



# Rochester Public Utilities

## OPEN ACCESS TRANSMISSION TARIFF

Version 2.4

February 11, 2013

### Revision History

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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:** The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider.

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

**1.5 Commission:** The Federal Energy Regulatory Commission.

**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:** The term Control Area is synonymous with Balancing Authority. 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 generation within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with 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 Delivery 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.

**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. 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; electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by section 212(h)(2) of the Federal Power Act. (ii) Any retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by the Transmission Provider.

**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

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

**1.17 Load Ratio Shed:** Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve-month basis.

**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 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 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.

**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 standalone basis for periods ranging from one hour to one month.

**1.29 Non-Firm Sale:** An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

**1.30 Open Access Same Time Information System (OASIS):** The electronic information system that provides users and potential users of the Transmission Provider's transmission system information concerning the availability of, and a mechanism to obtain access to, transmission service on the Transmission Provider's transmission system.

**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.

**1.35 Point(s) of Delivery:** Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point 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 Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point 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.

**1.39 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 requested Transmission Service.

**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.

**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 flow gate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. 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. 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:** Rochester Public Utilities

**1.51 Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

**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 INITIAL ALLOCATION AND RENEWAL PROCEDURES

**2.1 Initial Allocation of Available Transfer Capability:** For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

**2.2 Reservation Priority for Existing Firm Service Customers:** Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the 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. 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 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 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. 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 firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to June 1, 2011 or associated with a transmission service request received prior to June 1, 2011, unless terminated, will become subject to the five year/one year requirement on the first rollover date after June 1, 2011 provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of June 1, 2011.

### 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, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. 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 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 its resources or from resources available to it, 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.

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 seven Ancillary Services.

**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 C.F.R. § 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.

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 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

### **5.1 Transmission Providers that own Facilities Financed by Local Furnishing**

**Bonds:** This provision is applicable only to Transmission Providers that have 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 Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

### **5.2 Alternative Procedures for Requesting Transmission Service:**

- i. If the Transmission Provider determines that the provision of transmission service requested by an Eligible 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 transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

- ii. If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act and shall provide the requested transmission service in accordance with the terms and conditions of this Tariff.

## 6 RECIPROACITY

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 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 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 initiate a proceeding to terminate service. 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 Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days.

## 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 or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make changes in the rates, terms and conditions, charges, classification of service, Service Agreement.

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

## 11 CREDITWORTHINESS

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

## 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 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 (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 therefor. 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.

**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.

### 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 day, and the maximum term shall be specified in the Service Agreement.

**13.2 Reservation Priority:** 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. 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. If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of 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 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. 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 May 27, 2011. 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 Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm 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 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 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. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures 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 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 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 3:00 p.m. of the day prior to commencement of such service. Schedules submitted after 3:00 p.m. will be accommodated, if practicable. 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. 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 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. 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 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, (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 May 27, 2011, or (ii) agreements executed prior to the aforementioned date. 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 Agreement:** The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) 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 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 3:00 p.m. of the day prior to commencement of such service. Schedules submitted after 3:00 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. 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 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. 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 and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures 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 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 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:** Service under this Tariff shall require a written, 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 Customer may seek relief under the dispute resolution procedures pursuant to Section 12. In no event shall service commence prior to execution by the Transmission Provider and the Transmission Customer of a written Service Agreement.

**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 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) 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 offer the Firm Transmission Service with the condition that 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 Condition(s). 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 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.

**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. The applicable Real Power Loss is 1.7%.

## 16 TRANSMISSION CUSTOMER RESPONSIBILITY

**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 in Section 11;
- 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 contain a written Application to: Engineering Manager, Rochester Public Utilities, 4000 East River Road, NE., Rochester, MN 55904-2813, Facsimile number: (507) 280-1542 at least sixty (60) days in advance of 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. 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 (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 priority of the Application.

**17.2 Completed Applications:** 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 reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements or the agreements of any similar organization that may exist in the future of which the Transmission Provider is a member.
- (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; and
- (x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

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

**17.3 Deposits:** A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. 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), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider 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 deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. 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, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR 35.19a(a)(2)(iii), and shall

be calculated from the day the deposit check is credited to the Transmission Provider's account.

**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 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, with interest. 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 either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. 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.

**17.6 Execution of Service Agreement:** 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 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 with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

**17.7 Extension 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 within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. 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 (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 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 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 or the agreements of any similar organization that may exist in the future of which the Transmission Provider is a member.

- 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 requested Transmission Service.

**18.3 Reservation of Non-Firm Point-to-Point Transmission Service:** Requests: 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 noon the day before service is to commence. Requests for service received later than 3:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

**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) sixty (60) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

## 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 redispach 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. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, 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, pursuant to Section 17.3, shall be returned with interest.

**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.
- 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 20.

**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) redispach options (when requested by an Eligible Customer) including an estimate of the cost of redispach, (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 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. 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 its deposit, pursuant to Section 17.3, shall be returned with interest. 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 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. 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 Due Diligence.

**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 Expediated 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 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 Reserved for Future Use**

## **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 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.

**20.3 Refund Obligations 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 with interest pursuant to Commission regulations 35.19a(a)(2)(iii). 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 SYSTEM 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 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 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.

## 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 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.

**22.2 Modifications on a Firm Basis:** Any : 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:** 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 Resellers shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate 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 June 1, 2011, compensation to Resellers shall be at rates established by agreements between the Reseller and the Assignee. The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall

charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by 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 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 POINTS

**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 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 in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider's proposed stranded cost recovery shall be subject to the dispute resolution procedures of this tariff.

## 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 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 NETWORKING 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 economy 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.

## 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-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.

**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 Real Power Loss factor is 1.7 %.

**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.

## 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 provisions of Section 29.5 apply, 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 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. 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, with the earliest Application receiving the highest priority. 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 (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.

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;
- 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:
  - a. Unit size and amount of capacity from that unit to be designated as Network Resource
  - b. VAR capacity (both leading and lagging) of all generators
  - c. Operating restrictions:
    - i. Any periods of restricted operations throughout the year
    - ii. Maintenance schedules
    - iii. Minimum loading level of unit
    - iv. Normal operating level of unit

- v. Any must run unit designations required for system reliability or contract reasons
    - d. Approximate variable generating cost (\$/MWH) for redispatch computations
    - e. 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
    - f. For each off-system Network Resource, such description shall include:
      - i. Any periods of restricted operations throughout the year
      - ii. Maintenance schedules
      - iii. Minimum loading level of unit
      - iv. Normal operating level of unit
      - v. Any must must-run unit designations required for system reliability or contract reasons
    - g. Approximate variable generating cost (\$/MWH) for redispatch computations;
  - vi. Description of Eligible Customer's Transmission System:
    - a. 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
    - b. Operating restrictions needed for reliability
    - c. Operating guides employed by system operators
    - d. Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
    - e. Location of Network Resources described in subsection (v) above
    - f. 10-year projection of system expansions or upgrades
    - g. Transmission System maps that include any proposed expansions or upgrades
    - h. 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 sale 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; and

- ix. Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment 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.

### **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.

**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 Reserved for Future Use**

### **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 sale 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. 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 sale 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 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) Resources 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 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 Non-Firm Sales 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.

**30.5 Network Customer Redispatch Obligation:** 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 Limitations 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) with its Network Loads. 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:** The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. The amount of any such consideration (if any) shall be determined on a case-by-case basis consistent with policies established by the Transmission Provider. The amount of any such consideration under this Section 30.9 (if any) shall be addresses in either the Network Customer's Service Agreement or any other agreement between the Parties.

## 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 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 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. 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. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, 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 with interest.

### **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; 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 Procedure:** 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), 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 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. 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 Procedure:** 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 its deposit shall be returned with interest. 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. 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.

### **32.5 Reserved for Future Use**

## **33 LOAD SHEDDING AND CURTAILMENT**

**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. To the extent the 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:** Whenever 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 Load Ratio Shares.

**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 Transmission Loading Relief procedures specified in Attachment J.

**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 Load Ratio Shares. 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 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 Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, along with the following:

**34.1 Monthly Demand Charge:** The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

**34.2 Determination of Network Customer's Monthly Network Load:** The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

**34.3 Determination of Transmission Provider's Monthly Transmission System Load:** The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

**34.4 Redispatch Charge:** The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

**34.5 Stranded Cost Recovery:** The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures established by the Transmission Provider.

## 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. 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, (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 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.

## **SCHEDULE 1**

### **SCHEDULING SYSTEM CONTROL AND DISPATCH SERVICE**

Scheduling System Control and Dispatch 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 or Local Balancing Authority Area in which the transmission facilities used for transmission service are located. The Transmission Customer is required to purchase this service from the Local Balancing Authority Area, in accordance with the rates, terms and conditions established by the Local Balancing Authority Area for such service. If requested, the Transmission Provider will assist the Transmission Customer in arranging for such service from the Local Balancing Authority Area. The Transmission Provider reserves the right to charge the Transmission Customer reasonable charges for providing such assistance. The Transmission Provider reserves the right to charge the Transmission Customer for or in connection with any such service charged to the Transmission Provider that are properly the responsibility of the Transmission Customer.

## **SCHEDULE 2**

### **REACTIVE SUPPLY AND VOLTAGE 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 (in the Control Area where the Transmission Provider's transmission facilities are located) 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.

The Transmission Customer is required to purchase Reactive Supply and Voltage Control from Generation or Other Sources Service from the Local Balancing Authority Area, in accordance with the rates, terms and conditions established by the Local Balancing Authority Area for such service. If requested, the Transmission Provider will assist the Transmission Customer in arranging for such service from the Local Balancing Authority Area. The Transmission Provider reserves the right to charge the Transmission Customer reasonable charges for providing such assistance. The Transmission Provider reserves the right to charge the Transmission Customer for or in connection with any such service charged to the Transmission Provider that are properly the responsibility of the Transmission Customer

## **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 Control Area or Local Balancing Authority Area operator that performs this function for the transmission facilities in the Transmission Provider's area.

The Transmission Customer serving load within the Control Area is required to acquire, either from a third party or by self-supply, Regulation and Frequency Response Service, in accordance with the rates, terms and conditions established by the Control Area or Local Balancing Authority Area for such service. If requested, the Transmission Provider will assist the Transmission Customer in arranging for such service from the Control Area or Local Balancing Authority Area. The Transmission Provider reserves the right to charge the Transmission Customer reasonable charges for providing such assistance. The Transmission Provider reserves the right to charge the Transmission Customer for or in connection with any such service charged to the Transmission Provider that are properly the responsibility of the Transmission Customer.

## **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 single hour. The Transmission Customer serving load within the Control Area is required to acquire, either from a third party or by self-supply, Energy Imbalance Service, in accordance with the rates, terms and conditions established by the Control Area or Local Balancing Authority Area for such service. If requested, the Transmission Provider will assist the Transmission Customer in arranging for such service from the Control Area or Local Balancing Authority Area. The Transmission Provider reserves the right to charge the Transmission Customer reasonable charges for providing such assistance. The Transmission Provider reserves the right to charge the Transmission Customer for or in connection with any such service charged to the Transmission Provider that are properly the responsibility of the Transmission Customer.

## **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 Customer serving load within the Control Area is required to acquire, either from a third party or by self-supply, Operating Reserve – Spinning Reserve Service, in accordance with the rates, terms and conditions established by the Control Area or Local Balancing Authority Area for such service. If requested, the Transmission Provider will assist the Transmission Customer in arranging for such service from the Control Area or Local Balancing Authority Area. The Transmission Provider reserves the right to charge the Transmission Customer reasonable charges for providing such assistance. The Transmission Provider reserves the right to charge the Transmission Customer for or in connection with any such service charged to the Transmission Provider that are properly the responsibility of the Transmission Customer.

## **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 Customer serving load within the Control Area is required to acquire, either from a third party or by self-supply, Operating Reserve – Supplemental Reserve Service, in accordance with the rates, terms and conditions established by the Control Area or Local Balancing Authority Area for such service. If requested, the Transmission Provider will assist the Transmission Customer in arranging for such service from the Control Area or Local Balancing Authority Area. The Transmission Provider reserves the right to charge the Transmission Customer reasonable charges for providing such assistance. The Transmission Provider reserves the right to charge the Transmission Customer for or in connection with any such service charged to the Transmission Provider that are properly the responsibility of the Transmission Customer.

## SCHEDULE 7

### LONG-TERM FIRM AND SHORT-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) **Yearly delivery:** \$5.52/kW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$0.46/kW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$0.11/kW of Reserved Capacity per week.
- 4) **Daily delivery:** \$0.021/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 5) If the Transmission Provider offers an affiliate a rate discount or attributes a discounted transmission rate to its own transactions, the Transmission Provider must offer at the same time the same discounted Firm Point-To-Point Transmission Service rate to all Eligible Customers on the same path and on all unconstrained transmission paths. Information regarding any firm transmission discounts must be posted on the OASIS. In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner.
- 6) **Exceeding Capacity Reservation:** In the event that the Transmission Customer exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery, the rate for its reserved capacity shall be doubled. In addition, the Transmission Customer shall be responsible for any costs incurred by the Transmission Provider due to the Transmission Customer exceeding its firm reserved capacity.
- 7) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

Note: The Schedule 7 charges are derived using the peak demand at Point(s) of Delivery.

## SCHEDULE 8

### NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below.

- 1) **Monthly delivery:** \$0.46/kW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$0.11/kW of Reserved Capacity per week.
- 3) **Daily delivery:** \$0.021/kW of Reserved Capacity per day.  
The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.
- 4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$ 1.32 /MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.
- 5) **Discounts:** If the Transmission Provider offers an affiliate a rate discount or attributes a discounted transmission rate to its own transactions, the Transmission Provider must offer at the same time the same discounted Non-Firm Point-To-Point Transmission Service rate to all Eligible Customers on the same path and on all unconstrained transmission paths. Information regarding any firm transmission discounts must be posted on the OASIS. In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner.
- 6) **Exceeding Capacity Reservation:** In the event that the Transmission Customer exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery, the rate for its reserved capacity shall be doubled. In addition, the Transmission Customer shall be responsible for any costs incurred by the Transmission Provider due to the Transmission Customer exceeding its firm reserved capacity.
- 7) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

## **SCHEDULE 9**

### **GENERATOR IMBALANCE SERVICE**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Control Area in which Transmission Provider is located and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Control Area in which the Transmission Provider is located, over a single hour. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Control Area is required to acquire, either from a third party or by self-supply, Generator Imbalance Service, in accordance with the rates, terms and conditions established by the Control Area or Local Balancing Authority Area for such service. If requested, the Transmission Provider will assist the Transmission Customer in arranging for such service from the Control Area or Local Balancing Authority Area. The Transmission Provider reserves the right to charge the Transmission Customer reasonable charges for providing such assistance. The Transmission Provider reserves the right to charge the Transmission Customer for or in connection with any such service charged to the Transmission Provider that are properly the responsibility of the Transmission Customer.

## ATTACHMENT A

### SERVICE AGREEMENT FORM FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE

This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Rochester Public Utilities (the Transmission Provider), and \_\_\_\_\_ ("Transmission Customer").

The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

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, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

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 below.

Transmission Provider:

Engineering Manager  
Rochester Public Utilities  
4000 East River Road, NE  
Rochester, MN 55904-2813

Transmission Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The tariff is incorporated herein and made a part hereof.

Rochester Public Utilities – Open Access Transmission Tariff  
Approved February 11, 2013

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

Transmission Provider:

By: \_\_\_\_\_  
Name  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Transmission Customer:

By: \_\_\_\_\_  
Name  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## SPECIFICATIONS FOR LONG-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE

Term of Transaction: \_\_\_\_\_

Start Date: \_\_\_\_\_

Termination Date: \_\_\_\_\_

Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Point(s) of Receipt: \_\_\_\_\_

Delivering Party: \_\_\_\_\_

Point(s) of Delivery: \_\_\_\_\_

Receiving Party: \_\_\_\_\_

Maximum amount of capacity and energy to be transmitted (Reserved Capacity):

\_\_\_\_\_

Designation of party(ies) subject to reciprocal service obligation:

\_\_\_\_\_

Name(s) of any Intervening Systems providing transmission service:

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

Rochester Public Utilities – Open Access Transmission Tariff  
Approved February 11, 2013

Transmission Charge: \_\_\_\_\_

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

\_\_\_\_\_

Direct Assignment Facilities Charge: \_\_\_\_\_

Ancillary Services Charges:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## ATTACHMENT A-1

### FORM OF SERVICE AGREEMENT FOR THE RESALE, REASSIGNMENT OR TRANSFER OF POINT-TO-POINT TRANSMISSION SERVICE

This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Rochester Public Utilities (the Transmission Provider) and \_\_\_\_\_ (the Assignee).

The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.

The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.

The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.

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 below.

Transmission Provider:  
Engineering Manager  
Rochester Public Utilities  
4000 East River Road, NE  
Rochester, MN 55904-2813

Assignee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The tariff is incorporated herein and made part hereof.

Rochester Public Utilities – Open Access Transmission Tariff  
Approved February 11, 2013

Transmission Provider:

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Assignee:

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## SPECIFICATIONS FOR THE RESALE, REASSIGNMENT OR TRANSFER OF LONG-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE

Term of Transaction: \_\_\_\_\_

Start Date: \_\_\_\_\_

Termination Date: \_\_\_\_\_

Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

\_\_\_\_\_

Point(s) of Receipt: \_\_\_\_\_

Delivering Party: \_\_\_\_\_

Point(s) of Delivery: \_\_\_\_\_

Receiving Party: \_\_\_\_\_

Maximum amount of reassigned capacity: \_\_\_\_\_

Designation of party(ies) subject to reciprocal service obligation: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name(s) of any Intervening Systems providing transmission service: \_\_\_\_\_

\_\_\_\_\_

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

Rochester Public Utilities – Open Access Transmission Tariff  
Approved February 11, 2013

Transmission Charge: \_\_\_\_\_  
\_\_\_\_\_

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

Direct Assignment Facilities Charge: \_\_\_\_\_  
\_\_\_\_\_

Ancillary Services Charges: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Reseller of the reassigned transmission capacity:  
\_\_\_\_\_

## ATTACHMENT B

### FORM OF SERVICE AGREEMENT FOR NON-FIRM POINT-TO POINT TRANSMISSION SERVICE

This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Rochester Public Utilities (the Transmission Provider) and \_\_\_\_\_ (Transmission Customer).

The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

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 below.

Transmission Provider:

Engineering Manager  
Rochester Public Utilities  
4000 East River Road, NE  
Rochester, MN 55904-2813

Transmission Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The tariff is incorporated herein and made a part hereof.

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

Rochester Public Utilities – Open Access Transmission Tariff  
Approved February 11, 2013

Transmission Provider:

By: \_\_\_\_\_

Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Transmission Customer:

By: \_\_\_\_\_

Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT C

### METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY

The Transmission Provider must include, at a minimum, the following information concerning its ATC calculation methodology:

- 1) A detailed description of the specific mathematical algorithm used to calculate firm and non-firm ATC (and AFC, if applicable) for its scheduling horizon (same day and real-time), operating horizon (day ahead and pre-schedule) and planning horizon (beyond the operating horizon);
- 2) A process flow diagram that illustrates the various steps through which ATC/AFC is calculated; and
- 3) A detailed explanation of how each of the ATC components is calculated for both the operating and planning horizons.
  - a) For TTC, a Transmission Provider shall: (i) explain its definition of TTC; (ii) explain its TTC calculation methodology; (iii) list the databases used in its TTC assessments; and (iv) explain the assumptions used in its TTC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.
  - b) For ETC, a transmission provider shall explain: (i) its definition of ETC; (ii) the calculation methodology used to determine the transmission capacity to be set aside for native load (including network load), and non-OATT customers (including, if applicable, an explanation of assumptions on the selection of generators that are modeled in service); (iii) how point-to-point transmission service requests are incorporated; (iv) how rollover rights are accounted for; (v) its processes for ensuring that non-firm capacity is released properly (e.g., when real time schedules replace the associated transmission service requests in its real-time calculations); and (vi) describe the step-by-step modeling study methodology and criteria for adding or eliminating flowgates (permanent and temporary).
  - c) If a Transmission Provider uses an AFC methodology to calculate ATC, it shall: (i) explain its definition of AFC; (ii) explain its AFC calculation methodology; (iii) explain its process for converting AFC into ATC for OASIS posting; (iv) list the databases used in its AFC assessments; and (v) explain the assumptions used in its AFC assessments regarding load levels, generation dispatch, and modeling of planned and contingency outages.
  - d) For TRM, a Transmission Provider shall explain: (i) its definition of TRM; (ii) its TRM calculation methodology (e.g., its assumptions on load forecast

- errors, forecast errors in system topology or distribution factors and loop flow sources); (iii) the databases used in its TRM assessments; (iv) the conditions under which the transmission provider uses TRM. A Transmission Provider that does not set aside transfer capability for TRM must so state.
- e) For CBM, the Transmission Provider shall state include a specific and self-contained narrative explanation of its CBM practice, including: (i) an identification of the entity who performs the resource adequacy analysis for CBM determination; (ii) the methodology used to perform generation reliability assessments (e.g., probabilistic or deterministic); (iii) an explanation of whether the assessment method reflects a specific regional practice; (iv) the assumptions used in this assessment; and (v) the basis for the selection of paths on which CBM is set aside.
  - f) In addition, for CBM, a Transmission Provider shall: (i) explain its definition of CBM; (ii) list the databases used in its CBM calculations; and (iii) demonstrate that there is no double-counting of contingency outages when performing CBM, TTC, and TRM calculations.
  - g) The Transmission Provider shall explain its procedures for allowing the use of CBM during emergencies (with an explanation of what constitutes an emergency, the entities that are permitted to use CBM during emergencies and the procedures which must be followed by the transmission providers' merchant function and other load-serving entities when they need to access CBM). If the Transmission Provider's practice is not to set aside transfer capability for CBM, it shall so state.

Rochester Public Utilities (RPU), the Transmission Provider, utilizes the guideline of Appendix F: MAPP Regional AFC/ATC/ASTFC Calculation and Request Evaluation Process of the Mid-Continent Area Power Pool (MAPP) POLICIES AND PROCEDURES FOR TRANSMISSION OPERATIONS (December 1, 2006, Version 1.4) document to serve as RPU's ATC Calculation Methodology, Available Transfer Capability Implementation Document (ATCID), Capacity Benefit Margin Implementation Document (CBMID), and Transmission Reliability Margin Implementation Document (TRMID), as well as to serve as evidence for NERC MOD-001-1, MOD-004-1, MOD-008-1, MOD-028-1, MOD-029-1, and MOD-030-2 standards. Prior to April 1, 2011, as a member of MAPP, RPU was subject to the requirements of the MAPP POLICIES AND PROCEDURES FOR TRANSMISSION OPERATIONS (December 1, 2006, Version 1.4) document as well as other MAPP Policies and Procedures in the MAPP Reliability Handbook. When MAPP restructured on April 1, 2011, RPU was no longer subject MAPP for the guideline of the MAPP POLICIES AND PROCEDURES FOR TRANSMISSION OPERATIONS (December 1, 2006, Version 1.4) document, however RPU has adopted the guideline set forth in Appendix F: MAPP Regional

AFC/ATC/ASTFC Calculation and Request Evaluation Process the MAPP POLICIES AND PROCEDURES FOR TRANSMISSION OPERATIONS (APPX:F) (December 1, 2006, Version 1.4) document for operational studies and evaluation of requests for Firm Transmission Service. In the event a valid Transmission Service Request is received, for the purpose of maintaining compliance with the requirements of the NERC MOD-001-1, MOD-004-1, MOD-008-1, MOD-028-1, MOD-029-1, and MOD-030-2 standards, RPU will make alterations to the guidelines outlined in the APPX:F document as needed on a case by case basis. The assessment of transmission capacity availability will take into account RPU's reliability requirements, prior contractual commitments and previously submitted applications for Firm Transmission Service requests under this Tariff.

At this time RPU, the Transmission Provider, does not set aside a Capacity Benefit Margin (CBM), but reserves the right to set aside CBM upon performing the appropriate OASIS postings.

## **ATTACHMENT D**

### **METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY**

Transmission Provider will perform studies, when necessary, that assess whether sufficient transmission capability is available to provide a requested transmission service. Transmission Provider will use the same due diligence in completing the studies for a transmission customer as it uses when completing studies for itself. Transmission Provider will follow reliability principles, standards and procedures of MAPP and the North American Electric Reliability Council (NERC). In determining the level of capacity available for new transmission service requests, Transmission Provider may exclude from capacity to be made available for new transmission requests, that capacity needed to meet the demands of existing lease customers, customers with existing firm contracts, and potential customers having pending valid requests for firm transmission under this Tariff.

#### **1.0 Performance Study**

Transmission Provider agrees to provide all necessary labor, facilities, transportation and supervision necessary to perform the System Impact Study for the Applicant. Transmission Provider shall use its sole discretion as to the scope, details and methods used to perform the Study.

Applicant agrees to compensate the Transmission Provider in accordance with Sections 7.0 and 8.0 of this Study Agreement.

#### **2.0 Scope of the Study**

A meeting between Transmission Provider and Applicant shall be held as soon as practical after execution of this Agreement to: (a) review the application and any known issue that could affect the scope of the study; and (b) develop a scope of study. The location of the meeting shall be at Transmission Provider's offices unless another location is mutually agreed to.

The results of this study shall determine whether adequate capacity will be available on Transmission Provider's transmission system to provide the service requested by Applicant. If adequate transmission capacity is not available on Transmission Provider's transmission system to provide the service requested by Applicant, the results of this study shall determine what transmission capacity is available, by what amount the transmission capacity available falls short of Applicant's request, and the cause of the transmission capacity limitations and options to alleviate the constraint(s).

Factors to be consider in determining the capacity available Transmission Provider's transmission system will include, but not limited to:

1. Stead state power study results;
2. Stability study results;
3. NERC, MAPP and Transmission Provider's system design criteria;
4. Transmission Capacity of the existing system;
5. Transmission Capacity of the system after the request is added;
6. Reliability requirements of the Transmission Provider and Applicant; and
7. Type and term of the Service requested.

### **3.0 Study Standards**

The study procedure will use Good Utility Practice and the engineering and operating principles, standards, guidelines and criteria of Transmission Provider, MAPP, NERC or any similar organization that may exist in the future of which Transmission Provider's designated agent is then a member. Before transmission service can commence, if necessary, the MAPP Design Review Subcommittee (DRS) and MAPP Operating Review Subcommittee (ORS), or their successor committees, must review and accept the System Impact Study. The System Impact Study is intended to provide the necessary information that may be required for acceptance by Transmission Provider's designated agent and by the DRS and ORS. However, to obtain acceptance by the DRS or ORS, additional studies may be required.

In all cases, system addition(s) to the electric supply facilities shall maintain or improve Transmission Provider's Transmission System operation, reliability and transfer capability.

### **4.0 Schedule for Completion and Report**

Upon receipt of an executed Study Agreement, Transmission Provider will complete the System Impact Study, provide study results to Applicant and, if necessary, file with the DRS or ORS, within a period not to exceed three hundred sixty-five (365) days from the date of receipt, unless the complexity of the application or the number of applications from others reasonably requires additional time. If additional time is required, Transmission Provider shall notify the Applicant on a timely basis and provide an estimate of the time needed to reach a final determination. If filing with the DRS or ORS is necessary, the study results shall not be deemed final until accepted by the DRS and/or ORS.

### **5.0 Study Agreement**

If necessary, Transmission Provider's designated agent will present the study to the DRS and ORS for review at the next available meeting of that committee and any other group whose acceptance of the study results is required. The Study must be received

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by the DRS and ORS at least thirty (30) days prior to a scheduled meeting to appear on the committee agenda for action.

## **ATTACHMENT E**

### INDEX OF POINT -TO-POINT TRANSMISSION SERVICE CUSTOMERS

Customer:

Date of Service Agreement:

## ATTACHMENT F

### SERVICE AGREEMENT FOR NETWORK INTEGRATION TRANSMISSION SERVICE

This Service Agreement, dated as of \_\_\_\_\_, is entered into by and between Rochester Public Utilities (Transmission Provider) and \_\_\_\_\_ (Transmission Customer)

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

Service under this Service Agreement shall commence on the latter of: (1) \_\_\_\_\_ or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this Service Agreement shall terminate on \_\_\_\_\_.

The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of the Tariff and this Service Agreement, as they may be amended from time to time.

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 below.

Transmission Provider:

Engineering Manager  
Rochester Public Utilities  
4000 East River Road, NE  
Rochester, MN 55904-2813

Transmission Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Tariff, Specifications for Network Integration Transmission Service, and the Network Operating Agreement, all as may be amended from time to time, are incorporated herein and made a part hereof.

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

Transmission Provider:

By: \_\_\_\_\_

Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Transmission Customer:

By: \_\_\_\_\_

Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

Term of Transaction: \_\_\_\_\_

Start Date: \_\_\_\_\_

Termination Date: \_\_\_\_\_

Description of capacity and/or energy to be transmitted by the Transmission Provider across the Transmission Provider's Transmission System (including electric control area in which transaction originates)

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Network Resources:

(1) Transmission Customer Generation Owned:

(2) Transmission Customer Generation Purchased:

Total Network Resources: (1) + (2) = \_\_\_\_\_

Network Load

(1) Transmission Customer Loads:

(2) Member System Loads:

Total Network Load (Estimated) (1) + (2) = \_\_\_\_\_

Designation of Party Subject to reciprocal service obligation:

---

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

1. Load Ratio Share of Annual Transmission Revenue Requirement
2. Facilities Study Charge
3. Direct Assignment Facilities Charge
4. Ancillary Services Charge

5. Redispatch Charges

## ATTACHMENT G

### NETWORK OPERATING AGREEMENT

THIS SERVICE AGREEMENT, made and entered into this \_\_\_\_ day of 20\_\_, by and between Network customer (hereinafter referred to as "Customer"), a (legal/corporate description of Network Customer), and Rochester Public Utilities (hereinafter referred to as "RPU"). Customer and RPU may be hereinafter referred to individually as "Party" and collectively as "Parties" where appropriate.

In consideration of the mutual covenants and agreements herein contained, the Parties hereto covenant and agree as follows:

#### ARTICLE I-SCOPE OF SERVICE AGREEMENT

1. Availability: RPU agrees to furnish Network Integration Service to the Customer, and the Customer agrees to purchase and pay for such service, subject to the conditions of RPU's Network Integration Service Tariff ("tariff").
2. Rate Schedule: The terms and conditions for which the Network Integration Service is offered and accepted are pursuant to the Tariff as the same may be amended or superseded from time to time. The Tariff, as in effect at any time, is hereby incorporated by this reference and made a part of this Service Agreement.
3. Application: The Application for Network Integration Service requested by the Customer and accepted by RPU for this Service Agreement is hereby incorporated by this reference and made a part of this Service Agreement.
4. System Impact/Facilities Studies: Study Agreements for a System Impact Study or a Facilities Study if performed for this Application are attached hereto.
5. Service Specifications: The Service Specifications, if required, for Network Integration Service under this Service Agreement as requested by the Customer and accepted by RPU are hereby incorporated by this reference and made a part of this Service Agreement.
6. Network Integration Service Operation: The Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice, which shall include, but not be limited to, all applicable NERC and MAPP guidelines, or any generally accepted practices in the region that are consistently adhered to by RPU as well as conformance with this Network Operating Agreement.

The Parties shall: (i) operate and maintain equipment necessary for incorporating the Customer within RPU's transmission system (including, but not limited to, remote

terminal units, metering, communications equipment and relaying equipment); (ii) transfer data between RPU and the Customer's control centers (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside RPU's transmission system, interchange schedules, unit outputs for redispatch required under Section 9 of the Network Integration Service Tariff, 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 and long-term planning; and (v) address any other technical and operational considerations required for implementation of the Network Integration Tariff, including scheduling protocols.

## ARTICLE II-TERM OF THE AGREEMENT

TERM: (Contract Specific)

## ARTICLE III-OPERATING COMMITTEE

Representatives: Each Party will appoint one representative to act for it in matters pertaining to the interconnected operation of their respective electric systems and in the operating arrangements for the deliveries of power and energy herein provided for, said two representatives being hereinafter referred to collectively as the Operating Committee. Each Party will evidence such appointment by written notice to the other representative and may in such written notice authorize an alternate to act in his/her place with respect to matters specified in the notice.

The Network Operating Committee shall coordinate operating criteria for the parties, and respective responsibilities under this Tariff including: (i) standards for the design, operation and maintenance of the facilities necessary to integrate Customer Electric Systems with RPU's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment); (ii) information transfers between control centers (including, but not limited to, operational characteristics of Network Resources, generation schedules for units outside RPU's Transmission system, interchange schedules, unit outputs for dispatch, voltage schedules, loss factors and other real-time data) ;(iii) software programs required for data links and constraint dispatching; (iv) information required for long-term planning; (v) load curtailment procedures in the event of transmission constraints or system emergencies; (vi) least-cost redispatch procedures; and (vii) other technical and operational considerations required for implementation of this Tariff. Each customer and RPU shall 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.

Each Party, by written notice to the other Party, may withhold or withdraw from its representative on the Operating Committee authority to act for it with respect to matters specified in such notice, provided it designates in such notice a substitute representative to act for it with respect to such matters.

Meetings: The Operating Committee shall hold a special meeting whenever a request for a meeting is made by one member of the Operating Committee. The Operating Committee shall also meet annually, at a date and place to be mutually agreed to by the members of the Operating Committee. Such meetings shall be held to coordinate maintenance schedules, and each Party shall furnish to the other party on or before the date of each annual meeting a load and capability forecast, for its system and for any power pool to which it is a party.

Parallel Operation: When the systems of the Parties both operate in parallel with some other system or systems, there may be periods when the actual deliveries of energy among the various systems cannot be reconciled with the deliveries by each system to each other system. In such an event, it shall be the duty of the Operating Committee, in cooperation with the authorized representative or representatives of the other system or systems concerned, to reconcile such deliveries and determine the actual deliveries hereunder.

Disputes: The representatives constituting the Operating Committee shall be of equal authority, and all decisions made and directions given must be unanimous. In the event of a disagreement between members of the Operating Committee, the subject shall be referred to and settled by the Dispute Resolution Procedures, see Section 12 of the Tariff.

Minutes: Written minutes shall be kept of all meetings of the operating Committee, and all decisions or agreements made by the Operating Committee shall be reduced to writing.

## ARTICLE IV-MICELLANEOUS

Governing Law: The validity, interpretation and performance of this Service Agreement and each of its provisions shall be governed by the laws of the State of Minnesota.

Notices Relating to Provisions of Service Agreement: Any notice, request, demand or statement, which may be given to or be made upon either Party by the other Party under any of the provisions of this Service Agreement, shall be in writing, unless it is specifically provided otherwise herein, and shall be considered delivered when the same is either (a) personally delivered to the Party's designate below or (b)

deposited in the mail postage prepaid, and properly addressed to the Party's designate below:

Customer's Designate:  
Title:  
Customer Name:  
Address:

RPU's Designate:  
Title:  
Rochester Public Utilities  
Address:

Notices of an Operating Nature: Any notice, request or demand pertaining to matters of an operating nature, which matters do not include requests for additional transmission service or modified transmission service under a RPU transmission tariff may be served in person or by normal mail, messenger, telephone, telegraph, facsimile transmission or orally, as circumstances dictate, to the person designated in writing by the Party as its representative for such purposes, provided that should the same not be written, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served.

Section Headings Not to Affect Meaning: The descriptive headings of the various sections of this Service Agreement have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions thereof.

Further Assurances: From time to time after the execution of this Service Agreement, the Parties may execute such instruments, upon the request of the other, as may be necessary or appropriate, to carry out the intent of this Service Agreement.

Execution Date of Agreement: The Execution Date of this Service Agreement shall be the date appearing at the beginning of this Service Agreement.

Amendments: This Service Agreement may be amended upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

Severability: In the event any of the terms, covenants or conditions of this Service Agreement, or any amendment hereto, or the application of any such terms, covenants or conditions shall be held invalid as to any Party or circumstance by any

court having jurisdiction, all other terms, covenants and conditions of this Service Agreement or any amendment hereto and their application shall not be affected thereby and shall remain in full force and effect.

**Computation of Time:** In computing any period of time prescribed or allowed by this Service Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of this period so computed shall be included unless it is a Saturday, Sunday, or NERC holiday, in which event the period shall run until the end of the next business day, which is neither a Saturday, Sunday or NERC holiday.

**Limitation:** This Agreement is not intended to and shall not create rights of any character whatsoever in favor of any persons, corporation, associations, or entity other than the Parties to this Service Agreement, and the obligations herein assumed are solely for the use and benefit of the Parties to this Agreement, their successors in interest or assigns.

**No Dedication of Facilities:** Any undertaking by one Party to the other under any provisions of this Service Agreement shall not constitute the dedication of the electric system, or any portion thereof, of any Party to the public or to the other Party, and it is understood and agreed that any such undertaking by any Party shall cease upon termination of this Service Agreement.

**Interconnection with Other Systems:** Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering or terminating interconnection points with any entity, not a Party to this Service Agreement or amending or entering into such agreements.

**No Partnerships:** Notwithstanding any provisions of this Service Agreement to the contrary, the Parties do not intend to create hereby a joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business for profit, and any construction of this Service Agreement to the contrary which has an adverse tax effect on either Party shall render this Service Agreement null and void from its inception.

**Waivers:** Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.

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Successors and Assigns: RPU's Network Integration Service Tariff and this Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

Tariff Governs: In the event of any irreconcilable difference exists between the Network Integration Service Tariff and this Service Agreement, the Tariff shall govern.

## **ATTACHMENT H**

### **ANNUAL TRANSMISSION REVENUE REQUIREMENT FOR NETWORK INTEGRATION TRANSMISSION SERVICE**

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$ 2,900,891.
2. The amount in (1) shall be effective until amended by the Transmission Provider.

## **ATTACHMENT I**

### INDEX OF NETWORK INTEGRATION TRANSMISSION SERVICE CUSTOMERS

Customer:

Date of Service Agreement:

## **ATTACHMENT J**

TC “ATTACHMENT J” \f C\1 “1”

Procedures for addressing parallel flows {TC “Procedures for Addressing Parallel Flows” \f-C\1 “2”

The Transmission Provider adheres to the applicable requirements of the Reliability Coordinator and the applicable contractual requirements to address parallel flows.

## **ATTACHMENT K**

### **TRANSMISSION PLANNING PROCESS**

#### **1.0 Introduction**

This Attachment K addresses the Mid-Continent Area Power Pool (MAPP) Regional Planning Process adopted by the Transmission Planning Committee (TPC) in Sections 1.0 through 12.0. The MAPP Transmission Owning Members' local planning processes are included in Section 13.0.

The MAPP Regional Plan integrates the transmission plans developed by the individual MAPP Transmission Owning Members and the Regional Planning Group (RPG) to meet the transmission needs in the MAPP Region of the Members and other Stakeholders on a consistent, reliable, environmentally acceptable, and economic basis. Additional details on the MAPP Regional and RPG processes are provided in the "MAPP Transmission Planning Committee Procedures" and the "MAPP RPG Guidelines" documents.

The MAPP Regional Plan shall be consistent with applicable standards and requirements established by MAPP and by the reliability standards of the North American Electric Reliability Corporation (NERC), the Midwest Reliability Organization (MRO), and the Western Electricity Coordinating Council (WECC), if applicable.

#### **2.0 Definitions**

##### **2.1 Affected Generator**

A generator owner whose existing or proposed generating unit(s) is directly affected by a proposed Economic Network Upgrade as demonstrated in the study analysis performed in conjunction with Section 11, Economic Planning Studies.

##### **2.2 Affected System**

The transmission owner's system, including the Host TO, that is affected by the allocations in an economic benefits study performed by the TPC in accordance with Section 11 of this Attachment K.

##### **2.3 Affected System Operator**

The transmission owner/operator that operates an Affected System.

##### **2.4 Economic Network Upgrade**

A project, or set of projects, that is designed to relieve a constrained facility by providing additional transmission capacity, having project benefits exceeding project costs.

## **2.5 Host Transmission Owner (Host TO)**

The transmission owner on whose transmission system a proposed Economic Network Upgrade is to be located. The Host TO shall conduct all related project management activities associated with the Economic Network Upgrade. If facility upgrades are required on more than one transmission owner's transmission system for a given set of transmission facilities comprising an Economic Network Upgrade, the affected Host TOs shall provide a single joint Facilities Agreement to the Subscription Rights buyers.

## **2.6 Incumbent Transmission Developer**

An entity that develops a transmission project within its own retail distribution service territory or footprint.

## **2.7 Interregional Transmission Facilities**

Interregional transmission facilities are located within two or more neighboring transmission planning regions and are determined by each of those regions to be a more efficient or cost-effective solution to a regional transmission need.

## **2.8 Merchant Transmission Project**

Merchant transmission projects are defined as those for which the costs of constructing the proposed transmission facilities will be recovered through negotiated rates instead of cost-based rates.

## **2.9 Nonincumbent Transmission Developer**

Refers to two categories of transmission developer: (1) a transmission developer that does not have a retail distribution service territory or footprint; and (2) a public utility transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint, where it is not the incumbent for purposes of that project.

## **2.10 Physical Transmission Rights**

Rights held by a party to a Facilities Agreement to schedule transmission service across a defined portion of a NERC flowgate or other transmission facility and/or to collect revenue credits, if applicable, against transmission service charges. Physical Transmission Rights will exist for the life of the facility if the holder is an owner, or for the term stated in the Facilities Agreement. The facility's capabilities that are to be allocated as Physical Transmission Rights, shall be consistent with the owner's or joint owners' methodologies for determining facility ratings, system operating limits and, if applicable, TTC and ATC in accordance with reliability standards.

## **2.11 Affected Generator**

A generator owner whose existing or proposed generating unit(s) is directly affected by a proposed Economic Network Upgrade as demonstrated in the study analysis performed in conjunction with Section 11, Economic Planning Studies.

### **2.12 Affected System**

The transmission owner's system, including the Host TO, that is affected by the allocations in an economic benefits study performed by the TPC in accordance with Section 11 of this Attachment K.

### **2.13 Affected System Operator**

The transmission owner/operator that operates an Affected System.

### **2.14 Economic Network Upgrade**

A project, or set of projects, that is designed to relieve a constrained facility by providing additional transmission capacity, having project benefits exceeding project costs.

### **2.15 Host Transmission Owner (Host TO)**

The transmission owner on whose transmission system a proposed Economic Network Upgrade is to be located. The Host TO shall conduct all related project management activities associated with the Economic Network Upgrade. If facility upgrades are required on more than one transmission owner's transmission system for a given set of transmission facilities comprising an Economic Network Upgrade, the affected Host TOs shall provide a single joint Facilities Agreement to the Subscription Rights buyers.

### **2.16 Incumbent Transmission Developer**

An entity that develops a transmission project within its own retail distribution service territory or footprint.

### **2.17 Interregional Transmission Facilities**

Interregional transmission facilities are located within two or more neighboring transmission planning regions and are determined by each of those regions to be a more efficient or cost-effective solution to a regional transmission need.

### **2.18 Merchant Transmission Project**

Merchant transmission projects are defined as those for which the costs of constructing the proposed transmission facilities will be recovered through negotiated rates instead of cost-based rates.

### **2.19 Nonincumbent Transmission Developer**

Refers to two categories of transmission developer: (1) a transmission developer that does not have a retail distribution service territory or footprint; and (2) a public utility transmission provider that proposes a transmission project outside of its existing retail distribution service territory or footprint, where it is not the incumbent for purposes of that project.

### **2.20 Physical Transmission Rights**

Rights held by a party to a Facilities Agreement to schedule transmission service across a defined portion of a NERC flowgate or other transmission facility and/or to collect

revenue credits, if applicable, against transmission service charges. Physical Transmission Rights will exist for the life of the facility if the holder is an owner, or for the term stated in the Facilities Agreement. The facility's capabilities that are to be allocated as Physical Transmission Rights, shall be consistent with the owner's or joint-owners' methodologies for determining facility ratings, system operating limits and, if applicable, TTC and ATC in accordance with reliability standards.

### **2.21 Public Policy Requirements**

Transmission needs driven by requirements established by state or federal laws or regulations.

### **2.22 Public Policy Requirements Projects**

Public Policy Requirements Projects address transmission needs driven by requirements established by state or federal laws or regulations and may consist of a number of individual facilities that constitute a single project for cost allocation purposes.

### **2.23 Regional Transmission Facilities**

Regional transmission facilities are located solely within a single transmission planning region.

### **2.24 Regulatory Agency**

A state agency exercising regulatory authority over the rates, terms or conditions of electric service of an entity other than itself within the MAPP Region or the planning, siting, construction, or operation of electric facilities of an entity other than itself within the MAPP Region.

### **2.25 Regulatory Participant**

A Regulatory Agency which elects to participate in the MAPP Regional Planning Process.

### **2.26 Reliability Projects**

Reliability Projects are network upgrades required to ensure that the Transmission System is in compliance with applicable reliability standards.

### **2.27 Renewable Energy Zone**

A geographic region recognized by the TPC that has limited or constrained ability to transport electric energy from generating units that had such units been in production they would have utilized renewable resources for the production of electric energy.

### **2.28 Stakeholder**

Stakeholder is any interested party in the MAPP Regional Planning Process, including, but not limited to, TPC Members, Merchant Transmission Project developers, Regulatory Participants, Incumbent Transmission Developers, and Nonincumbent Transmission Developers.

### **2.29 Subscription Rights**

Contractual rights to use the transmission capacity associated with an Economic Network Upgrade defined in a Facilities Agreement with the Host TO in exchange for payments to the Host TO for facility charges and continuing operation and maintenance charges.

### **2.30 Other Defined Terms**

All other terms will have the meanings set forth in the Second Restated MAPP Agreement in the TPC Procedures, and the RPG guidelines.

## **3.0 MAPP Transmission Owning Member Plans**

The procedures, standards, and requirements for making available MAPP Transmission Owning Members' transmission plans (Member Plans) and the information on which the Member Plans are based are required by the Second Restated MAPP Agreement.

MAPP Transmission Owning Members may submit their Plans, subsequent updates, and other information directly to the TPC, but submittals to the RPG are preferred. The RPG provides a forum for MAPP Transmission Owning Members to continue their long-term joint planning relationships with their neighbors and to encourage involvement by other Stakeholders. Member Plans will be integrated into the RPG Roll-up Plan.

The MAPP Regional Plan will be available on the MAPP website at [www.mapp.org](http://www.mapp.org), consistent with CEI requirements and regulations.

### **3.1 Membership Plan Requirements**

Each MAPP Transmission Owning Member shall prepare and maintain a plan for its transmission facilities. Such plans shall be: (i) conformed to applicable methods and assessment practices and other transmission planning standards and requirements established by the TPC; (ii) consistent with applicable reliability standards and requirements established by the FERC, NERC, and the applicable Regional Entity; and (iii) coordinated with the plans of other TPC Members.

Each Member Plan shall adhere to its local transmission planning process set forth in Section 13 of its Attachment K. Plans shall take into account:

- a) the MAPP Transmission Owning Member's current and anticipated requirements for transmission to provide all-requirements and partial requirements service and service to its end-use loads;
- b) the current and anticipated requirements for transmission to provide network transmission service to those entities for which the MAPP Transmission Owning Member provides such service;
- c) the MAPP Transmission Owning Member's other contractual and tariff obligations to provide firm transmission service;

- d) any other contractual obligations of the MAPP Transmission Owning Member affecting the use of its transmission facilities;
- e) any requirements for future transmission service of a Member or Stakeholder communicated to the MAPP Transmission Owning Member under procedures, standards and requirements established by the TPC;
- f) the coordination of the Member Plan with the transmission plans of neighboring systems, and in particular any coordination parameters or requirements identified by the RPG; and
- g) the obligation of the MAPP Transmission Owning Member under FERC requirements to provide transmission service to other entities;
- h) the consideration of Member's transmission needs driven by its Public Policy Requirements.

### **3.2 Availability of Plans and Information**

Member Plans, along with the criteria, assumptions, and data underlying the transmission plans, shall be made available to the TPC on a regular basis as established by the TPC. Such information shall be provided in accordance with the MAPP Critical Energy Infrastructure Information (CEII) policy and the Commission's Standards of Conduct regulations.

### **3.3 Member Planning Procedures and Requirements**

The TPC shall establish procedures, standards, and requirements for:

- a) The submission of the Member Plans, and the underlying criteria, assumptions, and data utilized in developing those transmission plans.
- b) The development of integrated transmission plans by the RPG including consideration of the MAPP Transmission Owning Members' Public Policy Requirements.
- c) The integration of Member Plans by the RPG and the resolution of any Member transmission planning issues on an informal, collaborative basis.

## **4.0 MAPP Regional Planning Process**

The Second Restated MAPP Agreement requires each MAPP Transmission Owning Member that has facilities under the Second Restated MAPP Agreement prepare and maintain a plan for its transmission facilities.

### **4.1 General**

The TPC shall develop and approve a coordinated transmission plan, including alternatives, for the ensuing 10 years, or other planning periods specified by NERC, for all transmission facilities in the MAPP Planning Region, including economic and reliability components and needs driven by the MAPP Transmission Owning Members' Public Policy Requirements. The MAPP Regional Plan integrates the transmission plans

developed by individual MAPP Transmission Owning Members, the RPG, and other Stakeholders to insure that the transmission needs of the MAPP Planning Region will be met in a consistent, reliable, environmentally acceptable, and economic manner. Appendix I contains the MAPP Regional Planning Process Diagram.

#### **4.2 MAPP Regional Planning Process Enrollment Requirement**

Enrollment in the MAPP Regional Planning Process is open to public and non-public utility transmission providers that are MAPP Transmission Planning Committee (TPC) members. Projects sponsored by an enrolled entity may be eligible to have costs allocated under the MAPP regional cost allocation method.

All MAPP TPC members that are transmission providers are automatically enrolled in the MAPP Regional Planning process. Membership in the MAPP TPC is open to any Electric Utility, any Transmitting Utility, and to any other entity generating electric energy for sale, for resale, or to a Joint Member the Designating Entities of which meet the requirements of the Second Restated MAPP Agreement. An entity desiring to become a MAPP TPC Member shall submit to MAPPCOR an application for membership. The application shall obligate the applicant to become a signatory to the Second Restated MAPP Agreement if the applicant becomes a Member.

The list of all public and non-public utility transmission providers that are enrolled in the MAPP transmission planning region and are therefore potential beneficiaries that may be allocated costs under the MAPP regional cost allocation methodology are as follows:

Ames Municipal Electric System (AMES)

Basin Electric Power Cooperative (BEPC)

Corn Belt Power Cooperative (CBPC)

Heartland Consumers Power District (HCPD)

MN Municipal Power Agency (MMPA)

MN Municipal Utilities Association (MMUA)

Minnkota Power Cooperative (MPC)

Missouri River Energy Services (MRES)

NorthWestern Energy (NWE)

Rochester Public Utilities (RPU)

Western Area Power Administration, Upper Great Plains Region (WAPA-UGPR).

Should any entity wish to enroll or withdraw, the entity should submit a written request to the Chair of the MAPP TPC. Upon the MAPP TPC Chair's receipt, acknowledgement,

and notification to other MAPP TPC Members, the entity's enrollment or withdrawal is effective. Like other non-enrollees, a withdrawn MAPP TPC Member shall still be able to participate in the MAPP Order No. 1000 Regional Planning Process as a Stakeholder.

#### **4.3 MAPP Regional Development Process**

The TPC process for developing the MAPP Regional Plan begins with the submittal of the Member Plans to the TPC through the RPG. Next, the RPG shall: (i) integrate the Member Plans into the RPG Roll-up Plan; (ii) coordinate the RPG Roll-up Plan with the plans of other Stakeholders; (iii) evaluate alternative projects submitted by Stakeholders or determined through analysis that are potentially more efficient or cost-effective or provide greater benefits; (iv) evaluate projects eligible for regional cost allocation; and (v) cooperate, as necessary, in planning with neighboring transmission systems.

The RPG Roll-up Plan primarily addresses the local load serving and Public Policy Requirement needs of the MAPP Transmission Owning Members but is not precluded from addressing regional transmission needs.

All projects determined to be eligible for regional cost allocation will go through the regional cost allocation process (Section 12). All projects, including alternatives that were not selected and projects not eligible for regional cost allocation are documented in the MAPP Regional Plan.

The MAPP Regional Planning Process utilizes a biennial planning cycle to develop an efficient and cost-effective MAPP Regional Plan. The biennial cycle includes collection of planning input data, preparation of study models, integration of Member Plans, collaboration with Stakeholders, and creation of procedures to study and evaluate the effectiveness and efficiency of proposed projects in addressing regional and interregional needs. These activities are described below.

##### **4.3.1 TPC Data Collection:**

- a) RPG and Economic Planning Group (EPG) studies.
- b) Local plans of the MAPP Transmission Owning Members as submitted in MAPP Forms 1-3.

##### **4.3.2 TPC Data Analysis:**

- a) Analyze history of constrained interface performance.
- b) Analyze history of transmission loading relief requests.
- c) Review of reliability assessment studies and reports.

The TPC shall evaluate limitations on MAPP transfer capability through historical Transmission Loading Relief (TLR) analysis associated with the defined flowgates in the MAPP region. The TPC shall utilize these comprehensive reviews to determine

transmission constraints in the region. The TPC shall also support economic studies necessary to review the integration of large proposed generation facilities into the regional grid and shall develop concept plans as part of regional study efforts.

The TPC may also commission the RPG to address highly constrained regional flowgates and to develop proposed plans for increasing interregional transfer capability. The RPG may also perform regional transfer capability analysis and develop exploratory transmission expansion plans to address the most limiting flowgates within the RPG region. The TPC may also coordinate and support other joint exploratory economic planning efforts within and adjacent to the MAPP Planning Region.

#### **4.3.3 TPC Model Preparation**

- a) Select base case models from appropriate MRO/WECC Model Series.
- b) Add MAPP Transmission Owning Members' and RPG plans to models.
- c) Solicit input from Stakeholders including additions or changes to transmission, generation, and demand resources, in developing base-line assumptions and models.
- d) Validate firm transactions, major new loads, and new generation.

#### **4.3.4 TPC Study Procedures**

The MAPP Regional Plan procedures and processes are outlined in the following documents.

TPC Procedures: The TPC has adopted the procedures contained in this document to facilitate the development of the MAPP Regional Plan.

RPG Guidelines: The TPC has established a RPG to facilitate the MAPP Regional Planning Process and the development of the RPG Roll-up Plan and the MAPP Regional Plan. This document outlines the procedures utilized in the development of the RPG Roll-up Plan and MAPP Regional Plan.

The MAPP Regional Planning Process may include the following study procedures:

- a) Analyze projects submitted into the planning process that address reliability or load service requirements that were not included in the roll-up process, address economic considerations, and/or address transmission needs driven by the Members' Public Policy Requirements.
- b) Integrate the transmission projects submitted by the TPC Transmission Owners and the other Stakeholders (RPG Roll-up Plan). Transmission needs driven by the Members' Public Policy Requirements will be rolled up with the Member Plans and may be evaluated for potential regional solutions in the regional transmission planning process. Explanations of why other suggested

transmission needs were not evaluated (if any) will be documented in the MAPP Regional Plan.

- c) Identify and evaluate alternative projects to meet regional and interregional reliability, public policy, and economic needs (assess impacts on Member Plans). Project delays shall be taken into consideration during this process and to the extent a delay in a project creates a need for additional mitigation solutions, the project sponsor shall identify those needs. Alternative solutions required because of delays in the development of a transmission facility that was selected in the MAPP Regional Plan for cost allocation shall be included in the MAPP Regional Plan.
- d) Document in the MAPP Regional Plan the projects eligible for cost allocation including any unsponsored projects that were identified through the regional planning process.
- e) Determine cost allocation for projects eligible for cost allocation selected through the criteria detailed in Section 12.

#### **4.3.5 Stakeholder Collaboration**

The MAPP Regional Planning Process allows for Stakeholder participation in the following:

- a) Stakeholder participation at Economic Planning Group (EPG), RPG, and TPC meetings.
- b) Stakeholder input throughout all planning stages.
- c) Stakeholder input on transmission needs which are driven by Public Policy Requirements.

#### **4.3.6 MAPP RPG Roll-up Plan and Regional Plan Approval Timelines**

The TPC will approve the RPG Roll-up Plan at the end of the first year in the biennial cycle and approve the MAPP Regional Plan at the end of the biennial cycle.

#### **4.3.7 Availability of the MAPP Regional Plan**

The MAPP Regional Plan, along with the underlying criteria, assumptions, and data, shall be made available on the MAPP website at [www.mapp.org](http://www.mapp.org). Sufficient additional information will be available to enable the requesting entity to perform planning analyses on the same basis as the TPC. Such information shall be provided in accordance with the MAPP Critical Energy Infrastructure Information (CEII) policy and the Commission's Standards of Conduct regulations.

#### **4.4 Identification of Transmission Requirements**

The following process is used to communicate to the TPC the transmission requirements identified by the MAPP Transmission Owning Members and Stakeholders:

The RPG shall prepare a integrated plan incorporating the MAPP Transmission Owning Members' and Stakeholders' needs.

The TPC shall develop the MAPP Regional Plan addressing Member Plans, Public Policy Requirements, and regional and interregional needs.

The TCP shall establish liaisons with existing neighboring regional planning entities to facilitate addressing interregional transmission issues.

## 5.0 The Transmission Planning Committee

The TPC shall develop the MAPP Regional Plan. The following procedures shall be utilized in developing the MAPP Regional Plan. Costs incurred related to regional planning activities shall be recovered under the provisions of the Second Restated MAPP Agreement.

### 5.1 Procedures for Control of TCP Meetings

#### 5.1.1 TPC Representatives

The TPC shall be constituted as defined by the Second Restated MAPP Agreement. In accordance with the Second Restated MAPP Agreement, membership in the TPC shall be available to all MAPP Members. The TPC shall be composed of one Representative of each TPC Member. Each TPC Member shall designate a Representative and an alternate Representative for the TPC. TPC Members shall appoint as their Representatives on the TPC persons with technical expertise and significant experience relating to electric transmission matters. The TPC Representatives shall elect the TPC Chair and Vice-Chair.

#### 5.1.2 TPC Meeting Notification

All meeting notices shall be communicated by the Secretary of the TPC (Secretary) electronically through e-mail distribution lists, and subsequently posted on the [MAPP website](#). All meeting notices shall be publicly available. Please contact the Contractor (MAPPCOR) for instructions on how to register for the TPC and/or TPC e-mail distribution lists.

The notice of a meeting shall state the time and place of the meeting and shall include an agenda sufficient to notify a Stakeholder of the substance of the matters to be considered at the meeting.

The Secretary shall publish the meeting notice and agenda at least 10 days prior to the meeting. If the tenth day falls on a weekend, the notice shall be communicated by the previous business day.

### **5.1.3 TPC Meeting Agenda Development**

The agenda shall include the time and place of the meeting. The Secretary shall draft the agenda in cooperation with the TPC Chair, or Vice-Chair in the absence of the Chair.

In order to finalize and publish meeting agendas in a timely manner, requests to place an issue on the agenda of a TPC meeting shall be submitted to the Chair and Secretary at least 15 days in advance of the meeting. An issue requested for placement on the TPC agenda must be centered on matter(s) within the TPC's responsibilities and be accompanied by documentation that supports or fully informs each question raised or point to be made in the request.

The agenda shall list all proposed action items in sufficient detail so that TPC members can clearly determine what is being proposed. The Secretary shall post the meeting agenda on the [MAPP website](#) and send it via the TPC's distribution list at least 10 days prior to the meeting.

All presenters with agenda items and supporting information for the meeting agenda shall provide the materials to be reviewed or referenced at the meeting to the Chair and Secretary at least 15 days prior to the meeting. The Secretary shall post the supporting information on the MAPP website after communicating it via the e-mail distribution list, unless the information has been deemed to fall under the Federal Energy Regulatory Commission's determination as Critical Energy Infrastructure Information (CEII).

### **5.1.4 TPC Action**

TPC meeting agendas should include the draft wording of any proposed motion. Supporting materials accompanying the agenda shall include a detailed discussion of the rationale for the motion (an exception to this requirement is made for routine administrative actions such as the approval of TPC meeting minutes). The Member of the TPC or other entity sponsoring the motion shall provide the wording of the motion and the discussion points.

Those sponsoring items on a meeting agenda shall have background material, and the action to be voted on, distributed with the meeting agenda in accordance with the ten (10) day notice requirement.

In general, an action may not be brought to a vote of the TPC unless it is noticed on a published agenda at least ten (10) days prior to the meeting date upon which action is to be voted. Section 6.3.1 in the TPC Procedure document "Taking Action on an Item Not Described in the Agenda," addresses potential exceptions to this general rule.

TPC actions are governed by the Second Restated MAPP Agreement. If a quorum is present, the action of two-thirds of the weighted voting shares present and voted by Representatives, including votes cast by proxy, shall be the action of the TPC. A proxy

cannot cast a vote in place of the Representative if the Representative is also physically present and capable of casting a ballot.

#### **5.1.5 TPC Meeting Procedures**

The TPC shall utilize Robert's Rules of Order for guidance regarding conduct of committee meetings. A quorum is necessary to conduct TPC business. A quorum is established when 50 percent or more of TPC Representatives are present as currently stated in the MAPP Restated Agreement. A vacant position on the TPC does not count towards the quorum requirement. All Stakeholders can attend TPC and working group meetings subject to signing a MAPP non-disclosure agreement. A Representative may give its proxy to another TPC Member through a statement authorizing such action that is delivered to the Secretary of the TPC by mail, facsimile transmission or e-mail. A proxy vote may not be cast in any additional or future meeting, if not authorized specifically for that additional meeting by the Representative.

#### **5.1.6 Participation**

Participation in the TPC meetings where discussion of the MAPP Regional Plan is anticipated is open to any TPC Member or Stakeholder subject to such restrictions as the TPC deems necessary to comply with regulatory and confidentiality requirements. Any non-TPC Member may participate in, but not vote at, any such meeting. Meeting notices are posted on the MAPP Calendar located at [MAPP](#).

#### **5.1.7 TPC Meeting Minutes**

All TPC meetings shall be recorded through accurate and timely meeting minutes. The TPC Secretary shall draft meeting minutes and submit them to the TPC for review.

The Secretary shall maintain a history of TPC actions in sufficient detail to facilitate the establishment of precedent for consideration during TPC deliberations. The Secretary shall make this history available to the TPC at their meetings and other TPC members upon request.

The Secretary shall draft meeting minutes and submit them to the TPC members for review within ten business days following the meeting.

To facilitate the prompt communication of actions taken by the TPC, the Chair and Secretary shall write and publish meeting highlights listing the actions and decisions taken by the TPC no later than two business days following a meeting of the TPC. The meeting highlights shall be sent to the TPC and published on the [MAPP website](#).

The TPC shall review their previous meeting's minutes at their next meeting. Once the meeting minutes are approved by the TPC, the minutes shall be sent to the TPC e-mail distribution list and posted on the [MAPP website](#).

### **5.1.8 Review of TCP Action**

A TPC Member or Stakeholder may request a review of TPC actions, in accordance with the Second Restated MAPP Agreement.

### **5.2 TPC Responsibilities**

The TPC was established through the Second Restated MAPP Agreement. The Second Restated MAPP Agreement indicates certain responsibilities of the TPC which are described in the TPC Procedures. A summary of the responsibilities includes:

1. Preparation of the Transmission Planning Committee Budget
2. Development of Procedures
3. Development and Preparation of the MAPP Regional Plan
4. Preparation of Transmission Planning Reports
5. No Obligation to Build
6. Other TPC Responsibilities

## **6.0 Regional Planning Group**

The RPG provides a forum for coordination of Member Plans, development of the RPG Roll-up Plan, and development of the MAPP Regional Plan.

### **6.1 Current RPG(s)**

The TPC has established and recognized a single RPG to carry out the task of developing a MAPP Regional Plan.

### **6.2 Establishment of RPG(s)**

The TPC may establish new or recognize additional RPGs as needed to carry out this task. The TPC may also recognize and coordinate its MAPP Regional Plan with existing or future transmission planning study groups.

### **6.3 RPG Participation**

Participation in any RPG meeting is open to any Stakeholder who has signed the MAPP Non-Disclosure Agreement. A MAPP Non-Disclosure Agreement (NDA) is obtained by contacting the Secretary of the MAPP TPC. Neighboring transmission owning utilities and Stakeholders interested in the development of the RPG plan are also invited to participate in the RPG to promote joint planning between MAPP and its neighbors.

### **6.4 RPG Guidelines**

The Regional Planning Group, to the extent possible, should:

- develop a RPG Roll-up Plan, including alternatives, for the ensuing ten years, for all Bulk Electric System transmission facilities in the region;
- review Member Plan additions and modifications to the regional transmission system;

- integrate Member Plans into the RPG Roll-up Plan and MAPP Regional Plan;
- incorporate new generator interconnections and associated network upgrades into the RPG Roll-up Plan as soon as practicable;
- identify, evaluate with approved metrics, and determine an optimal set of transmission facilities and/or non-transmission alternatives that will meet the needs of the region;
- determine the cost allocation for each project qualified for regional cost allocation;
- coordinate the MAPP Regional Plan with the plans of neighboring systems;
- utilize the annual assessment study as a tool for the near term and longer term planning horizons;
- form technical study task forces as required to carry out the RPG planning responsibilities;
- encourage Stakeholder participation to ensure that the RPG is aware of facility changes outside of the MAPP region so that the impact of parallel path flows can be considered in the planning studies;
- encourage Stakeholder participation to ensure that the RPG may consider and incorporate the appropriate transmission needs and Public Policy Requirements obligations into the MAPP Regional Plan;
- ensure RPG studies meet reliability standards and requirements;
- promote Stakeholder review and comment of the MAPP Regional Plan and its development, and
- develop a MAPP Regional Plan for submission to the TPC.

### **6.5 Submission of Member Plans to RPG**

Each MAPP Transmission Owning Member shall submit its transmission plan to the RPG in the first year of the biennial planning cycle.

### **6.6 Network Upgrades Out of Planning Cycle**

When planned transmission upgrades identified by a Transmission Owning Member and/or Stakeholder are outside the timing requirements of the MAPP Regional Plan (including any network upgrades needed for generation interconnection or transmission service):

- The Transmission Owning Member and/or Stakeholder will submit information about the upgrades at the next RPG meeting in an effort to allow for other Stakeholder input before those upgrades go into service.
- The Transmission Owning Member will include those upgrades in their next submission of the Member Plan to the RPG.

### **6.7 RPG Meetings**

The RPG should meet at least twice annually to review plans and determine what changes, if any, are needed to better facilitate a more efficient and/or cost-effective transmission plan for the MAPP Planning Region.

Participation in RPG meetings is open to any Stakeholder who has signed the MAPP Non-Disclosure Agreement. Meeting notices are posted on the MAPP Calendar on the [MAPP website](#).

RPG meetings must be open and transparent to all Stakeholders. When CEII information is discussed at MAPP RPG meetings, Stakeholder attendance will be conditioned upon execution of the MAPP CEII non-disclosure agreement. MAPP RPG meetings that discuss CEII will be closed to all persons that have not executed a MAPP CEII non-disclosure agreement.

The notice of RPG meetings are to be sent out by the RPG Secretary to the RPG via the RPG and TPC email exploder lists. The meeting notice shall be posted on the MAPP website under the calendar of MAPP meetings. The notice shall state the time and place of the meeting and shall include an agenda sufficient to notify Stakeholders of the matters to be considered at the meeting.

### **6.8 TPC/RPG Communications**

The RPG shall appoint a liaison to the TPC to facilitate communication of the planning process. The liaison person can be any RPG Stakeholder including an elected TPC member. The form of communication the TPC expects from the RPG includes: (a) RPG Meeting Agendas; (b) RPG final approved Meeting Minutes; and (c) RPG Liaison Status reports to the TPC at its scheduled meetings. The RPG meeting agendas and approved minutes shall be electronically sent to the TPC Secretary for posting on the MAPP website in the TPC area. The RPG status reports are given by the TPC liaison at the scheduled TPC meetings.

### **6.9 RPG Planning Responsibilities**

The RPG shall develop an RPG Roll-up Plan and an efficient and cost-effective MAPP Regional Plan. The RPG Roll-up Plan and MAPP Regional Plan shall be submitted to the TPC for approval.

### **6.10 Planning Criteria**

The MAPP Regional Plan shall be consistent with applicable standards and requirements established by MAPP and by the reliability standards of the North American Electric Reliability Corporation (NERC), the Midwest Reliability Organization (MRO), and the Western Electricity Coordinating Council (WECC), if applicable. The

MAPP planning process will meet these Reliability Standards and will fairly evaluate projects on a comparable basis.

### **6.11 RPG Study Models**

Whenever possible, the RPG shall adopt the most current approved regional model series to develop their base case study models. Each series provides near term, five year and ten-year models representing summer peak, summer off-peak and winter peak system conditions. The RPG shall determine the appropriate load conditions (summer peak, summer off-peak, winter peak, etc.) and generation schedules for the RPG studies. The RPG shall verify that the load data, new generation data, and all existing firm transactions in the region are included and correct. The TPC will adopt the most current approved regional model series to prepare the MAPP Regional Plan.

In developing the base case load flow models to be used for the RPG studies, the RPG shall document all modifications required to be made to these load flow cases. The RPG may add underlying transmission detail to these models as required. The RPG shall solicit input from Stakeholders including additions or changes to transmission, generation, and demand resources, in developing base-line assumptions and models used in developing the RPG Roll-up Plan.

The RPG may, if appropriate, adopt other models to conduct its studies. However, the RPG shall develop and provide the TPC with appropriate files to facilitate incorporation of the MAPP Regional Plan study data into the next model series that will be used by the TPC.

### **6.12 RPG Studies and Reports**

Using a “bottom up” approach, the RPG shall develop a RPG Roll-up Plan based on a combination of the previously approved MAPP Regional Plan and a roll-up of the Member Plans. Using a regional perspective, the RPG shall consider these projects together with Stakeholder projects generated through the analysis to produce a MAPP Regional Plan.

The MAPP planning process utilizes a biennial planning cycle to develop an efficient and cost-effective MAPP Regional Plan. The MAPP Regional Planning Process goal is to analyze from a regional perspective the RPG Roll-up Plan to define a MAPP Regional Plan that is more efficient and/or cost effective. The resulting MAPP Regional Plan will provide valuable regional insight and information for all Stakeholders to consider and potentially modify their respective plans.

## 7.0 Stakeholder Input Process

### 7.1 Regional Stakeholder Participation

In order to facilitate participation in the MAPP Regional Planning Process, Stakeholders may take the following steps:

1. Obtain the contact information for MAPP COR staff from the [MAPP website](#).
2. Contact the TPC Secretary to obtain contact information and to subscribe to the regional transmission planning email lists. The email lists are used to send meeting announcements, agendas for the meetings, and minutes for the meetings.
3. Obtain MAPP Transmission Owning Members' local transmission planning contact information included in the description of their local planning processes posted on the MAPP Transmission Owning Members' OASIS website. MAPP COR does not facilitate local transmission planning processes and therefore does not maintain an email list or web calendar for those planning meetings.
4. Sign the MAPP Non-Disclosure Agreements to participate in the regional transmission planning meetings when CEII material is to be discussed.
5. Check the [MAPP Website](#) calendar for upcoming schedule of regional transmission planning meetings.
6. Check the [MAPP Website](#) for all posted agendas, minutes, draft minutes and other relevant documentation for the regional transmission planning meetings.

### 7.2 RPG Responsibilities for Stakeholder Participation

The RPG will post notice publicly and invite Stakeholders registered on the RPG email list to its meetings as part of the public input process into the RPG Roll-up Plan. The RPG shall:

- maintain a list of Stakeholders invited to and involved in the review of the MAPP planning process;
- add Stakeholders to the RPG email list following Stakeholder requests to MAPP COR staff;
- verify that Stakeholders have signed the NDA for attendance at the meetings where CEII material is to be discussed;
- identify comparable contacts from interconnected NERC Planning Regions;
- coordinate with the regulatory and environmental participants and Stakeholders as to the process required, areas of need, and possible solutions;
- review the solutions with Stakeholders to identify the best options from a transmission and regulatory basis to include in the RPG Roll-up Plan; and

- report to the TPC and include in the RPG Roll-up Plan documentation the public process completed for the RPG Roll-up Plan such as dates of meetings, number of participants, highlights of key comments and RPG consideration of those comments. The RPG shall include in its RPG Roll-up Plan to the TPC a listing of the suggestions for economic planning studies that they received from their Stakeholders during the year.

### **7.3 Stakeholder Submittals**

The deadline by which Stakeholders must submit information in support of a transmission project proposed for consideration in the MAPP Regional Plan in order to be considered in a given transmission planning cycle is April 1.

Stakeholders can submit their requests and input using the following guidelines:

- Stakeholders submit transmission projects in accordance with the individual local transmission planning process of those transmission providers, or to the RPG or TPC in accordance with the MAPP RPG Guidelines posted on the [MAPP website](#).
- Stakeholders submit their individual generator-interconnection requests and transmission service requests to individual transmission providers (MAPP Transmission Owning Members) as provided for on the MAPP Transmission Owning Member's OASIS website.
- Stakeholders submit their economic planning study requests for their general future transmission needs to individual transmission providers in accordance with the individual local transmission planning process of those transmission providers or to the TPC in accordance with the MAPP TPC Procedures posted on the [MAPP website](#). Stakeholders may submit economic planning study requests to the chair of the RPG prior to an RPG Meeting for discussion at that meeting and to be forwarded to the TPC to be considered in the MAPP Regional Plan or update for the next planning cycle. Stakeholders may also submit their requests for economic planning studies at any time during the MAPP Regional Planning Process for consideration at the next TPC meeting.
- Stakeholders may submit their input on plans and transmission needs driven by Public Policy Requirements to individual Transmission Providers, the RPG, or the TPC as provided for in this document, the TPC Procedures, or the individual Transmission Providers local planning process.

### **8.0 Interregional Planning Coordination**

The TPC shall coordinate on planning issues with: (1) the subcommittees of the RPCC; (2) the MRO/WECC; (3) relevant non-MAPP neighboring transmission owning utilities and Regional Transmission Organizations (RTOs).

The TPC will select a TPC member who will be responsible for reporting on the relevant activities of the MAPP TPC, MRO, WECC, and RTO subcommittees at each TPC meeting. The TPC liaison may attend the MAPP TPC, MRO, WECC, and neighboring RTO subcommittee meetings or employ other effective means to obtain the required information.

### **8.1 Coordination Principles**

The MAPP Regional Plan shall be developed in accordance with the principles of interregional coordination through collaboration with representatives from neighboring regions, or their applicable sub-regions, including adjacent transmission providers or regional transmission organizations, or their designated regional planning organization(s).

### **8.2 Joint Planning Committee**

MAPP shall participate in a Joint Planning Committee (JPC) with representatives of adjacent transmission providers or regional transmission organizations, or their designated regional planning organizations(s) (Regional Planning Coordination Entities or RPCEs). The JPC shall be comprised of representatives of MAPP and the RPCE(s) in numbers and functions to be identified from time to time. The JPC may combine with or participate in similarly established joint planning committees amongst multiple RPCEs or established under joint agreements to which MAPP is a signatory, for the purpose of providing for broader and more effective interregional planning coordination. The JPC shall have a Chairman. The Chairman shall be responsible for: the scheduling of meetings; the preparation of agendas for meetings; the production of minutes of meetings; and for chairing JPC meetings. The Chairmanship shall rotate amongst MAPP and the RPCEs on a mutually agreed to schedule, with each party responsible for the Chairmanship for no more than one planning study cycle in succession. The JPC shall coordinate planning of the systems of the Transmission Provider and the RPCEs, including the following:

- Coordinate the development of common power system analysis models to perform coordinated system planning studies including power flow analyses and stability analyses. For studies of interconnections in close electrical proximity at the boundaries among the systems of MAPP and the RPCEs, the JPC or its designated working group will coordinate the performance of a detailed review of the appropriateness of applicable power system models.
- Conduct on a regular basis, a Coordinated Regional Transmission Planning Study (CRTPS), which shall be reviewed by Stakeholders, as set forth in Section 7.4.1.
- Coordinate planning activities under this Section 8, including the exchange of data and developing necessary report and study protocols.

- Maintain an Internet site and e-mail or other electronic lists for the communication of information related to the coordinated planning process. Such sites and lists may be integrated with those existing for the purpose of communicating the open and transparent planning processes of MAPP.
- Meet at least semi-annually to review and coordinate transmission planning activities.
- Establish working groups as necessary to address specific issues, such as the review and development of the regional plans of the RPCE and MAPP, and localized seams issues.
- Establish a schedule for the rotation of responsibility for data management, coordination of analysis activities, report preparation, and other activities.

### **8.3 Data and Information Exchange**

MAPP shall make available to each RPCE the following planning data and information.

Unless otherwise indicated, such data and information shall be provided annually.

MAPP shall provide the following data in accordance with the applicable CEII policy, and maintain data and information received from each RPCE in accordance with their applicable confidentiality policies.

- Data required for the development of power flow cases, and stability cases, incorporating up to a ten-year load forecasts as may be requested, including all critical assumptions that are used in the development of these cases.
- Fully detailed planning models (up to the next ten (10) years as requested) on an annual basis and updates as necessary to perform coordinated studies that reflect system enhancement changes or other changes.
- The regional plan documents, any long-term or short-term reliability assessment documents, and any operating assessment reports produced by MAPP and the RPCE.
- The status of expansion studies, system impact studies and generation interconnection studies, such that MAPP and the RPCE have knowledge that a commitment has been made to a system enhancement as a result of any such studies.
- Transmission system maps for MAPP and the RPCE bulk transmission systems and lower voltage transmission system maps that are relevant to the coordination of planning between or among the systems.
- Contingency lists for use in load flow and stability analyses, including lists of all contingency events required by applicable reliability standards, as well as breaker diagrams, as readily available, for the portions of the MAPP and the RPCE transmission systems that are relevant to the coordination of planning

between or among the systems. Breaker diagrams to be provided on an as requested basis.

- The timing of each planned enhancement, including estimated completion dates, and indications of the likelihood that a system enhancement will be completed and whether the system enhancement should be included in system expansion studies, system impact studies and generation interconnection studies, and as requested the status of related applications for regulatory approval. This information shall be provided at the completion of each planning cycle of MAPP, and more frequently as necessary to indicate changes in status that may be important to the RPCE system.
- Quarterly identification of interconnection requests that have been received and any long-term firm transmission services that have been approved, that may impact the operation of MAPP or the RPCE system.
- Quarterly, the status of all interconnection requests that have been identified.
- Information regarding long-term firm transmission services on all interfaces relevant to the coordination of planning between or among the systems.
- Load flow data initially will be exchanged in PSS/E format. To the extent practical, the maintenance and exchange of power system modeling data will be implemented through databases. When feasible, transmission maps and breaker diagrams will be provided in an electronic format agreed upon by the Transmission Provider and the RPCE. Formats for the exchange of other data will be agreed upon by MAPP and the RPCE.

#### **8.4 Coordinated Systems Planning**

MAPP shall agree to coordinate with the RPCEs studies required to assure the reliable, efficient, and effective operation of the transmission system. Results of such coordinated studies will be included in the Coordinated System Plan. MAPP shall agree to conduct with the RPCEs such coordinated planning as set forth below.

##### **8.4.1 Stakeholder Review Processes**

MAPP, in coordination with coordinating RPCEs shall review the scope, key modeling assumptions, and preliminary and final results of the CRTPS with impacted Stakeholders and shall modify the study scope as deemed appropriate by MAPP in agreement with the coordinating RPCEs, after receiving Stakeholder input. Such reviews will utilize the existing planning Stakeholder forums of the coordinating parties including as applicable joint Sub Regional Planning Meetings.

##### **8.4.2 Single Entity Planning**

MAPP shall engage in such transmission planning activities, including expansion plans, system impact studies, and generator interconnection studies, as necessary to fulfill its obligations under the Second Restated MAPP Agreement and any other MAPP

transmission planning procedures. Such planning shall conform to applicable reliability standards. Such planning shall also conform to any and all applicable requirements of Federal or State regulatory authorities. MAPP will prepare a regional transmission planning report that documents the procedures, methodologies, and business rules utilized in preparing and completing the report. MAPP shall agree to share the transmission planning reports and assessments with each RPCE, as well as any information that arises in the performance of its individual planning activities as is necessary or appropriate for effective coordination among MAPP and the RPCEs on an ongoing basis. MAPP shall provide such information to the RPCEs in accordance with the applicable CEII policy and shall maintain such information received from the RPCEs in accordance with their applicable confidentiality policies.

#### **8.4.3 Analysis of Interconnection Requests**

In accordance with the procedures under which a MAPP Transmission Provider provides interconnection service, MAPP will agree to coordinate with each RPCE the conduct of any studies required in determining the impact of a request for generator or merchant transmission interconnection. Results of such coordinated studies will be included in the impacts reported to the interconnection customers as appropriate. Coordination of studies shall include the following:

- When a MAPP Transmission Provider receives a request under its interconnection procedures for interconnection, it will determine whether the interconnection potentially impacts the system of a RPCE. In that event, the MAPP Transmission Provider will notify the RPCE and convey the information provided in the interconnection queue posting. The MAPP Transmission Provider will provide the study agreement to the interconnection customer in accordance with applicable procedures.
- If the RPCE determines that it may be materially impacted by an interconnection on the MAPP Transmission Provider System, the RPCE may request participation in the applicable interconnection studies. The MAPP Transmission Provider will coordinate with the RPCE with respect to the nature of studies to be performed to test the impacts of the interconnection on the RPCE System, and who will perform the studies. The MAPP Transmission Provider will strive to minimize the costs associated with the coordinated study process undertaken by agreement with the RPCE.
- Any coordinated studies associated with requests for interconnection to the MAPP Transmission Provider's system will be performed in accordance with the study timeline requirements and scope of the applicable generation interconnection procedures of the MAPP Transmission Provider.
- The RPCE may participate in the coordinated study either by taking responsibility for performance of studies of its system, if deemed reasonable by the MAPP

Transmission Provider, or by providing input to the studies to be performed by the MAPP Transmission Provider. The study cost estimates indicated in the study agreement between the MAPP Transmission Provider and the interconnection customer will reflect the costs, and the associated roles of the study participants including the RPCE. The MAPP Transmission Provider will review the cost estimates and scope submitted by all participants for reasonableness, based on expected levels of participation, and responsibilities in the study. If the RPCE agrees to perform any aspects of the study, the RPCE must comply with the timelines and schedule of the MAPP Transmission Provider's interconnection procedures.

- The MAPP Transmission Provider will collect from the interconnection customer the costs incurred by the RPCE associated with the performance of such studies and forward collected amounts, no later than thirty (30) days after receipt thereof, to the RPCE. Upon the reasonable request of the RPCE, the MAPP Transmission Provider will make their books and records available to the requestor pertaining to such requests for collection and receipt of collected amounts.
- The MAPP Transmission Provider will report the combined list of any transmission infrastructure improvements on either the RPCE and/or the MAPP Transmission Provider's system required as a result of the proposed interconnection.
- Construction and cost responsibility associated with any transmission infrastructure improvements required as a result of the proposed interconnection shall be accomplished under the terms of the applicable tariff under which transmission service is provided, Transmission Service Guidelines, controlling agreements, and consistent with applicable Federal or State regulatory policy and applicable law.
- Each transmission provider will maintain separate interconnection queues. The JPC will maintain a composite listing of interconnection requests for all interconnection projects that have been identified as potentially impacting the systems of MAPP and coordinating RPCEs. The JPC will post this listing on the Internet site maintained for the communication of information related to the coordinated system planning process.

#### **8.4.4 Analysis of Long-Term Firm Transmission Service Requests**

In accordance with applicable procedures under which the MAPP Transmission Providers provide long-term firm transmission service, the MAPP Transmission Provider will coordinate the conduct of any studies required to determine the impact of a request for such service. Results of such coordinated studies will be included in the impacts

reported to the transmission service customers as appropriate. Coordination of studies will include the following.

- The MAPP Transmission Provider will coordinate the calculation of ATC values, if any, associated with the service, based on contingencies on their systems that may be impacted by the granting of the service.
- When a MAPP Transmission Provider receives a request for long-term firm transmission service, it will determine whether the request potentially impacts the system of the RPCE. If the MAPP Transmission Provider determines that the RPCE system is potentially impacted, and that the RPCE would not receive a transmission service request to complete the service path, the MAPP transmission provider will notify the RPCE and convey the information provided in the posting.
- If the RPCE determines that its system may be materially impacted by granting the service, it may contact the MAPP Transmission Provider that received the request and request participation in the applicable studies. The MAPP Transmission Provider will coordinate with the RPCE with respect to the nature of studies to be performed to test the impacts of the requested service on the RPCE system and will strive to minimize the costs associated with the coordinated study process. The JPC will develop screening procedures to assist in the identification of service requests that may impact systems of the JPC members other than the transmission provider receiving the request.
- Any coordinated studies for request on a MAPP Transmission Provider's system will be performed in accordance with the study timeline and scope requirements of the applicable transmission service procedures of the MAPP Transmission Provider.
- The RPCE may participate in the coordinated study either by taking responsibility for performance of studies of its system, if deemed reasonable by the MAPP Transmission Provider or by providing input to the studies to be performed by the MAPP Transmission Provider. The study cost estimates indicated in the study agreement between the MAPP Transmission Provider and the transmission service customer will reflect the costs and the associated roles of the study participants. The MAPP Transmission Provider will review the cost estimates and scope submitted by all participants for reasonableness, based on expected levels of participation and responsibilities in the study.
- The MAPP Transmission Provider will collect from the transmission service customer, and forward to the RPCE, the costs incurred by the RPCE with the performance of such studies.

- The MAPP Transmission Provider receiving the request will identify any transmission infrastructure improvements required as a result of the transmission service request.
- Construction and cost responsibility associated with any transmission infrastructure improvements required as a result of the transmission service request shall be accomplished under the terms of the applicable tariff under which transmission service is provided, Transmission Service Guidelines, controlling agreements, and consistent with applicable Federal or State regulatory policy and applicable law.

#### **8.4.5 Coordinated Transmission Planning**

MAPP agrees to participate in the conduct of a periodic Coordinated Regional Transmission Planning Study (CRTPS). The CRTPS shall have as input the results of ongoing analyses of requests for interconnection and ongoing analyses of requests for long-term firm transmission service. The Parties shall coordinate in the analysis of these ongoing service requests in accordance with Sections 7.4.3 and 7.4.4. MAPP, in coordination with coordinating RPCEs, shall review the scope, preliminary results and final results of the CRTPS with impacted Stakeholders, in accordance with Section 7.4.1 and this Section. The results of the CRTPS shall be an integral part of the expansion plans of each Party. Construction of upgrades on the Transmission System of the MAPP Transmission Providers that are identified as necessary in the CRTSP shall be under the terms of the applicable MAPP or MAPP Transmission Provider documentation applicable to the construction of upgrades identified in the expansion planning process. Coordination of studies required for the development of the Coordinated System Plan will include the following:

Every three years, MAPP shall participate in the performance of a CRTPS. Sensitivity analyses will be performed, as required, during the off years based on a review by the JPC of discrete reliability problems or operability issues that arise due to changing system conditions.

The CRTPS shall identify all reliability and expansion issues and shall propose potential resolutions to be considered by MAPP and the coordinating RPCEs.

As a result of participation in the CRTPS, neither MAPP nor its members are obligated in any way to construct, finance, operate, or otherwise support any transmission infrastructure improvements or other transmission-related projects identified in the CRTPS. Any decision to proceed with any transmission infrastructure improvements or other transmission-related projects identified in the CRTPS shall be based on the applicable reliability, operational and economic planning criteria established for MAPP as applicable to the development of the MAPP Regional Plan and set forth in this Attachment K.

As a result of participation in the CRTPS, the RPCEs are not entitled to any rights to financial compensation due to the impact of the transmission plans of MAPP upon the RPCE system, including but not limited to its decisions whether or not to construct any transmission infrastructure improvements or other transmission-related projects identified in the CRTPS.

The JPC will develop the scope and procedure for the CRTPS. The scope of the CRTPSs performed over time will include evaluations of the transmission systems against reliability criteria, operational performance criteria, and economic performance criteria applicable to MAPP and the RPCEs.

In the conduct of the CRTPS, MAPP and the coordinating RPCEs will use planning models that are developed in accordance with the procedures to be established by the JPC. Exchange of power flow models will be in a format that is acceptable to the coordinating parties.

## 9.0 Member Plans

The procedures, standards, and requirements for making available Member Plans and the information on which the Member Plans are based as required by the Second Restated MAPP Agreement. Members may submit information directly to the TPC, but submittal to the RPG is preferred. The RPG provides a forum for Members to continue their long-term joint planning relationships with their neighbors and to involve other Stakeholders. The Member Plans will be integrated into the RPG Roll-up Plan.

The Member Plans and subsequent updates are submitted to the TPC as part of the MAPP Regional Planning Process.

## 10.0 Dispute Resolution

All substantive and procedural disputes related to the MAPP Regional Planning Process shall be resolved in accordance with the dispute resolution procedures set forth in the Second Restated MAPP Agreement.

## 11.0 Economic Planning Studies

Stakeholders, through the TPC, may request that the Economic Planning Group (EPG) perform economic planning studies to evaluate potential upgrades or other investments that could reduce congestion or integrate new transmission, generation or demand resources and loads on an aggregated or regional basis. The TPC shall review such proposals and select a certain number for study each year.

The TPC may cluster or batch requests for economic planning studies so the EPG can perform the studies in the most efficient manner. Requests for studies shall be submitted to the chairman of the TPC. All such requests will be collected over a 12-

month period ending January 1 of each year. The TPC, with Stakeholder input, will commit and engage to address up to five requests per year. The TPC will attempt to combine the scope of such requests such that the scope of actual study work will adequately address multiple requests, so as not to exceed three studies. Requesting parties would be required to submit essential data for their requested study.

As part of this process, the TPC may also consider economic studies of upgrades to MAPP flowgates. The flowgates studied will be selected among those determined to have recurring congestion, as evidenced by a high number of hours per year with no available firm Available Flowgate Capacity (AFC) or a high number of historical hours per year under Transmission Loading Relief (TLR). Along with Stakeholder input, the TPC will use these or similar metrics to determine which MAPP flowgates are most congested and warrant study of the economic benefits of proposed flowgate upgrades. Any economic planning study, which identifies a new MAPP region transmission facility or the upgrade of an existing transmission facility as a proposed Economic Network Upgrade, shall identify the proposed upgrade subject to the cost allocation principles set forth in Section 12 of this Attachment K. Such economic study shall also include a benefit allocation analysis based on one or more of the following principles: (a) reductions in projected congestion costs; (b) reductions in projected energy costs; or (c) reductions in projected transmission losses.

The economic planning studies performed by the EPG shall include sensitivity analyses representing various generation price scenarios; however, the EPG shall study the cost of congestion only to the extent it has information to do so. If a Stakeholder requests that a particular congested area be studied, it must supply relevant data within its possession to enable the EPG to calculate the level of congestion costs that is occurring or is likely to occur in the near future.

## 12.0 Cost Allocation

MAPP has established a regional cost allocation methodology that follows the six regional cost allocation principles as defined in FERC Order No. 1000 for new regional transmission facilities selected in a regional transmission plan for purposes of cost allocation.

The six principles are:

- Costs should be allocated “roughly commensurate” with estimated benefits.
- Those who do not benefit from transmission do not have to pay for it.
- Benefits to-cost thresholds must not exclude projects with significant net benefits.
- Costs cannot be allocated outside a region unless the other region agrees.
- Cost allocation methods and identification of beneficiaries must be transparent.

- Different allocation methods can apply to different types of transmission facilities.

### **12.1 Regionally Beneficial Projects**

The TPC will determine regional cost allocation for eligible new Regionally Beneficial Projects (RBP) identified in the MAPP Regional Plan. RBPs may include reliability, economic, and Public Policy Requirements projects proposed in the RPG Roll-up Plan. A RBP is a project that:

- a) has been proposed in accordance with the MAPP Planning Process;
- b) is eligible for inclusion in the MAPP Regional Plan; and
- c) has regional benefits since it replaces a project(s) in the RPG Roll-up Plan by solving the need(s) at a lower cost.

### **12.2 Applicability and Qualification Criteria**

#### **12.2.1 Project Sponsor Criteria**

The TPC will review the qualifications of the selected project sponsor, which requires the project sponsor to demonstrate that it has the necessary financial resources and technical expertise to develop, construct, own, operate, and maintain the RBP.

In order to sponsor a RBP for regional cost allocation, the project sponsor must meet the following requirements:

- a) the project sponsor and its team is technically and financially capable of (i) completing the project in a timely and competent manner; and (ii) operating and maintaining the facilities consistent with Good Utility Practice and applicable reliability criteria for the life of the project; and
- b) the project sponsor meets any additional requirements per TPC Procedures.

An existing project sponsor may already meet these criteria and may demonstrate qualification by referring to a recent TPC eligibility ruling. The TPC may require the project sponsor to demonstrate eligibility for each proposed project. Should an entity be found deficient, the TPC may allow it time to remedy any deficiency.

#### **12.2.2 Project Criteria**

To qualify for regional cost allocation consideration, a proposed RBP must meet the following requirements:

the proposed RBP would replace a project(s) in the RPG Roll-up Plan by solving the need(s) at a lower cost; and

the proposed RBP satisfies applicable reliability criteria; and

the proposed RBP meets any additional contract or technical requirements per TPC Procedures.

### **12.3 Regional Cost Allocation Project Selection**

MAPP administers a transparent and not unduly discriminatory process for evaluating whether to select a RBP in the MAPP Regional Plan for purposes of cost allocation.

RBPs will be considered for regional cost allocation under the following circumstances, per TPC Procedures.

- a) A project sponsor (qualified under 12.2.1) request to the MAPP TPC for consideration.
- b) A RBP suggested through the process of regional evaluation of the Member Plans into the RPG Roll-up Plan and requested for consideration by a project sponsor (qualified under 12.2.1).
- c) If multiple project sponsors bid to sponsor the same RBP, the TPC will select the project sponsor per TPC Procedures.

RBPs will be selected for regional cost allocation consideration through an analysis of the following metrics:

- Technical sufficiency
- Cost effectiveness
- Other benefit metrics as defined in the TPC Procedures

#### **12.3.1 Technical Sufficiency**

The primary focus of the technical sufficiency analysis is to ensure a proposed RBP meets the needs and requirements of the original project(s) in the RPG Roll-up Plan. The analysis for technical sufficiency will include the following general steps, further detailed in the TPC Procedures.

- a) Remove displaced project(s) from the model.
- b) Place the RBP in the model and verify that the needs and requirements of the original projects are met and that no new reliability violations have been created.
- c) Verify that the new plan does not accelerate a future problem into the 10 year planning horizon unless total cost plus the mitigation cost for fixing the accelerated problem is no greater than the original plan, and there is sufficient time to mitigate the accelerated problem.

### **12.3.2 Cost-Effectiveness**

A more cost-effective MAPP Regional Plan will be accomplished if the total incremental capital cost and applicable annual cost of the RBP is less than the total incremental capital cost and applicable annual cost of the original RPG Roll-up Plan projects. Each beneficiary's share of the RBP cost must be less than the cost of its original project(s). The analysis for cost-effectiveness will include the following steps:

- a) Calculate the total capital and applicable annual costs of the original project(s) in the RPG Roll-up Plan proposed to be replaced by the RBP per TPC Procedures.
- b) Calculate the total capital and applicable annual costs of the RBP per TPC Procedures.
- c) Calculate each beneficiary's share of the RBP cost.
- d) The RBP total capital and applicable annual costs must be less than the original project(s) total capital and applicable annual costs. Each beneficiary's share of the RBP cost must be less than the cost of its original project(s).
- e) To address uncertainty, the benefit-to-cost ratio must be 1.25 or greater in total and individually to require participation in regional cost allocation.

### **12.4 Regional Cost Allocation Procedures**

MAPP administers a transparent and not unduly discriminatory process for allocating the cost of projects selected for regional cost allocation. MAPP cost allocation procedures are intended to allocate costs "roughly commensurate" with estimated benefits. Those who are not identified as a beneficiary of the transmission project do not have to pay for it. All projects selected for regional cost allocation will utilize the following regional cost allocation method.

#### **12.4.1 Aggregate Benefits Method**

The aggregate benefits method is the regional cost allocation method, which will be implemented as follows, and defined further in the TPC Procedures:

- a) Quantify the benefits as the total capital and applicable annual costs of each of the original projects in the RPG Roll-up Plan, per TPC Procedures, for each MAPP Transmission Owning Member for their project(s) that could be replaced by an RBP.
- b) Allocate the capital and applicable annual costs of the RBP, per TPC Procedures, to each MAPP Transmission Owning Member based on their respective share of the sum of all benefits quantified above.

### **12.5 Subscription Rights Option**

The subscription rights option, although not a regional cost allocation method, is a participant funding option for project sponsors to consider. This method uses an auction

procedure and is available to MAPP Transmission Owning Members and Eligible Transmission Customers, including but not limited to Affected Generators and MAPP Load-Serving Entities, collectively referred to as Eligible Participants.

The MAPP Regional Plan shall classify transmission projects as described above. Any economic planning study authorized by the MAPP TPC for a RBP and performed in compliance with Section 11 of this Attachment K, which identifies the need for a new MAPP region transmission facility or the upgrade of an existing transmission facility as a proposed Economic Network Upgrade, shall treat such proposed facility upgrade(s) as commercial transmission.

This procedure describes the process by which the MAPP Transmission Owning Member on whose transmission system the Economic Network Upgrade is located (Host TO) may solicit participation for the proposed Economic Network Upgrade. The MAPP Transmission Owning Member shall have the right to elect to be an Affected System and not serve as the Host TO. A transmission owner that has protested a project as causing undue burden, which has not been satisfactorily resolved, has the option to decline participation.

#### **12.5.1 First Call Offer of Subscription Rights**

An offer to participate in the Economic Network Upgrade will be sent to all Eligible Participants and to any Affected System Operators participating on a reciprocal basis in accordance with the benefit allocation defined on a cost causation basis in the economic planning studies performed in compliance with Section 11 of this Attachment K, in exchange for Subscription Rights to the new transmission capacity.

All Eligible Participants will be offered the opportunity to participate in the Economic Network Upgrade by purchasing a portion of the Subscription Rights made available by such Auction Procedure. If an Eligible Participant accepts the subscription offer for participation in the Economic Network Upgrade, the subscription shall be granted to such Eligible Participant as a Subscription Rights buyer. If demand for the Subscription Rights offered exceeds the number of Subscription Rights available, Subscription Rights will be offered to the interested Eligible Participants on a pro rata basis, based on each Eligible Participant's designated level of transmission capacity megawatts requested in its submitted offer to participate to the total transmission capacity megawatts requested. Each participating interested Eligible Participant shall have 60 days to accept such an offer for pro rata Subscription Rights.

#### **12.5.2 Second Round Offer of Subscription Rights**

Within 30 days following the close of the above first call offer of Subscription Rights, any Subscription Rights that remain unsubscribed shall be released to all Eligible

Participants. Thirty (30) days will be allowed for recipients of the second round offer to indicate interest in acquiring the residual Subscription Rights. If the Subscription Rights offered are acquired by an Affected System Operator's transmission business unit, the revenue requirements will be rolled into the Affected System Operator's rate structure, and the acquired transmission capacity shall be available under the Affected System Operator's open access transmission tariff (OATT). The Affected System Operator, including the Host TO, shall adjust the point-to-point and network service charges to reflect the addition of any revenue requirements to the Affected System Operator's OATT embedded cost rates, provided that any such Affected System Operator subject to the jurisdiction of the Commission shall obtain approval of the Commission prior to causing such rate adjustment to be effective. Furthermore, any subscribing Eligible Participant may roll the revenue requirements associated with the acquired Subscription Rights into the Affected System Operator's rate structure, as approved by the Commission, if the subscribing Eligible Participant makes the acquired transmission capacity available under the Affected System Operator's OATT.

#### **12.5.3 Resale and Reassignment of Subscription Rights**

The MAPP transmission providers shall provide resale and reassignment provisions for Subscription Rights on the same basis as provided in the *pro forma* OATT for firm point-to-point transmission service.

#### **12.5.4 Failure to Obtain Subscriptions**

If, after the first and second rounds of the Auction Procedure have concluded, Subscription Rights sufficient to cover the total cost of the Economic Network Upgrade project have not been successfully subscribed, subscribing Eligible Participants will be notified of the Subscription Rights shortfall. Such notice shall be in writing, include the amount of available Subscription Rights and provide thirty (30) days for such subscribing Eligible Participant to increase its Subscription Rights election. At the end of the expiration of the thirty (30) day notice period, the proposed project may be cancelled if it is still not fully subscribed. The Host TO or another Affected System Operator may choose to fund the remaining portion of the necessary subscription rights and roll those costs into their transmission revenue requirements. If a project is cancelled under such circumstances, all of the subscribers will be notified in writing within thirty (30) days of its decision to terminate. If an Economic Network Upgrade is terminated for lack of subscriptions or for defaults on subscriptions, the project shall be deemed to have insufficient economic benefit to market participants, and the project shall not qualify for reconsideration as an Economic Network Upgrade until the latter of a) the next biennial MAPP Regional Planning cycle, or b) two years from the date of notice of cancellation.

#### **12.5.5 Facilities Agreement**

If the Economic Network Upgrade is fully subscribed the Host TO shall offer the subscribers a Facilities Agreement within sixty (60) days of full subscription.

#### **12.5.6 Defaulting Subscribers**

If any of the subscribers fail to execute the Facilities Agreement within thirty (30) days of receipt of such agreement, the non-signing subscriber's Subscription Rights will be awarded to all Eligible Participants. If an alternative subscriber is not secured, the Host TO shall pursue resolution with the non-signing/defaulting subscriber(s) pursuant to Article 9, Dispute Resolution, of the Second Restated MAPP Agreement. Any dispute that has not been resolved through the MAPP Dispute Resolution process shall be resolved through the appropriate regulatory or jurisdictional dispute resolution proceedings. A party seeking to invoke FERC jurisdiction over a dispute shall file with the Commission the Facilities Agreement unexecuted by the non-signing/defaulting subscriber. The Commission shall determine the obligations of the non-signing/defaulting subscriber. If, as a result of the dispute resolution process the non-signing/defaulting subscriber is relieved of its obligations, the Host TO may cancel the project with no further obligations to the remaining subscribers, except to notify all of the subscribers in writing within thirty (30) days of its decision to terminate.

#### **12.5.7 Post Auction Host Owner Option**

In the event the defined Economic Network Upgrade is not fully subscribed after the Auction Procedure is exhausted, the Host TO may, of its own accord, elect to perform such Economic Network Upgrade, and roll the upgrade costs into the next update of its transmission revenue requirements.

#### **12.5.8 Conversion of Subscription Rights to Physical Transmission Rights**

The Facilities Agreement associated with an Economic Network Upgrade shall convert the Subscription Rights allocated to Physical Transmission Rights. Subscription Rights and Physical Rights shall be the same transmission capability rights with the principal distinction merely being the stage of project commitment. Subscription Rights shall be associated with a good faith expression of intent, albeit still based on non-binding estimated planning costs, to invest in the Economic Network Upgrade. Upon signing a Facilities Agreement, the Eligible Participant's expression of intent to invest as a holder of Subscription Rights becomes a binding contractual commitment with the prescribed Physical Rights to the discrete transmission capability defined in the Facilities Agreement. The additional transmission capability achieved by the project shall be allocated to the Subscription Rights holders as Physical Transmission Rights in proportion to their respective payment for the network upgrade. The Physical Transmission Rights do not in themselves convey a form of transmission service under

Part II or Part III of the Tariff. The holder of the Physical Transmission Rights may use those rights in conjunction with a specific application of transmission service under Part II or Part III of the Tariff of the Host TO, or the holder may sell or assign the Physical Transmission Rights to another party. Physical Transmission Rights may be used by a generator owner to secure firm transmission service and/or provide a hedge against potential congestion charges.

#### **12.5.9 Completion of Economic Network Upgrades**

Once an Economic Network Upgrade is fully subscribed and Facilities Agreements are in place for all subscribers, the Host TO shall apply good faith efforts to obtain approvals for, design, construct, own, operate and maintain the proposed Economic Network Upgrade facilities under the terms and conditions set forth in the Facilities Agreement(s).

#### **12.5.10 Interregional Coordination**

This Procedure may be applied for interregional Economic Network Upgrades demonstrating interregional economic benefits. MAPP Transmission Owing Members may use this Procedure to fulfill any requirements of reciprocal obligations for interregional transmission upgrades identified by the planning processes of adjacent regional entities, including but not limited to the Midwest ISO Transmission Expansion Plan. This Procedure shall also be available to transmission owners in adjacent regions that may be invited to participate in a subscription rights offering from a MAPP Transmission Owing Member, based on demonstrations of benefits under Section 11 of this Attachment K.

#### **12.5.11 Transmission Project for Renewable Energy Zones**

The Subscription Rights procedures may also be applied to a regional transmission project that is designed to develop deliverability from Renewable Energy Zones to a market in the same manner that the Subscription Rights procedures are applied for Economic Network Upgrades. However, this procedure shall not be an alternative for requirements of Transmission Access Projects under Parts II and III of the Tariff, or for the obligations of Attachment I, "Standard Large Generator Interconnection Procedures (LGIP)". The Renewable Energy Zone transmission project must be included in the MAPP Regional Plan or in the transmission plan of an adjacent region that has been coordinated with the MAPP Regional Plan.

### **13.0 Local Planning Process**

#### **13.1 Transmission Planning Studies**

RPU as a requirement of membership in MAPP, must employ the study criteria contained in the MAPP Transmission Planning Subcommittee (TPC) Subregional

Planning Group Guidelines and the MAPP Design Review Subcommittee Policy and Procedures.

Transmission lines are constructed for four main reasons that are not mutually exclusive and are as follows:

- 1) To serve local load
- 2) To provide outlet for generation resources
- 3) To maintain or improve transmission system reliability
- 4) To enable economic energy transactions

Because transmission system expansion is done to meet different needs as outlined above, transmission planning for the RPU system is done in various venues. RPU is responsible for the transmission planning of its 161 kV transmission facilities needed to reliably and economically serve its native load. In some cases, the planning is done completely by RPU. At other times, proposed transmission line additions have the potential to impact neighboring utilities. In these situations, RPU works with those utilities in joint transmission planning efforts to ensure the any negative impacts are either eliminated or reduced so as not to cause problems for other entities.

RPU also participates in transmission planning efforts with a number of MAPP committees and subcommittees such as the MAPP Subregional Planning Group (SPG), and the MAPP Transmission Operation Subcommittee (TOS) and on MAPP Design Review Subcommittee (DRS). In addition, RPU is a member of the MAPP Regional Transmission Committee.

RPU is also a member of the Minnesota Transmission Owners (MTO) that is an organization of 16 utilities that own or operate high voltage transmission lines within the state of Minnesota. Through the MTO, RPU participates in the various planning study efforts required by the state and contributes to the Minnesota Biennial Transmission Report. M.S.A. 216E.18. RPU is also a member of the Minnesota Transmission Assessment and Compliance Team (MTACT), a sub-group of the MTO, which performs annual assessments on the Minnesota transmission system to meet compliance with NERC TPL Standards.

RPU is also associated with the CAPX 2020. CAPX 2020 is a group of Minnesota utilities that have joined together to ensure the transmission system in Minnesota will adequately serve the ever-increasing demand for electricity and to efficiently plan and construct the required new transmission.

### **13.2 Modeling**

RPU employs the most recent MRO regional models in its planning studies. MRO groups have developed many standardized software packages that are utilized by MRO members to aid their study efforts and to provide a consistent set of results in a manner that promotes consistency between all the different planning initiatives.

Large generation additions require stability analysis and an evaluation of constrained flowgates, as well as thermal overload evaluations and operational studies.

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## **ATTACHMENT L {TC “ATTACHMENT L” \f-C\1 “1”}**

### **CREDITWORTHINESS PROCEDURES {TC “CREDITWORTHINESS PROCEDURES” \f-C\1 “2”}**

For the of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices and must specify quantitative and qualitative criteria to determine the level of secured and unsecured credit.

The Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment.

Additionally, the Transmission Provider must include, at a minimum, the following information concerning its creditworthiness procedures:

- 1) A summary of the procedure for determining the level of secured and unsecured credit;
- 2) A list of the acceptable types of collateral/security;
- 3) A procedure for providing customers with reasonable notice of changes in credit levels and collateral requirements;
- 4) A procedure for providing customers, upon request, a written explanation for any change in credit levels or collateral requirements;
- 5) A reasonable opportunity to contest determinations of credit levels or collateral requirements; and
- 6) A reasonable opportunity to post additional collateral, including curing any non-creditworthy determination.