.

[Include this section for the TSRs with BC.US Border (east) scheduling issue and intervening system scheduling path issue]

(d) Third Party Transmission Arrangements

Customer shall be responsible for any scheduling arrangements on other electric systems [to or from] the valid Reservation-Scheduling [POR or POD] that may be required by such system.

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10. SIGNATURES

Each Party represents that its signatory named below is duly authorized to execute this Table on its behalf.

CUSTOMER NAME	UNITED STATES OF AMERICA Department of Energy Bonneville Power Administration
By: _____	By: _____
Name: _____ *(Print/Type)*	Name: _____ *(Print/Type)*

Title: _____ Title: Transmission Account Executive

Date: _____ Date: _____

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EXHIBIT [A or C]
SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE

TABLE *[insert No. or letter]*
REQUEST FOR TRANSMISSION SERVICES

Associated with Precedent Transmission Service Agreement No.: [insert No.]

1. TERM OF TRANSACTION

(a) Originally Specified Contract Term

The Assign Ref is: *[insert Assign Ref]*
Start Date: at 0000 hours on *[insert date, ex. July 1, 2009].*
Termination Date: at 0000 hours on *[insert date, ex. July 1, 2014].*

(b) Customer Election for Contract Term and Partial Service

(1) Original Contract Term: *[insert term, ex. 5 years].*

(2) Requested Contract Term: _____ _____
(Initial)

If the Customer desires a Contract Term longer than the Original Contract Term as specified above, the Customer may fill in and initial on the line above, in whole year increments, and not exceeding a period of 30 years. Such longer term shall retain the original Start Date specified in section 1(a) above.

(3) Requested minimum threshold for partial service: _____ _____
(Initial)

[This section 1(b)(3), which is referenced in the PTSA, is not applicable to NT customers.]

2. TSR CONFORMANCE

Pursuant to section 6(d) of the Precedent Transmission Service Agreement (PTSA), Bonneville will fill in all applicable information below, based upon the Customer's original TSR, or as may be revised and described in a 'conformed' TSR submitted by the Customer. The Parties shall initial in the space provided.

The Assign Ref is: _____ (Bonneville will insert Assign Ref)
Start Date at 0000 hours on: _____ (Bonneville will insert date)
Termination Date at 0000 hours on: _____ (Bonneville will insert date)

_____ _____
Customer Initial/Date Bonneville Initial/Date

3. DESCRIPTION OF CAPACITY AND ENERGY TO BE TRANSMITTED BY

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TRANSMISSION PROVIDER

a. Designated Network Resources: See Exhibit XX, Table XX, Revision No. XX, Section XX.

b. New Designated Network Resources:

Resource	Capacity (MW)	Start Date	Termination Date	Balancing Authority	Assign Ref

c. Total Network Resources equals 3(a) + 3(b).

4. POINT OF RECEIPT

5. POINT OF DELIVERY

6. NETWORK LOAD:
See Exhibit XX, Table XX, Revision No. XX, Section XX.

7. DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE
See Exhibit XX, Table XX, Revision No. XX, Section XX.

8. NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE
See Exhibit XX, Table XX, Revision No. XX, Section XX.

9. CUSTOMER SERVED LOAD
See Exhibit XX, Table XX, Revision No. XX, Section XX.

10. SERVICE AGREEMENT CHARGES
Service will be subject to some combination of the charges detailed in the Service Agreement Exhibits, including but not limited to:

(a) Transmission Charge
NT-08 Rate Schedule and UFT-08 Rate Schedule or successor rate schedules.

(b) Direct Assignment and Use of Facility Charges

(c) Ancillary Service Charges

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11. OTHER PROVISIONS SPECIFIC TO THIS TABLE

(a) Creditworthiness

The Customer agrees to comply with Bonneville's credit support requirements throughout the term of this Table, as set forth in Bonneville's Creditworthiness Business Practice, as amended from time to time, and in accordance with section 11 of the OATT. Based on such credit support requirements, at the time Bonneville establishes the Service Commencement Date, Bonneville will determine whether the Customer has an obligation to post additional credit assurances.

[Include this section for Newpoint TSRs]

(b) Reservation-Scheduling POR Newpoint Conformance

If the Customer's TSR requires the designation of Newpoint, the Customer will comply with the provisions governing Newpoint set forth in Bonneville's Requesting Transmission Service Business Practice. This includes procedures related to TSR conformance by the Customer at the time a valid Scheduling Point is designated.

[Include this section for the TSRs with BC.US Border (east) scheduling issue and intervening system scheduling path issue]

(c) Third Party Transmission Arrangements

Customer shall be responsible for any scheduling arrangements on other electric systems [to or from] the valid Reservation-Scheduling [POR or POD] that may be required by such system.

12. SIGNATURES

Each Party represents that its signatory named below is duly authorized to execute this Table on its behalf.

CUSTOMER NAME	UNITED STATES OF AMERICA Department of Energy Bonneville Power Administration
By: _____	By: _____
Name: _____ *(Print/Type)*	Name: _____ *(Print/Type)*
Title: _____	Title: Transmission Account Executive
Date: _____	Date: _____

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EXHIBIT B
CUSTOMER INFORMATION REQUIRED FOR CLUSTER STUDY

Associated with Precedent Transmission Service Agreement No.09TX-00000 and with Table [insert No. or letter] to Exhibit [A or C] of Service Agreement No. XXXXX

1. SOURCE

The Customer will identify the resource including the electrical point (i.e. substation) where the resource interconnects with a transmission system (Bonneville or other system) supplying the capacity and energy associated with the TSR.

2. SINK

If possible, the Customer will identify the load including the electrical point (i.e. substation) on the transmission system to be served by the resource associated with the TSR. If the load being served by the TSR cannot be specified, such as for TSRs with a POD of the Northwest HUB, the Customer must indicate whether the load will be within the Northwest or outside the Northwest.

3. REVISIONS

In the event information provided under this Exhibit B may be revised, the Customer will provide notice of such revisions to Bonneville by August 19, 2009. Updates will be accepted in the future, and may help inform Bonneville's final decision regarding whether to build Expansion Facilities identified by the plan of service in the Cluster Study.

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ATTACHMENT P

Oversupply Management Protocol

This attachment establishes requirements and procedures used to moderate total dissolved gas ("TDG") levels in the Columbia River to protect endangered fish and other aquatic species. All Transmission Customers that own or operate generating facilities in Transmission Provider's Control Area and all generators that own or operate generating facilities in Transmission Provider's Control Area (together referred to in this attachment as "Generator") are subject to displacement under this attachment, including generating facilities that are dynamically scheduled out of Transmission Provider's Control Area but not including generating facilities that are transferred out of the Control Area by pseudo-tie. Transmission Provider will deliver Federal hydroelectric energy to replace the reduced generation in order to meet the Transmission Customers' schedules. The Oversupply Management Protocol will apply as follows:

1. The term of this attachment is March 31, 2012, through March 30, 2013.

2. Before displacing generation under this attachment, Transmission Provider will take all actions that, in its determination, are reasonable means to reduce or avoid the need for displacement.

3. No later than March 31, 2012, the Generator shall make an election with respect to each of its generating facilities (other than facilities with a nameplate capacity under 3 MW, which are exempt from displacement under this attachment) as follows:

    a. the Generator elects not to submit the facility's costs of displacement, in which case the costs of displacement for the facility shall be deemed to be $0/MWh and, except in the case of Generators that own or operate federal generating facilities, the Generator shall not be subject to cost allocation with respect to such facility for costs incurred under this attachment; or

    b. the Generator elects to submit the facility's costs of displacement, in which case the Generator shall be subject to cost allocation with respect to such facility for costs incurred under this attachment.

4. Transmission Provider will use a Least-Cost Displacement Cost Curve ("Cost Curve") to displace generation located in Transmission Provider's control area in order to moderate TDG levels in the Columbia River. The Cost Curve will list the cost of displacement for each facility. Transmission Provider will displace generation in order of cost, from the least-cost facility to the highest-cost facility, until the required displacement quantity as determined by Transmission Provider is achieved. If the highest-cost Generator that Transmission Provider displaces in an hour to achieve the required displacement quantity has the same cost as one or more other Generators, Transmission Provider will displace all such Generators on a pro-rata basis.

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5. a. No later than March 31, 2012 (or, with respect to generating facilities with a scheduled Commercial Operation Date after March 31, 2012, the later of March 31, 2012, or 30 days before the facility's scheduled Commercial Operation Date (as defined in the Large Generator Interconnection Agreement)), the Generator shall submit to an independent evaluator selected by Transmission Provider, for each facility for which the Generator has elected to submit costs under section 3.a, the nameplate generating capacity and the costs of displacement ($/MWh) for each month of the following April through March. The Generator must certify that the nameplate capacity and the costs are accurate. The submission must list costs separately for heavy load hours and for light load hours (both as defined in Transmission Provider's 2012 Power Rate Schedules or their successor) and must list both total costs of displacement and costs by each category in section 5.c that apply to the generating facility. The submission must also include supporting data and documentation for the costs. The Generator may submit revised costs to the independent evaluator at any time. The Generator must certify that the revised costs are accurate and must include supporting data and documentation. The revised costs for any month will be included in the Cost Curve as of the first day of the second month following submission of the costs. If a Generator does not make an election for a facility, or makes an election to submit costs but does not submit the costs, the costs of displacement of the facility shall be deemed to be $0/MWh and the Generator shall not be subject to cost allocation with respect to such facility for costs incurred under this attachment.

   b. Transmission Provider will obtain from the independent evaluator the total costs of displacement for each facility and the Cost Curve. Except as provided in section 7.a., Transmission Provider will not obtain the costs by category or any supporting data and documentation. Transmission Provider will not use the cost information for any purpose other than that specified under this attachment. In addition, Transmission Provider will not disclose the cost information to any person not employed by Transmission Provider or to any of its Marketing Function Employees, as defined by the Transmission Provider's Standards of Conduct, except that Transmission Provider may disclose the costs to the Commission as provided in section 7.a. Transmission Provider will sign, and will require the independent evaluator to sign, a nondisclosure agreement with respect to the cost information and the scheduling information the independent evaluator obtains under sections 7.a and 7.b. The nondisclosure agreement will allow the independent evaluator to disclose cost information and scheduling information to Transmission Provider under sections 7.a and 7.b.

   c. Costs of displacement shall be limited to the following:

      i. With respect to contracts for the sale of all or part of a facility's output executed on or before March 6, 2012 –

         1. the production tax credit the Generator would have received under 26 U.S.C. § 45 or its successor but will not receive because of the displacement;

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2. the following amounts for renewable energy credits (RECs) unbundled from the sale of power:

   a. with respect to executed contracts for the sale of RECs unbundled from the sale of energy and executed contracts for the sale of energy and RECs in which the price for the RECs is stated separately from the price for the energy, i) the amount that the Generator is not paid by its contracting party because of its failure to deliver RECs, and ii) the amount, if any, the Generator must pay its contracting party as a penalty for its failure to deliver RECs; and

   b. with respect to the amount of displaced generation for which the Generator has not yet executed a contract to sell the RECs, the market value of the RECs for which the Generator is not credited because of the displacement; and

3. with respect to power sales agreements for the bundled sale and purchase of both RECs and energy for a single price, i) the contract price, if the Generator is not entitled to payment for any hour in which the Generator does not generate; or, the difference between the full contract price and the reduced price if the Generator is entitled only to a reduced price for any hour in which the Generator does not generate; and ii) the amount, if any, the Generator must pay its contracting party as a penalty for its failure to generate.

ii. With respect to contracts for the sale of all or part of a facility's output executed after March 6, 2012, the costs listed in sections 5.c.i.1, 5.c.i.2.a.i, and 5.c.2.b.

6. For each hour of displacement, Transmission Provider will compensate the Generator for each displaced facility with the facility's costs of displacement ($/MWh) multiplied by the difference between the i) MW of scheduled generation for the hour (or estimated generation submitted by behind-the-meter resources) integrated over the hour, and ii) the MW of generation that Transmission Provider has directed the Generator to reduce to under this attachment. An hour of displacement is an hour in which Transmission Provider has directed the Generator to reduce generation under this Attachment and Generator has complied with the direction, including hours in which the Generator is ramping down to comply with the direction or ramping up to return to normal operations.

7. a. The independent evaluator may validate costs submitted by the Generator. In such case the Generator will submit to the independent evaluator any additional supporting data the independent evaluator reasonably requests. If the independent evaluator determines that any costs warrant further review, it may provide the cost information including supporting data and documentation to Transmission Provider. In such case, Transmission Provider may file a complaint or other appropriate request with the Commission requesting review of the costs and appropriate action if any.

   b. If Transmission Provider believes that any schedule submitted during an hour of displacement may be inaccurate or inflated, Transmission Provider may ask the independent evaluator to review the schedule, and may submit additional data to the

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independent evaluator to consider in its evaluation. In such case the independent evaluator may ask the Generator to provide relevant supporting data for the schedule, which Generator shall provide. The independent evaluator will provide to Transmission Provider its conclusion regarding the accuracy of the schedule. If the independent evaluator concludes that the schedule is inaccurate or inflated, it may provide to Transmission Provider the data provided by the Generator, and Transmission Provider may file a request or complaint with the Commission, together with the scheduling data, requesting investigation of the Generator's scheduling practices and appropriate action if any.

8. Transmission Provider shall establish in a business practice the communication protocols through which Transmission Provider will notify Generators when Transmission Provider implements this attachment.

9. If a Generator is prevented from reducing generation below a certain level or deviating from a certain ramp rate, the Generator may submit a minimum generation level or a maximum ramp rate to Transmission Provider under Transmission Provider's minimum generation business practice, regardless of the election for such facility that Generator has made under section 2. Transmission Provider will not direct a Generator to reduce generation below its minimum generation level, or at a ramp rate that exceeds the maximum ramp rate. If a Generator does not submit a minimum generation level or a maximum ramp rate, Transmission Provider may direct the Generator to reduce generation to zero. Generators may consider the following factors in establishing minimum generation levels and ramp rates:

    i. Generation level required for self- or third-party supply of Ancillary Services such as operating reserves, regulating and load following reserves, or for supply of Ancillary Services to another Control Area;
    ii. Generation levels needed for local reactive power support;
    iii. Generation levels that can be achieved within 60 minutes or that allow return to normal operation within 60 minutes;
    iv. Generation levels required for compliance with environmental laws and regulations;
    v. Minimum stable and safe generation levels;
    vi. Minimum fuel take obligations;
    vii. Maximum 10-minute ramp rates;
    viii. Maximum duration for reduced generation levels; and
    ix. Generation levels and duration for testing requirements after generator maintenance.
    x. Generation level needed to support plant operations associated with co-generation facilities

10. Transmission Provider will not charge or compensate the Generator for generator imbalance service under Transmission Provider's applicable generation imbalance rate schedules in any hour in which Transmission Provider directed the Generator to reduce generation below the amount of generation scheduled under this attachment.

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11. Generator shall remain responsible for loss return and Operating Reserve obligations incurred for schedules submitted for hours in which Transmission Provider implements this attachment.

12. Transmission Provider shall post on its website an annual report stating the MWh of energy displaced and the cost of displacement pursuant to this attachment.

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