

NorthWestern Corporation as of 11/27/2023

Electric TCS and MBR

Montana OATT

Effective Date: 10/06/2021

Current Status: Effective

FERC Docket: ER21-02621-000 825

FERC Order: Delegated Letter Order

Order Date:

09/24/2021

Sec 1 - Definitions (4.0.0) A

## 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 or modified by the Commission.
- 1.4. **Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.5. **Balancing Authority (BA):** The responsible entity that integrates resource plans ahead of time, maintains load Interchange-generation balance within a BAA, and supports interconnection frequency in real time.
- 1.6. **Balancing Authority Area (BAA):** The collection of generation, transmission, and loads within the metered boundaries of the BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, "BAA" shall have the same meaning as "Control Area."
- 1.7. **Balancing Authority Area Resource:** A resource owned by NorthWestern, or voluntarily contracted for by NorthWestern to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the NorthWestern EIM Entity to meet reliability criteria. No resource unaffiliated with the NorthWestern EIM Entity shall be a Balancing Authority Area Resource solely on the basis of one or more of the following reasons: (1) the resource is a Designated Network Resource; (2) the

resource flows on a Point-to-Point Transmission Service reservation; and/or (3) the resource is an Interconnection Customer under the Tariff.

- 1.8 **Bid Cost Recovery (BCR):** The MO EIM settlements process through which NorthWestern EIM Participating Resources recover their bid costs.
- 1.9 **California Independent System Operator Corporation (CAISO):** A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.
- 1.10 **CAISO BAA or CAISO-Controlled Grid:** The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO's operational control.
- 1.11 **Commission:** The Federal Energy Regulatory Commission.
- 1.12 **Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 1.13 **Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
  - (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
  - (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
  - (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
  - (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.
- 1.14 **Curtailement:** A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.
- 1.15 **Delivering Party:** The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

- 1.16 **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.
- 1.17 **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 and shall be subject to Commission approval.
- 1.18 **Dispatch Instruction:** An instruction by the MO for an action with respect to a specific NorthWestern EIM Participating Resource or Balancing Authority Area Resource for increasing or decreasing its energy supply or demand.
- 1.19 **Dispatch Operating Point:** The expected operating point, in MW, of a NorthWestern EIM Participating Resource that has received a Dispatch Instruction from the MO or a Balancing Authority Area Resource to which the NorthWestern EIM Entity has relayed a Dispatch Instruction received from the MO. For purposes of Attachment P of this Tariff, the Dispatch Operating Point means MW output of (i) a NorthWestern EIM Participating Resource due to an EIM bid being accepted and the NorthWestern EIM Participating Resource receiving a Dispatch Instruction; or (ii) a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity.
- 1.20 **Dynamic Transfer:** The provision of real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:
- (1) A Dynamic Schedule: a telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or
  - (2) A Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides services for and exercises BA jurisdiction over the generating unit. This value is treated as an actual Interchange and validated after the hour in real time with the host BAA.
- 1.21 **e-Tag:** An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the

Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

- 1.22 **EIM:** The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.
- 1.23 **EIM Area:** The combination of NorthWestern's BAA, the CAISO BAA, and the BAAs of any other EIM Entities.
- 1.24 **EIM Available Balancing Capacity:** Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the NorthWestern EIM Entity's Resource Plan.
- 1.25 **EIM Entity:** A BA, other than the NorthWestern EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.
- 1.26 **EIM Transfer:** The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between the NorthWestern BAA and the CAISO BAA; (2) between the NorthWestern BAA and an EIM Entity BAA; or (3) between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.
- 1.27 **Eligible Customer:** (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider. (ii) Any retail customer taking unbundled Transmission Service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.
- 1.28 **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.

- 1.29 **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.
- 1.30 **Flexible Ramping Forecast Movement:** The costs associated with meeting a requirement, established by the MO, that may be enforced in the MO's EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required capacity for dispatch in subsequent real-time dispatch intervals.
- 1.31 **Flexible Ramping Product:** A resource's change in forecasted output between market intervals for purposes of the Flexible Ramping Product.
- 1.32 **Flexible Ramping Uncertainty Award:** A resource's award for meeting a Flexible Ramping Uncertainty Requirement under the Flexible Ramping Product.
- 1.33 **Flexible Ramping Uncertainty Requirement:** Flexible ramping capability to meet the Flexible Ramping Product requirements established by the MO.
- 1.34 **Forecast Data:** Information provided by a Transmission Customer regarding expected load (as determined pursuant to Section 4.2.4.3 of Attachment P of this Tariff), generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment P and the NorthWestern EIM Business Practice. The Transmission Customer Base Schedule includes Forecast Data that is used by the NorthWestern EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.
- 1.35 **Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 1.36 **Imbalance Energy:** The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.
- 1.37 **Instructed Imbalance Energy (IIE):** There are three scenarios that can lead to settlement of imbalance as IIE: (1) operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the

Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, or (3) an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff.

- 1.38 **Interchange:** E-Tagged energy transfers from, to, or through the NorthWestern BAA or other BAAs, not including EIM Transfers.
- 1.39 **Interconnection Customer:** Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation interconnection service pursuant to Attachment M or N of this Tariff.
- 1.40 **Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.
- 1.41 **Intrachange:** E-Tagged energy transfers within the NorthWestern BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.
- 1.42 **Load Aggregation Point (LAP):** A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.
- 1.43 **Load Ratio Share:** 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.
- 1.44 **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.
- 1.45 **Locational Marginal Price (LMP):** The marginal cost (\$/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.
- 1.46 **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.
- 1.47 **Manual Dispatch:** An operating order issued by the NorthWestern EIM Entity to a Transmission Customer with a NorthWestern EIM Participating Resource or a Non-Participating Resource in NorthWestern's BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in NorthWestern's BAA that the EIM is not able to address through economic dispatch and congestion management.

- 1.48 **Market Operator (MO):** The entity responsible for operation, administration, settlement, and oversight of the EIM.
- 1.49 **Measured Demand:** Includes (1) Metered Demand, plus (2) e-Tagged export volumes from the NorthWestern BAA (excluding EIM Transfers).
- 1.50 **Metered Demand:** Metered load volumes in NorthWestern's BAA including applicable real power losses pursuant to Schedule 10 of this Tariff.
- 1.51 **MO Tariff:** Those portions of the MO's approved tariff, as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.
- 1.52 **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.
- 1.53 **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.
- 1.54 **Network Integration Transmission Service:** The transmission service provided under Part III of the Tariff.
- 1.55 **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.
- 1.56 **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.
- 1.57 **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.

- 1.58 **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 or output associated with an EIM Dispatch Instruction.
- 1.59 **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.
- 1.60 **Non-Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.
- 1.61 **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.
- 1.62 **Non-Participating Resource:** A resource in NorthWestern's BAA that is not a NorthWestern EIM Participating Resource.
- 1.63 **NorthWestern:** Refers to NorthWestern Corporation (Montana) Transmission Provider.
- 1.64 **NorthWestern BAA:** Refers to the BAA operated by NorthWestern.
- 1.65 **NorthWestern BAA Transmission Owner:** A transmission owner, other than the NorthWestern EIM Entity, who owns transmission facilities in NorthWestern's BAA.
- 1.66 **NorthWestern EIM Business Practice:** The business practice posted on NorthWestern's OASIS that contains procedures related to NorthWestern's implementation of EIM and the rights and obligations of Transmission Customers and Interconnection Customers related to EIM.
- 1.67 **NorthWestern EIM Entity:** The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment P.



- 1.68 **NorthWestern EIM Entity Scheduling Coordinator:** The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling Coordinator Agreement.
- 1.69 **NorthWestern EIM Participating Resource:** A resource or a portion of a resource: (1) that has been certified in accordance with Attachment P by the NorthWestern EIM Entity as eligible to participate in the EIM; and (2) for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.
- 1.70 **NorthWestern EIM Participating Resource Scheduling Coordinator:** A Transmission Customer with one or more NorthWestern EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more NorthWestern EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.
- 1.71 **NorthWestern Interchange Rights Holder:** A Transmission Customer who has informed the NorthWestern EIM Entity that it is electing to make reserved firm transmission capacity available for EIM Transfers without compensation.
- 1.72 **Open Access Same-Time Information System (OASIS):** The information system contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.73 **Operating Hour:** The hour when the EIM runs and energy is supplied to load.
- 1.74 **Part I:** Tariff definitions and common service provisions contained in Sections 2 through 12.
- 1.75 **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.
- 1.76 **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.
- 1.77 **Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff, sometimes individually referred to as "Party".
- 1.78 **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.

- 1.79 **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.
- 1.80 **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.
- 1.81 **Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.82 **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.
- 1.83 **Pricing Node (PNode):** A single network node or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the NorthWestern EIM Entity.
- 1.84 **Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.
- 1.85 **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.
- 1.86 **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.
- 1.87 **Resource Plan:** The combination of load, resource, and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the NorthWestern EIM Entity, bid ranges submitted by NorthWestern EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

- 1.88 **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.
- 1.89 **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.
- 1.90 **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.
- 1.91 **System Condition:** A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.
- 1.92 **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.
- 1.93 **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.
- 1.94 **Transmission Customer:** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.95 **Transmission Customer Base Schedule:** An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the NorthWestern EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term "Transmission Customer Base Schedule" as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 4.2.4 of Attachment P) or any individual components of such schedule.

- 1.96 **Transmission Provider:** The public utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.
- 1.97 **Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.
- 1.98 **Transmission Service:** Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.99 **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.
- 1.100 **Uninstructed Imbalance Energy (UIE):** For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch. For Transmission Customers with load in the NorthWestern EIM Entity's BAA, the NorthWestern EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.
- 1.101 **Variable Energy Resource:** A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.
- 1.102 **Working Day:** The days Monday through Friday, excluding holidays.

NorthWestern Corporation as of 11/27/2023  
Electric TCS and MBR  
Montana OATT

Effective Date: 10/08/2018  
FERC Docket: ER19-00029-000 701  
FERC Order: Delegated Letter Order  
11/29/2018

Current Status: Effective

Order Date:

Sec 2 - Initial Allocation and Renewal Procedures (1.0.0) A

## 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, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. 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 July 17, 2008 or associated with the a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after July 17, 2008; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the July 17, 2008.

NorthWestern Corporation, Montana OATT

Filing Category: Normal  
FERC Docket: ER20-02809-000  
FERC Order: 173 FERC ¶ 61,125  
Effective Date: 12/31/9998 [June 16, 2021]  
Sec 3 - Ancillary Services, 3.0.0

Filing Date: 09/03/2020  
FERC Action: Accept  
Order Date: 11/03/2020  
Status: Accepted

### 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, (iv) Operating Reserve - Supplemental, and (v) Flex Reserve Service. 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, 3A, 4, 4A, 5, 6, 9, 9A, and 11) 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 3.8 below list the eight Ancillary Services.

- 3.1     **Scheduling, System Control and Dispatch Service:** The rates and/or methodology are described in Schedule 1 and Schedule 1A.
- 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 and Schedule 3A.
- 3.4     **Energy Imbalance Service:** Where applicable the rates and/or methodology are described in Schedule 4 and Schedule 4A.
- 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 and Schedule 9A.
- 3.8     **Flex Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 11.

NorthWestern Corporation as of 11/27/2023  
Electric TCS and MBR  
Montana OATT

Effective Date: 10/08/2018  
FERC Docket: ER19-00029-000 701  
FERC Order: Delegated Letter Order  
11/29/2018

Current Status: Effective

Order Date:

Sec 4 - Open Access Same Time Information System (1.0.0) A

#### 4. **Open Access Same-Time Information System (OASIS)**

- 4.1 **Terms and Conditions:** Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same-Time Information System), 18 C.F.R. § 358 of the Commission's regulations (Standards of Conduct), 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 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.

- 4.2 **Wholesale Electric Quadrant Standards of the North American Energy Standards Board:** The current versions of the NAESB WEQ Business Practice Standards incorporated by reference into the Commission's regulations as specified in Part 38 of the Commission's regulations (18 C.F.R. Part 38) are incorporated by reference into this tariff.



NorthWestern Corporation does not provide for the following product reservations as described in the NAESB standards:

- Sliding Daily (WEQ 001-2.1.6)
- Sliding Monthly (WEQ 001-2.1.8)
- Extended Daily (WEQ 001-2.1.10)
- Extended Weekly (WEQ 001-2.1.11)
- Extended Monthly (WEQ 001-2.1.12)
- Extended Yearly (WEQ 001-2.1.13)
- Next Increment Hourly (WEQ 001-2.1.14)

NorthWestern Corporation as of 11/27/2023  
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Effective Date: 10/08/2018  
FERC Docket: ER19-00029-000 701  
FERC Order: Delegated Letter Order  
11/29/2018

Current Status: Effective

Order Date:

Sec 5 - Local Furnishing Bonds (1.0.0) A

## 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. The Commission, upon receipt of the Transmission Provider's waiver of 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, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

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Montana OATT

Effective Date: 10/08/2018

Current Status: Effective

FERC Docket: ER19-00029-000 701

FERC Order: Delegated Letter Order

Order Date:

11/29/2018

Sec 6 - Reciprocity (1.0.0) A

## 6 Reciprocity

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

NorthWestern Corporation, Montana OATT

Filing Category: Normal

FERC Docket: ER20-02809-000

FERC Order: 173 FERC ¶ 61,125

Effective Date: 12/31/9998 [June 16, 2021]

Sec 7 - Billing And Payments, 2.0.0

Filing Date:

09/03/2020

FERC Action:

Accept

Order Date:

11/03/2020

Status:

Accepted

## 7. Billing and Payment

- 7.1 **Billing Procedure:** Within a reasonable time after service is provided, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff. Notwithstanding the prior sentence, the Transmission Provider may submit invoices for periods of less than a full month. Transmission Provider may submit multiple invoices for a time period in conjunction with the Energy Imbalance Market provisions in Attachment P. 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 with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. 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, or other similar 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, in accordance with Commission policy.

NorthWestern Corporation as of 11/27/2023  
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Montana OATT

Effective Date: 10/08/2018  
FERC Docket: ER19-00029-000 701  
FERC Order: Delegated Letter Order  
11/29/2018

Current Status: Effective

Order Date:

Sec 8 - Accounting For Transmission Providers Use Of Tariffs (1.0.0) A

## 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.

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Effective Date: 10/08/2018

Current Status: Effective

FERC Docket: ER19-00029-000 701

FERC Order: Delegated Letter Order

Order Date:

11/29/2018

Sec 9 - Regulatory Filings (1.0.0) A

## **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 application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

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.

NorthWestern Corporation, Montana OATT  
Filing Category: Normal  
FERC Docket: ER20-02809-000  
FERC Order: 173 FERC ¶ 61,125  
Effective Date: 01/25/2021  
Sec 10 - Force Majeure And Indemnification, 2.0.0

Filing Date: 09/03/2020  
FERC Action: Accept  
Order Date: 11/03/2020  
Status: Effective

## 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. Provided, however, that the standard of liability for the actions of the NorthWestern EIM Entity performed consistent with Attachment P of this Tariff shall be gross negligence or intentional wrongdoing.

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Effective Date: 10/08/2018

Current Status: Effective

FERC Docket: ER19-00029-000 701

FERC Order: Delegated Letter Order

Order Date:

11/29/2018

Sec 11 - Creditworthiness (1.0.0) A

## 11. Creditworthiness

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



NorthWestern Corporation, Montana OATT  
Filing Category: Normal  
FERC Docket: ER20-02809-000  
FERC Order: 173 FERC ¶ 61,125  
Effective Date: 12/31/9998 [June 16, 2021]  
Sec 12 - Dispute Resolution Procedures, 2.0.0

Filing Date: 09/03/2020  
FERC Action: Accept  
Order Date: 11/03/2020  
Status: Accepted

## 12. Dispute Resolution Procedures

- 12.1 **Internal Dispute Resolution Procedures:** Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) 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. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

## 12.4 EIM Disputes

**12.4.1 Disputes between the NorthWestern EIM Entity and a Transmission Customer or Interconnection Customer Related to Allocation of Charges or Payments from the MO:** To the extent a dispute arises between the NorthWestern EIM Entity and a Transmission Customer or Interconnection Customer regarding the NorthWestern EIM Entity's implementation of this Tariff's provisions regarding the manner in which the NorthWestern EIM Entity allocates charges or payments from the MO, the parties shall follow the dispute resolution procedures in Sections 12.1 to 12.4 of this Tariff.

**12.4.2 Disputes between the MO and a NorthWestern EIM Participating Resource Scheduling Coordinator Related to EIM Charges and Payments Directly with the MO:** Disputes involving settlement statements between the MO and a NorthWestern EIM Participating Resource Scheduling Coordinator shall be resolved directly with the MO in accordance with the dispute resolution process outlined in the MO Tariff. A Transmission Customer with a NorthWestern EIM Participating Resource shall provide notice to the NorthWestern EIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in the NorthWestern EIM Business Practice.

**12.4.3 Disputes between the MO and the NorthWestern EIM Entity:** The NorthWestern EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff. If the NorthWestern EIM Entity submits a dispute, it shall provide notice to Transmission Customers in accordance with the NorthWestern EIM Business Practice.

**12.4.4 Disputes Regarding MO Charges or Payments to the NorthWestern EIM Entity Raised by a Transmission Customer or Interconnection Customer:** To the extent a dispute arises regarding a MO charge or a MO payment to the NorthWestern EIM Entity that is subsequently charged or paid by the NorthWestern EIM Entity to a Transmission Customer or an Interconnection Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, the NorthWestern EIM Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff.

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

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

- 12.6 **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.
- 12.7 **Regional Transmission Groups:** If both Parties are members of a common Regional Transmission Group, the dispute resolution procedures of such Regional Transmission Group shall take precedence over the dispute resolution procedures of this section.