

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

OPEN ACCESS TRANSMISSION TARIFF

(Effective Date: January 1, 2017)

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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** (referred to herein as “Balancing Authority 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 Balancing Authority Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

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

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

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

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 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.

1.13 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 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.
- 1.18 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.

- 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 stand-alone 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 information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.31 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.32 Part II:** Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

- 1.33 Part III:** Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.34 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 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 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

- 1.40 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.
- 1.41 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.
- 1.42 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.
- 1.43 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.
- 1.44 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.
- 1.45 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.

- 1.46 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.
- 1.47 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider commence providing service pursuant to a proposed unexecuted Service Agreement 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.
- 1.48 Transmission Provider:** Tri-State Generation and Transmission Association, Inc.
- 1.49 Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.
- 1.50 Transmission Service:** Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.51 Transmission System:** The facilities owned, controlled or operated by the Transmission Provider in the Western Interconnection 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 the longer of a competing request by any new Eligible Customer or five years and to pay the current just and reasonable rate for such service. 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 will become subject to the five year/one year requirement on the first rollover date of the service agreement.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Balancing Authority Area's affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Balancing Authority 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 Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Balancing Authority Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Balancing Authority Area(s) (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, (iv) Operating Reserve - Supplemental, and (v) Generator Imbalance. The Transmission Customer serving load within the Transmission Provider's Balancing Authority Area(s) is required to acquire these Ancillary Services, 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.

If the Transmission Provider is a non-public utility providing transmission service but is not a Balancing Authority 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 Balancing Authority 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 Balancing Authority 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 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.

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.

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 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:** On or before the fifteenth 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 issuance. Unless otherwise mutually agreed, all payments shall be made by wire transfer in immediately available funds to such financial institution and account number as the Transmission Provider shall specify in writing.
- 7.2 Interest on Unpaid Balances:** To any payment amount due and unpaid after the due date (including amounts placed in escrow) there shall be added an interest charge computed at an annual rate equal to the average Bank prime loan rate in

effect from time to time as specified in the Federal Reserve statistical release (H.15(519)) for the month preceding the month in which the payment was due applied on a daily basis to the unpaid portion of the bill for each calendar day of the period from and after the due date to and including the date of payment in full.

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, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may provide written notice to the Transmission Customer of its intent to terminate service thirty (30) calendar days from the date of written notice of termination. If within seven (7) calendar days of its receipt of the Transmission Provider's notice of termination the Transmission Customer does not submit a written request to the Transmission Provider to commence the dispute resolution procedures of Section 12 of this Tariff, then the Transmission Provider may terminate service to the Transmission Customer on the date specified in the Transmission Provider's notice of termination. If the Transmission Customer does make a timely written request to commence such dispute resolution procedures, then Section 12 of this Tariff shall apply. 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) at its expense, 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 thirty (30) 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 sub account 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 sub account, 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 sub account 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 and Withdrawal of Tariff

9.1 Regulatory Filings: 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.

- 9.2 Withdrawal and Termination:** The Transmission Provider reserves the right to withdraw and terminate the Tariff. Termination of the Tariff will not result in early termination of Transmission Service pursuant to any Service Agreement providing for Long-Term Firm Point-to-Point Service or Network Integration Transmission Service that is entered into prior to the termination of the Tariff; or early termination of any Short-Term Firm Point-to-Point Transmission Service or Non-Firm Point-to-Point Service that is reserved prior to the termination of the Tariff.

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

For the purpose 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 as described in Attachment J. In addition, 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 that protects the Transmission Provider against the risk of non-payment.

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 rate changes or other changes to the Tariff, or to any Service

Agreement entered into 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 or Regional Transmission Group rules.

12.3 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be

authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act.

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 hour and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.
- (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction.
- (iii) If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of hourly or 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 Applications, 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. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

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

13.3 Use of Firm Transmission Service by the Transmission Provider: The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting,

pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements: The Transmission Provider shall offer a standard form Long Term 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 Short Term Firm Point-to-Point Transmission Service Agreement (Attachment A-1) 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.

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 provide a deposit or a letter of credit

against which the Transmission Provider may draw to fund any necessary transmission facility additions. The Transmission Provider shall refund any portion of the deposit made by the Transmission Customer that exceeds the costs incurred by the Transmission Provider to construct the facilities, plus interest. The Transmission Provider shall credit the Transmission Customer for any deposit or letter of credit payments, plus interest, when calculating the Transmission Customer's charges for transmission service pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint more economically by redispatching the Transmission Provider's resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27. 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, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. 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. 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 Long-Term Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 12:00 p.m. or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider of the day prior to commencement of such service. Schedules submitted after 12:00 p.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider before the

start of the next scheduling interval 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 and intra-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 to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of 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 reservation 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 July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements: The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment 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 4:00 p.m. or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider of the day prior to commencement of such service. Schedules submitted after 4:00 p.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000

kW per hour or a reasonable increment that is generally accepted in the region and is consistently adhered to by the Transmission Provider. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes or a reasonable time that is generally accepted in the region and is consistently adhered to by the Transmission Provider before the start of the next scheduling interval, 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 and intra-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. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provide

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, or (4) transmission service for Network Customers from non-designated resources. 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: 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, upon request from the Transmission Customer, the Transmission Provider and Transmission Customer shall submit the disputed terms and conditions to the dispute resolution procedures of Section 12, except for disputes over matters excluded from these procedures by the terms of Section 12. Disputes over excluded matters may be brought by the Transmission Customer before the Commission in accordance with Sections 211 and 211A of the Federal Power Act. The Transmission Provider shall commence providing Transmission Service under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for the requested Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider under rates shown on Schedules 7 or 8, subject to an order of the Commission pursuant to Sections 211 or 211A of the Federal Power Act, and (ii) comply with

the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System: 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, provided the Transmission Customer agrees to provide a deposit or a letter of credit against which the Transmission Provider may draw to fund the construction. The Transmission Provider shall credit the Transmission Customer for any deposit or letter of credit payments, plus interest, when calculating the Transmission Customer's charges for transmission service pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice 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.

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 until such time as those agreements may be modified or expire.

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 factor is 4.92%.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers: Point-To-Point

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

- a. The Transmission Customer has pending a Completed Application for service;
- b. The Transmission Customer meets the creditworthiness criteria set forth 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; and

- e. 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:

OASIS/OATT Administrator

Tri-State Generation and Transmission Assoc., Inc.

P.O. Box 33695

Denver, CO 80233

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

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) North American Electric Reliability Corporation Identification.
- (iv) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (v) 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. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

- (vi) A description of the supply characteristics of the capacity and energy to be delivered;
- (vii) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (viii) The Service Commencement Date and the term of the requested Transmission Service; and
- (ix) 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.

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

17.3 Deposit and Processing Fee: A Completed Application for Firm Point-To-Point Transmission Service shall include: 1) a deposit of one month's charge for Reserved Capacity for service requests of longer than three months and, 2) for service requests for Long-Term Firm Point-to-Point Transmission Service, a non-refundable one-time processing fee of \$5,000. 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. Interest on a deposit that is held for all or any portion of a month shall be computed based on the National Rural Utilities Cooperative Finance Corporation's (NRUCFC) Commercial Paper 30 day-rate that is in effect on the first business day of the month preceding the month in which the deposit is retained by the Transmission Provider, and shall be calculated from the day the deposit check is credited to the Transmission Provider's account. The interest rate for a deposit that is held for only a portion of a month shall be pro-rated based on the number of days in the month for which the Transmission Provider holds the deposit. Interest will be accrued only on the principal amount of the deposit.

Notwithstanding the foregoing, the Transmission Provider may, on a non-discriminatory basis, waive the requirement that a deposit accompany an Application where the Eligible Customer has established its creditworthiness pursuant to Section 11 and is not in default of its obligations as defined in Section 7.3 at the time when the Application is received. In cases where the deposit has been waived, the Transmission Provider may bill the Eligible Customer for any reasonable costs incurred by the Transmission Provider in connection with its review of the Application. Any such bill will contain a complete accounting of all costs included.

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 transmission 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 commencement of service under 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 Extensions for Commencement of Service: The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for

each year or fraction thereof. If the Eligible Customer does not pay this non-refundable reservation fee within 15 days of notifying the Transmission Provider it intends to extend the commencement of service, then the Eligible Customer's application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned. 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 email, 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 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) North American Electric Reliability Corporation Identification.
- (iv) The Point(s) of Receipt and the Point(s) of Delivery;
- (v) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (vi) 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:

- (vii) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (viii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vii) and (viii) 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. The Transmission Provider

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

18.3 Reservation of Non-Firm Point-To-Point Transmission Service: Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than one (1) day before service is to commence, and requests for hourly service shall be submitted no earlier than 6:00 a.m. the day before service is to commence. Requests for service received later than 4:00 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) thirty (30) 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. 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 pay 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 along with an advance study deposit pursuant to Section 19.2. 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, Advance Study Deposit 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 Eligible Customer shall be required to provide an advance study deposit in the amount of the Transmission Provider's estimated cost for completing the System Impact Study pursuant to Section 19.1. Upon completion of the System Impact Study, the Transmission Provider shall charge and the Eligible Customer

shall pay the actual costs of the study. Actual costs are defined as all fees and costs reasonably incurred by the Transmission Provider in performing its obligations under the System Impact Study Agreement. Any difference between the advance study deposit and the actual cost of the study shall be paid by, or refunded to the Eligible Customer, within thirty (30) calendar days of completion of the System Impact Study. At the Eligible Customer's request, the Transmission Provider may apply the remaining balance of funds advanced for the System Impact Study towards the Facilities Study advance study deposit.

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 any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. 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. 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 commencement of service under 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 pay the Transmission Provider for performing the required Facilities Study. The Facilities Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost and time for completion of the Facilities Study Agreement. The Eligible Customer will be required to provide an advance study deposit in the amount of the Transmission Provider's study estimate at the time it returns the Facilities Study Agreement to the Transmission Provider. 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 along with the advance study deposit. Upon completion of the

Facilities Study, the Transmission Provider shall charge and the Eligible Customer shall pay the actual costs of the study. Actual costs are defined as all fees and costs reasonably incurred by the Transmission Provider in performing its obligations under the Facilities Study Agreement. Any difference between the advance study deposit and the actual cost of the study shall be paid by or refunded to the Eligible Customer, within thirty (30) calendar days of completion of the Facilities Study. 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 deposit or letter of credit against which the Transmission Provider may draw 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 commencement of service under an unexecuted Service Agreement and provide the required deposit or letter of credit or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn. The Transmission Provider shall refund any portion of the deposit made by the Transmission Customer that is in excess of the costs incurred by the Transmission Provider to construct the facilities, plus interest.

19.5 Facilities Study Modifications: Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new

statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

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

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

19.8 Expedited Procedures for New Facilities: In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by

requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to provide a deposit or a letter of credit to the Transmission Provider to fund 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 provide a deposit or letter of credit to 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.

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 Obligation for Unfinished Facility Additions: If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable

alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest, as specified in Section 17.3 of this Tariff . However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

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

21.1 Responsibility for Third-Party System Additions: The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions: In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission

Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

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

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service: Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement with the Assignee. The Assignee must execute a service agreement with the Transmission Provider prior to the date on which the reassigned service commences that will govern the provision of reassigned service. The Transmission Provider shall credit or charge the Reseller, as appropriate, for any differences between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider. 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(s)

24.1 Transmission Customer Obligations: Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for 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 reserves the right to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms and conditions set forth in FERC Order No. 888 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 more economically by redispatching the Transmission Provider's resources than by building new facilities or upgrading existing facilities to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver 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 Balancing Authority Area(s) 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 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, 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. This obligation to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load shall be contingent upon the Transmission Customer providing the Transmission Provider a deposit or letter of credit against which the Transmission Provider can draw in advance of construction.

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 4.92%.
- 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 Transmission Provider commence service under a proposed unexecuted Service Agreement under the following conditions, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider commence service under a proposed unexecuted Network Operating Agreement under the following conditions. If the Transmission Provider and the Transmission Customer requesting Network Integration Transmission Service cannot agree on all the terms and conditions of the Network Integration Service Agreement, upon request from the Transmission Customer, the Transmission Provider and Transmission Customer shall submit the disputed terms and conditions to the dispute resolution procedures of Section 12, except for disputes

over matters excluded from those procedures by the terms of Section 12. Disputes over the excluded matters may be brought by the Transmission Customer before the Commission in accordance with Section 211 of the Federal Power Act. The Transmission Provider shall commence providing Transmission Service under an unexecuted Service Agreement for Network Integration Transmission Service and an unexecuted Network Operating Agreement containing terms and conditions deemed appropriate by the Transmission Provider for the requested Transmission Service, subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider by paying the rates and charges provided for in Section 34 of the Tariff, or such other rates and charges ordered prospectively by the Commission in the event of an application brought by the Transmission Customer under Section 211 of the Federal Power Act, or as mutually agreed upon, and (ii) comply with the terms and conditions of the Tariff and the Network Operating Agreement, as they may be ordered modified prospectively by the Commission.

29.2 Application Procedures: An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with: 1) a non-refundable one-time processing fee of \$5,000. and, 2) 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. The Transmission Provider may waive the deposit requirement as provided in Section 17.3. 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 email, 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) North American Electric Reliability Corporation Identification.
- (iv) 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;
- (v) 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;

- (vi) A description of Network Resources (current and 10-year projection), which shall include, for each Network Resource:
 - Unit size and amount of capacity from that unit to be designated as Network Resource
 - VAR capability (both leading and lagging) of all generators
 - Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
 - Approximate variable generating cost (\$/MWH) for redispatch computations
 - Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Balancing Authority Area(s), where only a portion of unit output is designated as a Network Resource
 - Description of purchased power designated as a Network Resource including source of supply, Balancing Authority Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System;

- (vii) Description of Eligible Customer's transmission system:
 - Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
 - Operating restrictions needed for reliability
 - Operating guides employed by system operators
 - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 - Location of Network Resources described in subsection (v) above
 - 10 year projection of system expansions or upgrades
 - Transmission System maps that include any proposed expansions or upgrades
 - Thermal ratings of Eligible Customer's Balancing Authority Area ties with other Balancing Authority Areas;

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

- (ix) 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.

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

29.3 Technical Arrangements to be Completed Prior to Commencement of

Service: Network Integration Transmission Service shall not commence until the

Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

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.

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. 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 but not less than sixty (60) calendar days in advance of the date of designation. 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. 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. Indefinite termination of all or part of a generating resource designated as a Network Resource must be made through the Transmission Provider's OASIS as soon as reasonably practicable, but no less than sixty (60) days in advance of the termination date. 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. Temporary termination of all or part of a generating resource designated as a Network Resource must be made through the Transmission Provider's OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and

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

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the 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 Balancing Authority Area(s) 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. 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 Limitation on Designation of Network Resources: The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer: There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) 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. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed 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 but not less than sixty (60) calendar days in advance of the date of designation. 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. The Transmission Provider will have no obligation to refund any deposit expended for purposes of providing facilities for a Network Customer, but shall credit the Network Customer for any deposit, plus interest,

when calculating the Network Customer's charges for Network Integration Transmission Service. However, upon receipt of a Network Customer's written notice of such a cancellation or delay, the Transmission Provider will use the same reasonable efforts to mitigate the costs and charges owed to the Transmission Provider as it would to reduce its own costs and charges.

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. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes to 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 but not less than sixty (60) calendar days in advance of the date of change.

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 pay 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 along with an advance study deposit pursuant to Section 32.2. 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.

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 Eligible Customer shall be required to provide an advance study deposit in the amount of the Transmission Provider's estimated cost to complete the System Impact Study. Upon completion of the System Impact Study, the Transmission Provider shall charge and the Eligible Customer shall pay the actual costs of the study. Actual costs are defined as all fees and costs reasonably incurred by the Transmission Provider in performing its obligations under the System Impact Study Agreement. Any difference between the advance study deposit and the actual cost of the study shall be paid by, or refunded to the Eligible Customer, within thirty (30) calendar days of completion of the System Impact Study. At the Eligible Customer's request, the

Transmission Provider may apply the remaining balance of funds advanced for the System Impact Study towards the Facilities Study advance study deposit.

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 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 any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. 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. 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 commencement of service under an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall provide an advance study deposit to the Transmission Provider to cover the cost of performing the required Facilities Study. The Facilities Study Agreement will specify the Transmission Provider's estimate of the actual cost, and time for completion of the Facilities Study Agreement. Eligible Customer shall be required to provide an advance study deposit in the amount of the Transmission Provider's estimated cost of performing the Facilities Study at the time it returns the Facilities Study to the Transmission Provider. Upon completion of the Facilities Study, Transmission Provider shall charge and Eligible Customer shall pay the actual costs of the study. Actual costs are defined as all fees and costs reasonably incurred by Transmission Provider in performing its obligations under the Facilities Study Agreement. Any difference between the advance study deposit and the actual cost of the study shall be paid by or refunded to Eligible Customer, within thirty (30) calendar days of completion of the 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 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 deposit or letter of credit against which the Transmission Provider can draw 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 commencement of service under an unexecuted Service Agreement and provide the required deposit or letter of credit or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn. The Transmission Provider shall refund any portion of the deposit made by the Network Customer that is in excess of the costs incurred by the Transmission Provider to construct the facilities, plus interest. The Transmission Provider shall credit the Network Customer for any net deposit or letter of credit payments, plus interest, when calculating the Network Customer's charges for Network Integration Transmission Service.

33 Load Shedding and Curtailments

33.1 Procedures: Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System. 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.
- 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, consistent with Commission policy, 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 Schedule 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 reserves the right to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms and conditions set forth in FERC Order No. 888 subject to the dispute resolution procedures of this Tariff.

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 Balancing Authority Area under applicable

guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Balancing Authority Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Balancing Authority 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: Transmission Provider has established a Network Operating Committee (Committee) for all of the Transmission Provider's Network Customers in order to coordinate operating criteria for the Parties' respective responsibilities under their 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

This service is required to schedule the movement of power across the Transmission Provider's Transmission System and through, out of, within, or into a Balancing Authority Area. This service can be provided by the operator of the Balancing Authority Area(s) in which the transmission facilities used for transmission service are located and by the Transmission Provider. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider and, if applicable, indirectly by the Transmission Provider making arrangements with the Balancing Authority Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider and, if applicable, the Balancing Authority Area operator. The charges for service provided directly by the Transmission Provider will be based on the rates set forth below. To the extent the Balancing Authority Area operator also performs this service, charges to the Transmission Customer will reflect a pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.

Annual Charge (\$ / MW-year)	\$4,763.00
Monthly Charge (\$ / MW-month)	\$397.00
Weekly Charge (\$ / MW-week)	\$92.00
Daily Charge (\$ / MW-day)	\$13.00
Hourly Charge (\$ / MW-hour)	\$0.54

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

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

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider; indirectly by the Transmission Provider making arrangements with the Balancing Authority Area operator that performs this service for the Transmission Provider's Transmission System; or the Transmission Customer may self-supply. The Transmission Customer may only self-supply this service if it demonstrates to the Transmission Provider that it owns or has direct control of generation facilities and/or non-generation resources that are capable of providing reactive supply and voltage control to help maintain transmission voltages within generally accepted limits and agrees to respond to directives from the Transmission Provider and the Balancing Authority Area operator to operate its facilities to maintain voltage levels. Otherwise, the Transmission Customer must purchase this service from the Transmission Provider or the Balancing Authority Area operator. The charges

for such service will be based on the rates set forth below. To the extent the Balancing Authority Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Balancing Authority Area operator.

Annual Charge (\$ / MW-year)	\$1,053.80
Monthly Charge (\$ / MW-month)	\$87.82
Weekly Charge (\$ / MW-week)	\$20.27
Daily Charge (\$ / MW-day)	\$2.90
Hourly Charge (\$ / MW-hour)	\$0.18

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 non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Balancing Authority Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area(s). The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. To the extent the Balancing Authority Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.

Tri-State is not a Balancing Authority Area operator and therefore will offer to arrange for Regulation and Frequency Response Service for the Transmission Customer consistent with Section 3 of the Tariff.

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 Balancing Authority Area over a single hour. The obligation to offer Energy Imbalance Service lies with the Transmission Provider when the transmission service is used to serve load within its Balancing Authority Area(s). The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. If the Transmission Customer chooses to obtain this service from a third party, the service arrangements must include dynamic metering of the Transmission Customer's load measurements to both the third party service provider and the Transmission Provider, on a basis reasonably acceptable to the Transmission Provider. To the extent the Balancing Authority Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under Schedule 9 or hourly energy imbalances under this Schedule for the same imbalance, but not both.

Tri-State is not a Balancing Authority Area operator and therefore will offer to arrange for Energy Imbalance Service for the Transmission Customer consistent with Section 3 of the Tariff.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. To the extent the Balancing Authority Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.

Tri-State is not a Balancing Authority Area operator and therefore will offer to arrange for Spinning Reserve Service for the Transmission Customer consistent with Section 3 of the Tariff.

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. To the extent the Balancing Authority Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.

Tri-State is not a Balancing Authority Area operator and therefore will offer to arrange for Supplemental Reserve Service for the Transmission Customer consistent with Section 3 of the Tariff.

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 in paragraphs 1 through 4 below:

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$50,588.00 / MW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$4,216.00 MW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$973.00/ MW of Reserved Capacity per week.
- 4) **Daily delivery:** \$195.00 / MW 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 megawatts of Reserved Capacity in any day during such week.

- 5) **Hourly delivery:** The Transmission Customer shall compensate the Transmission Provider \$12.16 /MW-hr for Reserved Capacity for each hour of service. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above times the highest amount in megawatts 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 (3) above times the highest amount in megawatts of Reserved Capacity in any hour during such week.
- 6) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be

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

- 7) Where applicable, billings under this Schedule 7 shall be increased by an amount equal to the sum of taxes, fees and charges levied or assessed by any governmental or tribal authority specifically on the service rendered under this Schedule 7, or the right or privilege of rendering the service, or on any object or event incidental to the rendition of service. Nothing herein shall prevent the Transmission Customer from opposing any State or tribal taxing authority's determination that revenue-related taxes are applicable to service provided under this Schedule 7.
- 8) **Unreserved Use of Transmission Capacity:** 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, the Transmission Customer shall pay, in addition to the otherwise applicable charges, a penalty charge for the unauthorized use equal to twice the applicable rate for Firm Point-to-Point Transmission Service as follows: (1) For unauthorized use within a single day, the penalty charge shall be based on the daily rate. (2) For unauthorized use in two or more days in a calendar week, the penalty charge shall be based on the weekly rate. (3) For multiple instances of unauthorized use in more than one calendar week in a calendar month, the penalty charge shall be based on the monthly rate.

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:** \$4,216.00 / MW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$973.00 / MW of Reserved Capacity per week.
- 3) **Daily delivery:** \$195.00 MW 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 megawatts 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 \$12.16 /MW-hr. 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 megawatts 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 megawatts of Reserved Capacity in any hour during such week. The charge for hourly off-peak non-firm transmission service will be \$5.78 / MW-hr.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant

or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 6) Where applicable, billings under this Schedule 8 shall be increased by an amount equal to the sum of taxes, fees and charges levied or assessed by any governmental or tribal authority specifically on the service rendered under this Schedule 8, or the right or privilege of rendering the service, or on any object or event incidental to the rendition of service. Nothing herein shall prevent the Transmission Customer from opposing any State or tribal taxing authority's determination that revenue-related taxes are applicable to service provided under this Schedule 8.
- 7) **Unreserved Use of Transmission Capacity:** In the event that a Transmission Customer (including third party sales by the Transmission Provider) exceeds its Reserved Capacity at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay, in addition to the otherwise applicable charges, a penalty charge for the unauthorized use equal to twice the applicable rate for Firm Point-to-Point Transmission Service as follows: (1) For unauthorized use within a single day, the penalty charge shall be based on the daily rate. (2) For unauthorized use in two or more days in a calendar week, the penalty charge shall be based on the weekly rate. (3) For multiple instances of unauthorized use in more than one calendar week in a calendar month, the penalty charge shall be based on the monthly rate.

[This sheet reserved for future use.]

SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Providers' Balancing Authority Area(s) and a delivery schedule from that generator to (1) another Balancing Authority Area or (2) a load within the Transmission Provider's Balancing Authority Area over a single hour. The obligation to offer Generator Imbalance Service lies with the Transmission Provider when transmission service is used to deliver energy from a generator located within its Balancing Authority Area(s). The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Balancing Authority Area Operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Balancing Authority Area Operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or hourly energy imbalances under Schedule 4 for the same imbalance, but not both.

Tri-State is not a Balancing Authority Area operator and therefore will offer to arrange for Generator Imbalance Service for the Transmission Customer consistent with Section 3 of the Tariff.

ATTACHMENT A

Service Agreement for Long Term Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement is entered into by and between Tri-State Generation and Transmission Association, Inc. (Transmission Provider) and [Click here to enter customer name](#) (Transmission Customer).
- 2.0 Transmission Customer has been determined by Transmission Provider to be a Transmission Customer under Part II of the Tariff and to have a Completed Application for Long Term Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 Transmission Customer has provided to Transmission Provider an Application deposit (check here if application deposit waived) and non-refundable processing fee in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 If at any time during the term of this Service Agreement Transmission Provider determines that Transmission Customer fails to meet the credit requirements of Section 11 and Attachment J to the Tariff, as they may be amended, Transmission Customer shall provide any additional forms of security as required by Attachment J.
- 5.0 Notwithstanding the provisions of Section 7.3 of the Tariff, if Transmission Provider determines that Transmission Customer is in default pursuant to Section 7.3 of the Tariff, Transmission Provider may immediately suspend service under this Service Agreement until such default is cured.
- 6.0 Service under this Service 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 is completed, or (3) such other date mutually agreed upon. Service under this Service Agreement shall terminate on the Termination Date defined in Section 1 of the Specifications of this Service Agreement or such date as mutually agreed upon by the parties.
- 7.0 Transmission Service under this Service Agreement is available on a long-term basis (one year or longer).
- 8.0 Rollover Rights: (Applicable only for a service agreement for a term of five years or longer.) Based on Transmission Provider's Load Forecast Study dated [Click here to enter Date](#), and as indicated below, Transmission Customer may, or may not exercise rollover rights pursuant to Section 2.2 of the Tariff subject to Transmission Provider's need for the transmission capability covered by this Service Agreement in order to serve native load or provide service pursuant to higher-queued transmission service requests

[Choose one]:

___ Transmission service may not be rolled over or renewed beyond the initial term. Transmission Provider will re-evaluate the capability of its system upon the request of Transmission Customer made not less than one year before the expiration date of this service agreement.

___ Transmission service may be rolled over or renewed through [Click here to enter Date](#) but may not be rolled over or renewed beyond that date. Transmission Provider will re-evaluate the capability of its system at the request of Transmission Customer made not less than one year before the expiration date of this service agreement.

___ Transmission service may be rolled over or renewed without a restriction on its term.

- 9.0 Transmission Provider agrees to provide and Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of the Tariff as it may be amended and this Service Agreement, including the attached Specifications.
- 10.0 Any Transmission Service provided by Transmission Provider may be subject to charges assessed pursuant to Schedules 1 through 7 and 9 of the Tariff. In addition, any Transmission Service provided by Transmission Provider within the State of New Mexico may be subject to gross receipts tax payable by Transmission Customer.
- 11.0 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:

OASIS/OATT Administrator
Tri-State Generation and Transmission Association, Inc.
Direct Mail: 1100 W. 116th Ave., Westminster, CO 80234
FedEx or UPS: 3761 Eureka Way, Frederick, CO 80516
or via OATTAdmin@tristategt.org

Transmission Customer:

[Click here to enter customer name](#)
[Click here to enter contact name](#)
[Click here to enter address](#)
[Click here to enter city, state, zip](#)
[Click here to enter email](#)

12.0 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 representatives as of the last date indicated below.

Transmission Provider:

By: _____

Name: [Click here to enter name](#)

Title: [Click here to enter title](#)

Date: _____

Transmission Customer:

By: _____

Name: [Click here to enter name](#)

Title: [Click here to enter title](#)

Date: _____

Specifications For Long-Term Firm Point-To-Point Transmission Service

- 1.0 Term of Transaction: [Click here to enter term of transaction](#)
- Start Date: [Click here to enter a Date](#)
- Termination Date: [Click here to enter a Date](#)
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Balancing Authority Area (BA) (referred to and defined as “Control Area” in the Tariff) in which the transaction originates.
- Long-Term Firm Point-to-Point transmission service: [Click here to enter BA](#)
- 3.0 Point(s) of Receipt: [Click here to enter point\(s\) of receipt](#)
- Delivering Party: [Click here to enter delivering party](#)
- 4.0 Point(s) of Delivery: [Click here to enter point\(s\) of delivery](#)
- Receiving Party: [Click here to enter receiving party](#)
- 5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
- [Click here to enter reserved capacity](#)
- 6.0 Designation of party(ies) subject to reciprocal service obligation:
- [Click here to enter party\(ies\)](#)
- 7.0 Name(s) of any intervening systems providing transmission service:
- [Click here to enter intervening systems](#)
- 8.0 Service under this Service Agreement may be subject to some combination of the charges detailed below.
- 8.1 Transmission Charge: Payable to Transmission Provider monthly at the posted Tariff rate for that time period.
- [Click here to enter transmission charge](#)

8.2 Ancillary Services Charges provided by Transmission Provider:

8.2.1 Schedule 1 (Scheduling, System Control, and Dispatch):

Payable to Transmission Provider monthly at the posted Tariff rate for that time period.

8.2.2 Schedule 2 (Reactive supply and voltage Control):

Payable to Transmission Provider monthly at the posted Tariff rate for that time period;

Or

Self supplied by Transmission Customer.

8.2.3 Schedule 3 (Regulation and Frequency Response):

Provided by the applicable Balancing Authority and settled based upon its tariff requirements, or established business practices,

Or

Self supplied by Transmission Customer.

8.2.4 Schedule 4 (Energy Imbalance):

Provided by the applicable Balancing Authority and settled based upon its tariff requirements or established business practices.

8.2.5 Schedule 5 (Operating Reserve- Spinning Reserve Service):

Provided by the applicable Balancing Authority and settled based upon its tariff requirements or established business practices,

Or

Self supplied by Transmission Customer.

8.2.6 Schedule 6 (Operating Reserve- Supplemental Reserve Service):

Provided by the applicable Balancing Authority and settled based upon its tariff requirements or established business practices,

Or

Self supplied by Transmission Customer.

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

[Click here to enter system impact and/or facilities study charge\(s\)](#)

8.4 Direct Assignment Facilities Charge

[Click here to enter direct assignment facilities charge](#)

8.5 Network Upgrades and costs:

[Click here to enter network upgrades and costs](#)

8.6 Transmission Loss Compensation:

OATT Losses: To be determined based on the Transmission Provider's Tariff real power loss rate as specified in Section 15.7 of the Tariff. This will be applied to the actual amount of energy received at the Point of Delivery. Energy losses may be scheduled on an in-kind basis back to Transmission Provider or paid for on a financial basis at the End of Month (EOM). The EOM financial settlement will be based on a firm monthly cost index based on 100% of the Dow Jones daily weighted firm on and off peak prices for the Palo Verde Trading Hub.

Transmission Customer will determine the method of payback for losses and notify the Transmission Provider in writing prior to the start of the Transmission Service, which will remain in effect for the duration of the agreement.

9.0 Scheduling:

E-Tags will be required from Transmission Customer with the projected scheduled use of this path both on a prescheduled and near term operational basis. These projected schedules will be used by the Transmission Provider to post non-firm Available Transmission Capability (ATC) for this transmission path.

ATTACHMENT A-1

Service Agreement for Short Term Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement is entered into by and between Tri-State Generation and Transmission Association, Inc. (Transmission Provider) and [Click here to enter customer name](#) (Transmission Customer).
- 2.0 Transmission Customer has been determined by Transmission Provider to be a Transmission Customer under Part II of the Tariff and to have a Completed Application for Short Term Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 Transmission Customer shall provide a deposit for all short-term firm transmission service in excess of three months in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 If at any time during the term of this Service Agreement Transmission Provider determines that Transmission Customer fails to meet the credit requirements of Section 11 and Attachment J to the Tariff, as they may be amended, Transmission Customer shall provide any additional forms of security as required by Attachment J.
- 5.0 Notwithstanding the provisions of Section 7.3 of the Tariff, if Transmission Provider determines that Transmission Customer is in default pursuant to Section 7.3 of the Tariff, Transmission Provider may immediately suspend service under this Service Agreement until such default is cured.
- 6.0 Service under this Service Agreement shall be provided by Transmission Provider upon acceptance by Transmission Provider of a request by an authorized representative of Transmission Customer using Transmission Provider's Open Access Same-Time Information System (OASIS).
- 7.0 Transmission Service under this Service Agreement is available on a short-term basis (less than one year) and does not entitle Transmission Customer to rights under Section 2.2 of Transmission Provider's Tariff.
- 8.0 Transmission Provider agrees to provide and Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of the Tariff as it may be amended and this Service Agreement.
- 9.0 Any Transmission Service provided by Transmission Provider may be subject to charges assessed pursuant to Schedules 1 through 7 and 9 and real power losses as specified in Section 15.7 of the Tariff. In addition, any Transmission Service provided by Transmission Provider within the State of New Mexico may be subject to gross receipts tax payable by Transmission Customer.

10.0 Scheduling: E-Tags may be required from Transmission Customer with the projected scheduled use of each path both on a prescheduled and near term operational basis. These projected schedules will be used by the Transmission Provider to post non-firm Available Transmission Capability (ATC) for that transmission path.

11.0 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:

OASIS/OATT Administrator
Tri-State Generation and Transmission Association, Inc.
Direct Mail: 1100 W. 116th Ave., Westminster, CO 80234
FedEx or UPS: 3761 Eureka Way, Frederick, CO 80516
or via OATTAdmin@tristategt.org

Transmission Customer:

[Click here to enter customer name](#)
[Click here to enter contact name](#)
[Click here to enter address](#)
[Click here to enter city, state, zip](#)
[Click here to enter email](#)

12.0 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 representatives as of the last date indicated below.

Transmission Provider:

By: _____

Name: [Click here to enter name](#)

Title: [Click here to enter title](#)

Date: _____

Transmission Customer:

By: _____

Name: [Click here to enter name](#)

Title: [Click here to enter title](#)

Date: _____

ATTACHMENT B

Service Agreement for Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement is entered into by and between Tri-State Generation and Transmission Association, Inc. (Transmission Provider) and [Click here to enter customer name](#) (Transmission Customer).
- 2.0 Transmission Customer has been determined by Transmission Provider to be a Transmission Customer under Part II of the Tariff and to have a Completed Application for Non-Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 If at any time during the term of this Service Agreement Transmission Provider determines that Transmission Customer fails to meet the credit requirements of Section 11 and Attachment J to the Tariff, as they may be amended, Transmission Customer shall provide any additional forms of security as required by Attachment J.
- 4.0 Notwithstanding the provisions of Section 7.3 of the Tariff, if Transmission Provider determines that Transmission Customer is in default pursuant to Section 7.3 of the Tariff, Transmission Provider may immediately suspend service under this Service Agreement until such default is cured.
- 5.0 Service under this Service Agreement shall be provided by Transmission Provider upon acceptance by Transmission Provider of a request by an authorized representative of Transmission Customer using the Transmission Provider's Open Access Same-Time Information System (OASIS).
- 6.0 Transmission Provider agrees to provide and Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of the Tariff as it may be amended and this Service Agreement.
- 7.0 Any Transmission Service provided by Transmission Provider may be subject to charges assessed pursuant to Schedules 1 through 6 and 8 and 9 and real power losses as specified in Section 15.7 of the Tariff. In addition, any Transmission Service provided by Transmission Provider within the State of New Mexico may be subject to gross receipts tax payable by Transmission Customer.
- 8.0 Scheduling: E-Tags may be required from Transmission Customer with the projected scheduled use of each path both on a prescheduled and near term operational basis. These projected schedules will be used by the Transmission Provider to post non-firm Available Transmission Capability (ATC) for that transmission path.

9.0 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:

OASIS/OATT Administrator
Tri-State Generation and Transmission Association, Inc.
Direct Mail: 1100 W. 116th Ave., Westminster, CO 80234
FedEx or UPS: 3761 Eureka Way, Frederick, CO 80516
or via OATTAdmin@tristategt.org

Transmission Customer:

[Click here to enter customer name](#)
[Click here to enter contact name](#)
[Click here to enter address](#)
[Click here to enter city, state, zip](#)
[Click here to enter email](#)

10.0 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 representatives as of the last date indicated below.

Transmission Provider:

By: _____

Name: [Click here to enter name](#)

Title: [Click here to enter title](#)

Date: _____

Transmission Customer:

By: _____

Name: [Click here to enter name](#)

Title: [Click here to enter title](#)

Date: _____

ATTACHMENT C

Methodology to Assess Available Transmission Capability

This Attachment C contains the Transmission Provider's methodology for determination of Available Transfer Capability (ATC).

1. Definitions

- 1.1 Total Transfer Capability (TTC)** – The amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.
- 1.2 Available Transfer Capability (ATC)** – The measure of the transfer capability remaining in the physical transmission network for the further commercial activity over and above already committed uses. From a mathematical standpoint, ATC is defined as the Total Transfer Capability (TTC) less the Existing Transmission Commitments (ETC), less a Capacity Benefit Margin (CBM), less any Transmission Reliability Margin (TRM), plus any Postbacks and Counterflows.
- 1.3 Existing Transmission Commitments (ETC)** – A Transmission Provider's existing transmission capacity obligations which may include grandfathered transmission contracts, Tariff transmission reservations (including rollover rights for extensions) and other obligations that impact firm ATC.
- 1.4 Capacity Benefit Margin (CBM)** – The amount of firm transmission transfer capability preserved by the Transmission Provider for Load-Serving Entities (LSEs), whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies.
- 1.5 Transmission Reliability Margin (TRM)** – The amount of transmission transfer capability necessary to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change.
- 1.6 Postbacks** – A variable component of the Transmission Provider's selected ATC calculation methodology that positively impacts ATC based on a change in status of a Transmission Service reservation or use of reserved capacity, or other conditions as specified by the Transmission Provider.

- 1.7 Counterflows** – A variable component of the Transmission Provider’s selected ATC calculation methodology that impacts ATC in a direction counter to prevailing TTC rating.
- 1.8 Scheduling Horizon** – A specified number of hours extending past the current hour. For the Transmission Provider, the OASIS Scheduling Horizon is equal to the current hour plus eight (8) hours.
- 1.9 Operating Horizon** – A specified number of hours extending past the end of the Scheduling Horizon. For the Transmission Provider, the OASIS Operating Horizon is equal to the end of the Scheduling Horizon plus 168 hours.
- 1.10 Planning Horizon** – A specified number of days extending past the end of the Operating Horizon. For the Transmission Provider, the OASIS Planning Horizon is equal to the end of the Operating Horizon plus 3650 days.
- 1.11 Path Operator** – That entity that is responsible for monitoring specified transfer paths, for conducting studies to determine the TTC for the specified transfer paths, and for disseminating information to those Transmission Providers who have contractual rights on that specified transfer path.

2. Description of Mathematical Algorithm Used to Calculate Firm and Non-Firm ATC

- 2.1** The Transmission Provider uses a rated path methodology in order to assess the firm and non-firm ATC for all posted paths in the Scheduling, Operating, and Planning Horizons. The methodology is based on the prescribed NERC Standard MOD-029-1 and is also in accordance with the Western Electric Coordinating Council’s (WECC) rated path methodology. The process of calculating ATC is performed by a third-party software product that methodically calculates the firm and non-firm ATC in accordance with the mathematical algorithm detailed below.
- 2.2** The mathematical algorithms used for firm and non-firm ATC in the Scheduling, Operating, and Planning Horizons are shown in the following general formulas:

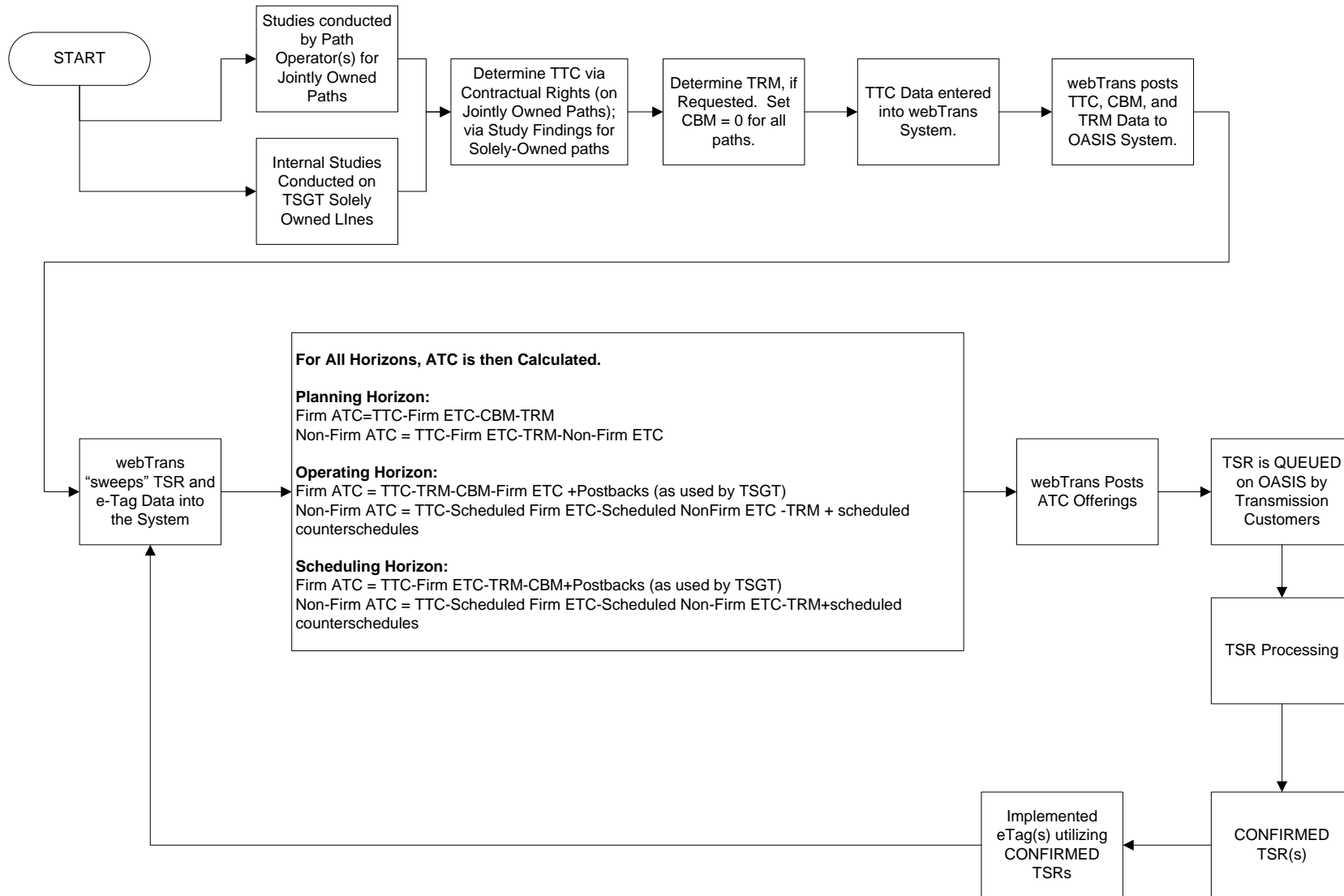
$$ATC_F = TTC - ETC_F - CBM - TRM + Postbacks_F + counterflows_F$$

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM - TRM + Postbacks + counterflows$$

Each component of the above formulas is further defined in the ATCID available on the Transmission Provider’s main OASIS page at <http://www.oasis.oati.com/TSGT>, the details of which are also discussed in this Attachment C.

3. Process Flow Diagram Illustrating Various Steps Through Which ATC is Calculated

(3) Process Flow Diagram Illustrating the Various Steps Through Which ATC is Calculated



4. Description of How Each ATC Component is Calculated

4.1 Determination of Total Transfer Capability (TTC)

4.1.1 Calculation Methodology. The WECC Rated Paths using the MOD-029 rated path methodology on the Transmission Provider's transmission system include Path 30 (TOT1A), 31 (TOT2A), 36 (TOT3), 39 (TOT5), 47 (SNMI), and 48 (NNMI). The stated paths are operated by entities other than this Transmission Provider and as such, this Transmission Provider receives the TTC value from the Path Operator of these defined paths. The Transmission Provider posts its respective share of the path's TTC for each path for which this Transmission Provider has rights. For those paths that are owned by this Transmission Provider but which are not part of a jointly-owned path, the Transmission Provider will utilize TTC values based upon the thermal facility ratings for all reliability-limited paths. If NERC MOD-29-1 requirement R2.1 simulation studies result in flow-limited transmission segments, then the TTC on the transmission segment will be set to that maximum simulation flow that satisfies all planning criteria.

- (i) Once a determination of TTC is made, that TTC will normally remain fixed and will only change should there be a physical or operational change on the Transmission Provider's transmission system.
- (ii) The Transmission Provider is party to several contractual agreements that allow for the Path Operator to allocate jointly-owned transmission capacity to the Transmission Provider. Because some of these paths have dynamic ratings, they are subject to frequent TTC changes as system conditions change. As the Transmission Provider receives TTC allocations from the Path Operator, the Transmission Provider will change the TTC postings in accordance with the Path Operator and in conjunction with an agreed upon allocation process by all path participants.

4.1.2 Databases Used in TTC Assessments. The power flow studies used in the Transmission Provider's TTC assessments are based on the system base case data developed through the Western Electric Coordinating Council (WECC).

4.1.3 Assumptions Used in TTC Assessments. The Path Operator(s) of the jointly-owned path(s) utilizes the MOD-029-1 Rated Path Methodology in conjunction with the system base case data developed through the WECC in determining the TTC for those paths.

4.2 Existing Transmission Commitments (ETC)

4.2.1 Calculation Methodology. Existing Transmission Commitments are divided into two categories, firm and non-firm, each having a subsequent impact on the calculation of firm or non-firm ATC.

4.2.1.1 Firm Existing Transmission Commitments (ETC_F) measures the firm committed uses of the transmission system and includes the following:

- (i) **Firm Network Integration Transmission Service (NITS_F)** – Includes the capacity reserved for Network Integration Transmission Service to serve that customer’s load. The Transmission Provider has determined the necessary commitments based on the Network Integration Service Customer’s designated network resources and the designated loads to be served by those resources. For the majority of the Transmission Provider’s paths, the TTC has been fully assigned to the various Network Integration Transmission Service customers. The Transmission Provider’s system, relative to the Network Service load that must be served over the system, is such that even when designated Network Resources are off-line, the transfer capacity is still needed by the Network Customers so that they may continue to serve their respective loads from other resources.
- (ii) **Incorporation of Point-to-Point Transmission Service Requests (TSRs)** – The Transmission Provider includes existing, confirmed TSRs for Point-to-Point transmission service in studies using the specified megawatt quantity granted as well as the specific Point of Receipt and Point of Delivery.
- (iii) **Incorporation of Rollover Rights (ROR)** – The Transmission Provider accounts for the possibility that the eligible customer will choose to exercise their rollover rights. Rollover rights obligations are shown on the OASIS under ATC Information.
- (iv) **Incorporation of Grandfathered (GF) Firm Transmission Service Agreements** – The Transmission Provider includes the impact of agreements for transmission service that were executed prior to the effective date of FERC Order 888. The capacity value of the grandfathered firm transmission service agreement is the value used to derive the ETC.

4.2.1.2 NON-Firm Existing Transmission Commitments – Measures the non-firm use of the transmission system and includes the following components:

- (i) **Non-Firm Network Integration Transmission Service (NITS_{NF})** – Includes capacity reserved on a non-firm basis by the Network Integration Transmission Service Customer. This transmission service is reserved directly by the customer and is reserved at the customer's discretion.
- (ii) **Incorporation of Non-Firm Point-to-Point Transmission Service Reservations (TSRs)** – The Transmission Provider includes existing, confirmed TSRs in the non-firm ETC calculation.

4.3 Transmission Reliability Margin (TRM)

4.3.1 Practice. In FERC Order 890, FERC notes the acceptable uses of TRM which includes the use for automatic sharing of reserves. The Transmission Provider allocated TRM for the use of automatic sharing of reserves and may change its policy on the use of TRM from time to time.

4.3.2 Calculation Methodology. The Transmission Provider works in conjunction with its Network Integration Transmission Service customers to utilize the sharing matrices utilized by the respective reserve sharing groups to determine the megawatt amounts the customer is to provide in response to a contingency. The customer also determines with which Network Resources the customer will respond with. The response megawatt values, determined by the respective reserve sharing groups, are the values utilized to allocate TRM on the Transmission Provider's system.

4.3.3 Databases Used in TRM Assessments. No databases are utilized by the Transmission Provider to determine the TRM values. The Transmission Provider only the matrices developed by the respective reserve sharing groups.

4.3.4 Conditions Under Which the Transmission Provider Uses TRM. The Transmission Provider uses TRM to set aside capacity to deliver reserve obligations of its Network Integration Transmission Service customers. Generally, when a loss of a generation resource, which resides within the reserve sharing group's footprint, occurs the members of the reserve sharing group respond by delivering replacement energy to the member who experienced the loss. TRM is reserved to ensure sufficient transmission capacity exists to deliver the replacement energy requirement to the member experiencing the loss. As a contingency can occur at any

time, the Transmission Provider does not release TRM for non-firm use, ensuring its availability for reserve activations.

4.4 Capacity Benefit Margin (CBM)

- 4.4.1 Practice.** The Transmission Provider’s practice does not allocate CBM on any posted path for any of the horizons. As the Transmission Provider does not utilize CBM, the value for CBM within any of the ATC calculations is set to zero (0) for all horizons. Because the Transmission Provider does not set aside transfer capability for CBM and because no current regional methodology exists for the procurement of DBM, the Transmission Provider does not have any procedures for requesting CBM. Should the Transmission Provider determine the need to allocate CBM, the Transmission Provider will post the required information on its OASIS.
- 4.4.2 Calculation Methodology.** The Transmission Provider does not allocate CBM and as such the CBM value in the ATC calculations is set to zero (0) for all posted paths for all horizons. The Transmission Provider will reevaluate the need for CBM annually.
- 4.4.3 Databases Used in CBM.** As the Transmission Provider does not allocate CBM in its ATC calculation methodology, no databases are currently used in assessing CBM.
- 4.4.4 Demonstration of No-Double Counting of Contingency Outages When Performing CBM, TTC, and TRM Calculations.** As the Transmission Provider does not allocate for CBM and because the value for CBM is set to zero (0) for all ATC calculation methodologies in all horizons, no double counting occurs.
- 4.4.5 Procedures to Allow the Use of CBM.** NERC Standard MOD-004-1, R1 states that “The Transmission Provider that maintains CBM shall prepare and keep current a ‘Capacity Benefit Margin Implementation Document’ (CBMID)...” As The Transmission Provider does not maintain capacity for CBM, the Transmission Provider does not allow for a procedure to allow the use of CBM.

ATTACHMENT D

Methodology for Completing a System Impact Study

Upon receipt of a valid request for service pursuant to the applicable terms and conditions of the Tariff, the Transmission Provider will perform a System Impact Study on a non-discriminatory basis for the requested transmission service. The study will employ Good Utility Practice, the engineering and operating principles, standards, guidelines, and criteria of the Transmission Provider, and applicable guidelines and standards established by the North American Electric Reliability Council (NERC), Western Electricity Coordinating Council (WECC), and any entity (Authorized Entity) which has been authorized to promulgate or apply regional or national reliability planning standards (such as a regional transmission group), or any similar organization that may exist in the future of which the Transmission Provider is a member.

The Transmission Provider shall use its sole discretion as to the scope, details and methods used to perform the System Impact Study. However, at all times, the Transmission Provider will utilize methods and criteria consistent with those employed by the Transmission Provider for evaluating requirements for its member distribution cooperatives. Where possible, the Transmission Provider will utilize existing studies to evaluate new or upgraded service requests.

ATTACHMENT E

Index Of Long Term Firm Point-To-Point Transmission Service Customers

Public Service Company of Colorado (Ames-Cascade)

Tri-State Generation and Transmission Association, Inc. (Tri-State Power Management)

Lightning Dock Geothermal, LLC

Holy Cross Electric Association, Inc.

City of Gallup

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

- 1.0 This Service Agreement is entered into, by and between Tri-State Generation and Transmission Association, Inc. (the Transmission Provider), and _____ (the Transmission Customer) and shall become effective on the date of its execution.
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under this Tariff.
- 3.0 The Transmission Customer has provided the Transmission Provider an Application deposit in the amount of \$_____ and non-refundable processing fee, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 If at any time during the term of this Service Agreement the Transmission Provider finds that the Transmission Customer fails to meet the credit requirements of Section 11 and Attachment J to the Tariff as they may be amended, the Transmission Customer shall provide any additional forms of security as required by Attachment J.
- 5.0 The Transmission Customer and the Transmission Provider have completed all necessary technical arrangements in accordance with the provisions of Sections 29.3 and 29.4 of the Tariff.
- 6.0 The Transmission Customer has executed a Network Operating Agreement with the Transmission Provider in accordance with Section 35.2 of the Tariff.
- 7.0 Service under this Service Agreement shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as mutually agreed upon. Service under this Service Agreement shall terminate on _____.
- 8.0 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 Part III of the Tariff and this Service Agreement.
- 9.0 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:
OASIS/OATT Administrator
Tri-State Generation and Transmission Assoc., Inc.
P.O. Box 33695
Denver, CO 80233

Transmission Customer:

10.0 The Tariff Specifications for Network Integration Transmission Service, and the Network Operating Agreement are 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.

Tri-State Generation and Transmission Association, Inc.

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

**Specifications for
Network Integration Transmission Service**

1.0 Term of Service: _____
Start Date: _____
Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Balancing Authority Area (referred to and defined as “Control Area” in the Tariff) in which the transaction originates.

3.0 Network Resources:

Total Network Resources: _____

4.0 Network Loads:

Total Network Loads: _____

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

6.0 Name of any intervening systems providing transmission service:

7.0 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).

7.1 Load Ratio Share of Annual Transmission Revenue Requirement as determined pursuant to Section 34 of the Tariff.

7.1.1 For the first twelve months of service under this Service Agreement commencing on the Start Date set forth in Section 1 of the Specifications,

Transmission Customer's Load Ratio Share will be determined based on Transmission Customer's average Load Ratio Share in the months in which Transmission Customer has taken service. After the first twelve months of service, Load Ratio Share will be calculated on a rolling twelve month average basis.

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

7.3 Direct Assignment Facilities Charge:

7.4 Ancillary Services Charges:

7.5 Redispatch Charges:

7.6 Gross Receipts Tax:

7.7 Transmission Loss Compensation:

If the Transmission Customer elects to settle losses directly with the Balancing Authority, the Transmission Customer shall notify the Transmission Provider. Until such time as the Transmission Provider is notified of such arrangements, Transmission Customer is responsible for all transmission losses assessed herein by the Transmission Provider.

ATTACHMENT G

Network Operating Agreement

The Network Operating Agreement may include but shall not be limited to provisions addressing the following:

1. Load shedding,
2. Equipment to be installed,
3. Transfer of data, and
4. Other technical and operational considerations for implementation of Part III of the
Tariff.

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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 \$124,180,189.00
2. The amount in (1) shall be effective until amended by the Transmission Provider.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

Public Service Company of New Mexico

Municipal Energy Agency of Nebraska

Arkansas River Power Authority

Tri-State Generation and Transmission
Association, Inc. (Tri-State Power Management)

Public Service Company of Colorado

City of Raton (Raton Public Service Co.)

Kit Carson Electric Cooperative, Inc.

ATTACHMENT J

Credit Review Process

1. Scope

A credit analysis is performed on customers desiring to do business with the Transmission Provider. The Transmission Provider's Credit Division analyzes the financial strength of credit applicants and makes a creditworthiness determination. Except as required by regulation or law, applicant credit information is not released to outside third parties.

The credit analysis may include applicant supplied and/or independently obtained data from sources such as trade references, bank references, annual audited and quarterly financial statements, SEC Filings, FERC applications or approvals, Dun & Bradstreet reports, Value-Line Investment Surveys, Standard & Poor's, Moody's, Fitch, trade publications, or industry contacts.

2. Approval Criteria

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service under the Transmission Provider's Tariff, the Transmission Provider will require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices using quantitative and qualitative criteria to determine the level of secured and unsecured credit. The Creditworthiness Business Practices are set forth in the "Transmission Services-Creditworthiness Business Practices" and are published on the Transmission Provider's Open Access Same-Time Information System (OASIS) under "Business Practices."

3. Credit Recommendation

Each applicant is scored using quantitative and qualitative criteria to determine the level of secured and unsecured credit, with the credit criteria consistently applied to all applicants.

The analysis provides a basis for approving the applicant for credit up to a certain threshold, or requiring credit support security.

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